

Cobb, Olson & Andrle, LLC

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(770) 451-6168
contact@COAlegal.com

This Engagement Agreement ("Agreement") is entered into on this ____ day of ____, 20__ between Cobb, Olson & Andrle, LLC ("COA"), and _____ ("the Client") for the purpose of establishing a business relationship between COA and the Client.

Overview

COA is a full-service law firm that focuses its practice, predominantly, on Community Association services and collection services. We are happy to work with your Association on either a retainer or non-retainer basis.

Getting Started

After reviewing the terms and conditions located on the following page, please indicate whether you would like to work with COA on a retainer or non-retainer basis by checking the appropriate line below. Once you have returned a copy of this form we will set up your client file, retrieve all necessary documents, and invoice the Association for any pro-rated retainer and/or start-up fees.

Retainer Benefits

Our retainer program includes several great benefits, including:

- **Hourly Rate Reductions** of \$50 per hour for both Attorneys and paralegals.
- **One Free Annual Meeting** with Attorney per year.
- **Free, Unlimited Phone Calls** with Attorney for general questions.
- **Discounted Pre-Litigation Packages** which include warning of liens, filing of liens, and filing of suit.
- **Deferred Pre-Litigation Fees** that are due when the delinquent owner pays or six months from the date services were rendered, whichever is earlier.

_____ **RETAINER**

_____ **NON-RETAINER**

By executing this Agreement, I acknowledge and accept the Terms and Conditions outlined on Page 2.

Signature

Title

Date

Association Legal Name

2018 COMMUNITY ASSOCIATION ENGAGEMENT AGREEMENT
COA, LLC

TERMS AND CONDITIONS

2018 Annual Retainer Fee

The annual retainer fee is \$975.00 and is earned in full and due when the engagement begins. The retainer will automatically renew on January 1 of each subsequent year unless cancelled by the Association in writing with thirty (30) days' notice. The annual retainer fee shall be billed in December for the following calendar year. The annual retainer fee shall be pro-rated for clients that begin after January 1. Pro-rated clients agree to retain Cobb Olson Andrie, LLC ("COA") for a minimum term of one (1) full year from the date of engagement. Pre-litigation bundle fee of \$150.00 includes warning of lien, lien and warning of suit and is deferred for six months. Should a delinquent homeowner make a payment, the fees will be billed as set forth in the Billing paragraph.

Start-Up Costs

New Association clients incur a one-time set-up charge of \$175.00 to review your documents, determine the best course of collection action, establish parameters for collection, set up client-files in our information systems, and create the Association's standard collection demand letter. The Association will also be charged for the cost to obtain a recorded copy of all the Association's legal documents. Additionally, the Association will be charged \$50.00 per delinquent homeowner placed into legal to cover the costs of a title search. The costs of the title search will be added back to the delinquent homeowner's account.

Out-of-Pocket Costs

The Client shall reimburse COA for all cost advances and other out-of-pocket expenses. Such expenses include, but are not limited to, court costs, courier fees, postage expense, photocopying or document scanning (\$0.20 per page), fax transmissions (\$1.00 per page), mileage driven (at the IRS Standard Business Travel rate per mile) and owner limited title searches (\$50.00 per search).

Hourly Rate and Services

Retainer clients' 2018 hourly rates are \$225.00 for attorneys and \$125.00 for paralegals. Non-retainer clients' 2018 hourly rates are \$275.00 for attorneys and \$175.00 for paralegals. Telephone calls requiring a formal legal opinion from an attorney on a specific matter or file will be billed at an hourly charge. The cost of lien filing services, which include verification of ownership, contact information, bankruptcy status, and military status, the issuance of a warning of lien letter, and the filing of a lien, is fixed at \$150.00.

Disclaimer

Unless otherwise stated, the information contained in publications and on COA's website is general in nature and is not intended to provide specific legal advice to any client. Specific legal advice is limited to those issues the client brings to our attention and for which the client authorizes our involvement. Any electronic data COA possesses related to your community is proprietary to COA.

Billing

Invoices are due and payable upon their receipt. Hourly services are billed in tenth-of-an-hour increments and certain services are billed on a fixed-fee basis. Invoices for cost advances and other out-of-pocket costs shall be billed as incurred. The Client shall raise any question or objection to any invoice in writing within sixty (60) days of the date of the invoice. If the Client does not raise an objection within that time period, the Client agrees to the validity of the charges and its right to dispute the charges is waived. A late charge of 10% and interest of 15% per annum may be imposed upon any amount not paid within thirty (30) days of being invoiced. The Client authorizes COA to deposit and apply funds collected on the Client's behalf to any invoices that are more than sixty (60) days delinquent. This authorization shall survive the termination of this Agreement. If the Client terminates COA's services, closes an account, transfers a file from COA, does not reasonably cooperate in collecting on an account or fails to pay amounts due on any account, then all deferred attorneys' fees shall become immediately due and payable in full.

Conflicts

At this time, we are not aware, nor do we anticipate, any material conflict between this engagement and our representation of any other party. If in the future there appears to be a conflict or potential conflict that makes it impossible for COA to continue to represent the Client, COA shall cease all professional activities in these matters unless there is informed consent by all parties that COA may continue to represent one or more parties. If such a conflict arises, all professional fees earned at that time and all reimbursable expenses that have accrued will be payable to COA.

Board of Director Changes

The Client shall provide COA with the name, address, telephone number and email address of every member of its Board of Directors at the commencement of this Agreement and within thirty (30) days of any changes.



***A Full Service Real Estate Law Firm
Focusing on the Needs of Community Associations***

Practice Areas:

Comprehensive Community Association Representation • Collections (All Courts, including Bankruptcy Court) • Covenant Enforcement • Governing Documents & Amendments • Developer Representation • Real Estate & Business Litigation • Foreclosures • Evictions • Residential & Commercial Real Estate Closings

***Superior Results - Responsiveness - Cost Effective Strategies
Experience the COA Difference!***

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List of Main Services - 2018:	Fees:	Retainer Benefits:*
PRE-LITIGATION:		
Initial Title Search and File Set Up	\$100.00	Reduced to \$50
Warning of Lien Letter	\$100.00* (step 1)	*Steps 1-3 deferred & bundled for a total cost of \$150
Filing Assessment Lien	\$175.00* (step 2)	*Steps 1-3 deferred & bundled for a total cost of \$150
Warning of Suit	\$100.00* (step 3)	*Steps 1-3 deferred & bundled for a total cost of \$150
Verification of Debt to Homeowner	\$100.00	
Drafting Payment Plan (pre-lawsuit)	\$100.00	
Title Search Update	\$75.00	
LITIGATION:		
Filing of Suit in Magistrate Court	\$450.00	
Filing of Suit – Additional Defendant	\$150.00	
Default Judgment	\$125.00	
Drafting Consent Order including Payment Plan (if lawsuit has already been filed)	\$150.00	
POST JUDGMENT:		
Post Judgment actions	\$150.00/each + court costs	
Identifying assets or employment to garnish	\$125.00/search	
Garnishment - bank	\$125.00	
Garnishment – process funds received from bank (if garnishment successful)	\$75.00	
Garnishment – wage	\$150.00	

Garnishment – process ongoing funds received from wage garnishment – monthly fee	\$50.00	
Foreclosure Proceedings	hourly	
Levy on Personal Property	hourly	
Evictions	hourly	
SET-UP:		
Startup fee for Association	\$150.00	
BANKRUPTCY:		
Proof of Claim & Plan Monitoring	\$300 rate	Reduced to \$275/flat rate
MISC SERVICES:		
Hourly Rate for Attorney	\$275.00	Reduced to \$225/hour
Hourly Rate for Paralegal	\$150.00	Reduced to \$100/hour
Partial Payment Admin Fee	\$20.00	
Copies/Scans	\$.20/page	
Faxes	\$1.00/page	
Mileage	IRS rate	
Reimbursable Court/County fees	Per county	

- *The 2018 retainer is \$975/year with a pro-rata computation offered for participants starting after January, 2018. The benefits of the retainer program include a \$50 hourly rate reduction for attorneys and paralegals, discounted pre-litigation packages, and deferred pre-litigation fees.
- *The retainer program further provides one free meeting per year with counsel present (annual, special or board meeting) which can include legal review and assessment of declarations, amendment and/or by-laws.



COBB, OLSON
& ANDRLE, LLC

**THE LEGAL COLLECTION PROCESS
FOR ASSOCIATIONS**

The Legal Collection Process

Associations rely almost exclusively on homeowner dues/assessments for income to pay expenses. As a result, keeping delinquencies to a minimum is always a top priority. Most covenants outline acceptable collection methods for accounts that are past due up to and including legal action.

It is best practice for every association to have a collection policy in place that specifies when legal action should be taken. Additional board approvals may be necessary as cases progress. The legal process has three stages: Pre-Litigation, Litigation and Collection on the Judgment.

At any point in the process, the homeowner can pay the debt in full or make payment arrangements. This action would effectively stop any further legal action. *If a payment plan is in place and the homeowner defaults in the future, the process will reinitiate at the same stage in which it previously ended.*

Pre-Litigation

1 Initial Set-up

This includes a title search, foreclosure search, bankruptcy search and skip trace. A skip trace is a process used to locate the delinquent homeowner and all known addresses.

2 Warning of Lien

A letter is sent to the homeowner expressing the intent to lien the property within 30 days for non-payment of association dues. A lien will prevent the sale of the property without payment to the Association for any outstanding debts. The lien is on the property itself so if the property goes into foreclosure the lien is wiped out. If the owner declares bankruptcy, the lien remains with the property.

3 Lien and Updated Title Search

The lien is filed on the property and an updated title search is provided to the Association, providing evidence of the lien for its records.

4 Warning of Suit

The warning of lien correspondence allows the homeowner thirty-five days to initiate payment arrangements; if unsuccessful, a Warning of Suit is mailed.

Litigation

5 Preparation and Filing of Lawsuit

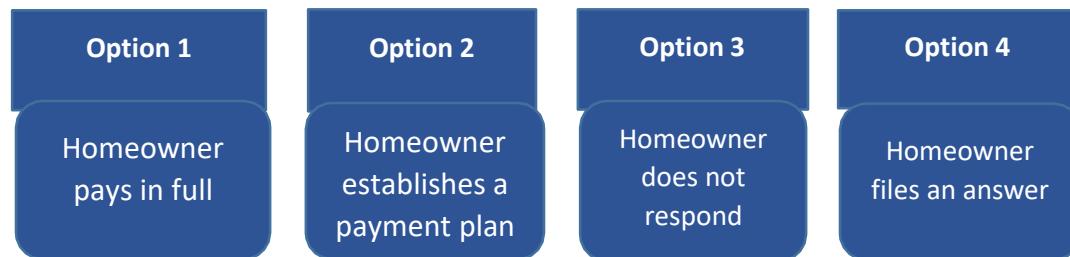
The lawsuit is prepared and filed within ten days in Magistrate Court.

6 Lawsuit Served

The homeowner is served the lawsuit and has forty-five days to answer. In the event the homeowner cannot be found, another skip trace is run.

7 Response to Lawsuit

There are four possible outcomes when a suit is filed.



8 Default Judgment or Hearing

If the homeowner does not file an answer after 35 days, a default judgment from the courts is requested. If the homeowner does file an answer, a court hearing is held. *Once a judgment is granted a “FIFA” (a lien on the judgment) is requested. Debt is then reported to credit bureaus.*

Collection on the Judgment

Once an association has a FIFA, the collection process begins.

9 Search and Interrogatories

A bank account and employment search is completed along with interrogatories, a formal questionnaire that must be completed by the homeowner. If the homeowner refuses to complete this document, the court can declare a motion to compel. If that effort is not successful, the delinquent homeowner may be incarcerated since refusing to complete interrogatories is considered contempt of court.

10 Garnishment or Levy

The search and the interrogatories will lead to a garnishment of wages and/or levy on personal property until such time as the debt is paid in full.

Presented by:

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