



## COLLECTION SERVICES AGREEMENT

Between

Sterling Crossing Homeowners Association

and

Barker • Martin, P.S.

1. **Purpose.** By this Collection Services Agreement, (hereinafter "Agreement"), the undersigned association of homeowners (hereinafter "Client") retains and employs Barker Martin, P.S. (hereinafter "Attorney") to furnish legal services for the Client According to the terms of this Agreement. In consideration of the services to be provided and other good and valuable consideration, the receipt, adequacy, and sufficiency of which is hereby acknowledged by the Client, the Client agrees to the terms and conditions herein.

2. **Scope of Legal Services – Representation for Collection of Delinquent Owner Accounts.** Attorney agrees to provide professional legal counsel and representation to Client relating to the collection of delinquent assessments including delinquent regular or special assessments, fees, late fees, interest, other fines, attorneys' fees and costs of collection. Client is hiring the firm as a whole, including without limitation all of its attorneys, its staff, any contract attorneys or affiliated attorneys. As such, Client understands that Attorney may, at Attorney's discretion, delegate work amongst its attorneys and staff depending on the nature of the work or task, and the experience of the attorney, or capability of the staff member. Client has requested representation in regard to collection of delinquent accounts. *Upon the first collection matter referred to Attorney, Client will be billed on an hourly basis for review of Client's governing documents for assessment and collection authority and current procedures. This amount will not be associated with any particular collection matter and will not be collected from any debtor.* After the initial governing document review, further review will not be necessary unless the governing documents or relevant policies have been amended, rescinded or otherwise modified. Upon referral of a specific delinquency for collection, Client may be billed at hourly rates or at fixed fees, the latter of which are designed to ensure that the debtor is responsible for these fees in any action or settlement. These fixed fees appear on the attached rate sheet and are subject to change.

3. **Client Representations.** In conjunction with the request for collection of delinquent owner accounts, Client represents that the governing documents, policies and procedures it provides to Attorney were lawfully adopted, accurate and are the most recent applicable documents.

4. **Authority to Settle Claims.** Client agrees that Attorney may accept, without specific prior Board authority, any settlement proposed by a delinquent owner in which the delinquent owner agrees to the following terms: a) debtor pays the full amount of the debt, including any fines, already accrued interest, fees, costs and attorneys' fees, as a lump sum or as part of a payment plan that lasts one year or less; and b) debtor agrees to pay ongoing assessments as they become due during the term of the payment plan. Other settlements will require prior authority from the Board or Necessary Agent.

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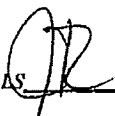
5. **No Warranties or Guarantees.** CLIENT AGREES THAT ATTORNEY HAS MADE NO PROMISES OR GUARANTEES REGARDING THE OUTCOME OF CLIENT'S CLAIM/TRANSACTION. ANY EXPRESSION OF THE STRENGTH OF THE CLIENT'S CASE, PROBABILITY OF PARTICULAR OUTCOME, AND ATTORNEY'S EVALUATION OF THE SUBJECT MATTER OF THE REPRESENTATION ARE MATTERS OF OPINION AND PROFESSIONAL JUDGMENT ONLY. CLIENT ACKNOWLEDGES THERE ARE MANY FACTORS, KNOWN AND UNKNOWN, THAT COULD AFFECT THE OUTCOME OF ANY SUCH CLAIM/TRANSACTION. CLIENT ACKNOWLEDGES THE INHERENT RISK IN PURSUING ANY SUCH CLAIM/TRANSACTION. Client is aware that the practice of law is not an exact science, and acknowledges that no guarantees or promises have been made to Client as to the results to be obtained in the matter being handled by Attorney. If Client was provided an estimate of the amount of fees required to pursue Client's matter, Client acknowledges such estimate is just that – *an estimate*. Due to many factors that cannot be reasonably anticipated, Attorneys' fees may be more than the estimate given to Client. Attorney will reasonably endeavor to inform client if the fees will be higher than estimated, but Client acknowledges that Client is responsible for all fees including those fees that exceed any estimate given.

6. **Client Payment of Fees.** Client agrees to pay to Attorney all fees charged to Client. Because of the variety of factors involved, an estimate of the total Attorney's fee for a specific issue may not be possible, and, unless otherwise agreed to by the parties in writing, Client acknowledges that Attorney has made no estimate of the total fee for any given issue, claim or transaction. Client agrees to pay the hourly rates or fixed rates charged by the various attorneys and staff of the firm for matters of this type and understands that these rates are subject to change by Association. Monthly billing statements will include general descriptions of the work performed by Attorney. While Attorney will attempt to collect attorneys' fees from the delinquent owner, Client is responsible for payment of these costs as they are incurred and billed and may be reimbursed in whole or in part from the proceeds of any settlement or collection effort

7. **Client Payment of Costs.** Client agrees to pay to Attorney all costs advanced or incurred by Attorney in furtherance of Client's matter. Costs advanced are such expenses as recording fees, title research fees, court or Secretary of State filing fees, process server's fees, telephone or facsimile long distance charges, expert consultants' fees, fees of appraisers and other expert witnesses, deposition costs, accountant's fees, photocopying costs, mileage on vehicles at the current IRS rate, travel expenses reasonably related to your matter, etc. Client shall be responsible for reasonable travel costs, if required. Client further agrees to pay all costs immediately upon submission to Client from Attorney. While Attorney will attempt to collect such costs from the delinquent owner, Client is responsible for payment of these costs as they are incurred and billed and may be reimbursed in whole or in part from the proceeds of any settlement or collection efforts.

8. **Billing/Payment.** Attorney will generally bill Client on a monthly basis for fees and costs incurred to date, unless circumstances indicate or dictate otherwise, such as trial at end of the month, closing, negotiations or other matters which suggest billing on a basis other than monthly. Thus, the last day for billing in a month is the last day of that month. Generally, Attorney mails bills out in the first two to three weeks of the following month. If Client has any questions or disagreement with a bill, Client shall notify Attorney in writing within 10 days from date the bill was mailed, or the bill shall be presumed accepted by Client. All non-sufficient-fund or returned checks are subject to a \$35.00 service charge. Payment in full is due immediately upon billing unless Attorney agrees in advance, in writing, to other arrangements. If neither payment in full nor other written arrangements is made within 10 days of mailing of a bill, Client agrees to pay interest thereafter on the unpaid balance owing to Attorney at the rate of 12% per annum, together with reasonable attorney's fees and costs incurred by Attorney for collection of delinquent amounts. Time is of the essence for all payments. In the event that any Attorney invoice is not paid within 30 days of the date of the invoice, Client authorizes Attorney to apply any funds held in trust for Client to the outstanding invoice. Notwithstanding Attorney's practice of generally billing Client on a monthly basis, attorney's fees and costs accrue contemporaneously with the work or charge corresponding to such fee or cost.

9. **Termination.** Either Attorney or Client may terminate the portions of this Agreement pertaining to ongoing professional services; provided, however, that all fees and costs then owing by Client to Attorney shall be immediately due and payable in full. If Client fails to pay for any fees and costs for any reason whatsoever, then Client assents to placement of a lien for the full amount of then unpaid attorney services and costs, plus interest at the rate of 12% per annum and the cost of collection on any of Client's property real or personal. Attorney reserves the right to withdraw

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from representation in the event that any legal fees or other charges under this Agreement remain delinquent for a period of 60 days or more. Attorney may withdraw at any time if Client fails to disclose material facts, fails to cooperate with Attorney, or for any other good cause, subject to Rule 1.16 of the Rules of Professional Conduct. Client agrees to pay the costs of copying Client's file in the event Client requests copies.

10. **Limitation of Damages.** Client shall be truthful and cooperative with Attorney, shall keep Attorney informed of any developments related to the matter or matters for which Attorney represents Client, and shall inform Attorney of any changes to Client's address or telephone number. The parties agree that under no circumstances shall the attorney be responsible for any liability, loss, or damage caused by the Client's acts or omissions. In no event shall Attorney be liable for any consequential or incidental damages to Client in any action at law or equity, or for any other reason. Client does hereby release, discharge, indemnify and hold harmless attorney from any and all liability for loss or damages arising out of or in connection with the performance of such work by others, including without limitation any experts, accountants, surveyors, title companies or other contractors (including attorneys) retained by Attorney to assist with Client's case or matters.

11. **Time Measurement.** All time is measured in 1/10th of an hour increments.

12. **Entire Agreement/Jurisdiction.** This Agreement supersedes all oral statements and representations, and contains the entire agreement among the parties hereto with respect to the subject matter hereof and the transactions contemplated hereby. This Agreement is intended to be performed in the State of Washington, and shall be construed and enforced in accordance with the laws of the State of Washington without regard to its conflicts of laws provisions. The parties agree that jurisdiction and venue of any suit between the parties concerning this Agreement shall be in King County Superior Court.

13. **Severability.** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and full effect shall be given to the intent manifested by the provisions and portions thereof held to be enforceable and valid.

14. **File Destruction.** All files over seven years old will be automatically destroyed by Attorney, unless otherwise requested by Client.

15. **Additional Matters.** **CLIENT EXPRESSLY AGREES THAT ATTORNEY'S REPRESENTATION OF CLIENT SHALL BE LIMITED TO MATTERS SPECIFICALLY BROUGHT TO ATTORNEY'S ATTENTION BY CLIENT AND AGREED TO UNDER THIS AGREEMENT.** The terms of this Agreement shall also apply to additional work beyond those matters set out herein, provided that each and every additional request for legal representation proposed by Client to Attorney shall be requested by Client in writing, and agreed to by Attorney in writing. **WITHOUT EXCEPTION, no additional representation by Attorney for any other of Client's matters, claims, transactions, business affairs or for any other purpose is expressed or implied by this Agreement.**

16. **Entity Representation/Necessary Agent.** While Attorney represents Client, Client is a nonprofit corporation managed by a Board of Directors ("Board"). As such, communications between Client and Attorney are generally made between Attorney and the Board, which is considered the "Control Group" of Client. To ensure protection of the Attorney-Client privilege, Client hereby acknowledges the following: (1) Attorney represents Client as an entity (nonprofit corporation); (2) Attorney does not represent the Board, any of the Board Members or any of the association members individually; (3) Absent written notification from Client that Client has appointed a specific person as Necessary Agent as provided in paragraph 17 below, Attorney is entitled to rely upon information, instructions and directives from any Board Member; (4) The attorney-client privilege and confidentiality exists between Attorney and Client, but extends only to Board Members and Necessary Agents; (4) Attorney's communications with any member of the Board or Necessary Agent shall be deemed a communication with the Client. As such, communications between any Board member may be shared with any other Board member, but may not be shared with anyone other than Board Members or Necessary Agents.

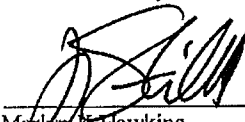
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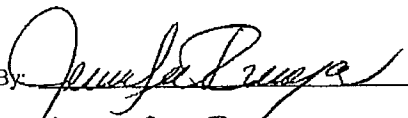
17. **Necessary Agent.** Client acknowledges that Attorney may need information from Client regarding delinquent accounts prior to the next time the Board meets. Therefore, Client hereby appoints, as a Necessary Agent, HEATHER THOMAS, as its lawful agent to request and receive legal services and advice on Client's behalf in conjunction with delinquent owner accounts, to settle such accounts, and to determine whether lawsuits shall be filed or other actions taken for the collection of such delinquent owner accounts. Client represents that it has the authority to delegate such matters to its Necessary Agent and acknowledges that communications between the Necessary Agent and Attorney will be protected by the attorney-client privilege.

**Barker • Martin, P.S.**

By: , Shareholder  
Marlyn K. Hawkins  
Sereny Stilwell

10/7/16  
DATE


**Sterling Crossing Homeowners Association**

By:   
Jennifer Brunyan  
Printed Name

9.28.16  
DATE

Its: President

181334  
Fee Agreement – Collections – WA 6.29.16

CLIENT INITIALS 

**ADDENDUM TO COLLECTION SERVICES AGREEMENT**

Between  
Sterling Crossing Homeowners Association  
and  
Barker • Martin, P.S.

This serves as an addendum to Collection Services Agreement, (hereinafter "Agreement"), between the undersigned association of homeowners (hereinafter "Client") and Barker Martin, P.S. (hereinafter "Attorney") to furnish legal services for the Client. In consideration of the services to be provided and other good and valuable consideration, the receipt, adequacy, and sufficiency of which is hereby acknowledged by the Client, the Client agrees to the terms and conditions herein.

Authority for Attorney to Process ACH Payments on behalf of Client. Pursuant to industry standards promulgated by the National Automated Clearing House Association ("NACHA") Operating Rules No. 2.2.2.1, Client authorizes Attorney to originate entries on behalf of the Client to Delinquent Owner/Debtor's accounts. Client agrees to be bound by the NACHA Rules. Client agrees not to originate entries that violate the laws of the United States. Client does not have any restrictions on the types of entries that may be originated by Attorney. Attorney has the right to terminate or suspend this Agreement should Client breach the NACHA Rules. Attorney has right to audit the Client's compliance with this Agreement and with the NACHA Rules.

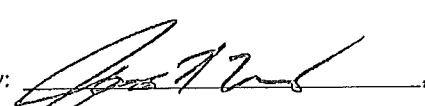
All other terms included in the Agreement shall remain in full effect.

**Barker • Martin, P.S.**

By:  Shareholder  
Marlyn K Hawkins

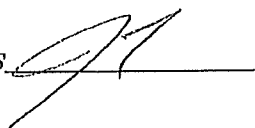
1/29/19  
DATE

**Sterling Crossing Homeowners Association**

By:   
James K Thomas  
Printed Name

1/23/2019  
DATE

Its: President

CLIENT INITIALS 



## Collections Rates

The fixed fees billed on collections matters are as follows. These rates are subject to change.

<u>Event</u>	<u>Fixed Fee*</u>
<b>Due Diligence Flat Fee Option</b> (includes file set up, property search, bankruptcy check, debtor fact sheet, ledger review, first notice & legal recommendation re collectability)	\$480
<b>File set up if not Due Diligence Flat Fee Option</b> (includes property search, bankruptcy check, creation of debtor fact sheet and settlement reconciliation)	\$320
<b>Claim of Lien</b> (excluding recording fees, but including release of lien filed by Barker Martin)	\$320
<b>Release of Lien not filed by Barker Martin</b> (excluding recording fees)	\$160
<b>Negotiating Settlement or Drafting Summons &amp; Complaint</b>	\$400
<b>Payoff Request Response</b>	\$200
<b>Settlement Payment Monitoring</b> (per year)	\$200

The standard hourly rates for attorneys and other individuals who bill time on behalf of Barker Martin, P.S. on collections matters are as follows. These rates are subject to change.

<u>Attorneys</u>	<u>Hourly Rate</u>
Marlyn Hawkins	\$300
David Silver	\$285
Alexis Ducich	\$250
Collin Vincent	\$225
John Barton	\$225
<u>Staff</u>	
Harry Cho	\$110
Leah Stoffel	\$110
Other Legal Staff	\$75-\$120