Orten Cavanagh Holmes & Hunt, LLC
ATTORNEYS AT LAW

TERMS OF ENGAGEMENT

Thank you for selecting Orten Cavanagh Holmes & Hunt, LLC (the "Law Firm") to provide legal services as requested by the Association. Requests for services may be made by the Association's manager or staff, the President, or a designated board member liaison. The following includes the Association's terms of engagement of the Law Firm. Please note that this agreement becomes effective when the Law Firm receives a duly signed copy of the agreement, and that the Law Firm is not required to provide professional services until such receipt.

TERMS

Representation of the Association - The Law Firm represents the Association. The Law Firm's professional responsibilities, and those of its attorneys and paralegals, run to the Association. The Law Firm does not represent the board of directors, any individual board members or officers, the manager, the management company, or owners in the community unless expressly authorized by the Association and agreed to by the Law Firm.

Law Firm Responsibilities - The Law Firm will provide legal counsel and assistance on matters referred to us. We will rely upon information and guidance the Association provides. We will keep the Association reasonably informed of progress and developments and respond to its inquiries.

Association Responsibilities - In order to enable the Law Firm to provide legal services, the Association is to disclose fully and accurately all facts and keep our Law Firm apprised of all developments relating to matters referred. The Law Firm has the right to rely on ledgers, information, and documents provided by the Association or its agents. The Association is responsible for any damages incurred that result from providing inaccurate information or documents.

The Association is to cooperate fully and be available to attend meetings, conferences, hearings, and other proceedings on reasonable notice, and stay reasonably informed on all developments relating to matters referred.

Fees of the Law Firm

Hourly Rates - For services not covered by a specific flat fee, hourly rates apply. The hourly rates for the Law Firm's professionals range from $390 - $450 for principals, $340 - $390 for associates, and $200 for paralegals.

Retainer Program - The monthly fee for the retainer program is set forth in the Retainer Services sheet. Hourly rates are discounted by $20 for attorneys and $10 for paralegals. There is a 10% reduction in many flat fees for retainer clients. Please see the Retainer Services information for a full description of this program.

Assessment Collections - We offer most collections services on either a fixed fee or shared risk basis. Please see the Fixed Fee Assessment Collections sheet and the Shared Risk Assessment Collections sheet for the detailed description of collections services and fees.

Covenant and Rule Enforcement - Legal services to assist the Association in enforcing the covenants and rules are performed on an hourly basis. Typical services involve reviewing existing correspondence between the Association and the owner, sending a demand letter, discussing the matter with the owner, and pursuing legal action through the courts, if necessary.

Litigation - We represent the Association when it initiates a lawsuit to protect its rights, or when the Association is sued. Fees are billed on an hourly basis.

Document Amendments - We will provide an initial flat fee proposal for amending and restating a community's declaration, articles of incorporation, and/or bylaws upon request. Limited amendments to any of these documents, or the review of draft amendments prepared by others, are performed on an hourly basis unless a flat fee is negotiated.

Governance Policies - Most associations are required to adopt nine governance policies and one policy on protecting personal identifying information of owners. We can prepare the required policies or review and update existing policies. Please contact the office for flat fees for preparing new policies or reviewing and updating existing policies. Other policies may be prepared on a flat or hourly fee basis, as requested, and as determined by the Law Firm.

Other Services - We are a full-service law firm for the legal needs of the Association. This includes many other services, including contract reviews and drafting, land use issues, and issues with neighbors. Fees for these services are on an hourly basis or a flat fee or other agreed to fee basis.

Costs - The Association authorizes the Law Firm to advance costs and expenses on its behalf, as the Law Firm deems advisable. These advanced costs will be billed to the Association monthly for reimbursement. Example expenses may include court costs, fees, service of process costs, title company costs, recording fees, or other expenses. Photocopy costs for litigation services or extraordinary projects will be billed at $.15 per copy. Mailing costs for extraordinary projects will be billed per item.

Travel - Travel time is billed at ½ the hourly rate from the Law Firm's Denver or Colorado Springs office. In the event travel extends beyond Denver and Colorado Springs, mileage is charged at IRS rates.

Credit Card or Other Payment Charges - If assessment collections are referred, the Association's general file is billed the merchant charges for the cost and convenience of accepting payments from owners by credit card, ACH, or otherwise. These fees are not chargeable to the accounts of owners.

File Transfers - The Association will be charged $50 for case intake and transfers from other counsel.

Billing and Payment - Our fees are not contingent unless the Law Firm is engaged under an agreement providing for contingent payment. If the Law Firm has not received any comment about a statement within 30 days of its receipt, it assumes the Association found it acceptable.

Payment is due 30 days from the date of the statement. Services are billed based on hourly rates or specific fee agreements. Invoices for hourly services will show the time spent performing services billed in tenth-of-an-hour increments, with a minimum charge of one-tenth.

Interest, at the rate of 18% per annum, begins accruing after 60 days.

In the event the Law Firm files suit to recover unpaid legal fees, the prevailing party is entitled to its attorney's fees.

Attorney-Client Communication - Our communications and statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other than the Association, board members, officers, and any manager or management company sees the privileged material, we recommend that you keep all such communications and statements in a separate file marked "Attorney-Client Privileged Materials" and keep the file in a secure place.

Estimates of Fees for Services - From time to time, the Association may ask the Law Firm to make an estimate of the fees for completing all or part of a matter. Because it is often difficult to estimate how much time the matter will take to complete it, any estimate is not an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise the Association when nearing the estimated price and will also advise if we become aware that the estimate may be exceeded. At that time, the Association may decide whether to terminate work on the matter, modify the referral, or proceed to completion with a different cost estimate.

Usage of Artificial Intelligence (AI) - The Law Firm is not currently utilizing artificial intelligence (AI) for legal drafting, research, or administrative tasks. The Firm reserves the right to employ any AI tools it deems necessary to assist in its work and any client work produced by AI will be reviewed by one of the Firm's attorneys.

Files at the Law Firm - The Law Firm maintains the Association's files in electronic format. The Association authorizes the Law Firm to digitize documentation received and destroy paper versions of any document if, at the discretion of the firm, they are no longer necessary to retain. The Law Firm will retain and will not destroy original documents specifically entrusted to us for continued retention as a part of our services.

The Association further agrees that the Law Firm may retain, destroy, or otherwise dispose of all or any portion of the files 10 years after services were provided on that matter without further notice, provided there are no pending or threatened legal proceedings known to the Law Firm's attorneys that relate to the matter, and its attorneys have not agreed to the contrary. If the Association desires to have the electronic file returned to it, please notify the Law Firm of this request within 90 days of execution of this agreement.

Upon request, once all of the Law Firm's fees and costs are paid, the Law Firm will transfer files to another law firm or return files to the Association.

No Guarantee - The Law Firm will perform professional services on the Association's behalf to the best of its ability but cannot make and have not made any guarantees regarding the outcome of the work. Any expressions by the Law Firm or its employees about the outcome are our best professional views only and are limited by our factual knowledge at the time they are expressed. For litigation matters, although the Law Firm may offer an opinion about a possible or probable amount, the Law Firm does not and cannot represent or guarantee any particular result, as litigation is inherently unpredictable.

Completion of Matter - After a particular matter is completed, the Law Firm does not (unless the Association specifically requests in writing that we do so) undertake to continue to review that matter and update the Association concerning legal developments, such as changes in applicable laws or regulations. If the Association does ask us to review a specific matter on which we have previously worked, we consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant, we are not undertaking to do so as a part of our representation.

Termination of the Law Firm - The Association's engagement of the Law Firm may be terminated at any time, by either party. Upon termination, all amounts due and owing and incurred in withdrawing from representation of the Association are to be paid upon receipt.

Orten Cavanagh Holmes & Hunt, LLC
ATTORNEYS AT LAW

RETAINER SERVICES

Retainer services are discounted and bundled services that help prevent and solve problems by encouraging a proactive approach to legal issues. Retainer services enhance communication between the Association, its management team, and the Law Firm. The monthly fee for retainer services is $250.

Custom retainers are available. Please contact our office for customized retainer services.

Retainer Services Include:

Reduced Hourly Rates

Hourly rates are reduced by $20 per hour for attorneys and $10 per hour for paralegals.

Reduced Flat Fees

10% discount on flat fees, excluding assessment collection services.

Telephone Calls/Emails

Routine calls with the Association's manager and/or president, a designated board member, or liaison are at no cost. Telephone calls related to lawsuits, covenant enforcement, document amendment, and foreclosures are excluded from retainer services and billed at reduced hourly rates. Emails, document review, and research are billed at the reduced hourly rates.

Audit Response Letter

If requested, the Law Firm will prepare the annual audit response letter.

HOA Information Office Registration

If requested, the Law Firm will file the annual HOA registration without additional attorney fees.

Annual Review and Report of the Following (scheduled by the Law Firm)

- Registration status with HOA Information Office
- Corporate status as reflected in the Secretary of State's records
- Name and address of the registered agent and offices

The Association will be provided with a report from the Law Firm.

Board Meeting Attendance or Member Education

The Association may select one of the following options as a part of retainer services:

- **Board of Directors Meeting or Workshop Attendance**

  Annually, we will attend a Board of Directors' meeting or workshop for up to two hours, as requested. Meetings or workshops in excess of two hours, including preparation, are billed at the reduced hourly rates.

- **Member Meeting Attendance and Education**

  We will attend an annual or special meeting of the members to present, at the beginning of the meeting, a 15 to 20-minute educational presentation. This presentation is one way for the Association to meet the owner education requirement of CCIOA.

  For communities outside of the Denver and Colorado Springs metropolitan areas, a conference call is provided in place of attendance. If the Board desires attendance in person at a meeting or workshop, travel time will be billed at ½ the hourly rate and mileage.

Annual Program and General Terms

The retainer program is billed monthly, in arrears.

The Association may terminate the retainer agreement at any time.

If the retainer is terminated before the expiration of the first 12 months, the Firm reserves the right to recalculate the billing on a non-retainer basis.

Revisions

Retainer services may be updated upon written notice.

Orten Cavanagh Holmes & Hunt, LLC
ATTORNEYS AT LAW

FIXED FEE ASSESSMENT COLLECTION SERVICES

Demand Letters and Notice of Assessment Lien
- Intake on Referrals – No Charge
- Review Title Report – $50
- Notice of Assessment Lien – $195
- Demand Letter – $175
- Combined Demand Letter, Notice of Assessment Lien, and Ownership & Encumbrance Report – $380
- Follow Up, Reminder Letters, or Default Notice – $70
- Payment Plan – $150 (Limited to term of 3 months)

County Court Lawsuits
- Lawsuit – $460
- Settlement Stipulation:
  - Term 12 Months or Less – $250
  - Term Over 12 Months – $350
- Combination Settlement Stipulation & Lawsuit – $600
- Interrogatories or Contempt Citation – $175
- Wage Garnishment – $300
- Bank Garnishment – $300
- Issuance of Bench Warrant – $170
- Notice of Bench Warrant – $100
- Obtaining Transcript of Judgment – $50
- Appoint Military Counsel – $170
- Entry of Default Judgment – $180
- Contested Matters – Billed Hourly

Foreclosure of Association Lien
- Intent to Foreclose Letter – $175
- Judicial Foreclosure Lawsuit & Lis Pendens – $1,200
- Clerk's Default/Dismissal – $95 per Defendant
- Settlement Stipulation to Suspend Foreclosure – $300
- Stipulated Motion Regarding Lien Priority – $220
- Final Judgment and Decree – $750
- Sheriff's Sale Package – $700
- Bid Letter – $250
- Eviction Notice – $150
- Eviction Lawsuit – $460
- Deed Preparation – $250
- Service by Publication – $180
- Other Motions – Hourly
- Appearances – Hourly
- Cure Statement – $200

Receiverships
- Receivership – $500
- Court Ordered Case Status Report – $130
- Monitor Receiver Compliance – Hourly

Public Trustee Foreclosures by First Lien Lenders
- Monitor Lender Foreclosure – Hourly
- Bank as New Owner Notice Letter – $70
- Intent to Redeem – $250

Owner Bankruptcies
- Transfer of Claim – $150
- Review of Bankruptcy and Ongoing Monitoring – $300
- Proof of Claim – $230
- Objection – $230
- Relief from Automatic Stay – $420
- Dismissal – $320
- Appearances – Hourly

Miscellaneous Collection Services
- Lien Payoff – $130
- Pending Sale Payoff – $260
- Revised Payoff Letter – $100
- Debt Verification Letter – No Charge
- Credit Reports or Skip Trace – $75
- Response to a Fair Debt Collection Practices Act Dispute or DORA Dispute – Hourly
- Ledger Rebuilding – Hourly
- Release of Notices of Liens Filed by Others – $80
- Entry of Appearance – $110
- Monthly Status Reports – No Charge for Online Access
- Lien Assignments – $500

Collection Costs
Costs are borne by the Association.

Exclusions
Declarant and builder past due accounts are excluded and are handled on an hourly basis or as separately agreed.

Limited Power of Attorney
The Association grants a limited power of attorney to our Law Firm so that we may endorse and deposit checks received. A separate document may be required.

Prior Owner Collection Services
The Association may forward new accounts to the Law Firm for collection under our Prior Owner Collection Services. These accounts are handled on contingency. There are no fees to the Association for these services unless the Law Firm collects from the prior owner. The Law Firm fee is 50% of payments received after reimbursement of all costs.

Orten Cavanagh Holmes & Hunt, LLC
ATTORNEYS AT LAW

SHARED RISK ASSESSMENT COLLECTION SERVICES

The Law Firm offers collection services on contingency. Fees are billed to the Association when monies are collected. Accounts are handled on contingency, and the Law Firm shares the risk of collection with the Association. The shared risk fees are 30% of payments, excluding attorney's fees and costs. Costs are borne by the Association and are billed and payable monthly.

Monthly status reports are provided without charge. Customized status reports or additional reports are provided based on hourly rates.

Shared Risk Terms and Conditions

- The Law Firm determines how to collect accounts referred, including payment terms.
- All current owner accounts referred to the Law Firm must be under this option.
- The Association agrees to notify the Law Firm immediately if any fines are posted or payments are received on a referred collection account.
- The Association authorizes waiver of fines, interest, late fees, and other collection fees.
- All offers and inquiries from the account debtor are to be forwarded to the Law Firm.
- Attorney's fees, based on the Law Firm's Fixed Fee Assessment Collections schedule, are sought. These fees are due if collected from the owner (after all assessments and other sums due have been collected).
- Costs, shared risk fees, and attorney's fees are due whether the owner makes payment to the Law Firm, the Association, or the management company.
- The Law Firm forwards payments received to the Association and then bills for the Shared Risk Collection Services.
- Judicial foreclosure of Association liens, receiverships, owners with multiple properties, builder, and declarant accounts are excluded.

Termination

In the event fees due the Law Firm are not paid, the Law Firm may cease all further work and will be entitled to the compensation based on the Law Firm's fixed fee assessment collection services upon termination.

If terminated by the Association, the Law Firm will retain any accounts where payments may continue or where legal action has been filed until all sums due have been collected and received. Or, at the Association's request, the Law Firm will transfer the files upon payment of fees based on the Law Firm's Fixed Fee Assessment Collection services. The Law Firm will transfer accounts when all sums due it have been paid in full.

Limited Power of Attorney

The Association grants a limited power of attorney to the Law Firm so that it may endorse and deposit checks received. A separate document may be required.

Prior Owner Collection Services

The Association may forward new accounts to the Law Firm for collection under our Prior Owner Collection Services. These accounts are handled on contingency. There are no fees to the Association for these services unless the Law Firm collects from the prior owner. The Law Firm fee is 50% of payments received after reimbursement of all costs.

Shared Risk Billing

Attorney's fees are billed to the Association after the debt is completely collected, settled, or written off. Incurred costs (e.g., filing fees, service of process) are billed monthly; these charges are assessed to the owner.

If periodic owner payments are received, they are forwarded to the Association, and the 30% shared risk fee is billed to the Association. The shared risk fee cannot be assessed to the owner's account.

Orten Cavanagh Holmes & Hunt, LLC
ATTORNEYS AT LAW

ACH DIRECT DEPOSIT AUTHORIZATION

Data shows that ACH direct deposit is the fastest and most effective way to forward funds collected from delinquent owners. Delinquent funds received by the Law Firm are deposited directly into the association's account using the electronic network for financial institutions otherwise known as Automated Clearing House (ACH). An ACH direct deposit is a safe and secure electronic bank-to-bank payment process.

SELECTING ACH PROVIDES THE FOLLOWING BENEFITS:

- Receive money faster. ACH deposits occur 2 days after they are submitted.
- Eliminate the opportunity for payments to get damaged, delayed, lost, or stolen.
- There are no additional costs to the association for this service.
- Our accounting team will promptly email to you the transaction details for every payment – the debtor's name, property address, payment amount, ACH deposit date, and payment description, so you can accurately and quickly record your deposit.
- You can go straight to recording the payment on the debtor's ledger.

To begin using this service please complete this form and return it with your signed Engagement Agreement. You can also email the completed form to accounting@ochhoalaw.com, or mail it to us at 1445 Market Street, #350, Denver, CO 80202, attention Accounting.

I authorize Orten Cavanagh Holmes & Hunt, LLC, to deposit debtor payments directly into my account at the financial institution named below and, if they deem necessary, in their sole discretion, initiate adjustments for any transactions credited/debited in error.

This authorization is to remain in full force and effect until I provide written authorization of any changes or termination in such time and in such manner as to afford my financial institution reasonable opportunity to act on it. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law.

Association/Account Holder's Name:	
Financial Institution Name:	
Financial Institution Address:	
Account Number:	
Routing Number:	
Checking or Savings Account:	
Email Address for Transactions Report:	

_____ _____

Account Holder's Signature Date

_____ _____

Account Holder's Printed Name Phone Number