



Our Legal Services for Community Associations

This will follow up our recent communication concerning our potential legal representation of your community association. Below is general information about our firm. Our community association clients include homeowners associations, townhome associations, and condominiums. All of our attorneys listed below focus their entire practice in representing community associations.

Our Attorneys and Staff

Tom Murray is proud to be the first attorney in Indiana inducted as a Fellow into the College of Community Association Lawyers (CCAL) - one of about only 175 attorneys nationwide to be admitted to the prestigious organization. CCAL was established in 1993 by the Community Associations Institute (CAI), with membership consisting of attorneys who have distinguished themselves through contributions to the evolution or practice of community association law. CCAL members are also recognized for committing themselves to high standards of professional and ethical conduct in the practice of community association law.

Tom has been practicing law since 1986. He first began representing community associations on a regular basis in 1988. Since that time, Tom has been an active member of the Central Indiana Chapter of the CAI which is a nonprofit organization dedicated to helping community associations meet the expectations of their residents. He served as the president of the Central Indiana Chapter for five terms. Tom currently serves on the local chapter's Legislative Action Committee to monitor and influence legislation in Indiana that pertains to our clients.

Greg Chandler is our firm's most recent partner. He has been practicing law since 2007. Greg writes frequent articles that are widely distributed. He routinely assists community association clients on a variety of issues, such as collections, covenant enforcement, and legal document revisions. Greg served on the Board of the Central Indiana Chapter of the CAI for 6 years and was the Chapter President in 2016. He is currently on the Chapter's education committee. Greg has been named to the Indiana Super Lawyers Rising Star list for the last 2 years. The Rising Stars are a peer-selected group of lawyers representing less than 2.5% of the attorneys in the state.

Kim Sutter is our senior associate attorney. She joined us after being with a northeast Ohio law firm, representing community associations since 2003. She is licensed to practice law

in both Indiana and Ohio. Kim serves on the Board of the Central Indiana Chapter of the CAI. She has been named to the Super Lawyers Rising Star list for the last 7 years. Kim was selected as an Ohio Super Lawyers Rising Star in 2012-2017. In 2018, she was selected as an Indiana Super Lawyer Rising Star.

Andrew Huber is our associate attorney. He previously practiced at a firm focusing on collections and creditor's rights. Andrew has extensive experience in negotiating payment plans and using post-judgment court actions to collect unpaid balances.

Our attorneys frequently speak at CAI seminars. Tom, Greg and Kim have also been presenters at continuing legal education courses for attorneys. To further our education on issues affecting homeowners associations, our firm's attorneys annually attend a national community association law seminar presented by CCAL. We also have a support staff of 13 legal assistants.

We represent many condominium and homeowners associations on a multitude of matters. Although most of our clients are in the Indianapolis metro area, we have also represented communities in other areas of Indiana from South Bend to Jeffersonville. Our clients include associations that are self-managed (that is, those who solely rely upon volunteer Board members) and those who use the services of a property management company. Although we represent many community associations, we give personal, timely attention to each client.

Community Association Representation

General Counsel

It can be intimidating to serve as a director or officer of a community association, especially when you agreed to step forward knowing that you would be volunteering your time and stepping into a new experience involving unique legal concepts and special obligations. If you feel like you're dealing with a lot of "legalese" in your community association's governing documents, we can help you decipher it in easy-to-understand terms and concepts. We also appreciate how unique a community association is because of the interaction of general corporate law, nonprofit corporate law, real estate law, "neighborliness", covenants that run with the land, and quasi-government functions served by community associations that, when taken in combination, make such associations much different from other forms of organizations. We've counseled associations on many different issues, both simple and complex. We can:

- Help your association handle day-to-day issues and questions
- Interpret your documents (like a Declaration of Covenants, or By-Laws)
- Advise on compliance with the Indiana Homeowners Association Act, as well other Indiana and federal statutes
- Review and revise or draft contracts for the maintenance, repair and operation of the community to protect the interests of your association

- Advise on your fiduciary duties as officers and directors of a community association
- Assist in the transition from developer control of an association to homeowner control
- Assist in preparing annual and special meeting packets to be given to owners to comply with the association's legal documents and applicable laws
- Attend annual and special meetings of the community association's members, as well as daytime or evening meetings of Directors
- Assist in obtaining large bank loans for capital repair and replacement projects
- Review the association's insurance policies to insure compliance with the legal obligations set forth in its governing documents

Covenants Enforcement

All homeowners associations, condominiums, and all other kinds of community associations have restrictive (or, as we prefer to call them, protective) covenants. These covenants dictate what the owners can and cannot do with any common areas or their property. The number and scope of such covenants can vary greatly from one community to another. Federal and state laws also directly impact the interpretation and applicability of covenants. We can:

- Interpret covenants in the light of statutory and case law to determine if an owner is violating the community's covenants
- Advise on how to address covenant violations, including compliance with Indiana's mandatory grievance resolution procedures
- Advise on responding to an owner who claims, "I never received any covenants when I bought my home so I'm not bound by them"
- Advise on the Association's enforcement alternatives
- Send covenant violation letters
- Litigate against covenant violators to seek injunctions and other remedies

Collecting Delinquent Assessments

We know that assessments, or dues, payable by your owners are your sole source of income. If you don't collect, you can't pay your association's bills and services may need to be cut back. We can:

- Help your association adopt collection policies and procedures

- Advise on your association's available remedies to collect from delinquent owners after your efforts have failed
- Recommend and implement specific courses of action to collect, ranging from demand letters, filing suit in Small Claims Court, filing liens with the county recorder, and other collection options
- Advise and assist when an owner files Bankruptcy
- Explain the different kinds of Bankruptcies
- Advise on what to do when you get notice that a mortgage company is foreclosing on an owner within your community

Legal Document Amendments

When the owners assume control of their community association after developer turnover, many of the provisions in the original governing documents cease to be in effect but are still included. Also, we find that many original documents have conflicting or confusing provisions. Many Boards of Directors want to delete or change certain provisions. Others want to "start from scratch" and prepare new governing documents. With our extensive legal as well as practical experience, we can:

- Advise you "where you are at" in terms of your current covenants, by-laws, plats and other governing documents, both as to compliance with the law but also on how you compare with other community associations
- Point out provisions in your documents that conflict with current laws and offer alternative provisions; eliminate obsolete provisions; recommend new or revised provisions to make the association operate more efficiently
- Determine the exact procedures that must be followed to make your amendments effective
- Advise and assist in amendments to covenants, by-laws, Articles of Incorporation, rules and regulations and other legal documents
- If desired, prepare amended and restated versions of your Declaration of Covenants, Conditions and Restrictions, Declaration of Condominium or Horizontal Property Ownership (for condos), By-Laws, Articles of Incorporation and rules and regulations that will supersede and replace the prior documents
- Assist in preparing all of the documents necessary for amendments, including cover letters to the owners, notices of meetings, proxies, and ballots

- Attend Board of Directors and owners' meetings to explain proposed amendments, answer questions, and to generally oversee the amendment process
- Finalize and record the amendments with the County Recorder, the Indiana Secretary of State, and/or other government offices as required by law

Corporate Matters

Most community associations are established as Indiana not-for-profit corporations and governed by the Indiana Nonprofit Corporations Act. We'll help you understand some of the important intricacies and implications of being not only an association of owners, but also a corporate business entity. We can:

- Advise the steps to take if the Indiana Secretary of State has administratively dissolved the community as a nonprofit corporation
- Address requests or demands by some owners that one or more directors be removed and that a new Board of Directors be elected
- Educate board members and property managers on the importance of proper minutes and following other corporate formalities
- Explain the importance of filing of the Indiana Business Entity Report with the Indiana Secretary of State

Billing Options

We have different billing options from which your Board can choose for us to represent your community association. See the attached Legal Services and Fee Summary Agreement.

For collection of past due assessments from delinquent owners, we have developed a flat fee schedule depending upon the course of action you want us to take against a particular owner. If you would like more information on this, we will send you a letter describing our collections procedures and applicable fees.

We'd Like to Meet You!

If you would like, one of our attorneys would be happy to meet with your Board of Directors, free of charge up to one hour, to discuss these issues in more detail, as well as answer any other questions you have concerning your legal documents or issues you are currently facing. We would be happy to represent your Association, and we look forward to working with your Board of Directors if you choose our firm. Thank you very much for contacting us.

Sincerely,
EADS MURRAY & PUGH, P.C.



**2018 Legal Services and Fee Summary Agreement
Attorney-Client Privileged Communication**

We focus our entire practice on community association law. While all clients benefit from that experience, our Annual Service Retainer Program clients receive unique benefits. Our Annual Service Retainer Program can reduce your association's legal expenses and simplify the budgeting process by establishing a fixed annual fee. This fee purchases the essential legal services your association requires, making us available to you as needed.

ANNUAL SERVICE RETAINER PROGRAM

For a yearly fee of \$800 payable in advance, Annual Service Program clients receive the following legal services and benefits without further charge:

Attendance at a Meeting

An attorney from our firm will attend one association or board meeting, up to two (2) hours in length anytime during the one-year period. Also, our attorney will not charge for any travel time for that meeting. If the meeting exceeds two (2) hours, you will be billed at our reduced hourly rates.

Telephone Consultations

Call and ask if is okay to do something; don't wait to ask if it was okay that you did it. We will engage in telephone consultations with a designated board member and your association's manager (if any) up to fifteen (15) minutes per day. If the telephone consultation extends beyond fifteen (15) minutes, you will be billed at our reduced hourly rates. Written consultations and communications such as emails and correspondence will be billed at our reduced hourly rates. If it is necessary to review governing documents, correspondence, etc. to answer a question, you will be billed at our reduced hourly rates.

Dinner Seminars

You'll be invited to a weekday evening dinner seminar in the spring and fall focusing on developments in the law that impact community associations as well as "best practices". Indiana has enacted new laws applicable to homeowners associations and condominiums each year for the past several years. There are now many requirements covering a wide range of topics, with consequences if a Board fails to comply. All your board members are invited to attend. There is no charge for either the program or the dinner.

Notice of our Blogs

You'll be the first to be notified whenever one of our attorneys posts a blog to our website.

Additional Meetings

For any meeting other than the one described above, you will be billed at our reduced hourly rates, but our attorney will charge only half of his/her travel time.

Reduced Hourly Rates

For legal services beyond what is included in the Annual Service Retainer Program, we will bill you at the following rates that are \$20 per hour less than our non-retainer clients for partner and senior associate attorneys, and \$10 less per hour for junior associate attorneys. Examples of when the hourly rate would apply include our work in amending your legal documents, responding to emails, drafting letters, interpreting your documents and relevant statutory law, enforcing your covenants, engaging in or defending litigation, and opinion letters, including work product that is sent to you via email.

Senior Partner	\$280
Partner	\$260
Senior Associate	\$250
Associate	\$220
Paralegal	\$150

Annual Fee

The \$800 retainer fee is for a term of one year. The fee is non-refundable and is earned in full and due when the engagement begins or renews.

NON-RETAINER, HOURLY SERVICES

If you desire representation on a non-retainer basis, you will be billed hourly for all work performed (including phone calls) unless a flat fee has been agreed to in advance. Our hourly rates for 2018 non-retainer clients are as follows:

Senior Partner	\$300
Partner	\$280
Senior Associate	\$270
Associate	\$230
Paralegal	\$170

GENERAL TERMS FOR ALL CLIENTS

The association or its managing agent will provide our firm with the name, address, telephone number and email address of every member of the association's Board of Directors at the commencement of this agreement and within 30 days of any changes.

In addition to our fees, you agree to pay expenses that we incur on your behalf such as court costs, filing fees, title reports, copying costs, postage, and mileage at the IRS rate.

Our firm submits monthly invoices via email for fees and expenses. Payment is due upon receipt of invoice. Hourly services are billed in tenth-of-an-hour increments. Failure to make timely payments may, upon notice, result in the firm's withdrawal as your attorney in any pending

matter and/or the cessation of work on your association's behalf. Also, a finance charge of 18% per annum may be imposed upon any amount not paid within 30 days of becoming due.

Travel time and attendance at meetings from Fridays after 5 pm, Saturdays or Sundays are billed at one and a half times the hourly rates then in effect.

Unless we or you advise otherwise, this agreement will renew automatically annually. If your association is an Annual Service Retainer Program client, we will invoice you for the annual fee at that time. If your Board decides not to renew the Annual Service Retainer Program, just let us know and we can continue to represent you as a non-retainer, hourly client.

You may terminate our representation of your association at any time with or without cause by notifying us in writing. Upon receipt of that notice, we will stop all legal work on your behalf immediately. You will be responsible for paying all legal fees and expenses incurred on your behalf before the date of written notice of termination was received by our firm.

We may terminate our representation (to the extent permitted by the ethical and court rules) at any time if you breach this agreement or fail to cooperate or follow our advice on a material matter, if conflict of interest develops or is discovered, or if there exists at any time any fact or circumstance that would, in our opinion, render our continuing representation unlawful, unethical, or otherwise inappropriate. If we elect to terminate our representation, you agree to take all steps reasonably necessary and will cooperate as reasonably required to free us of any further obligation to perform legal services, including execution of documents necessary to complete our withdrawal from representation. In such case, you agree to pay for all legal services performed and expenses incurred before the termination of our representation per this agreement.

RESPONSE REQUIRED

If you want to engage our services, please indicate below which type of service you prefer, execute the acceptance and return it to us by mail, e-mail or fax.

Annual Service Retainer Program services

Non-Retainer, Hourly services

Agreed to accepted this 29 day of August, 2018.

Highlands Subdivision Homeowners Association INC.
(Print the legal name of the association)

By: [Signature] Vice President
(Signature and Title)