

THE SHANAHAN LAW FIRM LLC

ECONOMIC DEVELOPMENT AND JOB CREATION INITIATIVE (“EDJCI”)

FOR START UP AND EARLY STAGE COMPANIES

FREQUENTLY ASKED QUESTIONS (“FAQ”)

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| What Is The Commitment Of The Firm In Its EDJCI: | This Firm’s commitment (“Commitment”) is to contribute its expertise, experience and professional and consulting services to the Company in any or all of the following areas: (1) strategic, (2) legal, (3) long range planning, and (4) macro financial. |
| Why Did The Firm Create And Launch The EDJCI: | Concern over levels of unemployment, impact of reduction in federal budget, health of the local economy, depressed levels of economic recovery, present economic realities and projected future economic realities. |
| What Are The Goals Of The EDJCI: | The goals include: (1) job creation, (2) economic development, (3) attract and retain skilled, educated and highly motivated individuals for the community, (4) aid in the development, growth, and potential of the Company, (5) contribute to the quality of the Company’s decision making, (6) remove budgetary barriers to the professional advice the Company needs, and (7) save the Company the expense of professional and consulting services so the company can redeploy those funds for the development of its business. |
| What If The Company Has Not Been Formed: | For “start ups” the founders may not have formed a company. For those the Commitment is to the founders until and if it makes sense to form a company. |
| Length Of Commitment: | Usually at least two years |
| Does It Matter What Type Of Business, Product Or Service The Company Has: | The focus of the EDJCI is economic development, whether high tech, low tech, product or service. If the business, product or service of the Company has the potential to promote economic development, the Firm will consider the Company as a candidate for the EDJCI. |
| Does The Company Need To Be Concerned About Any Information The Company Shares With The Firm: | The Firm keeps absolutely confidential all information the Company shares with the Firm as the Firm would for any client. |
| What Are The Firm’s Goals During The Commitment: | Helping the Company to develop, grow and “become all it can be,” contributing to the quality of the Company’s decision making, ensuring that the Company does not let budgetary concerns get in the way of receiving the professional advice the Company needs to grow and deal with the problems of growing and operating its business, and saving the Company the expense for these professional and consulting services so the Company can redeploy those monies for the development of its business. See “The Firm’s Goals In Each Client Relationship” on the Firm’s website. |
| What Are The Firm’s Expectations Of The Company: | See “The Firm’s Expectations Of Its Clients” on the Firm’s website. The Company will review thoroughly all of the information on the Firm’s website. |

The Firm also wants to highlight the following additional expectations: (1) separately (if the individuals are different) the sole or majority owner of the Company, the individual who runs the Company and the Chair of the Board meet quarterly with the Firm, (2) the Firm invited to attend Board meetings, (3) the Firm receives whatever information and materials the Board receives including the Strategic/Business Plan and any updates, Agenda and Minutes of Board meetings along with any attachments and handouts, periodic and annual financial statements, and (4) the Firm's quarterly invoices (describing professional services rendered and no amount due) will be shared on a confidential basis with the members of the Board, the members of the management team and the principal shareholders.

How Does The Firm Identify Candidates For The EDJCI:

The Firm reaches out periodically to venture capitalists, angel investors, research institutions, universities, technology transfer institutions, incubators, economic development organizations, lenders, investment bankers, accounting firms, corporations and consultants in the community and to clients and friends of the Firm offering them the opportunity to nominate a start up, early or second stage company for the EDJCI.

How Does The Firm Decide To What Candidates To Make An EDJCI Commitment:

The nominations greatly exceed the number of companies to which the EDJCI can commit. There is extensive due diligence, evaluation and vetting of each qualified nominee. The Firm attempts to review nominations in quarterly cycles.

How Many Commitments Would The Firm Expect To Have At Any One Time:

Five to ten

What Happens When The EDJCI Commitment Expires:

Hopefully, the Company will be sufficiently established that it will no longer need the Commitment of the EDJCI.

What If The Commitment Period Ends And The Company Is In The Middle Of A Crisis:

Subject to the Firm's new EDJCI's commitments at that time, the Firm will not walk away in the middle of a crisis for the Company if there is no alternative assistance.

Is There Any Requirement Or Expectation By The Firm That The Company Continue To Use The Firm On A Paying Basis When The Commitment Expires:

Absolutely none

After the Commitment Expires, If The Company Asks The Firm To Continue The Relationship On A Paying Basis (See The Firm's Billing Policy ["Billing Policy"] On The Firm's Website), Would The Firm Consider The Company's Request:

The Firm would be flattered to be asked and would consider the Company's request.

During The Period Of The Commitment, What Happens If The Company Grows To A Point At Which It Does Not Need The Commitment Or Can Afford To Pay For The Professional Services The Firm Is Contributing:

The Firm would like the Commitment to expire so the Firm can make a Commitment to another candidate who needs a Commitment.

The Company can then choose whomever it chooses to provide the professional services the Firm was providing. If the Company wants to request the Firm to continue the relationship on a paying basis pursuant to the Billing Policy, the Firm would be flattered to be asked and would consider the Company's request.

Is There A Level Of Capital Raised By The Company In An Equity Or Debt Event At Which The Firm Would Request A Voluntary Payment By The Company Towards The Firm's Contributed Professional Services To Date:

If the Company raises \$250,000 or more in a single equity or debt event, the Firm would request a voluntary payment in an amount decided by the Company towards the Firm's contributed professional services to date.

What Have Other EDJCI Clients Done With Respect To A Voluntary Payment When There Has Been An Equity Or Debt Event Of \$250,000 Or More:

The issue seldom, if ever, comes up because the EDJCI client has typically been very grateful for the assistance from the EDJCI Commitment and has wanted on its own initiative to make a voluntary payment.

The Firm maintains a "Summary Of History Of Voluntary Payments To Firm By EDJCI Clients If The Company Raises \$250,000 Or More In A Single Equity Or Debt Event," which the Firm would consider sharing on a confidential basis if and when there is the prospect of an Event.

Can The Company Use The Monies Saved As A Result Of The Firm Contributing Its Professional Services Under The Commitment To Pay Another Law Firm For Professional Services Within The Firm's Experience:

No. Otherwise, the Commitment would be abused.

Strategic Planning

What Kinds Of Strategic Planning Matters Are Frequently Included Within The Commitment:

Reviewing and commenting on the strategic plan, observing at strategic planning sessions, assisting in the refinement of the expression of the strategic plan, mergers, consolidations, joint ventures, etc.

What Kinds Of Strategic Planning Matters Will Not Be Part Of The Firm's Commitment:

Drafting the strategic plan and facilitating the strategic planning process.

Can A Firm Professional Serve On The Board Of An EDJCI Client:

No

Legal

What Kinds Of Legal Matters Are Frequently Included Within The Commitment:

Equity and debt financing, investor and shareholder issues, day to day operating issues, entity formation, employment agreements, non-competition agreements, confidentiality agreements, agreements among owners, disclosure documents, private placements, licensing, contractual matters, personnel and labor matters, routine regulatory issues, ongoing asset issues, real estate, transactions, joint ventures, mergers, negotiations, ongoing lender relationships, governance, disputes or claims short of

litigation, etc.

What Kinds Of Legal Matters Will Not Be Part Of The Commitment:

The Commitment covers everything except for what the Firm refers to as “Project” work. The Commitment will not include “Project” work.

What Kinds Of Legal Matters Have Been “Project” Work In The Past:

The EDJCI, by philosophy, tries to be inclusive not exclusive. Examples of “Project” work have included litigation, regulatory or governmental investigations and the prosecution, evaluation and filings regarding intellectual property.

How Will The Company Know When The Matter Is Or Has Become A “Project”:

The Firm will let the Company know and discuss with the Company. Pursuant to the Billing Policy, the Company will choose a billing arrangement for the “Project” work.

Even Though The Company Will Not Be Billed For Professional Services, Will The Company Receive Periodic Summaries Of The Matters With Which The Firm Has Assisted:

Yes. Quarterly, the Firm will try to provide the Company a narrative invoice showing “Total Amount Due: \$0” and what the Firm’s “Suggested Value Of Services” would have been but for the EDJCI. See the Firm’s website for a sample of an invoice.

What About Firm Out Of Pocket Costs And Disbursements:

See the Firm’s website. The Firm only bills for material and non-routine disbursements.

What If An Issue Comes Up For Which The Firm Feels The Assistance Of Special Counsel Is Prudent:

Examples would include the prosecution, evaluation and filings regarding intellectual property, certain regulatory or governmental investigations and contesting federal contract awards.

The Firm would ask for the Company’s authority to engage Special Counsel to assist the Firm on the matter, understanding the Company would be billed by Special Counsel.

How Will The Firm Serve The Intellectual Property Needs Of The Company:

A number of IP firms have approached the Firm about assisting the Firm on the IP needs of its EDJCI clients. The general understanding with these IP firms is that the IP firms will contribute preliminary consulting and advisory assistance but would charge for any disbursements and for the filing and prosecution of any filings.

If Special Counsel Needs To Be Involved, What Role Does The Firm Play Under The Commitment? Will The Firm Help To Manage And Coordinate The Use Of Special Counsel:

In essence, the Firm, at that point, plays the role of volunteer “in house counsel.” See the Firm’s website. The Firm’s Commitment includes managing Special Counsel, the resolution of the matter, the decisions to be made, tactics and strategies on the matter, minimizing the intrusion of the issue on the time and attention the management team spends on operations, quality control, the paperwork and the budget for Special Counsel.

Long Range Planning

What Kinds Of Long Range Planning Matters Are Frequently Included Within The Commitment:

Reviewing and commenting on long range plans, challenging assumptions and offering alternatives, suggesting alternative paths and approaches, sharing the experiences of others, reviewing and commenting on drafts of any long range plans, etc.

What Kinds Of Long Range Planning Matters Will Not Be Part Of The Firm’s Commitment:

Drafting any long range plan and facilitating the long range planning process.

Macro Financial

What Kinds Of Financial Matters Are Frequently Included Within The Commitment: Advising the Company on financing strategies and approaches, financings, raising equity, securing debt, acquisitions and divestitures, joint ventures, big picture balance sheet and P&L issues, and reviewing and commenting on proposals with respect to effectiveness of Company in telling its story.

Will the Firm seek investors for the Company, whether from the Firm's clients or otherwise: No

Will Firm professionals invest in the Company: No

What Kinds Of Financial Matters Will Not Be Part Of The Firm's Commitment: Raising equity or debt for the Company and accounting questions and issues

General

Is The Commitment A Contract: No, just an offer to be helpful so long as the Firm is able to

What Kinds Of Developments Could Make The Firm's Assistance Unavailable: Acquisition by another law firm, loss of certain Firm professionals for any reason, decline in number of referrals of new fee paying clients, etc.