

STEPHENS & KRAY

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

ATTORNEYS AND COUNSELORS AT LAW

5000 BIRCH STREET, SUITE 410

NEWPORT BEACH, CALIFORNIA 92660

HTTP://WWW.SKLaw.NET

EMAIL ASSETLAW@SKLaw.NET

TELEPHONE (949) 476-2106

FACSIMILE (949) 476-9320

S&K TERMS OF ENGAGEMENT

Effective the date that the Law Firm of Stephens & Kray, a partnership of professional corporations ("S&K"), has rendered services to me, or the below date, whichever is earlier ("Effective Date"), I give my informed consent and expressly acknowledge, accept and agree to be bound to the S&K Terms of Engagement on both pages of this document ("Terms") with respect to all S&K services. I understand that by agreeing to arbitration, I am waiving my right to a jury trial and that I am granting the following waivers with full knowledge and understanding of the ramifications of my waivers:

Conflicts of Interest and Waivers. When providing services to you (or at anytime thereafter), we (S&K) may be asked to provide formal or informal legal advice to a related or unrelated third party or entity, including someone who could have an affiliation with you and/or your business ("Third Party Engagement"/"TPE"), in matters that may or may not appear to be related to your interests or any pending engagement. TPE services could be rendered to a current or former: spouse, shareholder, member, partner, family member, officer, director, employee, associate, customer or other similar relation, person or entity, who places trust in S&K as their attorney, that by law can deem them our client ("S&K Client"). A potential conflict of interest will always exist and an actual conflict of interest will arise when the interests between/among S&K Clients is ever adverse. The risk to waiving a conflict arising from S&K's representation of other clients could include a loss or erosion of: (i) our duty of undivided loyalty to you that denies our taking any act adverse to your interests, which duty must be shared with each S&K Client; and/or (ii) our attorney-client privilege that denies our sharing adverse confidential information received from you that may be required to be disclosed to and/or discoverable by each S&K Client. By your signature hereto, you acknowledge the foregoing and waive all potential and actual conflicts of interest that can arise out of a TPE. In addition, absent an "exclusive" engagement agreement, you expressly authorize us to accept or continue to handle any other TPE that is not directly adverse to your interests, and/or at our discretion to terminate you as a client and accept a client who may have interests adverse to your interests.

I understand that S&K cannot independently advise me on this agreement and I have been advised to seek other counsel concerning my waivers. I have not engaged S&K to represent my interests on an exclusive basis, nor in any litigation or contested court matter, nor to represent any other person or entity, but to only represent me and entities that I own and/or control. I also understand that S&K offers legal counsel to other S&K Clients, and that S&K may now or in the future accept a TPE and/or represent related parties and/or affiliates, including any subsidiaries, shareholders, members, partners, principals and/or family members of mine (collectively "Affiliates"). By my signature below, I understand and acknowledge that, if I am ever in any situation that is adverse to any other S&K Client and/or Affiliates, I expressly waive and release S&K and hereby grant S&K the authority to offer counsel to any other S&K Client and/or Affiliate(s), free of all claims by me, with my understanding that S&K may offer legal advice that could be contrary to my best interests.

Dated _____

Dated _____

Dated _____

S&K TERMS OF ENGAGEMENT

Limited Scope of Engagement. Engagements are limited to those services that we agree in a writing that describes the nature and scope of your project, transaction or matter ("Matter"). The absence of such a writing will expressly limit our engagement to the consultation or advisory services we have rendered without a duty to provide follow up services. We do not accept adversary, court or litigation matters. We do not monitor future changes in the law that may affect past advice offered. Upon completion of a Matter, S&K has no obligation to provide further services, unless stated otherwise in writing. When a Matter has been completed/closed, our services are considered complete. Unless we are hired on an "exclusive" basis, paid a monthly retainer that is earned without regard to the services we render, you are charged only for those services that we perform. To avoid potential conflicts of interest among past, present and future clients, our engagement, unless sooner terminated, your engagement is considered terminated when no attorney services have been rendered or billed for a three (3) month period (excluding billings in connection with unpaid balances, costs or service charges for prior services or Services Beyond Engagement, see below).

Rates and Fees. Our current hourly rates range from \$395.00 to \$595.00 for principal attorneys, \$150.00 to \$295.00 for associate attorneys, and \$50.00 to \$200.00 for secretarial and paralegal staff. The actual rate charged will be based upon our determination of the nature of the legal services and the qualifications for our personnel. Certain time entries when not otherwise billed out as client costs, are charged as minimum time charges to compensate the firm for the time needed to transition between matters and projects (e.g., attorney telephone calls have a minimum entry of .30 hours). Other types of time charges may reflect a flat fee charge, a Matter/project charge (billed as a minimum or quoted fee) or a minimum daily rate charge of 10 hours when the services rendered reduce the productivity of counsel to work on other client matters on that billing day.

Client Costs. In addition to our professional fees, our statements will include billings for identifiable direct expenses or costs incurred on your behalf, commonly known as "client costs." These include filing/recording fees or charges for messenger services, facsimile, photocopies, overnight delivery, postage, long distance telephone calls, service agents, computer library research or database searches, when applicable, plus an overhead and/or check charge for cost advances. Please review your monthly billing statements, or contact our staff to discuss these client cost charges and rates that you agree to pay. We reserve the right to request an advance payment of client costs and not pay the client cost until we are paid.

Payment Due Dates. Our billing cut-off for most charges, fees and payments is the last day of the month ("Cut-Off"). In certain circumstances, interim statements may be submitted to you. Statements are due upon presentation and are generally mailed before the 5th day of each month for services rendered through the most previous Cut-Off. All unpaid account balances for fees and costs that were incurred in a prior month that remain unpaid as of the last day of a month will be subject to a 2% per month service charge, that comprises a reasonable and fair estimate of liquidated damages and charges ("Service Charge"). This Service Charge reimburses the costs to the firm for late payments, including indirect and unrecorded staff and attorney time, bookkeeping and accounting services, and prevailing interest rates. If you make payment in full of your outstanding account balances as of the last day of the month in which you receive our billing statement then there will be no service charge. In addition, your past due account will be charged for all direct costs and time charges incurred by our staff to obtain collection. If you have any dispute in connection with any outstanding balance, please advise us prior to the last day of the month so that your account can be adjusted prior to that time. If you do not make a payment in full and you do not contact us about a dispute in your account balance prior to the last day of the month that you receive your monthly billing statements, you will have accepted the Terms and conditions of this Service Charge and our authority to terminate the engagement.

Past Due Accounts and Trust Balances. If any interim statement is not paid upon presentation, we reserve the right to terminate the engagement and discontinue performing services at any time thereafter, regardless of the status of your matter. The firm is authorized to retain out of any monies that may come into its possession or control an amount equal to any outstanding balances due and payable to the firm. With respect to trust account monies held for your benefit, in the absence of any written instruction to the contrary, these monies shall remain subject to any charges and claims of S&K for outstanding billings, client costs, when incurred as part of our engagement, or other reimbursable charges. By your signature hereto you expressly agree to these uses of any client trust monies when held for your benefit.

Dispute Resolution. We always want our clients to be satisfied with the reasonableness of our charges. If you question or disagree with our fees as shown in any statement, please call us. Typically, such matters can be resolved to the satisfaction of both sides with little inconvenience or formality. However, if we are not able to reach an agreement, any dispute based upon or arising out of our engagement, and/or the performance or failure to perform services (including, without limit, claims of professional negligence) shall be subject to binding arbitration to be held in Orange County, California before a retired California Superior Court Judge or other professional arbitrator. Judgment on the arbitrator's award shall be final and binding, and may be entered in any competent court. By agreeing to arbitrate you are waiving your right to jury trial. Should you elect to have any fee dispute arbitrated pursuant to non-binding arbitration under statutory or case law, then such non-binding arbitration shall determine only the issue of the amount of fees properly chargeable to you. Any other claims or disputes between us, including claims for professional negligence, shall remain subject to binding arbitration pursuant to this agreement.

File Retention Policy. Firm policy is to destroy each client's legal files in our possession five (5) years after the closing of such matters or files, but generally excluding original documents or electronic copies thereof, that can include marital and estate planning documents that we have been asked to retain for your safekeeping. If you would like us to retain any of your files for a longer period, please let us know.

Conflicts of Interest and Waivers. When providing services to you (or at anytime thereafter), we (S&K) may be asked to provide formal or informal legal advice to a related or unrelated third party or entity, including someone who could have an affiliation with you and/or your business ("Third Party Engagement"/"TPE"), in matters that may or may not appear to be related to your interests or any pending engagement. TPE services could be rendered to a current or former: spouse, shareholder, member, partner, family member, officer, director, employee, associate, customer or other similar relation, person or entity, who places trust in S&K as their attorney, that by law can deem them our client ("S&K Client"). A potential conflict of interest will always exist and an actual conflict of interest will arise when the interests between/among S&K Clients is ever adverse. The risk to waiving a conflict arising from S&K's representation of other clients could include a loss or erosion of: (i) our duty of undivided loyalty to you that denies our taking any act adverse to your interests, which duty must be shared with each S&K Client; and/or (ii) our attorney-client privilege that denies our sharing adverse confidential information received from you that may be required to be disclosed to and/or discoverable by each S&K Client. By your signature hereto, you acknowledge the foregoing and waive all potential and actual conflicts of interest that can arise out of a TPE. In addition, absent an "exclusive" engagement agreement, you expressly authorize us to accept or continue to handle any other TPE that is not directly adverse to your interests, and/or at our discretion to terminate you as a client and accept a client who may have interests adverse to your interests.

Services Beyond Engagement. It may be the case that after an engagement is terminated and without accepting a new engagement for legal services, we are called as a witness, or other requests are made upon us or we are asked about our specific knowledge in connection with matters that are within the scope of a prior engagement. In these situations, you agree to indemnify and hold us harmless for our time incurred and costs (as defined and referred to above) computed at our hourly rates and costs then being charged by the firm. In the event we are called to testify, or are made parties to any legal action, you agree in addition to the foregoing, to tender our defense. The foregoing shall not include those situations where we have been made a named party and our interests are in conflict with your interests (provided such actions are not frivolous in accordance with the *California Code of Civil Procedure section 128.5*, or any successor provision). Services offered after our engagement has been terminated, if accepted by us, will be subject to these same waivers and Terms, as modified in the manner herein authorized.

Terms of Engagement. This engagement extends only to you and if agreed, to entities you own or control, and not to any other person/entity. These Terms supersede all prior terms of engagement but expressly incorporate prior terms when not in conflict with the above. S&K reserves the right to modify our terms of engagement, which shall be effective upon posting updated terms to our website at (www.sklaw.net/terms/) or through notice in our monthly billing statements.

In agreement as of the Effective Date to the above S&K Terms of Engagement and the terms set forth on both pages of this document. This agreement may be executed in counterparts.