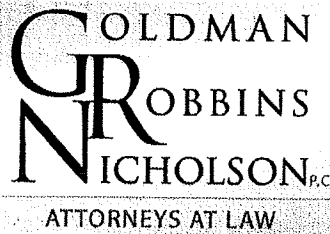

MICHAEL A. GOLDMAN
JEFFERY P. ROBBINS
LINDSEY K. S. NICHOLSON
JOSH W. MACK



679 E. 2ND AVENUE, SUITE C
PO BOX 2270
DURANGO, CO 81302
970/259.8747
FAX 970/259.8790

October 20, 2014

Confidential Attorney/Client Communication
Any Distribution of this Document May Waive the Attorney/Client Privilege

Via U.S. Mail and Email: gesenwein@gmail.com

Kernan Creek Ranch Homeowners Association
Attn: Greg Esenwein
P.O. Box 506
Cortez, CO 81321

Re: Retention For Legal Services
Our File No. 2965.001

Dear Greg:

Thank you for requesting our assistance with regard to providing general legal representation for Kernan Creek Ranch Homeowners Association ("HOA"). This letter outlines the terms of our engagement so we avoid any misunderstandings as to the scope of the matters we will undertake, the fees to be charged, and the other terms and conditions of our engagement. We look forward to working with the HOA and want it to be satisfied with the service we provide throughout our engagement. If the HOA ever has any questions regarding our engagement or the services we are providing, please contact me immediately so that we can take appropriate action.

Scope of Services

As a starting point, the HOA has asked us to provide general legal counsel to it. Our work will be limited to these matters unless the HOA specifically requests our advice or representation on other issues or projects and we agree to perform that additional work.

Staffing, Fees and Other Terms

Our fees will be based on the amount of time spent by attorneys and paralegals on the matter. Each lawyer and paralegal has an hourly billing rate based generally on his or her experience, any special expertise and market considerations. The billing rate multiplied by the time spent on your behalf, measured in tenths or quarters of an hour, will be evaluated by the billing attorney as the basis for determining the appropriate fees.

My current billing rate is \$225.00 per hour. Staffing will be done with the personnel who can most competently, efficiently and cost-effectively complete the task. Personnel may change depending on timing and other factors. Billing rates are adjusted from time to time (typically at the beginning of each calendar year) to reflect increased experience and special expertise of our attorneys and paralegals and market considerations affecting our practice; the adjusted rates will apply to all services performed thereafter.

We may conclude that it would be advisable for the HOA to secure the services of other attorneys or other professionals, such as experts, consultants, *etc.*, who have particular specialties in areas in which our firm does not practice or local counsel in jurisdictions in which we are not licensed to practice. We will discuss these needs with you as they arise. If the HOA approves the engagement of any such persons, such engagement will be made by the HOA directly and not with or through our firm. Additionally, their invoices will be sent directly to the HOA and under all circumstances the HOA shall be responsible for all amounts due to these third parties. The HOA agrees to indemnify us for any amounts due to, or claims made against us by, such third parties relating to this engagement.

In addition to our fees and the fees and costs incurred for third parties engaged by the HOA in connection with our engagement (as described in the preceding paragraph), the HOA agrees to pay us for all disbursements and other charges incurred by us on its behalf for third party services or other costs. Expenses incurred on the HOA's behalf will be included in our statements as disbursements advanced by us. Such expenses are in addition to the fees referred to above and may include, among others, photocopying, faxing, travel expenses, filing and recording fees, long distance telephone charges, postage, express mail and messenger charges, title searches, survey charges and other similar charges. Cost items in excess of \$250 will be sent to the HOA for direct payment by it to the vendor or service provider. From time to time, we may conduct computerized legal research on behalf of the HOA and it will be responsible for costs associated with this legal research.

Our statements will be rendered monthly and payment in full will be due within thirty (30) days after receipt of each such statement. Amounts not paid within sixty (60) days accrue an interest charge of one percent (1%) per month. Our objective is to provide effective and efficient representation and we expect the HOA to feel our bills are fair and reasonable in light of the circumstances. If the HOA ever has any questions concerning a bill, please contact me so that we can discuss the matter and take appropriate action.

The parties to a dispute may agree, or a court may order, that another party is to pay some or all of our fees or charges. This will not affect the obligation of the HOA to pay our fees and charges, and we will not be obligated to enforce any such agreement or order. Any amounts actually received by us from another party will, of course, be credited against the fees and charges for which the HOA is otherwise obligated to us.

If a monetary judgment or award is made in your favor, we shall have a lien on the proceeds to the extent of any unpaid fees, disbursements or other charges.

Security for Fees and Charges

We are not, at this time, requesting a deposit for the fees, disbursements and other charges in connection with our representation. During the term of the engagement, you will pay our monthly invoices within thirty (30) days. If the scope of the engagement changes or if the HOA fails to timely pay our invoices, we reserve the right to request a deposit. If the amount requested is not promptly paid by the HOA, we will have the right to cease performing work and to withdraw from the representation.

Withdrawal

The engagement described in this letter may be terminated by either the HOA or this firm at any time by written notice by or to the HOA. We do not terminate our representation of a client unless they misrepresent or fail to disclose material facts, fail to pay fees or expenses when due, make it unreasonably difficult or unethical for us to continue to represent them, or unless other just cause exists. If we elect to do so, the HOA will take all steps necessary to free us of any obligation to perform further, including the execution of any documents (including forms for substitution of counsel) necessary to complete our withdrawal, and it will be obligated to promptly pay us for all services rendered and disbursements and other charges made or incurred on its behalf prior to the date of withdrawal.

General Provisions

Any controversy, dispute, or claim arising out of or relating to our fees, charges, performance of legal services, obligations reflected in this letter, or other aspects of our representation shall be resolved through binding arbitration in Durango, Colorado.

If any controversy, dispute or claim arises between us concerning our fees, charges, performance of legal services, or other aspects of our representation, the prevailing party will be entitled to recover from the losing party all costs and expenses it incurs in bringing and prosecuting or defending any litigation or arbitration, or collecting amounts due hereunder, including reasonable attorneys' fees and costs in any arbitration or at trial and on appeal (if applicable).

The HOA may have its original documents as soon as a particular matter is concluded and it has paid all our fees and costs. If the HOA does not request its documents, the firm will either keep them for a minimum of six (6) years or, provide the HOA sixty (60) days' written notice and an opportunity to pick-up its file, after which we may retain, destroy or otherwise dispose of the file.

Kernan Creek Ranch Homeowners Association
Attn: Greg Esenwein
October 20, 2014
Page 4 of 5

This Agreement will be interpreted and enforced under Colorado law. Any unenforceable provision of this Agreement will be severed from this Agreement, and the remainder of this Agreement will be enforced to the fullest extent possible.

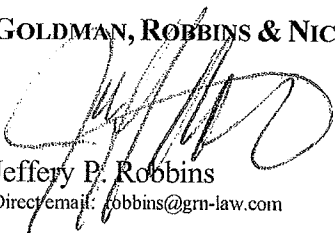
If this letter correctly reflects the HOA's understanding of the terms and conditions of our representation, please confirm its acceptance by signing the enclosed copy in the space provided below. Upon acceptance, these terms and conditions will apply retroactively to the date we first performed services on behalf of the HOA. If this letter is not signed and returned, the HOA will be obligated to pay us the reasonable value of any services we have performed on its behalf.

Unless replaced by a new agreement, the terms of this letter agreement will be applicable to all matters that we undertake for the HOA or for any related or affiliated corporation, partnership, association or other entity or group controlled by it. Please confirm the agreement of the HOA with the arrangements described above by signing the enclosed copy of this letter in the space provided below and returning it to me.

We are delighted that Kernan Creek Ranch Homeowners Association has selected our firm to represent it. Please call me if the HOA has any questions concerning the matters addressed above or any other aspect of our representation.


Sincerely yours,

GOLDMAN, ROBBINS & NICHOLSON, P.C.


Jeffery P. Robbins
Direct email: jrobbins@grn-law.com

JPR/le

The terms and conditions set forth in this letter are hereby agreed to and accepted.


By: Charles L. Hayes
Title: President, Board of Directors, Kernan Creek Ranch
Date: October 20, 2014

REPRESENTATIVE FEE SCHEDULE

Partners	\$225.00 – \$250.00 per hour
Associates	\$170.00 - \$190.00 per hour
Paralegals	\$90.00 - \$110.00 per hour
Office Personnel	\$15.00 - \$45.00 per hour

REPRESENTATIVE EXPENSE SCHEDULE

Photocopying	\$0.10 per page
Color Photocopying	\$1.00 per page
Facsimiles	\$0.35 per page
Postage	Actual Rate

Rates and expense charges are subject to change from time to time.

Effective March 1, 2012