

**ABRAHAM, WATKINS, NICHOLS,
SORRELS, MATTHEWS & FRIEND**

Power of Attorney

Agreement is made between ClearValue, Inc., ClearValue Technologies, Richard Alan Haase, and Audrey McKeehan Haase (hereinafter "Clients") having a physical address of 4402 Ringrose Drive, Missouri City, TX 77459, with a mailing address of P O Box 18856, Sugar Land, TX 77496-8856, a phone number of 281/261-9543, and a fax number of 281/261-6505, and Abraham, Watkins, Nichols, Sorrels, Matthews & Friend of 800 Commerce Street, Houston, Texas 77002, and Gordon G. Waggett, P.C., 3200 Southwest Freeway #2355, Houston, TX 77027 (Attorneys) effective the 16th day of December, 2004, at Houston, Texas. In consideration of the mutual promises herein contained, the parties hereto agree as follows:

Attorneys are authorized to associate additional counsel ("Associated Counsel") to assist attorneys prosecuting Clients' causes of action. All attorneys will assume joint responsibility for the prosecution of the Clients' causes of action with Associated Counsel. At the conclusion of the case, if recovery is made on behalf of Clients, the fee to be paid to Associated Counsel will be apportioned by the Attorneys from the Attorneys fees as described in paragraph II below. Clients' signatures at the end of this Agreement indicate his/her understanding of the division of fees that will be paid to Attorneys and Associated Counsel as described in paragraph II.

I. PURPOSE OF REPRESENTATION

Clients hereby fully employ Attorneys to manage and handle, as deemed necessary, all claims and causes of action, suit or suits, that may grow out of the same, against any wrongful party, and to prosecute said causes for and on Clients' behalf, with or without suit, and to recover all damages and compensation to which Clients may be entitled as well as to compromise and settle all claims arising out of the theft of Clients' trade secrets and patent infringement of U.S. Patent No. 6,120,690, and any patent resulting from the presently pending U.S. Patent Application Serial No. 10/413,849, and patent infringement by all responsible parties, and which continue to occur.

Clients understand that this contract for legal services is for representation on these claims and these claims alone. It does not extend to any other patent, probate, tax advice, criminal defense, divorce or other kind of legal service or proceeding, including the handling of any patent prosecution matters of Clients before any patent office. The provision of any legal services directed to handling of any of Clients' patent prosecution matters by Gordon G. Waggett, P.C., and compensation for such services, shall be independent of this Agreement and made the subject of a separate agreement(s). If ancillary legal services are necessary, Clients agree that all Attorney fees, costs or expenses related to those services will be borne by Clients.

II. ATTORNEYS' FEES

Except as may otherwise be required by law, if Clients recover any compensation as defined within the Purpose of Representation paragraph, then Clients do hereby assign and convey to Attorneys the following undivided interest in Client's claim:

- 40% of any recovery if Clients' cases are settled, resolved, or concluded BEFORE a lawsuit is filed;
- 45% of any recovery if Clients' cases are settled, resolved, or adjudicated AFTER a lawsuit is filed;



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50% of any recovery if Clients' case are settled, resolved, or adjudicated AFTER a notice of appeal has been given.

Attorneys will be financially compensated by the Clients ONLY if a recovery is made. If a settlement includes future or periodic annuity payments to clients, Attorney fees will be paid out of the initial cash payment. The basis for the Attorney fees will be based upon the entire settlement, if the cost can be determined after reasonable efforts. If the cost cannot be determined, the basis will be the present value of the settlement.

III. CLIENTS' APPROVAL IS NECESSARY FOR SETTLEMENT

Attorneys are authorized to engage in settlement negotiations if and when appropriate in their professional judgment. However, no settlement of any nature shall be made for any of the claims or causes of action of Clients without the complete approval of Clients; nor shall Clients obtain any settlement on the aforesaid claims without the complete approval of Attorneys.

IV. DEDUCTION OF EXPENSES

In the course of handling litigation it is necessary to incur expenses. Examples of these expenses include, but are not limited to, deposition and video costs, expert witness expenses, meeting expenses, investigation expenses, witness expenses, medical and/or other records, certified patent file costs, transportation costs, travel and lodging expenses, photography costs, photocopy and exhibit costs, fax and postage costs, research expenses, long distance telephone costs, and delivery services. Court costs, including filing fees, deposition expenses, mediation fees, and subpoenas, are also incurred. Expenses and court costs incurred by Attorneys in the handling of this matter will be deducted from Clients' share of the recovery, after deduction of Attorneys fees, and will be reimbursed at the time they are recovered. If no recovery is made, there will be no fee or expense due to Attorneys by Clients.

Because the expenses the attorneys must pay in order to develop the Clients' case are more than likely to far exceed \$1,000.00, the attorneys may borrow money from a commercial bank to finance the cost and expenses of litigation. The Clients understand that the bank will charge interest on such loans and agrees that such interest will be treated as an expense of litigation.

V. COOPERATION OF CLIENT

Clients shall keep Attorneys advised of their current address and telephone numbers at all times, shall appear on reasonable notice at any and all depositions and court appearances, and shall comply with all reasonable requests of Attorneys in connection with the preparation and presentation of Clients' claim and causes of action.

VI. PERMISSION TO WITHDRAW

In case Attorneys determine that he or she does not wish to pursue Clients' claims or causes of action further, Clients agree that Attorneys may withdraw from representation of Clients by sending written notice to Clients at his or her last known address of the Attorneys' intention to withdraw. In that event, Clients shall not be obligated to pay any Attorneys fees or expenses. Should Attorneys determine to withdraw, Clients will be afforded 60 days to obtain new counsel prior to Attorneys formally withdrawing from any venue. Should Clients obtain new counsel after withdrawal of Attorneys and Clients obtain a recovery from said venue, Attorneys are to be reimbursed for expenses incurred prior to the time of withdrawal as presented in paragraph IV for said venue.

VII. GENERAL PROVISIONS

- A. **TEXAS LAW TO APPLY.** This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created herein are performable in Harris County, Texas.
- B. **PARTIES BOUND.** This agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns.
- C. **LEGAL CONSTRUCTION.** In case any provision or provisions contained in this agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any of the other provisions thereof, and this agreement shall be construed as if the invalid, illegal, or unenforceable provision have never been contained herein.
- D. **PRIOR AGREEMENTS/MODIFICATION.** This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings, written or oral agreements between the parties respecting the subject matter within. Further, any modification of this agreement will be of no effect unless written and signed by Clients and Attorneys.

VIII ARBITRATION

Any and all disputes, controversies, claims or demands arising out or relating to this agreement or any provision hereof, including the services by attorneys to clients, distribution of settlement proceeds, expenses charged, fees paid to forwarding attorneys, or any other matter relating to the relationship between attorneys and clients, whether in contract, tort, or otherwise, at law or in equity, including issues concerning conflicts of interest, fiduciary relationships between attorneys and clients, costs and/or expenses, for damages or any other requested relief, shall be resolved by binding arbitration utilizing the American Arbitration Association and applying the commercial arbitration rules. Any such arbitration proceeding shall be conducted in Harris County, Texas, and a panel of three (3) arbitrators will be utilized. This arbitration provision shall be enforceable in either federal or state court in Harris County, Texas. Any party to any award rendered in such arbitration proceeding may seek a judgment upon the award, and that judgment may be entered by a federal or state court in Harris County, Texas, having jurisdiction.

EXECUTED effective 16th day of December, 2004.

ABRAHAM, WATKINS, NICHOLS,
SORRELS, MATTHEWS & FRIEND

By: 

GORDON G. WAGGETT, P.C.

By: 
Gordon G. Waggett, President

CLEARVALUE, INC. and
CLEARVALUE TECHNOLOGIES


Richard Alan Haase, President and CEO


Audrey Haase, Individually


Richard Alan Haase, Individually