



ENGAGEMENT LETTER

This letter sets forth the terms that apply to the representation of the Client by Innovation Capital Law Group, LLP ("our," "us," "we," or the "Firm") in connection with legal services, i.e., intellectual property, corporate, securities, or other legal matters, some of which may not be pertinent to you.

1. **Conflicts of Interest.**

Initially, our firm's intake procedures require receiving and approving an executed copy of your agreement to this engagement, checking for any conflicts of interest based upon the information that you have provided us about you and your matter(s), and taking certain other routine clerical steps. Subject to satisfying these procedures, we will open a matter and commence work for you. Should it later develop that a conflict of interest exists or has developed, we will immediately contact you to determine what options we have within the canons of ethics to resolve the matter or to help you obtain other counsel.

2. **Scope of Agreement.**

To confirm our understanding, you have agreed to engage our services in connection with general intellectual property and corporate legal services. This engagement does not include representing you in any particular litigation, for which a separate litigation engagement agreement will be required.

The hourly rates in our firm presently range from \$70 for certain paralegals or law clerks to \$500 and up for the most experienced attorneys working on the most complicated and difficult matters. Our rates will be adjusted from time to time to account for various factors, such as client relationship, matter complexity, the increase in experience and training of our attorneys and increased costs. We reserve the right to change the staffing of any matter as we deem fit. Flat rates for patent and trademark prosecution matters are published on our website at <http://icaplaw.com/flat-fees>. On certain matters we may provide you with an estimate of the fees necessary to complete a specific project within that matter. To the extent we provide such an estimate, we may require receipt of those funds prior to beginning that project. This estimate practice is often the case with respect to patent, trademark and copyright prosecution matters.

3. **Costs and Expenses.**

To save the burdensome cost of accounting, our firm does not separately itemize minor expenses such as postage, photocopies, incoming and outgoing facsimiles, local and long distance telephone charges and other miscellaneous items. During our representation of you, we may also advance and/or incur various expenses particular to your matters. We will advance these expenses, unless we determine the magnitude thereof is of such amount as to make other arrangements appropriate. You agree to reimburse us for all of these expenses ("costs") paid by us, or if you are billed directly for these expenses, to make prompt, direct payments to the originators of the bills. You authorize us to incur these reasonable costs on your behalf, and for us to pay the same out of any funds in our trust account as they become due.

For your information, these costs and expenses may include, but are not limited to, the following: filing fees, messenger and other delivery fees, research expenses, consultants and expert witness fees, express mail or other overnight courier charges, outside photocopying and other reproduction, and other similar expenses that we may reasonably incur. It may be necessary to hire vendors to aid in the preparation or presentation of a case. You or we may also deem it prudent to utilize the expertise of an attorney outside of this office for certain phases of your representation. You authorize us to incur all reasonable costs and to hire any associate attorney, independent contractor, illustrator, researcher, consultant or expert witness reasonably necessary or appropriate in our judgment unless you specifically instruct us, in writing, not to do so and accept the responsibility of that decision. You will be responsible for such person's fees and charges, and you agree, at our option, to make separate financial arrangements with that person and agree that the money supplied by you to us pursuant to this letter agreement is not intended to be applied toward any amounts due to any such person. If we advance fees and costs to such persons on your behalf, these costs will be itemized on our invoices, and you are required to pay such costs.

4. **Statements, Manner of Billing and Payment.**

Each client is assigned a separate client code, and each matter for that client is assigned a separate matter code. Each attorney and legal assistant working on a matter records his or her time by client and matter reference. In addition, disbursements are also recorded based upon client and matter reference.

As you know, a part of the cost of doing business is the cost of funds. We will tender our invoices for fees and expenses at such intervals as we deem appropriate, usually monthly. All invoiced amounts are immediately due and payable. If payment is not received within thirty (30) days following the date of any invoice in question, a late payment charge of one percent (1%) of the outstanding balance owed may be added to your statement for the month

following the date of such unpaid invoice and for each month thereafter until payment is received. The undersigned, as individuals, and the Client will be jointly and severally responsible for all obligations owed to us.

In fairness to the majority of the firm's clients who pay their bills promptly each month, late payment charges have been established so that the minority of clients whose accounts become delinquent will bear the firm's cost of late payment. This enables us to render top quality legal services at the lowest possible expense to our clients. Additionally, any clients who are consistently late in their payments will be considered for higher billing rates to account for the increased burden.

The periodic invoices we send you will state the current status of your account; both for services rendered and for costs incurred on your behalf, and you agree to pay any balance due upon receipt. Each person signing below will be jointly and severally responsible for all obligations to us.

The form of the invoice will be in the manner we select, unless you request otherwise in writing.

5. **Retainer and Deposit.**

A retainer will be required for new clients. You acknowledge that you have not engaged our firm unless and until you provide the required retainer. The minimum initial retainer we require from new clients is \$5,000.00, unless either (1) we determine that the complexity of your matter dictates a higher initial retainer, (2) we have provided you a flat fee estimate for a project which makes up the total initial work for a matter, or (3) we have provided a written waiver or reduction of the initial retainer. In each case, we will inform you of any required initial retainer, and will not start working until it is received.

Any retainer is, of course, a deposit for payment of a portion of the legal fees and costs to be incurred. Except to the extent that legal fees are accrued and costs are incurred, any retainer we hold will remain your property and you are entitled to request a refund of any unused portion at any time. You hereby authorize us to endorse your name and to deposit any proceeds we receive for your benefit into our Client Trust Account.

Unless we have otherwise agreed, as legal fees and costs are incurred, we will apply any unused portion of the retainer to your monthly invoice. By your execution of this letter, you are authorizing us to apply your retainer to pay your invoices as billed. We may require additional retainers, from time to time, as we deem necessary. In the event any matter involves a trial, arbitration or other contested proceeding, we will likely require an additional retainer substantially in advance of the adversarial proceeding.

At such time that the balance of your retainer account shall fall below a minimum required amount, we shall bill you for the deficiency, and you shall immediately provide us with such funds so as to bring the account current. During certain months, our invoices may exceed the balance deposited in your retainer account. If this should occur, and your balance is not replenished to at least the amount by which our invoices exceed the amount that you have on deposit ("the delinquency"), then after 30 days you may be charged with interest on the delinquency at the rate of 1% per month.

6. **Replacement, Discharge, Withdrawal, Termination or Conclusion.**

We will endeavor to represent you promptly and efficiently according to the highest legal and ethical standards. However, you have the right to terminate our services at any time upon written notice to us. We also have the right to terminate our services to you, at any time upon written notice. Some of the reasons we might choose to withdraw would be: (1) your breach of this agreement, (2) your refusal to cooperate with us or to follow our advice on a material matter, including your refusal to accept a settlement offer we recommend to a controversy, or (3) any fact or circumstance that would render our continuing representation of you unlawful or unethical. We each agree to sign any documents reasonably necessary to complete any such termination. Upon the termination of our representation of you, all unpaid charges for services rendered and costs incurred or advanced through the termination date shall become immediately due and payable.

Our office does not keep physical files, but rather electronic copies of all new matters. We acknowledge our obligation, upon your demand, to send you an electronic copy of your matter at or after the termination or conclusion of our services. Should we determine not to maintain electronic copies of your matter following completion of the performance of work on the retained matter, we shall provide you, in writing, with the opportunity to retain an electronic copy of the file. If you do not wish to retain the file or should you not respond to us in writing within thirty (30) days of our letter regarding retention, then you authorize us to discard all electronic copies of your matter.

If we have been engaged to represent you in the filing and prosecution of patent, trademark or copyright applications, our engagement automatically terminates upon that application either issuing or going abandoned. While we often endeavor to calendar and remind you of the filing and payment of maintenance fees, renewals, taxes or annuities (if applicable), we accept no responsibility for doing so. It is incumbent upon you to schedule these dates for yourself.

7. **Disputes and Arbitration.**

We are proud to say that our firm has seldom had disagreements with its clients. However, some disputes occasionally occur, and we generally resolve those through amicable discussion. If a dispute arises between us over fees charged for services, the controversy will be submitted to Arbitration in accordance with the rules of the California State Bar Fee Arbitration Program, as set forth in California Business and Professions Code sections 6200 through 6206. The prevailing party in any litigation regarding a fee dispute will be awarded reasonable attorney's fees and costs incurred in that litigation.

8. **Client's Duty to Maintain Updated Contact Information with Firm.**

It is important for us to have your updated contact information so that we can promptly notify you of any significant matters and deadlines. You hereby agree to notify the firm of any changes in email addresses, mailing addresses and telephone numbers.

9. **Disclaimer of Guarantee.**

We cannot, will not and have not made any representations, promises or guarantees to you about the outcome or success of any matter. Nothing in this agreement shall be construed as such a promise or guarantee, and your obligation to pay the fees and costs incurred in connection with any matter is not dependent in any way on our success in any of your matters.

10. **Attorneys' Lien on Recovery.**

As security for payment of our professional fees and out-of-pocket costs, you hereby grant us a lien on your intellectual property which is the subject of our representation, on any recoveries from litigation involving such intellectual property and on any other proceeds of such intellectual property. Our lien is for the outstanding sums owed to us during and at the conclusion of the performance of our services. In connection with this lien, you hereby appoint us as your attorneys-in-fact with full authority to execute any documents necessary to perfect our lien. Because a lien may affect your property rights, you may seek the advice of an independent lawyer of your choice before agreeing to such a lien.

11. **Going Paperless.**

In an effort to help the environment and reduce your clutter, we will strive to send you copies of documents and correspondences in electronic format instead of hard copies. Feel free to contact us to request complimentary hard copies of any desired documents.

Unless you request otherwise, we will not keep any paper files of your matters. Instead, all documents will be stored and sent electronically. This helps us expedite communication, lower costs and minimize usage of paper.

12. **Consent to Firm's Disclosure of Representation.**

You acknowledge that the fact of Client's representation by the firm is not confidential. You hereby consent to our disclosure of the firm's representation of Client. You also consent to our use of Client's logos and trademarks for marketing purposes, and acknowledge that such usage by the firm constitutes fair use under U.S. trademark and copyright laws.

13. **Additional Matters.**

If you request us to represent you in additional matters, a new engagement letter will not be prepared, unless we both agree otherwise in writing. Absent a new engagement letter, the terms of this letter shall control any additional matters except for the amount of the retainer.

The undersigned hereby agrees to the foregoing: (Please complete below section)

Client (company or individual name): _____

Address: _____

City, State, Zip Code: _____

Telephone: _____

Type of entity (individual, corporation, LLC, etc.): _____

If company, State of Incorporation: _____

If company, less than 500 employees? _____

Date: _____

Sign (sign by typing your name above)

Billing Email Address: _____