

**Association of Sea Pines Plantation Property Owners Association, Inc.**  
**Special Board of Directors Meeting**  
**Tuesday, August 22, 2006**  
**9:00 a.m.**

The special Board meeting was called to order at 9:00 a.m. by Vice President Don Carlson. The meeting was being held in the Board room of the Sea Pines Country Club and Mr. Carlson presided over the meeting in Mr. William's absence.

1. **Roll Call**

Present:	Don Carlson Kay Morton	Jim Young Sam Pruett	Bob Bartlett Audrey King
Absent:	David Williams	Paul Aikman	Fred Wynn
Guests:	John Aldrich Dan Westerbeck	Bob Tritt Karl Becker	Phil Bradley
Staff:	Cary Kelley	Jeanne Pearse	

2. **Introduction**

Introductions of the ASPPPO Board members; the ASPPPO Legal Advisory Committee (LAC) members Dan Westerbeck and Karl Becker; John Aldrich, Phil Bradley and Bob Tritt of McKenna, Aldridge and Long Law Firm (MAL) and staff members Cary Kelley and Jeanne Pearse.

The ASPPPO Board had authorized the LAC to research and make a recommendation on two issues: the amount of commercial assessments being paid under the 1974 Covenants and the construction of extremely large homes being used as "mini-hotels" in residential areas of Sea Pines.

Mr. Carlson stated the purpose of today's meeting was to discuss and contemplate engaging the law firm of McKenna, Aldridge and Long, to pursue these two different issues. A copy of the engagement/representation letter was included in the Board package.

Mr. Kelley gave a synopsis on the structure of the ASPPPO and CSA Boards; the Architectural Review Board (ARB) and Architectural Review Corporations, (ARC). A copy of the organizational charts for ASPPPO and CSA were

distributed. Mr. Aldrich asked for an organizational chart of both the ARC and ARB.

**3. McKenna, Aldridge and Long Presentation/ Discussion of Proposed Engagement**

Mr. Aldrich, semi-retired owner of the legal firm, (now acting as consultant) gave the background and history of the company. The law firm has offices in major US cities, but has represented clients locally on Hilton Head Island since 1969. More recently, their firm represented CSA in the Property Research Holding litigation.

Discussion was held on the cost of engaging the law firm. Mr. Tritt's hourly rate is \$485 per hour and he handles real estate development; Mr. Bradley's field of expertise is litigation and also bills at \$485 per hour. Mr. Aldrich noted that other personnel such as paralegals would also be used on this matter and the bills would reflect their time. He suggested continuing the use of the LAC to help offset costs. However, another way to offset costs would be to devise an approach to both of these issues.

He recommended developing a strategic plan defining the goal of what was wanted to be achieved, and then determining what was actually doable under the circumstances. Points of leverage and documentation would also need to be gathered. Once a strategic plan was in place, the attorney could then provide options or avenues to pursue and give a percentage rating on the chance of winning or succeeding on the different options.

A question and answer period was held. At 10:20 a.m. the MAL guests were excused so the Board could hold a discussion and make a decision on hiring their firm.

**4. Consideration of Employing McKenna, Aldridge & Long as ASPPPO Legal Counsel**

The ASPPPO Board held a lengthy discussion on engaging the law firm of McKenna, Aldridge and Long.

Mrs. Morton made a motion that ASPPPO hire McKenna, Aldridge and Long to represent the Board on two issues: Commercial assessments and mini- hotels. The ASPPPO Board authorizes the expenditure, not to exceed \$10,000 as a retainer fee to be billed against by McKenna, Aldridge and Long and that ASPPPO Board approval would be required prior to the filing of any litigation. The motion was seconded by Mr. Pruett and was passed unanimously.

**5. Executive Session**

The Board went into Executive session to discuss the budget and the approval process of legal matters. The staff members were excused from the meeting.

6. **Adjournment**

The next scheduled meeting will be held on Tuesday, September 19, 2006, at 3:00, in the CSA main conference room. With no further business the meeting was adjourned.

Respectfully submitted,

Audrey King  
Secretary