

FEE AGREEMENT

This Legal Services Agreement (“Agreement”) is by and between the law firm of Adams Stirling Professional Law Corporation (“AS”) and Palisair Homeowners Association (“Client”).

STANDARD HOURLY SERVICES:

1. **Scope of Services.** Client retains AS to perform legal services (“Legal Services”) as requested by Client through its board and/or managing agent. Because our services are provided on behalf of Client, if the interests of any individual officer, director, member or agent becomes adverse to Client, AS’s obligations will be to Client and may be adverse to the individual or individuals. Client will timely provide AS with the information and documents it needs to perform Legal Services. AS may use its judgment to protect Client’s interests subject to good faith efforts to communicate with Client concerning any recommended course of action.
2. **Fees for Services.** Client agrees to pay AS’s hourly rates for performing Legal Services. AS’s current hourly rates are on the attached “Fee Schedule.” Hourly rates are not set by law and are subject to change upon thirty (30) days written notice by AS to Client.
3. **Estimates.** Any estimate of expenses for Legal Services, such as preparing opinion letters, contract review, litigation, etc. to be performed under this Agreement are inexact and may vary significantly from final amounts. Such estimates are not binding on the AS or Client unless specifically provided as a fixed fee or “not to exceed” arrangement.
4. **Fixed Fee Arrangements.** Written flat or fixed fee arrangements for special projects may be entered into between AS and Client. The items included and the fees owed by Client for such projects will be as quoted by AS upon request and will be due prior to the commencement of work. Both AS and Client agree to the fee amount regardless of the actual time involved to complete and agree that the fee is non-refundable. The project will be deemed abandoned if AS receives no substantive direction or input from Client within nine months from project approval or the last draft sent by AS, whichever is latest. Any revival of the project after nine (9) months will be subject to new fees and charges.
5. **Costs and Expenses.** Client authorizes AS to incur costs and expenses reasonably prudent for its legal representation of Client and will reimburse AS for all such costs and expenses. See the attached “Fee Schedule” for a description.
6. **Litigation Retainer.** If Client asks AS to undertake litigation on its behalf, AS may require and Client agrees to pay AS a litigation retainer (“Retainer”) which will be deposited into AS’s client trust account. Upon AS’s remittance of a billing statement, Client authorizes AS to deduct all legal fees in connection with litigation matter from Deposit. Client acknowledges that the Retainer is not an estimate of total fees and costs, but an advance payment for AS services. When

the Retainer is exhausted, AS may require the Retainer be replenished. At the conclusion of the legal proceeding, any unused funds in the Retainer will be refunded to Client unless Client directs otherwise.

7. Billing. All fees, costs and expenses incurred by AS on behalf of Client will be billed on or about the first of each month. Time is charged in units of .2 (2/10) of an hour. AS will send a monthly statement to Client which is due fifteen (15) days after receipt. Failure to pay any statement in full within thirty (30) days of receipt will cause interest charges to accrue on the outstanding principal at the annual percentage rate of ten percent (10%).

8. Governing Documents. Client must provide AS with a complete set of governing documents, including, but not limited to, a copy of the file stamped Articles of Incorporation, signed copy of Bylaws, recorded copy of CC&Rs (along with any amendments), supplemental declarations, annexations, condominium plans, occupancy agreements and any other documents necessary to prepare legal analysis and/or opinions for the Client. If such documents are not provided, AS is authorized to obtain them as it may be able at Client's expense.

9. Review of Records. AS will not, unless specifically requested in writing by Client, or when AS deems such review necessary to perform any other authorized legal services, undertake a review of Client's records, including but not limited to, governing documents, contracts, minutes, settlements, opinion letters, voting and election records and correspondence. Should AS find that Client's governing documents are incomplete, AS may run a title search and purchase missing governing documents, including but not limited to annexations, plat maps, condominium plans, amendments, and articles of incorporation. The cost of the title search and any documents ordered by AS will be billed to Client at cost.

10. Tax Advice. Client acknowledges that AS does not render opinions on tax issues. Client will refer all such matters to an accountant, CPA or attorney knowledgeable in tax issues.

11. Potential Litigation. Whenever Client learns of a potential or actual claim against Client or any of its officers, directors, employees or agents, Client is obligated to (a) immediately put all of its insurance carriers on notice of the potential or actual claim and (b) immediately notify AS to take steps to protect Client's interests until Client's insurance picks up defense of the claim.

12. Collection Services. AS, with Witkin & Neal, Inc., offers full service assessment collection, including pre-liens, liens, personal money judgments, judicial foreclosures and non-judicial foreclosures. Witkin & Neal, Inc. is an independent foreclosure trustee company. This Agreement does not bind Client to use the services of Witkin & Neal, Inc.

13. Disclaimer of Guarantee. Nothing in this Agreement or in our statements to you should be construed as a promise or guarantee about the outcome of matters we undertake on your behalf. Our comments about the possible outcome of matters are to be understood as expressions of opinion only based on information we receive. In addition, AS may provide estimates of the anticipated fees for services performed by AS. Such estimates are inexact and are not binding unless specifically provided as a "Fixed Fee" service.

14. Termination of Services. Client may discharge AS at any time for any reason. Except as otherwise provided by law, AS may also terminate its representation of Client. Termination of services does not release Client from its obligation to pay AS for services provided to Client, for expenses incurred on its behalf, and for all expenses and legal fees for whatever actions AS deems necessary to ensure an orderly transition of any legal matters AS undertook for Client that remain outstanding. When AS's services conclude, all unpaid charges will immediately become due.

15. Insurance Disclosure. Per Business and Professions Code §§6147 and 6148, AS discloses that Professional Liability Insurance covering these services is in effect.

16. Client Files and Records. AS maintains a paperless office. It is AS's practice to convert all paper records to a digital format. Once records have been converted and stored, AS will dispose of non-digital records via shredding to protect the confidentiality of such files. AS will retain digital records for ten (10) years from the date AS last performed services on the matter, after which AS may dispose of the records. Upon conclusion of AS's representation of Client, Client may, upon request, receive an electronic copy of its records via CD-ROM or similar media. As a service to our clients, AS does not charge for routine storage of client records. Beyond ten years from termination of AS's services to Client, any of Client's documents and property in AS's possession and for which their return has not been requested by Client, and AS's files, may be destroyed at the discretion of AS. At such time, any property of value may escheat to the State of California.

17. Electronic Communications. Client agrees that electronic communications (including voicemail and email) may be used by AS, and agrees to use caution when electronically transmitting sensitive information to AS. Board members, management and agents of Client will use caution when discussing and transmitting AS's legal advice so as not to create a waiver of the attorney-client privilege.

18. Contact Information. Client will provide current contact information for all board members, including email addresses. There will be times when AS must include all directors in attorney-client communications.

19. Dispute Resolution. In any dispute related solely to attorney's fees, charges, costs or expenses, the matter will be submitted for arbitration under the fee arbitration procedures of the State Bar of California. Any controversy between the parties related to the performance of services or claims arising out of or related to this Agreement will be venued in the County of Los Angeles and submitted to a judicial reference under Code of Civil Procedure §638 et seq. If the parties cannot agree to a referee, the court will appoint a retired judge to serve as referee. The costs and expenses of the referee will be divided equally by the parties. BECAUSE IT IS GIVING UP ITS RIGHT TO A JURY TRIAL, CLIENT HAS THE RIGHT TO HAVE AN INDEPENDENT COUNSEL OF ITS CHOICE REVIEW THIS AGREEMENT BEFORE SIGNING IT.

20. Severability. If any provision of this Agreement is held to be void, voidable or unenforceable, the remaining provisions will remain in full force and effect.

21. Entire Agreement. This Agreement and its attachments constitute the entire agreement between the parties and supersede all prior verbal or written agreements pertaining to AS's representation of Client. No supplement, modification, or amendment of this Agreement will be binding unless in writing signed by the parties and referring to this Agreement by title and date. No waiver of any of this Agreement will constitute a waiver of any other provision. No waiver will be binding unless in writing, signed by the parties referring to this Agreement by title and date.

RETAINER SERVICES

Clients have the option using our retainer services if they so choose. Following is a description of those services. Following this section, clients can choose which program

In addition to the terms described in the Legal Services Agreement above, Client agrees to pay a nonrefundable retainer fee of **\$950.00** ("Program Fee"). The program offers multiple benefits for associations that expect significant legal expenses over the next twelve months.

1. Benefits:
 - a. *Reduced Rates*. Reduced hourly rates for attorneys and paralegals as described in the attached Fee Schedule.
 - b. *Unlimited Calls*. Unlimited brief telephone calls (up to six minutes per call) from the Association's manager/designated board representative that do not require research or the review of documents. Research and written opinions are billed at the attorney's hourly rate. Ongoing litigation matters and email communications do not qualify. To ensure proper billing, Retainer clients should identify themselves as such.
 - c. *Audit Letter*. A written response to the Association's annual audit letter request.
 - d. *Board Orientation*. A two-hour (2) educational session with an attorney to discuss board members' duties and responsibilities. Any time over the allotted 2 hours will be billed at the reduced hourly rates outlined on Fee Schedule.
 - e. *Director's Guide*. A training guide summarizing a director's duties and liabilities.
 - f. *Meeting Guide*. A guide on organizing and holding successful meetings.
 - g. *Parliamentary Procedure Guide*. A guide to parliamentary procedures for board meetings.
 - h. *Legal Update*. A year-end summary of new case law and changes to the Davis-Stirling Act that affect homeowners associations.

2. Program Term. This Agreement will be for a term of one (1) year commencing on the date of execution of the Fee Agreement by AS, and will automatically renew for successive one (1) year periods unless terminated in writing by either party. AS shall automatically send an invoice in the amount of the annual Program Fee thirty (30) days prior to expiration of Program. Failure to pay the Program Fee within thirty (30) days of receipt of billing will result in termination of the Retainer Program. However, regular legal services will continue as described in the Legal Services Agreement.

3. Rate Adjustments. The Program Fee is subject to increase at the annual renewal date of this Addendum. Hourly billing rates for attorneys and paralegals are subject to change during any Program period upon thirty (30) days written notice by AS to the Association. Any adjustments to the Program Fee or hourly rates will not require the execution of a new Legal Services Agreement.

PLEASE INITIAL WHICH FORM OF LEGAL SERVICES TO PROVIDE TO YOUR ASSOCIATION (Please initial one only):

_____ Standard Hourly Services (*No Fee*)

_____ Retainer Services (*\$950 Annual Program Fee Due at Signing*)

This agreement is good for 60 days or till October 25, 2016.

BY SIGNING BELOW, CLIENT CONFIRMS IT HAS READ AND UNDERSTANDS THIS AGREEMENT AND AGREES TO ITS TERMS. IT ALSO AFFIRMS THE PERSON SIGNING FOR CLIENT HAS AUTHORITY TO EXECUTE THIS AGREEMENT ON BEHALF OF CLIENT.

**PALISAIR HOMEOWNERS
ASSOCIATION**

By: _____
Print Name

Signature: _____

Date: _____

**ADAMS STIRLING
A Professional Law Corporation**

By: _____
Print Name

Signature: _____

Date: _____

FEE SCHEDULE

HOURLY RATES

AS's hourly rates are described below and are billed in .2 increments. Reduced hourly rates in the second column apply only when the Client has approved the Retainer Program and has paid the annual nonrefundable program fee. Current rates are:

	<u>Standard Rate</u>	<u>Retainer Rate</u>
Principal	\$375	\$355
Partners/Of Counsel	\$295-\$330	\$275-\$310
Senior Attorneys	\$285	\$265
Attorney	\$250	\$230
Associate	\$225	\$215
Paralegals	\$120	\$110

All rates are subject to increase upon 30-days' notice by AS.

ADMINISTRATIVE & LEGAL COSTS

AS does not charge Clients for routine postage, faxes, telephone, or computerized legal research expenses such as Lexis/Nexis and Westlaw.

Copy Costs. For routine copying that can be handled in-house, AS does not charge per copy. With large volume, oversize copies, unusual or complex duplicating requirements, the reproduction job will be sent to third-party vendors and AS will bill such charges to Clients at AS's cost.

Research. We do not charge for any ordinary computer assisted research. We will, however, charge the actual fees we pay for any unusual computer assisted research that falls outside the scope of our firm's LexisNexis and Westlaw research package.

Legal Expenses. Out of pocket costs and expenses incurred by AS will be charged to Client. These costs include, but are not limited to those associated with court filings, service of process, mediation and arbitration, overnight delivery, couriers, document depositories, production and reproduction costs, court reporters, deposition costs, investigation costs, recording fees, notary charges, and expert fees. During the restatement process, if multiple annexations, supplements, or amendments are discovered, the project may no longer qualify for the fixed fee pricing. The attorney will assess and notify the client with the estimate of the additional costs to complete the project.

Travel Expenses. Travel expenses are calculated from the office nearest the meeting location.