

LAW OFFICES OF RITA C. CHIPPERSON, P.C.

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March 21, 2005

Via Electronic Mail

Mr. Glenn Sanders
Zaxcom, Inc.
230 West Parkway, Unit 9
Pompton Plains, New Jersey 07444

Re: Engagement Agreement

Dear Glenn,

It was a pleasure speaking with you about your invention. We also discussed the consequences of disclosing or offering to sell your invention prior to filing a patent application without having a confidentiality agreement in place and the nature of actions that could cause loss of your rights.

This letter will confirm our association as counsel for Zaxcom, Inc. ("Client"), in connection with the intellectual property and other legal work to be performed by the Law Offices of Rita C. Chipperson, P.C. ("Firm") on an ongoing basis as requested by you. This letter agreement ("Agreement") will set forth in writing our understanding and agreement regarding the scope of our representation and will outline our planned course of action with respect to your new business.

Initially, our estimate for drafting and filing a patent application with the USPTO for the wireless microphones discussed during our initial meeting is \$ 7,000 in professional fees plus disbursements. Disbursements will include at least \$500 in USPTO filing fees and any excess claims fees (i.e., \$ 25 for each claim in excess of twenty claims and \$ 100 for each independent claim in excess of three independent claims), as well as or other costs and disbursements such as copies, postage, drawings, courier fees, and the like.

The professional fee includes all work prior to and including filing of the patent application with the USPTO. Any work required subsequent to filing, as well as any work requested by you that is not specifically addressed herein, shall be additional and shall be billed in accordance with the hourly billing rates in effect at the time of billing.

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The hourly billing rates are typically adjusted on an annual basis and, as of August 1, 2004, the hourly billing rates are as follows:

Partner:	\$ 275.00
Of Counsel:	\$ 225.00
Associate	\$ 215.00
Clerk	\$ 115.00

Formal drawings will be obtained from a professional draftsman prior to filing the patent application at a cost of approximately \$30 to \$200 per sheet (depending upon the complexity). Otherwise, if you provide sufficient drawings prior to filing the patent application, formal drawings shall not be obtained until required by the USPTO or upon receipt of a Notice of Allowance, if, and when, either of the latter items occur.

Payment of one-half of the estimated fees and disbursements will be required to begin drafting the patent application. The remaining professional fees and disbursements shall be invoiced upon transmission of the final draft of the patent application to you. Payment of all remaining fees and disbursements shall be required prior to filing the patent application with the USPTO.

Furthermore, drafting and filing of an international application is not included in this scope of work. However, please be advised that if you intend to seek international protection for your invention, an international application MUST be filed within one year of the filing date of your United States patent application. However, as discussed during our initial meeting, international laws require that the invention is not publicly disclosed or offered for sale before a patent application is filed with the USPTO or internationally.

Should a patent application be issued, the Firm shall pay all issue fees, formal drawing fees, and ongoing patent maintenance fees. Prior to payment of these fees, we will require a retainer in advance sufficient to satisfy the fees and our fees and expenses for preparing and filing the fees and required paperwork. Without prior receipt of the retainer, you understand and agree that no work will be performed in connection with payment of these fees. As we have discussed, responses to U.S. Patent and Trademark Office communications, as well as payment of all fees and associated paperwork, are required within strict time periods. If responses and the like are not timely filed, additional fees may be required, and, ultimately, the application be held abandoned for failure to file a timely response. Abandonment of your application can, in certain circumstances, jeopardize your ability to obtain or retain a valid patent for the invention. With knowledge of this, you agree that our law firm will not be responsible for any increased expenses, loss of patent rights, loss of patent pendency, invalidation of existing

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patents, or any other injury suffered by you due to your failure to provide timely payment of fees and retainers.

Invoices are sent on a monthly basis and are due within 30 days of the invoice date. If bills are not paid when due, we reserve the right to discontinue all services, to assess interest on any late payment from the due date until payment is received at a rate of 1.5% per month, to exercise a lien against any property involved in the engagement, and to withdraw from representing you as a client. However, we will not withdraw our representation without providing a notice of our intention by mailing a certified letter to your last known address. In the event it becomes necessary for the Firm to institute legal action to recover any amount due pursuant to the terms of this Engagement, the prevailing party in such action will be entitled to reasonable attorney fees and costs incurred in such action and enforcement of any judgment.

Nothing in this Agreement and nothing in the Firm's statements to Client will be construed as a promise or guarantee about the outcome of Client's matter, including patentability or registration of patents and trademarks, respectively. The Firm makes no such promises or guarantees. The Firm's comments about the outcome of Client's matter are expressions of opinions only. As we have discussed, this firm has not represented that these inventions will eventually receive a patent, or, if a patent is ultimately issued, that the patent will have claims of sufficient scope to prevent competitors from copying in significant part the invention, or will be valid over all prior art, or will have significant commercial value. Rather, this firm has indicated that it is competent for preparing and filing patent applications, that the claims in such patent applications will be drawn in light of the best known prior art and in view of conversations with you at the time the application is written, and that, if a patent issues, it has a statutory presumption of validity as set out in the Patent Statute. Furthermore, there has been no representation that the invention is free of the intellectual property rights of others in this or any foreign country. Each of these issues is separate and apart from the preparation and filing of the patent application, and, at your request, can be reviewed and evaluated separately.

If these terms are acceptable to you, please sign below and return a copy of this letter with a retainer check in the amount of \$ 3,500 to proceed with the patent application. This Agreement will not take affect, and we will have no obligation to provide legal services, until you return a signed copy of this Agreement and pay the retainer, if any, required by this Agreement. If you have any questions, please feel free to contact me.

Best regards.

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Very truly yours,

Rita C. Chipperson, Esq.

ACCEPTANCE BY CLIENT:

I have reviewed the above Engagement Agreement carefully and understand and agree to its terms and conditions.

Agreed to by: 

Address: 230 WEST PARKWAY

POMPTON PLAINS NJ

Telephone: 973 835 5000

Facsimile: 973 835 6633

Email: GS@ZAXCOM.COM

Date: 4/4/05