

ALLEN, STEIN & DURBIN, P.C.

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OF COUNSEL:
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July 1, 2022

Board of Directors
Community House of Northern Hills, Unit One
8422 Northmont Drive
San Antonio, TX 78239

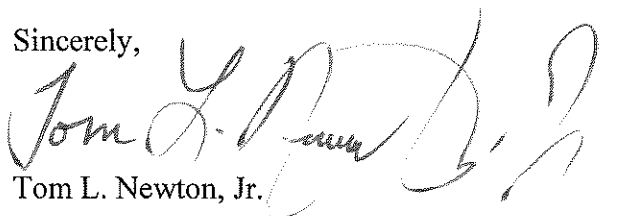
Re: Community House of Northern Hills, Unit One
Change in Attorney/Client Contract
Our File No. 06353.0001

Dear Members of the Board:

It has been more than five years since our firm last raised rates for property owners' association work. Since then, prices have gone up on just about everything from office space rent to employee compensation to health insurance premiums. Also, the laws governing property owners' association have become more time-consuming. Accordingly, we have decided that we must increase our hourly rate for shareholder attorneys to \$350.00 per hour. There will also be an increase in rates for personal attendance at meetings or hearing after business hours and on weekends. Finally, we have updated and increased our flat fee collection schedule.

Attached please find a proposed updated Attorney/Client Contract. If you have any questions please feel free to contact us.

Sincerely,



Tom L. Newton, Jr.

TLN/ba
Enclosure
06353.0001.2291818

ATTORNEY/CLIENT CONTRACT

THIS AGREEMENT is between the property owners' association named below (the "Client"), and **ALLEN, STEIN & DURBIN, P.C.** (the "Attorney"), and supersedes and replaces all prior agreements, to be effective as of the date of execution or August 1, 2022, whichever is later.

In consideration of the mutual promises contained in this Contract, the parties agree as follows:

Purpose of Representation

The Client retains the Attorney to provide legal advice and services in connection with the Client's operation as a property owners' association. The Client will seek legal services from the Attorney as the Client deems appropriate on a task-by-task basis. This Contract does not obligate Client to use the services of the Attorney exclusive to that of other legal counsel.

Attorney's Fees

In consideration of services to be rendered by the Attorney, the Client agrees to pay the Attorney as described herein.

A. Collections: Any and all matters referred for collection involving real property against which the Client has a lien securing the debt to be collected (except for owners in bankruptcy whose debt is, in whole or part, pre-petition) shall be matters on which the Attorney is compensated on a flat fee basis. The Attorney's fee shall be in the amount set forth on the Attorney's fee schedule attached hereto and shall in no event ever exceed an amount that is reasonable. The fee for each stage will be incurred at the beginning of the stage, even if all steps expected in it do not occur. The Attorney shall include the Attorney's fee in all demands, lawsuits and proceedings brought or made on the Client's behalf, in addition to any amount to be collected. All collections received by the Attorney will be first applied to reimbursement of Client expenses regarding the collection matter, then to the debt being collected for the Client, then to attorney's fees.

B. Bankruptcy, Probate and Non-collection matters: The Client may from time-to-time request legal advice or services from the Attorney on a task-by-task basis, as deemed appropriate by the Client. The Attorney shall be compensated on an hourly basis for bankruptcy and probate collection and non-collection services rendered. The Attorney's hourly fee shall be \$350.00 per hour for shareholder attorneys and \$275.00 per hour for associate attorneys. There will be a \$100.00 per hour surcharge for personal attendance by an attorney after 6:00 p.m. on weekdays, or at any time on weekends. Legal assistant time will be billed to, and paid by, the Client at \$150.00 an hour for hourly fee cases. Time will be billed by the Attorney in increments of tenths of an hour. The minimum amount for any hourly charge shall be one-tenth of one hour. Fees will be billed monthly.

Approval Necessary for Settlement

No settlement of any nature shall be made for any of the Client's claims or debts without the complete approval of the Client, and all demands and/or offers for settlement shall be communicated to the Client.

Discretion in Cooperating with Opposing Counsel

Client understands and agrees specifically that Attorney and not Client has the sole discretion to determine any accommodations to be granted opposing parties and/or counsel in all matters not directly affecting or prejudicing Client's rights, such as extensions of time (other than extensions of time involving an extension of any applicable statute of limitation), continuances, adjournments and admissions of facts. In such matters, Client understands and specifically agrees that no client has the right to demand that his counsel shall be unreasonable or that he do anything in the representation of the Client that is repugnant to his own sense of honor and propriety.

Expenses

The expenses incident to legal services rendered, including court costs, expenses of investigation, and the costs of obtaining and presenting evidence, are to be borne by the Client. The Client will advance such expenses when billed from time to time by the Attorney. Notwithstanding any provision herein which may be interpreted to the contrary, Attorney shall not bill or present for payment any expenses exceeding \$100.00 for any single item unless same have been authorized by the Client in advance.

Cooperation of Client

Client understands that Attorney depends absolutely upon the truthfulness and completeness of the information supplied by Client in the preparation of all lien documentation, demands, pleadings, discovery, answers and responses, and any other matter related to Client's business and incident thereto. The Client shall appear or cause an appropriate representative to appear on reasonable notice at any and all depositions and court appearances and shall comply with all reasonable requests of the Attorney in connection with the preparation and presentation of its claims. Client shall timely notify Attorney of any material fact known to the Client affecting or which may affect the Attorney's efforts and/or the Client's right to collect.

Client Not to Accept Payment

The Client shall not accept, or allow its agents, employees or representatives to accept, any sum from or on behalf of any subject of the Attorney's open, active collection efforts without Attorney's consent; provided further that any such sums accepted shall be deemed to have been collected by the Attorney. If the Client accepts payment in violation of this Agreement, then the Attorney may bill and shall be paid by the Client for the work already done by the Attorney up to that point.

Texas Law to Apply

This Contract shall be construed under and in accordance with the laws of the State of Texas.

Parties Bound

This Contract shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Contract.

Legal Construction

In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

Termination

The Client may terminate this Contract immediately, at any time and for any reason or no reason.

The Attorney may terminate this Contract upon giving reasonable notice. Thirty days is presumed to be a reasonable period of time.

In the event this Contract is terminated, then the Client shall compensate the Attorney for work done on collections files in an amount dependent on the circumstances of the termination. If the Attorney is discharged by the Client for good cause, or if the Attorney is the party to terminate this Contract, then the Attorney's compensation shall be that amount which represents the value of the services performed by the Attorney, which shall in no event exceed the amount set forth on the Attorney's attached fee schedule and shall in no event ever exceed an amount that is reasonable. If the Attorney is discharged by the Client without good cause, then the amount owed by the Client to the Attorney shall be the amount set forth on the Attorney's attached fee schedule and shall in no event ever exceed an amount that is reasonable.

The fees and expenses due to the Attorney after termination of this Contract shall be payable within thirty days of termination.

No Representation of Outcome

Client understands, acknowledges and agrees that Attorney has made no representations regarding the potential outcome of any aspect of Client's legal matters.

Signed on ____ day of _____, 2022.

**COMMUNITY HOUSE OF NORTHERN HILLS,
UNIT ONE**

By: (Name/Title) _____

Signed on ____ day of _____, 2022.

ALLEN, STEIN & DURBIN, P.C.

By: _____
TOM L. NEWTON, JR., SHAREHOLDER

06353.0001.2291821

ALLEN, STEIN & DURBIN, P.C.
Property Owners Association
Collections Flat Fee Schedule

Demand letter stage - \$500.00

Receipt and review of file assignment
Conflicts of interest check
Property ownership research and information verification
Confirmation of compliance with legal conditions precedent
Preparation, review and revision of demand letter
Preparation, review and revision of proposed payment plan
Conferences with staff and property manager
Communications with property owners and/or their counsel
Verification of debt
Processing of payment
Processing of bankruptcy and/or mortgage foreclosure information
Report to association concerning status

Lien stage - \$375.00

Property ownership research
Obtain updated account balance
Preparation, review and revision of lien
Conferences with staff and property manager
Communications with property owners and/or their counsel
Record lien
Prepare payment plan form
Forward lien and payment plan to property owner
Prepare and record Release of Lien upon receipt
Report to association concerning status
Processing of bankruptcy and/or mortgage foreclosure information

Lawsuit/Application for Expedited Foreclosure stage - \$1,500.00

Review of file material
Property ownership research and information verification
Confirmation of compliance with legal conditions precedent
Preparation, review and revision of petition and written discovery/application and supporting affidavits
Interaction with process server, including Motion for Alternative Service and Order
Preparation, review and revision of proposed payment plan
Calendar answer date and discovery deadlines
Conferences with staff and property manager
Communications with property owners and/or their counsel
Processing of payment
Processing of bankruptcy and/or mortgage foreclosure information
Report to association concerning status

Written Discovery (lawsuits) - \$500.00

If written discovery responses are required by an attorney, then the fee for such work shall be compensated.

Judgment/Order of Sale stage - \$500.00

Check for answer filed
Property ownership research and information verification
Obtain updated account balance
Preparation, review and revision of judgment or order, affidavit of manager/custodian
Appearance in court
Notice to owner of judgment
Calendar deadline to file motion for new trial/post foreclosure, if any
Conferences with staff and property manager
Communications with property owners and/or their counsel
Processing of payment
Processing of bankruptcy and/or mortgage foreclosure information
Report to association concerning status

Court appearance fee - hourly

Court appearances by attorneys

Foreclosure stage (Associations with Powers of Sale) - \$750.00

Property ownership research and information verification
Obtain updated account balance
Preparation, review and revision of Notice of Sale
Mortgage and encumbrance research
Property tax research
Bankruptcy check
Preparation of Trustee's Script
Conduct of sale and preparation of deed
Preparation, review and revision of required foreclosure notices
Conferences with staff and property manager
Communications with property owners and/or their counsel
Verification of debt
Processing of payment
Processing of bankruptcy and/or mortgage foreclosure information
Report to association concerning status

Foreclosure stage (Associations without Powers of Sale) - \$1,000.00

Property ownership research and information verification
Obtain updated account balance
Review Order of Sale and request appropriate changes, if any
Mortgage and encumbrance research
Property tax research
Bankruptcy check
Preparation, review and revision of required foreclosure notices
Conferences with staff and property manager
Communications with property owners and/or their counsel
Verification of debt
Processing of payment
Processing of bankruptcy and/or mortgage foreclosure information
Report to association concerning status

Payoff responses – \$125.00

Add \$75.00 for rush requests (i.e., for forty-eight hour or less turnaround).

NOTES:

1. Association receives payment first; no interest charged separately.
2. Expenses under \$100.00 are advanced by the Attorney for Client's benefit.
3. There is an additional charge on installment payment plans of \$25.00 per installment.
4. Returned checks and payment plan defaults incur an additional charge of \$50.00.
5. Out-of-office meetings and appearances by an attorney shall result in a minimum charge of one hour.
6. Final notice and new owner letters are \$100.00, except for final notice letters post-bankruptcy, which are \$200.00.
7. Fees for collections cases shall be increased at the hourly rate applicable to other types of matters for time worked in excess of routine handling and travel, at Attorney's discretion, provided that those fees are reasonable and necessary.