

AGREEMENT FOR LEGAL SERVICES

THIS AGREEMENT is made and entered into as of this 10th day of March, 2017, by and between the CITY OF TACOMA, acting by and through its Acting City Attorney, hereinafter referred to as the "City," and K&L GATES, LLP, hereinafter referred to as the "Law Firm."

WHEREAS the City has need of legal services and advice relating to the Click! Network, and

WHEREAS the Law Firm, in particular Elizabeth Thomas, Kari Vander Stoep, and Mark Filipini have extensive experience in the areas of utilities, energy, municipal law, rates, and financing;

NOW, THEREFORE, it is hereby agreed as follows:

1. Legal Services

A. The Law Firm agrees to provide legal services and advice relating to the Click! Network. The effective date of this agreement is March 10, 2017. The Law Firm will use its best efforts to expedite the City's legal matters promptly and efficiently according to the highest legal and ethical standards.

B. Changes To Scope of Legal Services. The City shall have the right to make changes to the general scope of legal services and/or deliverables upon execution, in writing, of a change order or amendment hereto.

2. Fees

The City shall pay the Law Firm, as sole compensation for the services performed under this Agreement, such sums of money as are arrived at by computing the actual number of hours expended in the performance of this Agreement and multiplying such total hours by the amounts set forth on the attached Exhibit "A." Expenses for copying will be billed at an amount no more than \$0.15 per page. Approved expert fees will be billed at the expert's rate. Other expenses will be billed at cost. The maximum compensation associated with this Agreement shall not exceed \$200,000 without further prior authorization by the City. The City acknowledges that the Law Firm reviews its billing rates periodically, and the parties agree to review the rates in this Agreement annually for possible adjustment.

3. Billing Procedures

A. Billings should be submitted on a monthly basis. The City will be charged for services rendered on an hourly basis and billings will be reflected in increments of one-tenth of an hour. Each billing statement should set forth for each date services were performed:

- (1) A brief summary of the services provided;
- (2) The number of hours, or fractions of hours, spent by each provider;
- (3) The hourly rates of each of the providers; and
- (4) Expenses and disbursements in detail.

B. Billings from experts or consultants retained by the Law Firm should be provided in substantially similar format as outlined above.

C. The Law Firm has been retained because of its expertise. The City should not be billed for basic general legal or technical research without advance City approval. The City should not be billed for time spent in preparing or reviewing the Law Firm's billings to the City or in internal firm quality control procedures.

D. The Law Firm will keep the City fully informed of time used for conferences, telephone calls, drafting documents, research, court time, and necessary travel time. Travel time between the Law Firm's office and the City of Tacoma will not be billed.

E. Payment shall not be made until the City is fully satisfied with the services performed for the previous month. Payment shall be made through the City's ordinary payment process, and shall be considered timely if made within 30 days of receipt of a properly completed invoice.

F. All payments shall be subject to adjustment for any amounts, upon audit or otherwise, determined to have been improperly invoiced. In no event shall the total of the City's payment pursuant to this Agreement exceed the amount set forth hereinabove.

4. Interaction with City

A. The Law Firm will keep the City well informed of all matters it handles on the City's behalf. The Law Firm shall send the City copies of all material papers coming in or going out of its offices to or from third parties. The Law Firm, at such times and in such form as the City may require, shall furnish the City with periodic reports pertaining to the work and services undertaken pursuant to this Agreement. The City's files at the Law Firm and its progress shall be open to the City for inspection at any time.

B. The City's Legal Department should be given advance notice of any significant decisions in order to be able to participate fully in making such decisions.

C. Any extensive legal research proposed by Law Firm should be discussed in advance with the City's Legal Department.

5. Independent Contractor Status

A. The services and deliverables shall be furnished by the Law Firm as an independent contractor, and nothing herein contained shall be construed to create a relationship of employer/employee or master/servant. No payroll or employment taxes of any kind shall be withheld or paid by the City with respect to payments to Law Firm. The payroll or employment taxes that are the subject of this paragraph include, but are not limited to, FICA, FUTA, federal income tax, state personal income tax, state disability insurance tax, and state unemployment insurance tax. By reason of Law Firm's status as an independent contractor hereunder, no workers' compensation insurance has been or will be obtained by the City on account of Law Firm. The Law Firm may be required to provide the City proof of payment of these said taxes and benefits. If the City is assessed or deemed liable in any manner for those charges or taxes, the Law Firm agrees to hold the City harmless from those costs, including attorney's fees.

B. The Law Firm shall provide, at its sole expense, all materials, office space, and other necessities to perform its duties under this Agreement, unless otherwise specified in writing herein.

6. Professional Services Warranty

A. In the performance of services under this Agreement, the Law Firm and its employees agree to exercise the degree of skill and care required by customarily accepted good practices and procedures followed by attorneys rendering the same or similar type of service. All obligations and services of the Law Firm hereunder shall be performed diligently and completely according to such professional standards.

B. If the Law Firm intends to rely on information or data supplied by the City, other City contractors or other generally reputable sources without independent verification, such intent shall be brought to the attention of the City.

7. Contract Administration and Right to Audit

A. The City Attorney's Office for the City shall have primary responsibility for contract administration and approval of services to be performed by the Law Firm, and shall coordinate all communications between the Law Firm and the City.

B. The Law Firm shall, at such times and in such form as the City may reasonably require, furnish the City with periodic status reports pertaining to the services undertaken pursuant to this Agreement.

C. Upon the City's request, the Law Firm shall make available to the City all accounts, records, and documents related to the legal services provided hereunder for the City's inspection, auditing, or evaluation during normal business hours as reasonably needed by City to assess performance, compliance, and/or quality assurance under this Agreement.

D. Personnel. If before, during, or after the execution of this Agreement, the Law Firm has represented or represents to the City that certain personnel would or will be responsible for performing services pursuant to this Agreement, then the Law Firm is obligated to ensure that said personnel perform said Agreement services to the maximum extent permitted by law. This Agreement provision may only be waived by written authorization by the City, and on a case-by-case basis.

8. Notices

Except for routine operational communications, which may be delivered personally or transmitted by electronic mail or facsimile, all notices required hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first-class mail, postage prepaid, to the parties at the following addresses:

CITY	LAW FIRM
William Fosbre 747 Market Street, Rm. 1120 Tacoma, WA 98402	Elizabeth Thomas 925 Fourth Avenue, Suite 2900 Seattle, WA 98104
Phone: (253) 591-5632	Phone: (206) 370-7631
Fax: (253) 591-5755	Fax: (206) 370-6190
bill.fosbre@cityoftacoma.org	liz.thomas@klgates.com

9. Termination and Suspension

A. The City may terminate this Agreement at any time, with or without cause, by giving ten (10) days' written notice to the Law Firm. In the event of termination, all finished and unfinished work prepared by the Law Firm pursuant to this Agreement shall be provided to the City. In the event the City terminates this Agreement due to the City's own reasons and without cause due to the Law Firm's actions or omissions, the City shall pay the Law Firm the amount due for actual work and services necessarily performed under this Agreement up to the effective date of termination, not to exceed the total compensation set forth herein.

B. The City may suspend this Agreement, at its sole discretion, upon seven (7) days' written notice to the Law Firm. Such notice shall indicate the anticipated period of suspension. The Law Firm shall resume performance of services under this Agreement without delay when the suspension period ends.

C. Termination or suspension of this Agreement by the City shall not constitute a waiver of any claims or remaining rights the City may have against Law Firm relative to performance hereunder.

10. Taxes, Licenses and Permits

A. The Law Firm acknowledges that it is responsible for the payment of all charges and taxes applicable to the services performed under this Agreement, and the

Law Firm agrees to comply with all applicable laws regarding the reporting of income, maintenance of records, and all other requirements and obligations imposed pursuant to applicable law. If the City is assessed, made liable, or responsible in any manner for such charges or taxes, the Law Firm agrees to hold the City harmless from such costs, including attorney's fees.

B. In the event the Law Firm fails to pay any taxes, assessments, penalties, or fees imposed by any governmental body, including a court of law, then the Law Firm authorizes the City to deduct and withhold or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. It is agreed that this provision shall apply to taxes and fees imposed by City ordinance. Any such payments shall be deducted from the Law Firm's total compensation.

C. The Law Firm, at its expense, shall obtain and keep in force any and all necessary licenses and permits. The Law Firm shall obtain a business license as required by Tacoma Municipal Code Subtitle 6B.20 and shall pay business and occupation taxes as required by Tacoma Municipal Code Subtitle 6A.30.

11. Indemnification

A. The Law Firm shall indemnify the City for only that portion of any liability that is caused by any negligent error, or negligent act or omission or intentional misconduct by the Law Firm with regard to the services it has done for the City, as such liability is finally determined after trial and any appeal thereof or pursuant to any settlement or compromise of the same. If the Law Firm is alleged to have any liability for a shared or joint negligent error, act or omission of the Law Firm and the City, the Law Firm's indemnification obligation to the City shall be apportioned on a comparative fault basis, and the Law Firm shall not be required to indemnify the City for any amount in excess of the Law Firm's own comparative fault as finally determined after trial and any appeal thereof. The City shall not have comparative fault for selection, administration, monitoring, or controlling the Law Firm, or in approving or accepting the Law Firm's work.

B. This clause shall not nullify, extend or expand any statute of limitations that is otherwise applicable to any negligence or other claim against the Law Firm. This indemnification is not intended to, and does not, alter or interfere with any duties that the Law Firm may have under its insurance agreements, such as the duty to cooperate fully with the insurer in defending any claims, the duty to obtain the consent of the insurer to pay or compromise any claim, or the duty to refrain from prejudicing the insurer's subrogation rights. This indemnification is solely for the benefit of the City and no third party beneficiary or other rights shall be created under this provision.

C. If and when a claim or lawsuit is brought against the City based on acts by the Law Firm covered by this provision, the Law Firm shall defend the City in regard to the claim or lawsuit. If the Law Firm fails to defend the City in the claim or lawsuit but the Law Firm is ultimately found liable in a lawsuit for any negligent error, act or

omission or intentional misconduct by the Law Firm with regard to the services the Law Firm has performed, then the Law Firm shall, in addition to its obligation to indemnify the City under this Section 11 above, reimburse the City for the portion of the City's defense costs which are attributable to the negligent error, act or omission or intentional misconduct of the Law Firm, which reimbursement shall constitute the sole remedy available to the City for failing to provide a defense.

12. Insurance

During the course and performance of the services herein specified, Law Firm will maintain the following insurance coverage:

- A. Workers' Compensation and employer's liability – statutory limits.
- B. Commercial General Liability – \$1,000,000 single limit combined for personal injury, property damage; \$2,000,000 aggregate.
- C. Automobile public liability and property damage – \$1,000,000 single limit combined for bodily injury and property damage.
- D. Professional liability or errors and omissions – \$1,000,000 combined single limit for errors and omissions resulting in monetary loss normally covered by professional liability insurance.

Certificates of the above insurance coverage shall be delivered, within ten (10) days, to the City by Law Firm's insurance carrier or agent certifying the above insurance coverage items are in effect and will not be cancelled or materially changed without 30 days' written notice given to the City. The commercial general liability policy shall be on an occurrence basis and shall include an endorsement naming the City as an additional insured and stating that coverage under such policy is primary over and non-contributory with any insurance the City may maintain.

13. Nondiscrimination

The Law Firm agrees to take all steps necessary to comply with all federal, state, and City laws and policies regarding non-discrimination and equal employment opportunities. The Law Firm shall not discriminate in any employment action because of race, religion, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, or the presence of any sensory, mental or physical handicap. In the event of non-compliance by the Law Firm with any of the non-discrimination provisions of this Agreement, the City shall be deemed to have cause to terminate this Agreement, in whole or in part.

14. Conflict of Interest

No officer, employee or agent of the City, nor any member of the immediate family of any such officer, employee or agent as defined by City ordinance, shall have any personal financial interest, direct or indirect, in this Agreement, either in fact or in appearance. In addition to Rules of Professional Conduct 1.7, the Law Firm shall comply with all federal, state, and City conflict of interest laws, statutes and regulations. The Law Firm represents that it presently has no interest and shall not acquire any interest, direct or indirect, in the program to which this Agreement pertains which would conflict in any manner or degree with the performance of the Law Firm's services and obligations hereunder. The Law Firm further covenants that, in performance of this Agreement, no person having any such interest shall be employed. The Law Firm also agrees that its violation of the City's Code of Ethics contained in Chapter 1.46 of the Tacoma Municipal Code shall constitute a breach of this Agreement, subjecting the Agreement to termination.

15. City Ownership of Work/Rights in Data and Publications

A. To the extent that Law Firm creates any Work subject to the protections of the Copyright Act (Title 17 U.S.C) in its performance of this Agreement, the Law Firm agrees to the following: The Work has been specially ordered and commissioned by City. The Law Firm agrees that the Work is a "work made for hire" for copyright purposes, with all copyrights in the Work owned by City. To the extent that the Work does not qualify as a work made for hire under applicable law, and to the extent that the Work includes material subject to copyright, the Law Firm hereby assigns to the City, its successors and assigns, all right, title and interest in and to the Work, including, but not limited to, all patent, trade secret, and other proprietary rights and all rights, title, and interest in and to any inventions and designs embodied in the Work or developed during the course of Law Firm's creation of the Work. The Law Firm shall execute and deliver such instruments and take such other action as may be required and requested by the City to carry out, the assignment made pursuant to this section. Any documents, magnetically or optically encoded media, or other materials created by Law Firm pursuant to this Agreement shall be owned by the City and subject to the terms of this section. To the maximum extent permitted by law, the Law Firm waives all moral rights in the Work. The rights granted hereby to the City shall survive the expiration or termination of this Agreement.

B. The Law Firm shall be solely responsible for obtaining releases for the performance, display, recreation, or use of copyrighted materials.

16. Public Disclosure

This Agreement and documents provided to the City by the Law Firm hereunder are deemed public records subject to disclosure under the Washington State Public Records Act, Chapter 42.56 RCW (Public Records Act). Thus, the City may be required, upon request, to disclose this Agreement and documents related to it unless an exemption under the Public Records Act or other laws applies.

17. Duty of Confidentiality

The following obligations are additional to the Law Firm and each attorney's duty of confidentiality to the City as prescribed by all applicable rules of professional conduct:

A. The Law Firm acknowledges that unauthorized disclosure of information or documentation concerning the legal services provided hereunder may cause substantial economic loss or harm to the City.

B. Except for disclosure of information and documents to the Law Firm's employees, agents, or subcontractors who have a substantial need to know such information in connection with Law Firm's performance of obligations under this Agreement, the Law Firm shall not, without prior written authorization by the City, allow the release, dissemination, distribution, sharing, or other publication or disclosure of information or documentation obtained, discovered, shared or produced pursuant to this Agreement.

C. The Law Firm shall inform its employees, agents, and subcontractors of the confidentiality obligations under this Agreement and instruct them so as to ensure such obligations are met. If so requested by the City, the Law Firm further agrees to require its all individuals and entities performing services pursuant to this Agreement to execute a Confidentiality and Non-Disclosure Agreement in a form acceptable to the City.

D. The Law Firm shall not release any information or documentation concerning the work under this Agreement, or any part thereof, for marketing, advertising, or other commercial activities or publication including, but not limited to, news releases or professional articles, without the prior written approval of the City. Any and all news releases, professional articles, marketing, advertising, publicity, or other commercial activities that describe or discuss the Project shall be reviewed and approved by the City prior to publication, disclosure and/or distribution. The Law Firm may submit for review and approval a generic Project Abstract describing the component parts of the project. After receiving written approval of the Project Abstract from the City, the Law Firm may make minor, insignificant changes to the Project Abstract and use all or parts of the Project Abstract in proposals.

E. This Section shall survive for six (6) years after the termination or expiration of this Agreement.

F. The Law Firm shall ensure that the text of this section is included in each subcontractor's contract for work on the project.

18. Dispute Resolution

In the event of a dispute pertaining to this Agreement, the parties agree to attempt to negotiate in good faith an acceptable resolution. If a resolution cannot be negotiated, then the parties agree to submit the dispute to voluntary non-binding mediation before

pursuing other remedies. This provision does not limit the City's right to terminate authorized by this Agreement.

19. Miscellaneous Provisions

A. **Governing Law and Venue.** Washington law shall govern the interpretation of this Agreement. Pierce County shall be the venue of any mediation, arbitration or litigation arising out of this Agreement.

B. **Assignment.** The Law Firm shall not assign, subcontract, delegate, or transfer any obligation, interest or claim to or under this Agreement or for any of the compensation due hereunder without the prior written consent of the City.

C. **No Third Party Beneficiaries.** This Agreement shall be for the sole benefit of the parties hereto, and nothing contained herein shall create a contractual relationship with, or create a cause of action in favor of, a third party against either party hereto.

D. **Waiver.** A waiver or failure by either party to enforce any provision of this Agreement shall not be construed as a continuing waiver of such provisions, nor shall the same constitute a waiver of any other provision of this Agreement.

E. **Severability and Survival.** If any term, condition, or provision of this Agreement is declared void or unenforceable or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable. The provisions of this Agreement, which by their sense and context are reasonably intended to survive the completion, expiration, or cancellation of this Agreement, shall survive termination of this Agreement.

F. **Entire Agreement.** This Agreement contains the entire agreement between the parties as to the services to be rendered hereunder. All previous and contemporaneous agreements, representations or promises and conditions relating to the subject matter of this Agreement are superseded hereby. The Parties hereto mutually acknowledge, understand and agree that the terms and conditions set forth herein shall control and prevail over any conflicting terms and conditions stated in any attachments hereto.

G. **Modification.** No modification or amendment of this Agreement shall be effective unless set forth in writing and signed by the Parties.

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H. Authority to enter into this Agreement. The undersigned Law Firm representative, by his signature below, represents and warrants that he is duly authorized to execute this legally binding Agreement for and on behalf of the Law Firm.


IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first written above.

CITY OF TACOMA

By:



Mark Lauzier
Assistant City Manager

Countersigned:

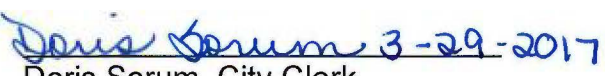

Andy Cherullo, Director
Finance Department

3/22/17

Approved as to form:

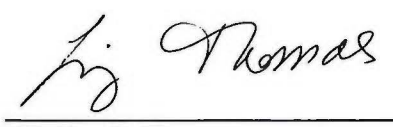

William C. Fosbre
Acting City Attorney

Attest:


Doris Sorum, City Clerk

K&L GATES LLP

By:


Elizabeth Thomas

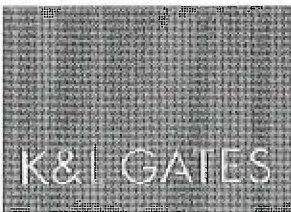
925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158
(206) 370-7631

Tax ID # 25-0921018

EXHIBIT "A"

LAW FIRM RATES

<u>NAME</u>	<u>HOURLY RATE</u>
Elizabeth Thomas	\$425.00
Mark Filipini	\$390.00
Kari Vander Stoep	\$390.00
Associate	\$275.00 - \$330.00
Paralegal	\$230.00



March 17, 2017

Kari L. Vander Stoep
Kari.Vanderstoep@klgates.com

T +1 206 370 7804

Mr. Bill Fosbre
Acting City Attorney
City of Tacoma
PO Box 11007
3628 S. 35th St.
Tacoma, WA 98411

Re: Confirmation of Engagement

Dear Mr. Fosbre:

Thank you for asking K&L Gates LLP (the "Firm" or "K&L Gates") to represent the City of Tacoma (the "City"). We welcome this opportunity and look forward to working with you on this engagement.

I enclose our Terms of Engagement for Legal Services (the "Terms") which supplement this letter and include additional information regarding our legal services, our relations with our clients, our billing and payment arrangements, potential conflicts, and other matters. These Terms will apply to all matters on which we may represent you, except as you and we may otherwise expressly agree.

Please review this letter and the Terms carefully. If they are not consistent with your understanding of our engagement in any respect or if you have any questions concerning the nature and terms of our engagement, please contact me as soon as possible so that we can promptly address your concerns.

In addition to this engagement letter, the Firm and the City have entered into An Agreement for Legal Services. To the extent that any of the provisions of this engagement letter are contrary to any of the provisions of said Agreement for Legal Services, the provision(s) of the Agreement for Legal Services shall prevail.

The Scope of Our Engagement

The Firm is being engaged to act as counsel solely for legal advice with respect to potential claims against the City relating to Tacoma Public Utilities' Click! Network and not for any

affiliated entity (including parents and subsidiaries), shareholder, partner, member, manager, director, officer or employee not specifically identified herein.

K&L Gates will only provide legal services. We have not been retained, and expressly disclaim any obligation, to provide business or investment advice.

Our Charges

Our statements for professional services will be substantially based upon the amount of time spent by lawyers, paralegals, and other professionals who perform services on your behalf and their respective hourly rates as then in effect. Those hourly rates vary by office across the Firm, take into account the timekeepers' experience in particular areas, and are adjusted periodically. Our charges for fees, disbursements, and other charges and the basis for our invoices are addressed in more detail in the enclosed Terms.

Our Billing and Payment Arrangements

We will generally render statements for professional services and related charges on a monthly basis and expect payment to be made within 30 days of your receipt of our statement, without regard to the consummation or outcome of the matter for which we have been engaged. In the event our statements are not timely paid, we reserve the right to suspend our services until satisfactory payment arrangements are made or to terminate our services if such arrangements are not made and if such termination is otherwise appropriate. You may, of course, terminate our services at any time.

Our Staffing of Your Engagement and Communications with You

Mark Filipini and I will be your principal contacts with respect to the Firm's representation of the City of Tacoma. Our current hourly rates for this matter are \$390.00. Liz Thomas will be serving as special adviser on this case, and her rate for this matter is \$425.00.

Our representation of you will be staffed by other partners, associates and other professional staff as may be appropriate under the circumstances. We will endeavor to keep you apprised of significant developments in the course of our engagement, to consult with you about our work on an ongoing basis and to obtain your direction on critical issues.

You should contact either me or Mark with any questions you may have about our work or any other aspect of our representation of you. You can reach me at the office (206-370-7804) or via email (kari.vanderstoep@klgates.com). Mark is available at 206-370-8111 or via email (mark.filipini@klgates.com). Liz is available at 206-370-7631 or via email (liz.thomas@klgates.com).

Conflicts of Interest

We have searched the Firm's conflicts database and have disclosed to you any ethical conflicts of interest, as defined by the applicable rules of professional conduct, that existed at the time. Such conflicts, if any, have been resolved to your and to our satisfaction. With respect to conflicts of interest that may arise in the future during our engagement by you, the Terms includes a Conflict of Interest section in which you agree to a limited, prospective waiver. This means that, if all the conditions set forth therein are met, and provided that the matter is not substantially related to the matters we handled or are handling for you, the Firm 1) may represent another client in a matter in which its interests are adverse to your interests, and 2) may represent as a client any individual or entity that is or has been adverse to you. Please review this section, as well as all other sections of the Terms, in detail.

Our Agreement

In providing legal services to you, absent timely advice from you to the contrary, we will act in reliance upon the understanding that this letter and the enclosed Terms constitute our mutual understanding with respect to the terms of our retention. If you proceed with the use of our services, please sign and return to me the enclosed copy of this letter in order that we each have a fully-executed copy for our files.

On behalf of K&L Gates, I thank you for the opportunity to represent the City of Tacoma. We look forward to serving you.

Very truly yours,



Kari L. Vander Stoep

Enclosure: Terms of Engagement for Legal Services

I confirm our engagement of K&L Gates LLP as set forth herein and in the enclosed Terms of Engagement.

City of Tacoma

Bill Fosbre, Acting City Attorney

Date: _____

March 17, 2017

K&L GATES LLP

TERMS OF ENGAGEMENT FOR LEGAL SERVICES

Thank you for selecting K&L Gates LLP ("K&L Gates") to represent you and to provide legal services as described in our engagement letter. These Terms of Engagement for Legal Services (the "Terms"), together with our engagement letter, set forth the basis upon which K&L Gates will provide legal services to you. Absent a contrary agreement between us, we will understand that our engagement letter and these Terms supersede any prior oral understandings between us and together form the contract ("Engagement Contract") for our initial engagement and any subsequent assignments upon which you and we may mutually agree.

We believe it is important to establish clearly the basic terms of our engagement at the outset. Accordingly, if you have any questions concerning these Terms, please contact the lawyer responsible for your engagement so that your questions or concerns may be addressed and resolved promptly.

INTRODUCTION

K&L Gates comprises multiple affiliated entities: a limited liability partnership named K&L Gates LLP qualified in Delaware ("K&L Gates-US," the "Firm," or "we" or "us" as the context requires) and maintaining offices in certain states throughout the United States and in a number of international multiple affiliated entities.¹

¹ K&L Gates comprises multiple affiliated entities: a limited liability partnership named K&L Gates LLP qualified in Delaware ("K&L Gates-US," the "Firm," or "we" or "us" as the context requires) and maintaining offices in certain states throughout the United States and in Beijing ("K&L Gates LLP Beijing Representative Office"), Berlin, Doha, Dubai, Frankfurt, Munich, Seoul ("K&L Gates LLP Seoul Foreign Legal Consultant Office"), Shanghai ("K&L Gates LLP Shanghai Representative Office"), and Singapore; an Australian multi-disciplinary partnership maintaining offices in Brisbane, Melbourne, Perth and Sydney ("K&L Gates-AUS"); a limited liability partnership (also named K&L Gates LLP); incorporated in England and Wales and maintaining offices in London and Paris ("K&L Gates-UK"); a Delaware general partnership ("K&L Gates Belgium") maintaining an office in Brussels; a Hong Kong general partnership ("K&L Gates, Solicitors") maintaining an office in Hong Kong; a professional association established and organized under the laws of Italy named Studio Legale Associato with an office in Milan; a general partnership organized under the laws of Brazil named K&L Gates LLP – Consultores em Direito Estrangeiro/Direito Norte-Americano, with an office in São Paulo; a Taiwan general partnership ("K&L Gates") maintaining an office in Taipei; a joint enterprise formed in accordance with Japanese regulations ("K&L Gates Gaikokuho Joint Enterprise") maintaining an office in Tokyo; and a Polish limited partnership ("K&L Gates Jamka sp.k") maintaining an office in Warsaw.

OTHER K&L GATES ENTITIES

You agree that, as your agent, we may engage other K&L Gates entities to assist us in carrying out our engagement, where appropriate and with notice to you.

Numerous countries in which our offices are located have enacted Anti-Money Laundering ("AML") laws. If K&L Gates lawyers in any of these offices are engaged to assist you in matters within the scope of our engagement, it will be necessary to comply with the applicable AML laws. In connection therewith, we or lawyers from the appropriate office may be required to obtain additional, specific evidence of client identity from you and/or to report certain transactions to the authorities. If these AML requirements are applicable, you will be informed of the details needed for compliance.

OUR LAWYER-CLIENT RELATIONSHIP

The Firm has been engaged to represent only the client(s) named in our engagement letter ("you" or the "Client"), even if someone other than you, including an insurer, is responsible for paying, or has agreed to pay, our statements. Accordingly, absent a specific, separate engagement to represent such other persons or entities, (1) if our Client is an individual, the Firm has not agreed to represent, and is not representing, any other person or any affiliated entity; (2) if our Client is a corporation, partnership, joint venture or other entity, the Firm has not agreed to represent, and is not representing, any of your constituents, including directors, officers, employees, managing agents, partners, members, shareholders, affiliates (including parents and subsidiaries) or other persons associated with you; and, (3) if our Client is a trade association or other member organization, the Firm has not agreed to represent, and is not representing, any director, officer, member of or other entity represented by you or any of your other constituents.

In addition, the Firm's engagement to represent you is limited to the matter(s) described in our engagement letter and to any additional matters for which the Firm expressly agrees to provide legal representation.

You acknowledge that the Firm has not provided you with legal advice concerning the terms and conditions of our Engagement Contract.

OUR CHARGES FOR LEGAL SERVICES

A. Legal Fees

Our statements for professional services will be substantially based upon the time spent by professionals, including lawyers, paralegals and other staff members operating under the supervision of lawyers, who perform services on your behalf. The hourly rates for those individuals are based upon their experience and vary by office across the Firm. Time spent on your matters will include meetings with you and others; traveling; considering, preparing and working on documents, pleadings and other papers; written and electronic correspondence; and, making and receiving telephone calls. Whether or not a matter proceeds to completion, our statements will include all work done and all expenses incurred, unless otherwise agreed.

Our hourly rates are periodically reviewed and adjusted. In preparing our statements for professional services, we will use our hourly rates in effect when our services were rendered.

Information regarding standard hourly rates and other charges established by the Firm is proprietary to the Firm. You agree not to disclose such information to third parties without the Firm's prior written consent. In the event that you are served with a demand or legal process that you believe requires you to disclose such information, you agree to notify the Firm immediately of such demand or process, and to reasonably cooperate with the Firm in protecting the Firm's proprietary information from disclosure without the Firm's consent.

B. Payment

We will expect payment to be made within thirty days after your receipt of our statement, without regard to the consummation of any proposed transaction or the outcome of any matter. Payment should be made by you in the full amount of our statement and you will be responsible also for any withholding tax or other deduction that may be chargeable to you by the relevant taxing authorities or by a governmental entity. In the event our statements are not paid in a timely manner, we reserve the right to defer further work on your account and, where such arrearage is not resolved after notice of delinquency is given to you, to terminate our representation of you. Under such circumstances, you agree to consent to, and not oppose, such termination and to sign a substitution of counsel and/or such other document as may be reasonably necessary to effect the Firm's termination of our lawyer-client relationship, including the Firm's withdrawal of its prior appearance in any court or other litigated proceeding. The termination of our lawyer-client relationship shall not affect your

ongoing responsibility for any fees or other charges incurred as of the date of our notice of termination.

C. Third Party Payment Responsibility

If a third party (including an insurer) undertakes to pay any portion of the Firm's bills, 1) you will remain responsible for payment of any amounts billed by the Firm and not paid by that third party, 2) you hereby consent to the application of those funds to the outstanding balance of your account with the Firm and waive any right you might otherwise have to direct us to pay or apply those funds in any other fashion, and 3) to the extent any such third party makes payment to us on your behalf accompanied by directions as to what portion of outstanding fees and expenses are to be covered by such payment, you hereby consent to us adhering to those directions and waive any right you might otherwise have to direct us to pay or apply those funds in any other fashion. If you are awarded legal fees or costs by a court or other party, you will remain responsible for payment of the Firm's billed fees and other charges, even if the award to you is less than the amounts we have billed you. Where we have agreed to represent multiple clients in a matter, each client will be jointly and severally responsible for payment of the Firm's statements.

D. Questions

If you have any questions about any statement that we submit to you, you should contact the lawyer responsible for your engagement as soon as you receive it so that we may understand and address your concerns promptly.

TERMINATION

A. Your Right to Terminate

You may terminate our engagement on any or all matters at any time, with or without cause. Your termination of our services will not affect your responsibility to pay for billed and unbilled legal services rendered or other charges incurred as of the date of termination and, where appropriate, for such expenses as we may incur in effecting an orderly transition to successor lawyers of your choice.

B. Our Right to Terminate

Subject to any applicable ethical rule or legal requirement, the Firm reserves the right to terminate its representation of you, subject to such permission from any court or tribunal as may be required under the circumstances. In such event, we will provide you with reasonable notice of our decision to terminate and afford you a reasonable opportunity to arrange for successor lawyers, and we will assist you and your successor lawyers in effecting a transition of the

engagement. Reasons for the Firm's termination may include your breach of our Engagement Contract including, without limitation, failure to pay outstanding statements in a timely manner as set forth above, the risk that continued representation may result in our violation of applicable rules of professional conduct or legal standards or of our obligations to any tribunal or third parties, your failure to give us clear or proper direction as to how we are to proceed or to cooperate in our representation of your interests, or other good cause.

C. Termination Upon Conclusion

Unless it is previously terminated, our representation of you, and our lawyer-client relationship with you, will be deemed to have been terminated upon the conclusion of our services and our delivery of our final statement for the services described in our engagement letter and any additional matters for which the Firm has expressly agreed to provide representation.

D. Post-Engagement Matters

After the conclusion or termination of our representation of you as described in our engagement letter and these Terms, changes in relevant laws, regulations or decisional authorities may affect your rights and obligations. Unless you engage the Firm to provide future services and to advise you with respect to any issues that may arise in the future as a result of such changes, we will have no continuing obligation to advise you with respect to future legal developments.

OUR COMMUNICATIONS WITH CLIENTS

The Firm's lawyers strive to keep our clients reasonably informed about the status of our engagements and promptly to comply with reasonable requests for information. To enable us to provide effective representation, you agree to be truthful and to cooperate with us in the course of the engagement and to keep us reasonably informed of material developments.

If there are particular limitations on how you would like us to communicate with you, please advise us in advance about your preferences. Unless you advise us to the contrary, however, we will assume that communication by e-mail and fax is acceptable to you. Absent special arrangements, we do not employ encryption technologies in our electronic communications.

CONFIDENTIALITY

A. Confidentiality and Disclosure

We owe a duty of confidentiality to all our clients. Accordingly, you acknowledge that we will not be required to disclose to you, or use on your behalf, any documents or information in our possession with respect to which we owe a duty of confidentiality to another client or former client.

B. Disclosure to Certain Third Parties

You agree that we may, when required by our insurers, auditors or other advisers, provide details to them of any matter or matters on which we have represented you.

C. Disclosure to Other K&L Gates Entities

You agree that we may disclose confidential information relating to you, or any matters on which we are representing you, to other K&L Gates entities.

D. Data Protection

Any information, including personal data, that K&L Gates collects in our global legal practice may be controlled, stored and processed in, and transferred among, any of our offices and with such contractors as we engage to assist us in our practice, and may be transferred to and through any country, including countries that may not have privacy (data protection) legislation and regulations comparable, for example, to countries in the European Economic area. The location of our offices and of such contractors may change from time to time, and we may acquire offices and engage contractors in other countries at any time. We understand that, in engaging the Firm, you expressly consent to all such control, storage, processing and transfers.

CONFLICTS OF INTEREST

The Firm's lawyers, acting in a variety of practice areas and in multiple jurisdictions, provide and will provide legal services to thousands of current clients and future clients. Those clients may be competitors, customers, suppliers or have other business dealings and relationships inter se. As a result, those clients may have matters in which their interests are actually or potentially adverse to one another.

In these circumstances, the Firm's ability 1) to represent you in any matter involving, directly or indirectly, another client, and 2) to represent as a client any individual or entity that is or has been adverse to you will be governed exclusively by applicable rules of professional conduct, unless otherwise agreed to by you and the Firm and, as

appropriate, any other Firm client. To allow the Firm to represent both you and other current and future clients in pending or future matters to the fullest extent consistent with applicable ethical restrictions, we request our clients to agree to a limited waiver of certain actual or potential conflicts of interest.

Specifically, by this engagement, (1) you agree that the Firm can represent other clients whose interests are actually or potentially adverse to you and can represent as a client any individual or entity that is or has been adverse to you, provided that: (a) the matter is not substantially related to any current or concluded matter in which the Firm has represented you; (b) in carrying out any such other representation, the Firm shall not violate the duty of confidentiality that we owe to you; and, (c) prior to undertaking the other representation, the Firm has reasonably concluded, in the existing circumstances, including this consent, that the Firm can provide competent and diligent representation to you and each other affected client and that the other representation complies with applicable ethical standards; and, (2) you agree that you will not seek to disqualify us from representing other clients with respect to any matters where such provisos are satisfied.

You further agree that, if you choose to withdraw your consent to the Firm's representation of another client in any such other representation, you will, at our request, engage other counsel, and, after any brief and reasonably necessary transition period (for which we will not bill you), you will permit us to terminate our representation of you unless any rule or statute or tribunal with jurisdiction precludes us from doing so.

We have a large and diverse transactional patent practice. You agree that no conflict of interest is presented when, on behalf of other Firm clients, we render patentability, infringement and validity opinions regarding, and advance patentability arguments over, patents and/or patent applications owned, licensed or controlled by you, but not handled by our law firm.

We also have a large and diverse transactional trademark practice. You agree that no conflict of interest is presented when, on behalf of other Firm clients, we render registrability, infringement and validity opinions regarding, and advance registrability arguments over, registered or unregistered trademarks and/or trademark registration applications owned, licensed or controlled by you, but not handled by our law firm.

The Firm represents various third party funders ("TPFs") that provide financing for, without limitation, court based litigation, arbitration proceedings, and court judgment and arbitral award enforcement proceedings in various countries around the world (collectively, "Financing Activities"). There may be situations (known or unknown to the Firm) in which a

client of the Firm (in matters unrelated to its Financing Activities) is providing or has provided financing to the adverse party in a matter in which the Firm is representing you. The Firm does not believe that such a situation presents a conflict of interest and the Firm has determined that it would be able to provide competent and diligent representation to both the TPF and you in such a situation and that our representation of each will not be materially limited by our responsibilities to the other. As a condition of this engagement, you consent, after such review as you believe appropriate, to the Firm's representation of you and TPFs (in matters unrelated to our work for you). In the event you seek funding or related services from TPFs (known or unknown to the Firm), you agree that the Firm will not consider the TPF to be a client of the Firm solely as a result of the TPF's providing funding and related services to you. Furthermore, you agree the Firm is in no way precluded from representing other clients in any matters adverse to TPFs that have provided or are currently providing funding or related services to you.

Finally, you agree that, for the purposes of determining whether any conflict may exist, only the client(s) identified in our engagement letter, and not any affiliated entity or person, shall be considered our client.

OPPOSING LAWYERS

In addition to our representation of business and not-for-profit entities as well as individuals, we also regularly serve as legal counsel to lawyers and law firms. From time to time, we engage other lawyers and law firms to represent us. As a result, opposing lawyers in a matter may be a lawyer or law firm that we represent now or may represent in the future. Likewise, opposing lawyers in a matter may represent us now or in the future. Further, we have professional and personal relationships with many other lawyers, often because of our participation in professional organizations. Collectively, these situations are common in the legal field. We believe that these relationships with other lawyers will not adversely affect our ability to represent you.

DOCUMENT RETENTION

Your original hard copy documents and property, described further below, will be returned to you upon conclusion of our representation of you on a particular matter (unless they are relevant to another matter on which we continue to represent you) and, upon our receipt of payment for outstanding fees and other charges, subject to applicable Rules of Professional Conduct. At that time, you will also have the opportunity to accept the remainder of your entire client file, including lawyer work product. Some K&L Gates offices maintain files in a digital image format. If you request your file from any of those

offices, we will provide it in an electronic format on a CD, DVD or other medium. Should you decide not to accept your remaining file at that time, you authorize us to destroy your files at our discretion. If you do not request the return of your file at the time your matter is concluded, we may retain or destroy the file without further notice to you.

Original documents and property, if not returned to you for any reason, will be designated for permanent retention and will not be destroyed without your prior approval. Such items include, but are not limited to, money orders, travelers checks, stocks and bonds, final executed releases, settlement agreements, contracts and sale or purchase agreements, judgments, deeds, titles, easements, wills and trusts, powers of attorney and all other dispositive estate planning documents.

You agree that our drafts of documents, notes, internal working papers, internal e-mail and electronic databases shall be and remain the property of K&L Gates LLP and shall not be considered part of your client file.

The Firm retains the right to make copies of your file, at our expense, for our own information and retention purposes.

FIRM LAWYERS' PRIVILEGE

We believe it is in your interest as well as the Firm's interest that, in the event ethical or other legal issues arise during our representation of you, including conflict of interest issues or potential disputes between us, the Firm lawyers working on your behalf are able to receive informed, confidential advice regarding their obligations. Accordingly, if we determine in our discretion that it is necessary or advisable for Firm lawyers to consult with our internal or outside counsel, you agree that they may do so and that you recognize the Firm has a lawyer-client privilege protecting the communications between the Firm lawyers working on your behalf and the Firm's internal or outside counsel.

NEW YORK FEE DISPUTE PROCESS

If any of our New York licensed lawyers work on this matter and if a material portion of the legal services we provide to you takes place in New York, you may have an option to invoke arbitration should a fee dispute arise between you and us during or at the conclusion of this engagement. Specifically, in any civil matter where the fee dispute involves a sum of up to \$50,000, you may have a right to compel resolution by binding arbitration. In addition, whether or not binding arbitration is available, both you and we are encouraged to seek resolution of lawyer-client disputes, including fee disputes, through mediation, and the New York Courts and Bar have established a program for mediation of such disputes by an

impartial mediator. In the event that any fee dispute should arise in this engagement which is not promptly and satisfactorily resolved between us, we shall furnish you with further details concerning the procedures and effects of arbitration and mediation, so that you can make an informed decision as to how to proceed in the circumstances.

CLIENT RESPONSIBILITIES

It is possible that you may have insurance policies relating to the matter that is the subject of our engagement. You should carefully check the insurance policies you have purchased and, if coverage may be available, you should provide notice to all insurers that may provide such coverage as soon as possible. Although we will be pleased to assist you in assessing the potential for coverage under any policies you may have, our engagement will not include advising you with respect to the existence or availability of insurance coverage for matters within the scope of our engagement unless you supply us with copies of your insurance policies and expressly request our advice on the potential coverage available under such policies.

SEVERANCE OF TERMS

If all or any part of our Engagement Contract is or becomes illegal, invalid or unenforceable in any respect, then the remainder will remain valid and enforceable.

THIRD PARTY RIGHTS

No provision of our Engagement Contract is intended to be enforceable by any third party. Accordingly, no third party shall have any right to enforce or rely on any provision of our Engagement Contract.

ASSIGNMENT

A. Permitted Assignment

We may assign the benefit of our Engagement Contract to any partnership or corporate entity that carries on the business of K&L Gates-US in succession to us and you will accept the performance by such assignee of the Engagement Contract in substitution for our performance. References in these Terms (other than in this paragraph) and in any relevant engagement letter to the Firm or to K&L Gates-US shall include any such assignee.

B. Other Assignment

Subject to the foregoing paragraph, neither you nor we shall have the right to assign or transfer the benefit or burden of our Engagement Contract without the written consent of the other party.

DEFINITIONS

In these Terms a reference to a “matter” is to a transaction, case or other matter as to which at any time you have engaged us to represent you; and, any reference to “our services” is to the legal services to be provided by us to you as described in our engagement letter and any other legal services provided by us to you at any time in relation to a matter.

INCONSISTENCIES

In the event of any inconsistency between our engagement letter and these Terms, the engagement letter shall prevail.

RESOLVING PROBLEMS AND DISPUTES

If you have any complaints or concerns about our work for you, please raise these in the first instance with the lawyer responsible for your engagement or with the Firm’s Chairman or Global Managing Partner. We will investigate your complaint promptly and carefully and do what we reasonably can to resolve the difficulties to your satisfaction.

APPLICATION OF TERMS

If you have any complaints or concerns about our work for you, please raise these in the first instance with the lawyer responsible for your engagement or with the Firm’s Chairman or Global Managing Partner. We will investigate your complaint promptly and carefully and do what we reasonably can to resolve the difficulties to your satisfaction.

K&L GATES LLP

SCHEDULE OF STANDARD CHARGES

2017

<u>DESCRIPTION OF CHARGE:</u> =====	<u>STANDARD CHARGE</u> =====	<u>UNIT BASIS</u> =====
Photocopying/Image Printing	\$0.15	Each copy
Color Copying/Printing	\$1.00	Each copy
Facsimile	\$0.75	Each outgoing transmitted page, plus cost of telephone line usage
CD Burning	\$25.00	Per CD

Legal Research: The Firm pays for Lexis and Westlaw under monthly fixed fee contracts. The actual, monthly fixed fee is allocated to all users of the database each month, and client charges for such usage are directly proportional to the actual research conducted on their behalf.

Long Distance Telephone and Conference Calls: The charge for long distance and conference calls is based on the actual time length of the call placed at rates that reasonably approximate our costs.

Secretarial Overtime: As required by client specific circumstances, secretarial overtime will be charged at the Firm's average hourly rate for secretarial overtime.

The following are examples of items that will be charged at their out-of-pocket cost to K&L Gates:

Courier (Federal Express, UPS, etc.)

Business Meals

Off-site Storage Retrieval