

## Terms of Representation

We realize that professional fees are of vital concern to you. In this regard, please understand the only thing that we have to offer is our time and legal advice. Naturally, we prepare documents, such as patent and trademark applications, and other documents, and appear in court. Nevertheless, most of what we do involves giving advice, negotiating or advocating on behalf of our clients, and researching the law. Often we must spend significant time, effort, and energy in order to provide you with a few simple words of advice. What may appear to you to be the simplest or shortest document, may actually require many hours of research and preparation. You should also keep in mind that in many instances, you neither see nor receive tangible evidence of these efforts. Since we understand that we render a very intangible product – legal advice, we are always willing to discuss our fees with you. You should know that we have established the following policies for our fees and charges:

1. Unless a different arrangement is made in writing at our initial conference, you will be billed on an hourly basis for all of the time we spend working on your behalf; and, we may bill an additional fee based on various factors allowed by the ethics of our profession, as discussed in the next paragraph. Our fees include charges for any office or telephone discussions that we have with you, including initial consultations. After our first meeting, we may ask you to sign our firm's standard fee letter.

2. As of this date, the hourly fees are \$350 per hour for John H. Thomas, \$270/hour for Alexander D. Raring, \$250/hour for Brian J. Teague, and \$50-100 per hour for legal assistants. We may, where appropriate, charge a premium for our services as permitted by our rules of ethics. The factors to be considered in determining the reasonableness of a fee include the following: the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly; the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer; the fee customarily charged in the locality for similar legal services; the amount involved and the results obtained; the time limitations imposed by the client or by the circumstances; the nature and length of the professional relationship with the client; the experience, reputation, and ability of the lawyer or lawyers performing the services; and whether the fee is fixed or contingent. We reserve the right to increase our rates from time to time. In addition, we may bill you for various cost and “out of pocket” expenses such as filing fees, photocopying services (including any copies of your file made by or for us at the termination of our employment as your attorney), faxing services; long distance telephone calls, and computerized legal research services, court reporters, Patent and Trademark Office searchers, and other experts.

3. We may request an advance on fees from you. We will place this payment in our escrow account to be held as a deposit for your benefit. We reserve the right to apply the deposit against any statement for services or costs on any matter that you have entrusted to us.

4. Because of the nature of our practice, we sometimes quote a fixed fee for any service; however, we are always willing to provide an estimate of the fees you will incur, as long as you understand that this is merely an estimate based on the facts which you have disclosed to us. As new facts are discovered or as you request additional services and consultations, this estimate will, of course, change.

5. We bill monthly or upon completion of a given project and expect prompt payment. We are often asked how a client may keep legal fees to a minimum. You may reduce your total fee if you: provide us with complete, accurate, and organized information and documentation; try not to change your mind in the middle of a transaction; do not wait until the last minute, as last minute rushes require extraordinary measures and costs; and, respond promptly to requests for information, approval, and execution of documents, as delays necessitate follow up measures which take additional time.

Please remember that we provide an intangible product, legal services; and, you may see only a small part of our efforts. This combination may result in questions, on your part, regarding our statement for services rendered and costs advanced. We urge you to call us as soon as questions arise. We have found that frank and candid discussions answer most of these questions. These procedures are not intended to overly formalize our relationship with you, but are simply in the interest of clear communication and good business practices. We hope you find this information useful, and we thank you for considering us as your law firm.

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