

ANGIUS & TERRY COLLECTIONS LLC

DELINQUENT ASSESSMENT COLLECTION AGREEMENT

_____ ("Client") and ANGIUS & TERRY COLLECTIONS LLC ("ATC") agree as follows:
(Homeowners Association)

1. PURPOSE OF COLLECTIONS

Client hereby employs ATC to represent Client in collecting delinquent homeowner association assessments. Accounts referred to ATC hereunder are referred solely for the purpose of collections and nothing herein shall be deemed to convey to ATC any right, title or ownership interest in such accounts.

2. ATC'S FEES AND COSTS

A copy of ATC's current collection fee schedule is attached. All fees and costs will be billed to the delinquent homeowner, except as provided below:

- a) If a delinquent account, when submitted to ATC, exceeds an amount equal to five (5) months in age or six hundred dollars (\$600), whichever is greater, all fees and costs will be billed to Client and shall be paid within thirty (30) days if ATC is unable to collect payment through the delinquent assessment collection process, unless other accommodations are provided by a written agreement. ATC will work with Client to transition into this program at little or no cost to Client.
- b) In the event a file is placed with ATC in error and/or a file is recalled from ATC within the first thirty (30) days after the file is submitted to ATC, Client will be billed a flat fee of \$100 plus costs incurred by ATC.
- c) In the event a file is placed on hold by Client, or Client fails to follow recommendations of ATC, all fees and costs incurred to such date will be billed to Client and shall be paid within thirty (30) days.
- d) If Client takes title to the property following a foreclosure, Client will not be billed for ATC's fees and costs except as follows: Rental - If Client receives rent or other income for the property, fifty percent (50%) of such collections will be paid to ATC for its fees and costs until ATC's fees and costs have been paid in full. Sale - If Client sells the property, ATC's fees and costs will be paid from excess sale proceeds, after payment of the costs of sale which should be limited to escrow fees, title fees and sales commissions.

ATC may increase its collection fees at any time, after written notice to Client.

3. CLIENT REPORTING

ATC will provide Client with monthly reports. The monthly report will consist of the identification of each collection matter referred to ATC, the progress of the collection efforts and comments relating to the collection efforts, as necessary.

4. PAYMENT PROCESSING

All payments received by ATC for the payment of delinquent assessments shall be deposited by ATC into a trust account to be maintained by ATC for the benefit of its Clients. These funds will be paid to Client within five (5) business days of clearance of funds. If less than the full amount owed is obtained by ATC, such funds will be allocated 50% to the delinquent assessments and 50% to the collection fees and costs. ATC is authorized to pay ATC's fees and costs directly from collected funds at the same time Client's share of the funds are disbursed to Client.

5. APPOINTMENTS

Client hereby appoints ATC as its authorized agent for the purpose of preparing and executing all legal documents related to the collection process including, without limitation, Intent to Lien (Pre-Lien), Notice of Delinquent Assessment (Lien), Notice of Default, Complaint, foreclosure documents, Confessions of Judgment, payment plans, wage garnishment forms, bank levy forms and affidavits.

Client further appoints ATC as its Trustee for foreclosure proceedings on properties with delinquent assessments or fees owed to Client. This appointment gives Trustee Officers of ATC the authorization to sign notices, required documentation and record documents on behalf of Client through the foreclosure process.

6. AGREEMENTS

In order to utilize this collection program offered by ATC, Client agrees to use ATC exclusively for all delinquent assessment collections while the program is in effect.

Because acceptance of a payment by Client during the collection process may invalidate the collection process, Client and ATC agree that once ATC has received a file for processing, all payment arrangements will be made by ATC, and delinquent homeowners shall be referred directly to ATC for resolution of all delinquencies in accordance with Client's delinquency policy (if any). Should Client accept any partial payment during the collection process, Client may be billed for ATC's fees and costs incurred to date.

Client will provide ATC with copies of its Articles of Incorporation, Bylaws and Recorded Declaration of Covenants, Conditions and Restrictions (CC&Rs), any amendments to the CC&Rs, and Client's delinquency policy.

Client will provide ATC with a File Submission Form and current account ledger for each delinquent account Client wishes ATC to start delinquent assessment collection efforts.

Delinquent accounts for properties owned by the Department of Veteran Affairs are excluded from this collection program.

7. SETTLEMENT

ATC shall advise Client of any proposed settlement of any claim referred to it under this Agreement. ATC shall not enter into or agree to such settlement unless it shall have received Client's authorization to accept said settlement. Client agrees that if it decides not to follow the recommendation of ATC, Client shall be responsible for the payment of all collection fees and costs as provided above. This paragraph does not apply to payment plans where the homeowner agrees to pay over time the full amount owed.

8. INSPECTION

During the term hereof, Client shall have the right, during normal business hours, to inspect ATC's books and records pertaining to the collection activity for that Client and to review ATC's collection efforts, the adequacy of ATC's cash controls and ATC's compliance with this Agreement.

9. LEGAL ACTION AGAINST

ATC agrees that if any claims or any proceedings are brought against Client, whether by a governmental agency, private person, or otherwise, in which it is alleged that ATC has violated any law, regulation, order or ruling, ATC shall defend, indemnify and hold Client harmless against any liabilities, loss, damage, or expense, including but not limited to attorney's fees and court costs, to the extent such claims are a result of the assertion that ATC has violated such law, regulation, order or ruling. Client will be responsible for all costs, including attorney's fees, which are the result of actual or alleged conduct of Client.

10. TERMINATION OF SERVICES

Client may terminate ATC’s services under this Agreement at any time, with or without cause, by written notice effective immediately upon receipt by ATC. Upon termination, ATC shall forthwith cease all efforts to collect any accounts placed with ATC and shall immediately turn over to Client all files and the amount of all collections not previously remitted to Client. If ATC shall thereafter receive any additional payments with respect to any claims referred to ATC hereunder, such payments shall be remitted to Client immediately. No later than thirty (30) days after return of all files, Client shall remit to ATC the amount of any and all outstanding collection fees and costs.

11. NO REPRESENTATION OR WARRANTIES

Client acknowledges and agrees that ATC has made no promises or guarantees regarding the outcome/success of Client’s matter(s) and that Client has been told by ATC that it is not possible for ATC to guarantee the outcome of any matter. ATC’s comments about the outcome of any of Client’s matters are expressions of opinion only.

12. ARBITRATION

Any dispute arising out of this Agreement shall first be submitted to mediation as a condition precedent to proceeding with arbitration. If the dispute cannot be resolved in mediation, any dispute arising out of this Agreement shall be resolved by binding arbitration pursuant to the rules of the American Arbitration Association or Judicial Arbitration and Mediation Services. The prevailing party shall be entitled to recover its costs (including the arbitrator’s fees and costs) and attorney’s fees from the losing party. The arbitration award may be entered as a judgment in any court of competent jurisdiction. This mediation and arbitration provision applies only to disputes between Client and ATC and expressly does not provide a right to mediation or arbitration to any third party including, without limitation, a homeowner subject the delinquent assessment collection process.

13. MISCELLANEOUS

This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof and cannot be changed or terminated or any provision hereof waived, except by an instrument in writing signed by both parties.

I am authorized to execute this Agreement on behalf of Client.

Date: _____

(Homeowners Association)

By: _____

Title: _____

ANGIUS & TERRY COLLECTIONS LLC

Date: _____

By: _____

Brenda Bennett, Manager

ANGIUS & TERRY COLLECTIONS LLC
FEE SCHEDULE
(March 1, 2005)

Notice of Intent to Lien	\$185
Notice of Delinquent Assessment Lien (Includes Title Work, Notary Fee, Lien, and Letter to Owner)	\$295
Release Preparation Fee	\$30
Non-Sufficient Funds Charge	\$25
Non-Compliance Letters	\$35
Notice of Default and Election to Sell	\$300
Trustee's Fee (Non-judicial Foreclosure) (Includes Preparation / Mailing of Notice of Sale, Administration of Publication and Posting of the Property as required by law)	\$125
Payoff Demand to Title Company	\$65 (initial demand) \$25 (for each additional update)
Bankruptcy Proof of Claim with Monitoring Plan	\$245
Payment Plans (Includes drafting and execution of agreement, processing payments and status reports)	\$80 (3-month term) \$25 (for each additional month)
Complaint for Judicial Foreclosure (Includes Summons, Complaint, Lis Pendens and costs of filing)	\$985
Supplemental Charges:	
Trustee's Sale Guarantee	Hourly Attorney's Fees
Recording Costs	Process Server Fees
Mailing Costs	Sheriff's Fees
Publication Costs	Court Costs
Posting and Auction Costs	Bank Charges