ATTORNEY/CLIENT CONTRACT

THIS AGREEMENT is effective on the date of the last signature below, between the property owners association named below (the "Client"), and ALLEN, STEIN & DURBIN, P.C. (the "Attorney"), and supersedes and replaces all prior agreements.

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 part of a property owners' association. The Client will seek legal services from the Attorney as the Client deems appropriate on a task-by-task basis.

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 contingent fee basis. The Attorney's fee shall be in the amount set forth on the Attorney's contingent fee schedule, and shall in no event ever exceed an amount that is reasonable. The Client shall not be responsible for paying the Attorney's fees directly, except in the event this Agreement is terminated, it being understood that the Client shall only pay the Attorney's fees for collection accounts out of money recovered from the delinquent account holders, subject to the other provisions contained herein. Should this type of fee agreement be invalidated by the passage of new laws or be held legally invalid by any court, then the Client shall pay directly to the Attorney the fees charged by the Attorney. 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 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 collection and non-collection services rendered. The Attorney's hourly fee shall be \$250 per hour for shareholder attorneys and \$200 per hour for associate attorneys. Legal assistant time will be billed to, and paid by, the Client at \$125 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 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.

Texas Law to Apply

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

Parties Bound

This Agreement 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 Agreement.

Legal Construction

In the event that any one or more of the 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 other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

Termination

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

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

In the event this Agreement is terminated, then the Client shall compensate the Attorney for work done on a contingent fee basis 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 Agreement, 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 contingent 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 contingent fee schedule, and shall in no event ever exceed an amount that is reasonable.

The fees due to the Attorney after termination of this Agreement shall be payable, in the event of an hourly fee matter, within thirty days of termination, and in the event of a contingent fee matter, upon collection by or on behalf of the Client of the amount owed to the Client connected with such matter. Expenses advanced by the Attorney shall be reimbursed by the Client within thirty days of termination, regardless of the nature of the fee arrangement.

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 <u>22</u> day of <u>Janu</u>	vary, 2008.
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HIDDEN

FOREST

HOMEOWNERS

ASSOCIATION

By: JIVIU L

Name and Title: Aimee N. Skillin Treasurer

ALLEN, STEIN & DURBIN, P.C.

By:

OM L. NEWTON/JR., Sharehold

ALLEN, STEIN & DURBIN, P.C.

Property Owners Association Collections Flat Fee Schedule

Demand letter stage - \$250

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 - \$250

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 stage - \$1,000

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

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

Judgment stage - \$500

Check for answer filed

Property ownership research and information verification

Obtain updated account balance

Preparation, review and revision of judgment, affidavit of manager/custodian

Appearance in court

Notice to owner of judgment

Calendar deadline to file motion for new trial/post foreclosure

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

Foreciosure stage-\$750

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

NOTES:

- 1. Fees are contingent on collection; subject to loss due to foreclosure or bankruptcy.
- 2. Association receives payment first; no interest charged separately.
- 3. Expenses under \$100 are advanced by the firm for Client's benefit.
- 4. There is an additional charge on installment payment plans of \$20 per installment.
- 5. Returned checks and payment plan defaults incur an additional charge of \$25.
- 6. 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.