

Rhodes Holdings LLC

P.O. Box 260, Stafford TX 77497
281-435-3917 Phone // 866-249-4534 FAX // <http://www.rhodes-holdings.com>

Date: _____

CONTACT: _____

COMPANY: _____

PHONE: _____

FAX: _____

E-MAIL: _____

WEBSITE: _____

PHYSICAL ADDRESS: _____

MAILING ADDRESS: _____

This letter agreement confirms the engagement of Rhodes Holdings LLC ("*RHL*") by _____ ("*CLIENT COMPANY*") as consultants to assist in the definition and execution of a corporate development strategy for *CLIENT COMPANY*. The objective of the strategy is to complete one or more financing, acquisitions, sales, mergers, joint ventures, or other similar transactions involving *CLIENT COMPANY* (each, a "*Transaction*").

1. Services.

(a) RHL will perform the consulting services described in Exhibit A hereto ("*Services*"). RHL will devote such time and effort as is it deems necessary to provide the *Services*. *CLIENT COMPANY* will provide RHL with all information concerning *CLIENT COMPANY* which RHL reasonably deems appropriate in connection with its engagement and will provide RHL with access to *CLIENT COMPANY*'s officers, directors and advisors. To *CLIENT COMPANY*'s knowledge, all such information will be true and accurate in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made. *CLIENT COMPANY* acknowledges that RHL will be using and relying upon the accuracy and completeness of publicly available information and the information supplied by the Company and its officers in connection with its engagement without independent verification.

(b) RHL will keep confidential and not disclose or permit its employees or representatives to disclose confidential information received from *CLIENT COMPANY* (other than to RHL employees or agents involved in the performance of services hereunder or otherwise on a need-to-know basis), except as contemplated in this letter agreement, as otherwise may be authorized by *CLIENT COMPANY*, or as may be required by law. For purposes of this letter agreement, "*confidential information*" means information provided by *CLIENT COMPANY* to RHL that is not otherwise available to RHL from sources outside of *CLIENT COMPANY*, and any

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such information shall cease to be confidential information when it becomes generally available, or comes to RHL's attention, through other sources that do not, to RHL's knowledge at the time, involve a violation of this or any similar agreement.

2. Fees.

- (a) *Retainer Fee.* As inducement for RHL to enter into this agreement and expend time, effort, and energy providing services which will be compensated by CLIENT COMPANY entering into future agreements, funding, acquisitions, mergers, new business development and other such activities, CLIENT COMPANY shall provide RHL with the following:

\$ _____ as a present payment of any and all future fees payable, payable upon signing of this agreement and non-refundable;

_____ % of the outstanding equity, restricted shares under the 1933 Securities Act of 1933 Section 144, of CLIENT COMPANY;

- (b) *Acquisition Fee.* During the term of the Agreement or any Tail Period provided in Section 5(a), CLIENT COMPANY will pay to RHL with respect to each Acquisition or Sale consummated by CLIENT COMPANY a fee ("*Transaction Fee*") calculated as follows:

___% of the Total Consideration (as defined below) with respect to such Acquisition or Sale, if RHL initiates contact;

___% of the Total Consideration (as defined below) with respect to such Acquisition or Sale, if originated and contacted initially by CLIENT COMPANY as listed in Exhibit B (*must be listed to fall into this category*);

Notwithstanding the foregoing, the Transaction Fee payable with respect to any Acquisition or Sale will be reduced by the amount of any fees paid by CLIENT COMPANY to any investment banker or finder engaged by CLIENT COMPANY to represent it in such Acquisition. The parties acknowledge and agree that RHL will have no obligation to perform Services with respect to any Acquisition or Sale described in the preceding sentence.

The Transaction Fee will be earned, due and payable in the same form and on the same timing as the Total Consideration payable in the related Acquisition or Sale.

"*Total Consideration*" means, the total value of all cash, securities, or other property paid or received, directly or indirectly, by CLIENT COMPANY (at closing or in the future) in connection with such Acquisition or Sale, including (without limitation) in respect of (x) the assumption (by operation of law or otherwise) of any indebtedness or (y) consulting, non-compete or similar agreements.

- (c) *BD Fee.* CLIENT COMPANY will pay to RHL a fee (the "*BD Fee*") equal to ___% of CLIENT COMPANY's total revenue from any product development relationship, licensing relationship, distribution relationship or any other similar transaction or relationship involving CLIENT COMPANY and a partner or customer introduced to CLIENT COMPANY by RHL (each, a "*BD Transaction*") that is entered into during the term of this Agreement or any Tail Period (as defined below)). The BD Fee will

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be due and payable in cash, when and as the associated revenue from the BD Transaction is collected by CLIENT COMPANY.

- (d) *Direct Filing Consulting Fee.* CLIENT COMPANY wishes to directly offer shares privately and then have follow on offerings to the public as a publicly traded security. RHL shall provide consulting services to walk the CLIENT COMPANY through our process for direct offerings. RHL shall provide its best efforts in its consulting work for the successful offering of said securities by the CLIENT COMPANY, but RHL shall not guarantee any actions by any regulatory bodies. A separate addendum will be attached hereto with specific steps that RHL shall provide consulting on to CLIENT COMPANY.

- \$ _____ to consult with CLIENT COMPANY on the direct offering of its securities as a **non-reporting public entity**;

OR

- \$ _____ to consult with CLIENT COMPANY on the direct offering of its securities as a **reporting public entity**;

- _____ % of the CLIENT COMPANY stock for said services

3. Expenses. In addition to the compensation described in Section 2 above, CLIENT COMPANY will reimburse RHL for all reasonable out-of-pocket expenses incurred in connection with the performance of the Services upon presentation of supporting documentation (including but not limited to, reasonable fees and expenses of consultants or legal counsel retained by RHL), provided that such expenses are pre-approved by CLIENT COMPANY. Such reimbursement will be due and payable within five days after CLIENT COMPANY's receipt of RHL's invoice for same, unless RHL agrees to defer the payment of expenses till Transaction closes.

4. Indemnity; Limitation of Liability.

- (a) CLIENT COMPANY will indemnify and hold harmless RHL against any and all losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses and disbursements (and any and all actions, suits, proceedings and investigations in respect thereof and any and all legal and other costs, expenses and disbursements in giving testimony or furnishing documents in response to a subpoena or otherwise), including, without limitation, the costs, expenses and disbursements, reasonably incurred, as and when incurred, of investigating, preparing or defending any such action, suit, proceeding or investigation (whether or not in connection with litigation in which RHL is a party), directly or indirectly, caused by, relating to, based upon, arising out of, or in connection with this letter agreement or RHL's performance hereunder, except to the extent primarily caused by the gross negligence or willful misconduct of RHL.
- (b) The indemnification provisions shall be in addition to any liability which CLIENT COMPANY may otherwise have to RHL or the persons indemnified below in this sentence and shall extend to the following: RHL, its affiliated entities, members, employees, legal counsel, agents and controlling persons (within the meaning of the federal securities laws), and the officers, directors, employees, legal counsel, agents

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and controlling persons of any of them. All references to RHL in this Section 4 shall be understood to include any and all of the foregoing.

- (c) RHL shall not have any liability (whether direct or indirect, in contract or tort or otherwise) to CLIENT COMPANY for or in connection with this letter agreement or RHL's performance hereunder, except to the extent that any such liability is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily from RHL's gross negligence or willful misconduct. In no case shall RHL's liability (whether direct or indirect, in contract or tort or otherwise) to CLIENT COMPANY for or in connection with this letter agreement or RHL's performance hereunder exceed the aggregate fees paid by CLIENT COMPANY to RHL hereunder.

5. Term of Engagement. The initial term of this letter agreement shall be from the date hereof for one (1) year (the "*Initial Term*"). After the Initial Term, the term of this letter agreement will automatically be extended for an additional successive one-month periods unless either party provides written notice to the other party of its intent not to so extend the term at least 30 days before the expiration of the then current term. Upon termination or expiration of this letter agreement, neither party will have any liability or continuing obligation to the other, except that: (a) CLIENT COMPANY will remain liable for any out-of-pocket expenses incurred up to the time of termination; (b) RHL will be entitled to 100% of the Transaction Fees, Capital Fees and BD Fees with respect to any Acquisitions / Sales, Capital Transactions and BD Transactions, as applicable, consummated within a period of twelve months following the termination of this letter agreement (the "*Tail Period*") with any party identified or introduced by RHL to CLIENT COMPANY; and (c) the provisions of Sections 4, 6 and 7 will survive the termination or expiration of this letter agreement.

6. Successors and Assigns. The benefits of this letter agreement shall inure to the respective successors and assigns of the parties hereto and of the indemnified parties hereunder and their successors and assigns and representatives, and the obligations and liabilities assumed in this letter agreement by the parties hereto shall be binding upon their respective successors and assigns; provided, that the rights and obligations of either party under this Agreement may not be assigned without the prior written consent of the other party hereto and any other purported assignment shall be null and void.

7. Miscellaneous.

- (a) CLIENT COMPANY is a sophisticated business enterprise that has retained RHL for the limited purposes set forth in this letter agreement, and the parties acknowledge and agree that their respective rights and obligations are contractual in nature. CLIENT COMPANY recognizes that the consulting relationship is not an exclusive relationship for RHL or any of its personnel. Each party disclaims an intention to impose fiduciary obligations on the other by virtue of the engagement contemplated by this letter agreement, and each party agrees that there is no fiduciary relationship between them.
- (b) The Services do not include requiring RHL to engage in any activities for which an investment advisor's registration or license is required under the U.S. Investment Advisors Act of 1940, or under any other applicable federal or state law; or for which a "broker's" or "dealer's" registration or license is required under the U.S. Securities Exchange Act of 1934, or under any other applicable federal or state law. RHL's work on this engagement shall not constitute the rendering of legal advice, or the

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providing of legal services, to CLIENT COMPANY. Accordingly, RHL shall not express any legal opinions with respect to any matters affecting CLIENT COMPANY.

- (c) The validity and interpretation of this letter agreement shall be governed by the law of the State of Texas applicable to agreements made and to be fully performed therein. CLIENT COMPANY and RHL agree that if any action is instituted to enforce or interpret any provision of this letter agreement, the jurisdiction and venue shall be Harris County, Texas.
- (d) This letter agreement constitutes the entire agreement of the parties with respect to the matters herein referred and supersedes all prior agreements and understandings, written and oral, between the parties with respect to the subject matter hereof. Neither this letter agreement nor any term hereof may be changed, waived or terminated orally, except by an instrument in writing signed by the party against which enforcement of the change, waiver or termination is sought.

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Please confirm your agreement by signing and returning a copy of this letter agreement to RHL.

Very truly yours,

Rhodes Holdings, LLC

By: _____
Robert C. Rhodes
Managing Member
Rhodes Holdings LLC

Accepted and agreed by:

_____ ("CLIENT COMPANY")

By: _____

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Exhibit A Services

Acquisition / Sale Transaction Make ready

- Developing a target list of potential Buyers or merger candidates.
- Contacting potential Buyers on behalf of CLIENT COMPANY.
- Analyzing and screening potential Buyers against CLIENT COMPANY's criteria.
- Arranging meetings between CLIENT COMPANY and Buyers and attending the same.
- Working with CLIENT COMPANY management to review all associated documents.

Financing

- Identify and introduce potential parties to Capital Transactions.
- Objective for Capital Transactions is to raise a minimum of \$ _____ .

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Exhibit B
Acquisition / Sale Contact(s) provided by CLIENT COMPANY
(Form to be filled out by CLIENT COMPANY)

COMPANY: _____

CONTACT: _____

PHONE: _____

E-MAIL: _____

ADDRESS: _____

NOTES: _____

TRANSACTION DISCUSSED: _____

CONTACT INITIATED BY: _____