

Summary of Sitrick Engagement Letter Provisions

K&E retains Sitrick on behalf of you. Both you and K&E are signatories on the Engagement Letter.

1. Effective date of engagement is March 7, 2011.
2.
 - A. Paragraph 2 provides for JE payment of a “non-refundable retainer fee of \$60,000 as a minimum annual fee.” Sitrick’s letter also requests \$10,000 refundable expense retainer.
 - B. Sitrick’s time charges range from \$185 to \$895 per hour. – For whom are we paying \$895 an hour? Paraprofessional time is \$65 per hour. \$895 per hour is more than most of JE’s attorneys charge.
 - C. Non-Refundable fee is applied against time charges only. If time charges exceed \$60,000 for the year then JE billed for the excess. Expense charges are not applied against the retainer and are billed separately on the invoice, but are applied against \$10K retainer.
 - D. Time is billed in quarter hour increments.
 - E. Travel time billed “portal to portal” for travel outside Sitrick’s offices.
 - F. Paragraph 2 also makes reference to a “success fee” that Sitrick customarily requests if they believe that Sitrick has performed services which result in significant benefits to the client beyond those Sitrick believes a normal consulting and public relations firm could achieve. Any success fee would be subject to the client’s agreement.
 - G. In absence of written notification of a billing dispute within 30 days of the date of an invoice, Sitrick assumes that there is no objection to the invoice and K&E and JE agree to the reasonableness of the fees and costs billed and the necessity of the services rendered.
 - H. Payment of invoice due within 20 days of invoice date.
3. Sitrick engagement may be terminated by any party on 30 days prior written notice.
4. If Sitrick employees required or requested to provide testimony, documents or other evidence in any proceeding, JE must pay Sitrick for time spent in preparing for and providing such testimony, docs or evidence, at Sitrick’s standard billing rates and for any costs and expenses, including attorney’s fees incurred in connection with the same.
5. JE agrees to indemnify Sitrick, its shareholders, parents, affiliates, officers, directors, employees or agents, except where final judicial determination of indemnified party’s gross negligence and willful misconduct.
6. Each party agrees to keep the agreement and its term, including invoices, billing statements, and time sheets, strictly confidential, excepts only as may be necessary to enforce the agreement or as required by law or judicial process, but JE

and K&E acknowledge and consent to Sitrick disclosing to media or others that Sitrick is engaged and acting in its capacity as a public relations firm for benefit of JE.

7. Consent to adverse party representation, except with respect to the same subject matter of the JE engagement.
8. Non-solicitation of Sitrick employees with obligation to pay liquidated damages of the greater of 100% of annualized total gross billings generated by each employee hired by JE or the annual gross salary of each such hired employee at the time of departure.
9.
 - A. Payments thirty days late bear interest at 10% per annum.
 - B. Reasonable attorneys fees awarded to prevailing party in any dispute.
 - C. Binding AAA arbitration in Los Angeles, CA for disputes with judgment of such arbitration entered in California Superior Court in Los Angeles County, which the parties consent to jurisdiction of such court.
 - D. Choice of Law is California law.
10. Severability clause
11. Integration clause for all prior understandings, representations, and agreements. Unanimously signed writing required for all amendments and modifications.
12. K&E not responsible for any fees, costs or expenses of Sitrick.