

Sea Coast Management, No. 3

Guidelines for the Request of Legal Counsel

Whereas the Board of Directors may require legal assistance from time to time, the following will serve as guidelines for the request of legal counsel.

General Provisions

A request to seek legal counsel can be made from any director by notifying the remaining members of the board by email, text or phone explaining the nature of the request and a proposed limit of spending. Authorization for the submission of the request requires majority approval at a Board of Directors meeting. A special Board of Directors meeting may be called in accordance with the Association by-laws to approve the request.

The Board of Directors may involve the on-site manager with legal services as provided in the management contract.

All communication with legal counsel will be made available to the Board of Directors.

Special Provisions

In the rare instance that immediate legal assistance is necessary before a meeting can be called, the president may initiate the request. Notification to the Board of Directors is still required, and it shall be ratified at the next meeting.

When a legal issue involves another director, communication pertaining to the issue may be withheld from that director. Approval or ratification for the request must still be obtained by a majority of the remaining Board members.

Common Reasons for Legal Assistance

Legal Assistance is recommended for the following situations: defending legal action against the Board; negotiating insurance claims; collection of delinquent assessments; vendor contract review and administration. Other reasons may include: amending or rewriting governing documents; interpretation and enforcement of condo documents; assistance with meetings and elections; fining.

In all instances it is the fiduciary duty of the Board of Directors to protect the corporation from any potential liability and comply with the concepts of attorney-client privilege. These guidelines only provide a framework for the process of obtaining legal counsel. There may be situations that require an alternative procedure.

Adopted by the Sea Coast Management, No. 3 Board of Directors

Date: June 16, 2021 by Motion of the Board of Directors