



McCABE, TROTTER & BEVERLY, P.C.
COMMUNITY ASSOCIATION AND CONSTRUCTION LAW

ATTORNEY EMPLOYMENT AGREEMENT

SCOPE OF ENGAGEMENT. This Agreement sets forth the employment of the law firm of McCabe, Trotter & Beverly, P.C. (“the firm”) to represent **WOODTRACE HOMEOWNERS ASSOCIATION INC.** (“the Association”) in connection with collection and foreclosure of liens and assessments, enforcement of governing documents, document review and drafting and general counsel for Association related matters. This fee agreement specifically contemplates and is intended to cover the firm’s representation of the Association in all of these separate and distinct legal matters or actions.

FEES. I agree to pay the following fees:

A. Collection Actions

1. Collection actions will be handled on a flat fee basis. The fees will be charged according to the attached chart, so long as the governing documents permit this fee arrangement. See Exhibit A to this Agreement.
2. A retainer will be sent by the Association for each individual homeowner for the action taken (See Exhibit A). This will be applied to the homeowner’s outstanding balance and will be reimbursed to the Association upon collection.
3. All attorney’s fees will be withheld from monies received as a result of collection efforts by this firm on a per file basis. All monies received from individual homeowners will first go to the firm to recoup attorney’s fees and unpaid costs. Once all attorney’s fees and unpaid costs are recouped by the firm all additional funds will be sent to the Association for processing. The firm maintains a file on each individual homeowner. The Association agrees to forward all payments received from homeowners to this firm to be deposited into a trust account or to pay the firm from any proceeds received on files turned over to the firm for collection. The Association hereby authorizes the firm to endorse checks

payable to the Association and to apply to the legal fees and costs per this Agreement.

4. Attorney's fees will accrue on every file as work is performed. The fees will be invoiced either when collected from the owner or two years after the work is performed. The costs associated with the filing and serving the lien will be paid from the retainer.
5. If a collection action goes into foreclosure and it is contested by the Debtor or other named Defendant having the ability to impact the Association's legal interest, the Association will be billed hourly as specified in Exhibit B for the handling of such counterclaim. This will not be deferred until collection efforts have been exhausted. Please see Section B below for a more complete explanation of hourly charges.
6. The Association is responsible for all costs and expenses (more fully described below) regardless of the result of collection efforts.
7. The Association can initiate new collection actions by sending account information and prior correspondences to newfilerequest@mccabetrotter.com.

Upon acceptance of the file by the firm, the Association will be invoiced for the required retainer. The firm will prepare and send a Notice of Lien to the county to be filed with a copy to the homeowner. The lien will be processed within 48 business hours of receipt of all required documentation from the Association.

B. Hourly Charges

All other work will be billed on an hourly basis unless the firm and the Association agree to a different arrangement in writing. This representation agreement contemplates the creation of a long-standing relationship between the Association and the firm. It is understood and agreed that the hourly rates set forth in Exhibit B may be increased from time to time by the firm in its sole discretion without the need to execute a new fee agreement. Any such changes to the rates listed on Exhibit B shall be mailed to the Association via first class mail and shall be deemed effective upon mailing by the firm.

C. Other Litigation and Counseling:

Requests for general counsel or special projects should be sent to the responsible attorney.

COSTS AND EXPENSES. It is understood that the Association will be charged for postage, long-distance telephone-toll charges, copying, fax usage, in-town courier services,

direct payments by the firm to third parties, automobile mileage, out-of-town courier services plus mileage, when requested by the client or required by special circumstances, overnight delivery charges (UPS, Federal Express, etc.) when requested by the client or when required by special circumstances, posters and exhibits prepared as visual aids at trial.

BILLING PROCEDURES. It is understood that the firm has the right, in its discretion, to bill the Association from time to time, including monthly or more frequently. In the event the firm decides to bill the Association and to pay the bill out of the escrow deposit, the Association understands that the firm will send a monthly statement reflecting the fees billed and paid and the balance remaining in the firm's trust account.

CONFIDENTIALITY OF INFORMATION. It is understood that the firm is bound by the *Rules of Professional Conduct* which provides that certain information between attorney and client is confidential. It is also understood that certain information may *not* be confidential. It is also understood that the Rules provide specifically as follows:

- (a) A lawyer shall not reveal information relating to representation of a client unless the client consents after consultation, except for disclosures that are impliedly authorized in order to carry out the representation, and except as stated in paragraph (b).
- (b) A lawyer may reveal such information to the extent the lawyer reasonably believes necessary:
 - (1) To prevent the client from committing a criminal act; or
 - (2) To establish a claim or defense on behalf of the lawyer in a controversy between the lawyer and the client, to establish a defense to a criminal charge or civil claim against the lawyer based upon conduct in which the client was involved or to respond to allegations in any proceeding concerning the lawyer's representation of the client.

It is understood that the Association is the client and that this rule protects the Association, subject to the qualifications in the rule, from having its lawyer divulge things that

are told to it in confidence. It is also understood that this rule does not protect the Association for things that are told to persons *other than the Association's lawyer* and does not protect any communications given to the Association's lawyer *in the presence of another person who is not its lawyer*. Hence, the Association is advised not to disclose any confidential information to anyone *other than* its lawyer.

Without waiving this right of confidentiality, the Association hereby understands and agrees that the firm in its sole discretion may from time to time use the name of the Association in a list of clients for advertising purposes. It is further understood and agreed that the firm may also discuss for advertising purposes any information which has been reported publicly by the news media, industry related publication, and any reported decisions by any court. The Association has been specifically advised of its rights to confidentiality and has agreed to waive that right for the limited and expressed purpose as explained herein.

The Association has been advised that it does not have to waive the right of confidentiality, and that it may withdraw this limited waiver at some future date. If the Association decides to withdraw the waiver of this right at some future date, it will communicate this withdrawal in writing via first class mail to the firm and via email to Ryan McCabe at ryan.mccabe@mccabetrotter.com .

FIRM'S PROMISE. The firm has promised to keep the Association informed of all significant events, to answer correspondence with due diligence and to return telephone calls with due diligence.

CLIENT'S PROMISE. The Association promises the firm:

- a. To cooperate fully;
- b. To disclose all relevant facts good and bad;

- c. To respect the lawyer's judgment, sense of ethics and methods of dealing with other lawyers (including the lawyer's decision not to take a technical advantage of another lawyer's mistake); and
- d. To not deal directly with the opposing party without my lawyer's consent (and possible assistance).

RIGHT TO WITHDRAW. The Association understands that it has the right to terminate the services of its lawyer at any time for any reason or no reason and receive a refund of any unearned fees. It is understood that its lawyer and the firm have a right to withdraw from representation of the Association under any of the following circumstances:

- a. If the firm discovers that it has a conflict of interest;
- b. If the firm discovers that the Association's position as represented is invalid or doubtful;
- c. If the Association commits a crime or breach of the rules or if the firm discovers that the Association has misled the firm; and
- d. If the Association fails to timely pay bills submitted by the firm or has otherwise breached the terms of this employment agreement.

MAINTENANCE OF CLIENT FILES.

- A. The client file for each separate matter, including a general advice matter, consists of the following materials:
 - 1. All papers or property provided by the Association to the firm in connection with the representation;
 - 2. Property the firm has purchased or obtained with client funds, or for which the firm reimbursed;
 - 3. All pleadings, motions, discovery, memoranda, and other materials which have been served, fully executed, or filed or recorded in connection with the representation;
 - 4. All correspondence sent by, or received by, the law firm to the Association or a third party in connection with the Association's matters, including email; but excluding material internal to the lawyer's office, as defined in (B)(2) below;

5. Material received by the firm from third parties in connection with the representation such as documents, files, materials produced during the course of discovery;
 6. To the extent no third party claims an interest in the items, any other items the firm and the Association have agreed in writing or confirmed in writing to treat as the client file materials, and
 7. All signed original documents with legal significance such as covenants, deeds, contracts, etc.
- B. The Association's file for each separate matter, including a general advice matter, does not include:
1. Research materials, any and all drafts of documents, electronic editing comments (also known as "redline" changes), unexecuted documents, mental impressions of the matters of the attorneys or staff committed to a written format, and other such work product prepared by the firm for the client:
 2. Materials internal to the firm's office, including attorney notes, metadata, internal assignment documents, internal billing records, purely private impressions of the lawyer, notes made in case management software including but not limited to ProLaw, CollectMax, and Ready Collect and internal memos, internal emails or other written communications between the attorneys and staff in the firm or co-counsel or other third parties not intended to be provided to the client; and
 3. Any material that, if released, would violate the lawyer's duty of confidentiality to another client, former client or third party.

The Association specifically agrees that the file for each concluded matter shall be retained for the shortest amount of time allowable under the law. At present time, this period of time has been defined as six (6) years, but this period of time is subject to change. The Association further agrees that should this time period change that the firm will not have to separately notify the Association of this change in writing. The Association acknowledges that the firm primarily stores all records electronically, and in the firm's sole discretion these records may be reduced to only an electronic format for storage purposes.

During the course of representation, the Association will be mailed pertinent documents, correspondence, etc. at no cost. If the Association requests a copy of the entire file as defined above, then the Association hereby agrees to pay the reasonable cost of reproduction including, but not limited to the cost of assembling the file for reproduction. If the Association does request a copy of its file, it also agrees that the firm has thirty (30) business days to produce this file in the manner it was kept in the firm's ordinary course of business. The Association also agrees that the law firm has the sole discretion to decide in what format (paper or electronic) the production of the file shall take place.

MCCABE, TROTTER & BEVERLY, P.C.

By: _____

WOODTRACE HOMEOWNERS ASSOCIATION INC.

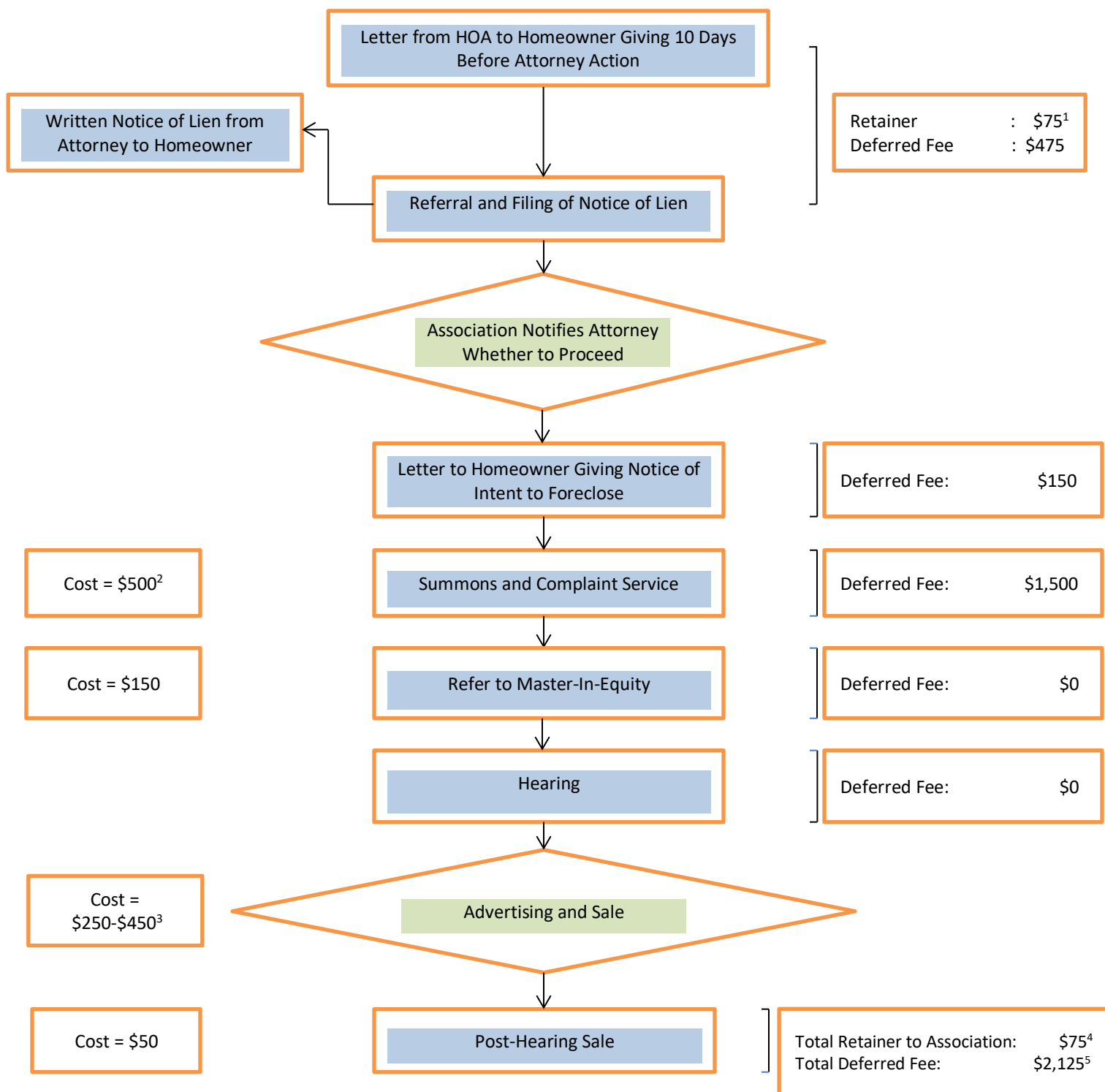
By: _____

(Print Name) _____

Its: _____

Revised: May 26, 2020

S.C. Community Association Collection Action Plan & Fee Schedule



¹ Refunded to Association if \$475 fee is collected from Homeowner.

² This cost is based upon the average costs for obtaining a title search, filing the Summons and Complaint, and service costs.

Association will be responsible for costs and a \$500 advance will be required at this stage and will be placed in MT&B trust account.

³ Advertising in Charleston County cases will be \$700-1000.

⁴ Association will be billed fees if file is transferred to another law firm or closed without the consent of McCabe, Trotter & Beverly, PC.

⁵ If foreclosure is contested additional deferred hourly fees will be added.

• Deferred fees due upon receipt of money from homeowner or two years after work performed.

S.C. COMMUNITY ASSOCIATION HOURLY FEES

Shareholders & Of Counsel	\$275.00/hour
Associates	\$175.00/hour
Paralegals & Law Clerks	\$125.00/hour

- These rates are subject to change.
- Flat fees and hourly fees may be adjusted upon notice to Client to the then current rate, increased by an amount equal to the change in the Consumer Price Index (CPI).