

Minutes

Regular Meeting of Briny Breezes Inc. Board of Directors

Wednesday January 10, 2018

Briny Breezes Community Center

Call to order approximately 1 hour after the General Meeting adjourns

AGENDA

ALL STOCKHOLDER COMMENTS MUST BE LIMITED TO THREE (3) MINUTES PER AGENDA ITEM

- I. **Pledge of Allegiance & moment of silence:** The pledge of Allegiance was recited and a moment of silence observed.
- II. **Call to order & Roll call:** President Oglesby called the meeting to order at 11:18a.m.; Roll was taken by Secretary Weir. 7 directors present in community center. Director Black not present with notice that he would arrive late. Director Black arrived at 11:35am. GM Pussinen was also present.
- III. **Proof of Notice :** Proof of notices was posted Jan 5, 2018 at 4 pm by GM Pussinen.
- IV. **Approval of previous board meeting minutes:** *Director Weir made motion to approve and waive the reading of the minutes from the Regular Board Meeting December 13, 2017 and Jan 2, 2018 Closed Board Meeting. Motions passed 7-0.* Director Black not yet in attendance.
- V. **Reading of Correspondence to the Board**
 - A. Sue Thaler Q-207 regarding proposed ballot questions;
 - B. Jerry & Barbara Moran J-10 regarding fence;
 - C. Carol Malthaner H-8 regarding fine from rental issues;
 - D. Pat Columbus/Art League regarding wi-fi connection at Art Bldg.;
 - E. John Schultes L-11 regarding comprehensive plan. Response letter read by Tom Oglesby to audience;
 - F. Catherine Murray L-14 regarding parking space after combining lots;
 - G. Tim Brady CD-1 regarding wording of ballot question
- VI. **General Managers report:** GM Theresa Pussinen discussed parking under Banyan trees not being allowed; register guests in office; use proper car placards for daytime parking, overnight parking, etc. Be patient with fencing and porch at OCH; remember you can get a copy of rules in office or off of website.
- VII. **Report of Officers**
 - A. **Financial report from Treasurer Gross.** -- Discussed current assets, park improvement cash, catastrophe cash fund, total cash is 740,416.20; Discussed total operating and reserve, delinquent accounts (6 units are delinquent); \$1492.01 are delinquent yacht basin funds.

VIII. AS OF December 31, 2017		
UNAUDITED		
OPERATING ACCOUNT ONLY:		
CURRENT ASSETS AS OF 12/31/2017	\$	440,592.97
PARK IMPROVEMENT CASH	\$	183,942.02
CATASTROPHE CASH FUND	\$	115,881.21
TOTAL OPERATING CASH	\$	740,416.20
RESERVE CASH AS OF 12/31/2017	\$	335,919.62
TOTAL OPERATING & RESERVE	\$	1,076,335.82
	\$	7,152.5
DELINQUENT ACCOUNTS TO DATE	4	
	\$	1,492.0
DELINQUENT YACHT BASIN TO DATE	1	
TOTAL DELINQUENT	\$	8,644.5
	5	
INCOME AS OF 12/31/2017	\$	176,824.00
DISBURSEMENTS AS OF 12/31/2017	\$	174,868.00

B. No other officers' reports

IX. Police Report / Captain Yannuzzi

- A. Monthly report for November. December not available. 191 calls in November. 167 are extra patrols, 4 suspicious persons calls, 6 traffic complaints. 7 parking tickets; if you receive a parking ticket, you must go to Delray Courthouse on Atlantic Ave. to appeal – not Town Hall or corporate office as they have no authority to deal with a ticket. Chief Jeff Katz left for a position in another state. Interim Chief is Kelly Harris. A 10 week Citizen Police Academy begins. 7 Briny residents have signed up to participate. 2018 calendars and magnets available in Town hall.
- B. Questions from audience.
1. What IF a parking sticker is out-dated?

2. James Arena (Q-209) The town doesn't own the property where he got a ticket.

C. Director Adams thanked Captain Yannuzzi indicating that he witnessed an officer who saw a shareholder that wasn't doing well and called for help.

X. Town Liaison Report: President of the Town Council, Sue Thaler, was not present. New Town Manager, Dr. Dale Sugarman, introduced himself indicating that Dale is his preferred name. He thanked everyone for their warm and inviting reception. He is looking forward to the new position.

Comments:

A. Ira Friedman (A-5) suggested Mr. Sugarman familiarize himself with our Comprehensive Plan and hopefully simplify. Sugarman said that unfortunately there is no good way to simplify the actual plan.

B. Director Ted Gross suggested people attend Town meetings for further questions.

XI. Committee Reports

A. Director Adams, liaison to the Marina Committee, reported that a boat sunk in the Marina on 1/10/18. Thanks to Doug Baumgarten and others, we were able to make quick decisions and get boat saved and towed. Will request an action plan on having correct contact insurance information.

XII. Unfinished Business

A. Consideration/approval – 2018 Annual Meeting Ballot Items and wording / Oglesby.

Oglesby began by explaining that each proposition on the Ballot would be discussed and considered separately and opened to shareholder comments before the Board votes.

Frank Copolla (C-212) asked why are these documents (draft Ballot) have not been distributed to the shareholders. President Oglesby responded that they are not an official document and are still drafts that will be available to the stockholder when the minutes are approved.

Ballot Item#1. *President Oglesby moved to approve ballot item #1 (see attachment for approved version Attachment #2).* The motion received a second. And discussion followed. Director Gross asked criteria # 4 could be moved up. His District constituents suggested keeping Briny on the market for two years instead of one year as was proposed and to set the initial asking price of 1.4 billion dollars. Director Brannen clarified that this would be done so the Corporation would realize a net gain of 1 billion dollars and Director Gross said that was correct.

Motion by Gross to amend and move question #4 to #2. Seconded. ***Next amendment/motion by Director Gross and seconded to add 'accept/respond to offers' starting in second quarter of 2018 for two years.*** Discussion among Board followed regarding whether Briny wants to 'actively market' Briny or not but still be willing to accept offers.

- Stockholder Molina (G-10) stated that there should be no cost to put Briny on the market.
- Michael Gallacher (B-4) observed that the Board is confusing the items and the proposal is that BOD must review all offers not less than \$500 million. He added that the ballot proposition, as proposed, in that when you hire a firm, they will bear the expense of the marketing not the corporation.
- James Arena (Q-209) apologized for starting all of this and directly to Sue Gross for calling her a liar.. He mentioned that his petition would put the criteria in the By-Laws to perpetuate the criteria for sale and make sure that these criteria are not overlooked in the future. He added that International marketing can be done for free. Finally, he asked that the requirement for a \$50,000 deposit be removed.
- James Fox (B-210) asked if we will market Briny or not if the ballot proposition passes and if Board makes decision, will they check with their Districts first.
- Director Gross explained that the \$50,000 deposit is because it costs the Board and stockholders whenever someone makes an offer that needs to be evaluated.
- Gail Elble (O-203) thinks that Proposition 1 is too open-ended and has too many loopholes. Needs it simplified. Brannen suggested withdrawing motion and make Proposition 1 a simple yes or no question.

Motion withdrawn by Gross. New motion by Brannen to ask shareholders on ballot 'Do you want the Board to list Briny Breezes for sale?' Seconded by Gross. Discussion followed among Board members and stockholders.

- Michael Gallacher (B-4) suggested asking the to add a By-Law that says that Briny cannot be sold unless it is 'wiped out'.
- Cindy Holbrook (B14) believes that any offer received by the Board should be brought before the stockholders. She believes we don't need this proposition.
- James Arena (Q-209) recommended ballot language as follows: 'Do you want to list Briny on open market for 1 billion dollars? He believes that making the Proposition should be simple
- Don Kimber (J-19) thinks we should not get lawyers involved. He is not for selling but wants to make sure all vote on this Proposition.

Motion restated by Director Brannen "Do you want the Board of Briny Breezes to list Briny Breezes for sale."

The motion passed (6-2) in a roll call vote. Voting no were Directors Coyner and Goudreau.

- ***VP Branen made a motion to take the agreed upon criteria and add it under plain language of the Bid Information Document to include a starting selling price and a minimum offer place and include what***

% should be needed and a processing fee amount. Seconded and discussion followed. After Diana Moll (D-210) reminded the Board that it had promised to read Sue Thaler's letter during discussion of Proposition, the letter was read by Secretary Weir. Marie Solis (E-13) thinks language should be very simple and if the proposition passes, the Board should hire a firm to handle marketing and evaluation of bids. James Arena (Q-209) believes that the stockholder should set the terms and conditions for screening offers. Diana Moll (D-210) feels the proposition and a broad set of criteria in By-Laws are two separate things. She feels it is confusing and doesn't speak to what people want. Dave Bayless (T-211) suggested setting up some quality standards for selling of Briny Breezes

- The question was called and a roll call vote was conducted: **The motion failed 2-6 with only Oglesby and Brannen voting in favor of the motion**

Motion by Weir to add criteria back to ballot as a separate proposition. Seconded. Discussion followed. Don Faron (L-211) asks if this will be in By-Laws and when told no, asks them to reconsider. Mary Leming (E-203) asked if the criteria could change in future and doesn't believe the criteria should be 'locked in' and bind future boards. Diana Moll (D-210) rebutted stating that criteria in the By-Law would guide future boards, not bind them. The Question was called **and the motion passed unanimously (8-0)**

Motion by Treasurer Gross to include in the criteria that if we get an offer of one billion net we take to shareholders. Seconded. James Arena Q-209 said that he thinks the Board is "shooting for the stars" with an asking price of one billion dollars and thinks it isn't fair to . not bring other offers less than a billion dollars to the table. He added that he knows the majority (of stockholders) would accept a smaller offer. Marie Solis (E-13) also thinks billion dollar criteria isn't realistic. Frank Coppola (C-212) asked the amount of the Oceanland offer \$510 million and recommends using that figure as a starting point. The question was called and a roll call vote resulted in **the motion failing 6-2 on Director Gross' motion. Only Directors Gross and Goudreau voted in favor of the motion.**

Motion was made by Director Oglesby to use original criteria proposed. Seconded. The motion failed in a roll call vote that resulted in a tie (4-4) with Director Adams, Gross, Weir and Goudreau voting against the motion,

VP Brannen then made a motion to table the discussion on the criterial until the either the end of meeting or during a future special meeting. Seconded. Diana Moll (D-210) offered her opinion that the Board should not table to end the discussion without further shareholder input. **Brannen's motion passed unanimously (8-0).**

Ballot item #2 Motion by Treasurer Gross to approve as currently worded. Seconded. Motion passed unanimously (8-0).

Ballot Item #3 Motion by Treasurer Gross to accept as currently worded. Seconded. Motion passed unanimously (8-0).

Ballot Item # 4 Motion by Treasurer Gross to accept as currently worded with the removal of the word 'for' which is a typo. Seconded. Passed unanimously (8-0).

Ballot item #5 Motion by Treasurer Gross to accept as currently worded. Seconded. Ira Friedman (A-5) asked about warranties. Motion passed unanimously (8-0)

Ballot Item #6 Motion by Treasurer Gross to accept as currently worded. Seconded. Motion passed unanimously. (8-0)

Ballot item #7 Motion by Treasurer Gross to accept as currently worded. Seconded. Motion passed unanimously (8-0)

Ballot Item #8 Motion by Treasurer Gross to accept as currently worded. Seconded. Motion passed unanimously (8-0).

Ballot item #9 Motion by Dir. Gross to accept as currently worded. Seconded. Diana Moll (D-210) asked about relationship between the By-Laws and the Florida Statutes. James Area (Q-209) Challenged need for the change in the By-Law. Says board does not have authority on it. Don Farron (L-211) asked why was it so important to reverse order of the first two sentences of the current By-Law, and who suggested the wording change. Coyner stated that the change in the order of the first two sentences is to clarify the responsibilities of the Board. The question was called and a roll call vote taken. **The motion failed 3-5 with only Directors Coyner, Oglesby and Goudreau voting yes.**

Ballot item #10- President Oglesby moved to approve with the amendment as written with the removal of subsection 2 dealing with clubs using the Corporation's EIN number. Seconded. Gail Elbe (O-203) asked if someone follows these rules, will they will be approved as a club if they meet the criteria? The roll call vote resulted in Oglesby's motion passing **unanimously (8-0)**

Ballot item #11 President Oglesby moved to accept Ballot Item 10 as currently worded. Seconded. Discussion ensued and Barbara Molina (G-10) stated that it had been brought to her attention that some individuals in Briny have participated in home swapping. The question was called and **the motion passed unanimously.**

Ballot Item #12 Treasurer Gross made a motion to accept Ballot Item #12 as worded, with the following changes/additions: 'no cost' and 'up to 2 tiki umbrellas'. A second was received and was followed by a roll call vote that resulted in passing the Treasurer's motion **unanimously (8-0).**

Ballot Item #13 *President Oglesby made a motion to accept Ballot Item 13 as currently worded. Seconded. The motion passed unanimously (8-0).*

XIII. New Business

Added new business item: *Director Brannen motioned to add a new business agenda item to fix Club House Veranda/Deck. Seconded. Passed unanimously. Item added to agenda*

A. Ratification/Approval - “consent agenda” items;

1. Sales & Rentals Committee Decisions / Brannen

a. ***Motion made by Dir. Brannen to accept recommendations as read. Seconded. Motions passed 7-0 (Oglesby temporarily away).***

2. GM expenditures - none at this time

B. Board discussion/approval - Violations & Fines

1. **Unit L-14:** return of parking space after combining lots. Brief discussion of the history situation and rule of parking spaces. Some board discussion occurs and rule produced discussing “a parking space”. Past practice is stated as having combining lots give up a parking space.

- a. Director Weir indicates he does not yet see the rule as declaring “only one parking spot” permitted
- b. Molina (G-10) doesn’t support fining Murray because she wasn’t told this when she combined her lot.
- c. Don Kimber (J-19) thinks she should be fined based on the rule.
- d. Victoria Penaldea (L-18) thinks Murray should have to give up parking space or pay the \$100 reserved fee
- e. Frank Coppola (C-212) doesn’t understand where the other spaces are from other people who have combined lots.
- f. Gail Elble (O-203) believes this had all been discussed at the time of the new lot and rule should be followed.
- g. Director Weir asks if Catherine Murray is present. She is not.
- h. Don Faron – L211. We must remember that when we buy a unit, we state that we have read the rules and by laws.

Motion made by Dir. Gross to take one spot back with \$1000 fine within 3 days. Seconded. Motion withdrawn. New motion by Dir. Black to take parking spot back. Fined \$1000 if she doesn’t respond within 3 days. Vote passes 5-3. No votes were Weir, Brannen, Coyner.

2. Unit J-10: removal of an illegal fence behind unit

- a. Oglesby moves to remove the fence in 5 work days and if not, they will be fine \$1000 dollars as \$100/day. Seconded
- b. Barbara Moran I put up with someone who was nasty. - Barbara Molina was abused. I asked her to put up the fence. In tears, doesn't like the person. - Barbara Moran (J-10) stated that she dealt with a nuisance neighbor for 9 months.
- c. Jerry Moran (J-10) continued discussing the harassment. He says there are numerous fences and gates and doesn't know why they are being singled out.
- d. Barbara Molina. G-210. As most of you know, she went through 9 months of hell because of the illegal tenant on I-12. There was a need to protect ourselves. He provoked people. Because of all of this everyone was upset.
- e. Don Farron. L-211. The rule needs to be followed
- f. Barbara Molina (G-10) also discussed the nuisance neighbor.

Motion made by Oglesby for a 5 work day grace period for removal of the fence or apply the fine of \$100/day for the maximum of 10 days or \$1000. Seconded. Motion passed 6-2 (Goudreau and Black No votes)

C. Consideration/approval – Rental I-12 (referred to BOD by Committee) *Director Brannen moved to approve the rental application once it has been completed with final signature. Seconded*

- a. Gail Elbe (O-203) – says Florida is a homestead state. Have you given any thought about what should happened?
- b. Molina (G-10) – Different people listed. The fact that the owner has at least 2 months.
- c. Somebody says they can revoke the stock.

**Brannen restates Motion to approve subject to completed application. Vote was 3 yes (Brannen, Coyner, Oglesby) to 5 no.
Motion failed**

D. Consideration/approval – Request for variance to Briny Rules E.2(a) max length of docks / Stockholder Brad Keller Q-206 *President Oglesby moved to approve request to have a 13 inch additional on each side to accommodate original location of the pilings. Seconded. Mr. Keller Q-206 spoke to the motion and the reason. Board votes. Weir no, Motion passed 7-1.*

- E. Consideration/approval - Review and approve 2016-2017 FY Audit Report / Pussinen**
President Oglesby motioned for approval of the audit. Roll Call.
Passed unanimously.
- F. Consideration/approval - Changes in Committee Membership and Committees of the Board and changes in Membership/All. Oglesby made a motion to to add Brad Keller to the Seawall Committee and to form an Executive Committee of the Board of Directors chaired by the President (Oglesby) and standing membership of the 1st Vice President (Brannen), Secretary (Weir) and Treasurer (Gross) with 2nd Vice President as back up in case one of the Committee Members is unable to attend Committee Meetings.** The motion received a second and the question was called. **Oglesby's motion passed unanimously, 7-0** (Secretary Weir was out of the room when the vote occurred)
- G. Consideration/approval - Consider the need for F-type curbing (at edge of road that accumulates and directs water from road to storm drains) when repaving Flamingo (not Lark) for potential savings of \$43,900-\$31,300 depending on contractor proposal selected (could eliminate the need to delay final approval for road work for increase in Roads and Drainage Reserve) / Oglesby**
President Oglesby motioned to table until money available. Seconded.
Motion passed unanimously **(8-0)**
- H. Consideration/approval – Split the Roads and Drainage Reserves into separate Roads Reserves and Drainage Reserves for Final Budget 2017 Reserves Study / Brannen & Pussinen**
Director Brannen moved to “split the Roads and Drainage Reserve into separate accounts.” Seconded. Does this remove the corporation for potential grants or other public funding?
- a. Jerry Lower (E-203) –** most of the roads are private so there will not be any public funding. The drainage could be potentially open to getting some public funds.
Question called. **Passed 7-1** (Oglesby No)
- Consideration /approval –**
- I. Require upfront payment from non-stockholder Marina lessors for entire length of lease up to a year and at annual renewal. Allow refund if contract terminated with one month notice in writing prior to end of lease period / Oglesby & Pussinen**

Director Brannen moved to ***“Require upfront payment from non-stockholder Marina lessors for entire length of lease up to a year and at annual renewal. Allow refund if contract terminated with one month notice in writing prior to end of lease.*** Seconded.

a. Dockmaster Doug Baumgarten speaks against the motion. Says it is too much to ask and we will lose some of our lessors.

Director Brannen withdraws motion. Seconded (no second needed for withdrawn motions by originator - Tom) and suggests to write in the lease that the next 6 months is due on the 5th month of the lease. Director Adams will investigate why we have had to write off \$4000 as uncollectable debt and come back to the board with a recommendation.

J. Consideration/approval – Conflict of Interest (Ethics) Policy – *audit issue / Adams*

Direction Brannen moved to table the J&K items to February meeting. Seconded. **Motion passed unanimously (8-0)**

K. Consideration/approval – Conflict of Fraud Policy – *audit issue / Oglesby* (Tabled as above in J)

L. Consideration/approval – Request by Art League for Wi-Fi in Art Studio Building – Letter to Board dated 3/28/17 and resent Dec 2017 / Oglesby

Director Brannen moved that “The corporation facilitate the installation of wifi at in the Art studio building. Art League to pay for access.”

i. Question called – Passed unanimously (8-0)

M. Consideration/approval – Reassignment of parking spaces that formally assigned to A-Row/Goudreau

Goudreau made a motion to “Reassign parking spots on Cordova formerly issued as 2nd parking spaces to units on Briny Breezes.”

- a. Doug Baumgarten (G-211): We had this all resolved with the parking committee but it was never followed.
- b. Sarah Gordon A-6 – When I bought my place I was told what I would receive a parking space , which is the parking spot on Cordova.. Places on A-row are not assigned. She can park anywhere she wants on A-row.
- c. Victoria Penaldea– L18. One quick questions. How do they handle A row with stickers.

Motion was restated and **the Board voted 7-1 (Weir- No) in favor of the motion.** Motion passed.

N. Club House repair.

- a. **Director Brannen moved to approve the expenditure to repair the club house at a cost of \$8700.** Seconded **Motion passed unanimously.**
- b. **This Agenda Item was added to the Jan 10 Agenda by a unanimous vote of the Board and must be ratified at the next Regular Meeting of the Board (Feb 14) according to Florida Statute 719**

O. Revisit the Criteria for what is will now be Proposition 2

President Oglesby made a motion to take the discussion of the criteria for offers to purchase Briny Breezes or all of its assets that must be voted on by the stockholders 'off the table' for further consideration. The motion was seconded and **the Board voted unanimously (8-0) to approve the motion and further consider the matter.** The Board decided to break up the requirements into 3 pieces and vote in each criteria separately.

Director Adams made motion to set the Minimum list price criteria of a valid bid as \$700 million net. Seconded.

- a. Diane Moll (D-210) Agreed with Adams, and stating the shareholders are asking the board to set a minimum criteria.
- b. Sarah Gordon (A-6) Thinks criteria is a good thing, but asked **if** the **Board** still supports the ACASH Mission Statement posted on the wall of the Community Center.
- c. James Arena (Q-209). Comments regarding the 3 conditions he listed in his original email petition.

The question was called and **the Motion passed 5-3 after a role call vote** (Oglesby, Coyner, Gross voted against the motion).

Motion made by Brannen to "Charge a \$50,000 processing fee for considering any offer" for the second criteria. Seconded. **Passed unanimously (8-0) .**

Motion made by Coyner "Should this be considered if 80% of the facilities are destroyed". Motion does not receive a 2nd and was not considered.

Weir made the following motion for the third criteria: "The offer requires a 3% deposit of the purchase of price at time the offer is deemed acceptable by the board and intended to be presented to the

shareholders and becomes non-refundable when shareholders vote approval of the offer". Weir's motion received a second and the question was called. **Motion Passed 7-1 with Director Coyner voting No**

XIV. Shareholder Forum

Barbara (G-10) thanked the Board members and the Town for their efforts

XV. Adjournment

Director Adams made a motion to adjourn. The motion received a second, and was unanimously approved by the Board of Directors. President Oglesby adjourned the meeting at 5:28pm

Respectfully submitted,

Michael Weir, Secretary Briny Breezes Inc

Date Approved: February 14, 2018

NOTICE

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Wednesday January 10, 2018

Briny Breezes Community Center

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AGENDA

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- II. Call to order & Roll call
- III. Proof of Notice – Jan 5, 2018 at 4 pm by GM Pussinen
- IV. Approval of previous board meeting minutes - Regular Board Meeting December 13, 2017 & Jan 2, 2018 Closed Board Meeting
- V. Reading of Correspondence to the Board
- VI. General Managers report
- VII. Report of Officers
- VIII. Police Report / Captain Yannuzzi
- IX. Town Liaison Report / Town President Sue Thaler
- X. Committee Reports
- XI. Unfinished Business
 - A. Consideration/approval – 2018 Annual Meeting Ballot Items and wording / Oglesby
- XII. New Business
 - A. Ratification/Approval - “consent agenda” items;
 1. Sales & Rentals Committee Decisions / Brannen
 2. GM expenditures - none at this time
 - B. Board discussion/approval - Violations & Fines
 1. Unit L-14: return of parking space after combining lots
 2. Unit J-10: removal of an illegal fence behind unit
 - C. Consideration/approval – Rental I-12 (referred to BOD by Committee)
 - D. Consideration/approval – Request for variance to Briny Rules E.2(a) max length of docks / Stockholder Brad Keller Q-206
 - E. Consideration/approval - Review and approve 2016-2017 FY Audit Report / Pussinen
 - F. Consideration/approval - Changes in Committee Membership and Committees of the Board and changes in Membership/All
 - G. Consideration/approval - Consider the need for F-type curbing (at edge of road that accumulates and directs water from road to storm drains) when repaving Flamingo (not Lark) for potential savings of \$43,900-\$31,300 depending on contractor proposal selected (could eliminate the need to delay final approval for road work for increase in Roads and Drainage Reserve) / Oglesby
 - H. Consideration/approval - Split the Roads and Drainage Reserves into separate Roads Reserves and Drainage Reserves for Final Budget Approval Meeting - *decision prior to Final Budget Approval but too late for 2017 Reserves Study* / Brannen & Pussinen
 - I. Consideration /approval – Require upfront payment from non-stockholder Marina lessors for entire length of lease up to a year and at annual renewal. Allow refund if contract terminated with one month notice in writing prior to end of lease period / Oglesby & Pussinen
 - J. Consideration/approval – Conflict of Interest (Ethics) Policy – *audit issue* / Adams
 - K. Consideration/approval – Conflict of Fraud Policy – *audit issue* / Oglesby

L. Consideration/approval – Request by Art League for Wi-Fi in Art Studio Building – Letter to Board dated 3/28/17 and resent Dec 2017 / Oglesby

M. Consideration/approval – Reassignment of parking spaces that formally assigned to A-Row/Goudreau

XIII. Shareholder Forum

XIV. Adjournment

Stockholders are Welcome

This notice is dated and posted January 5, 2018, 4pm

Theresa Pussinen, General Manager, Briny Breezes Inc.

DRAFT BALLOT

2018 BRINY BREEZES, INC ANNUAL MEETING

9:30AM FEBRUARY 28, 2017 *(per Jan 10 Bd Meeting)*

1. Do you want the Board of Briny Breezes to list Briny Breezes for sale? See accompanying BALLOT INFORMATION DOCUMENT.

YES NO

2. Should the Board of Directors submit all offers to purchase Briny Breezes Inc. or all its property to the stockholders for approval that meet the following criteria: (1) a minimum price of \$700 million net; (2) charge a \$50,000 processing fee for considering offers; (3) require a deposit of 3% of the purchase price at the time the offer is deemed acceptable by the Board and intended to be presented to the shareholders and which becomes non-refundable when shareholders vote to approve the offer? See accompanying BALLOT INFORMATION DOCUMENT.

YES NO

THE BOARD RECOMMENDS A YES VOTE FOR BALLOT ITEMS 3-13

3. Should the reserves required by Section 719.106(1)(j)(2), Florida Statutes, be reduced for the 2018 fiscal year (Oct 1, 2017 – Sept 30, 2018) to an amount determined by the Board of Directors and as shown on the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

4. Should the Corporation approve a new By-Law Section 3.24 governing 'Nuisances / No Improper Use' in Briny as shown in the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

5. Should the Corporation amend By-Law Section 5.10 to provide for one alternate Director to sign checks if President or Treasurer is unavailable as shown on the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

6. Should the Corporation approve a Material Alteration to replace the pre-existing, steel-sheet Cabana Roofs on either side of the Ocean Clubhouse that were blown-off by Hurricane Irma with Tiki Hut structures? See accompanying BALLOT INFORMATION DOCUMENT for more information.

YES NO

7. Should the Corporation approve an Amendment to our By-Laws adding subsection (vi) to Section 7.80 that defines the term "Family Resident Guests" and sets forth the requirements and criteria for family resident guests who wish to live in Briny for more than thirty (30) days during a year as shown on the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

8. Should the Corporation approve an amendment to By-Law Section 7.80 (a) which will prohibit Stockholders who have not paid their assessments or fines owed to the Corporation from renting any of their units until all outstanding fees and fines are paid in full as shown on the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

9. Should the Corporation approve a new By-Law, Section 3.21 that will require title (for mobile homes) and ownership documents (for Modular Homes), the lease and the related stock certificates to be held in the same name(s) or by a single trust (as permitted in Section 3.70 of the By-Laws) as shown in the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

10. Should the Corporation amend Section 3.10 of the By-Laws to document the requirements for and responsibilities of Board-authorized, Briny Breezes Clubs as shown in the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

11. Should the Corporation amend Section 7.80 (d) of the By-Laws as shown in the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

12. Should the Corporation approve a Material Alteration to install up to two (2) Tiki umbrellas on our Beach at no cost to the stockholders as shown in the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

13. Should the Corporation amend By-Law Section 13.25 as shown on the accompanying BALLOT INFORMATION DOCUMENT?

YES NO

Pass-marks for all Ballot Items are 51% of outstanding shares.

Unit Number: _____

District (1,2,3,4) _____

Shares of Stock: _____

Date: _____

SIGNATURE(S) OF STOCKHOLDER(S) _____

Print Full Name of at least one Stockholder of Record: _____

2018 BALLOT INFORMATION DOCUMENT (BID)

Ballot Item 1: Do you want the Board of Briny Breezes to list Briny Breezes for sale?

In Plain Language

The Board of Directors is asking the stockholders if they want the Board to take appropriate action sometime to offer the Corporation or all its property for sale.

Reason for Vote

Given the recent level of interest of some of our stockholders in the marketing and possible sale of Briny Breezes, the Board of Directors has resolved to ask the stockholders if they want the Board to put the Corporation up for sale. The Board may decide to spend Corporate funds to identify and hire a qualified entity to help evaluate, plan and carry out any marketing activity for the Corporation. If so, this will be considered in a future Board Meeting before such action is taken.

What Your Vote Means

- A **YES** vote means the Board is obligated list Briny for sale.
- A **NO** vote means that of the Board will not list the Corporation or all of its assets for sale at this time.

Ballot Item 2: Should the Board of Directors submit all offers to purchase Briny Breezes Inc. or all its property to the stockholders for approval that meet the following criteria: (1) a minimum price of \$700 million net; (2) charge a \$50,000 processing fee for considering offers; (3) require a deposit of 3% of the purchase price at the time the offer is deemed acceptable by the Board and intended to be presented to the shareholders and which becomes non-refundable when shareholders vote to approve the offer?

In Plain Language

If the Board receives an offer to purchase Briny Breezes Inc or all its property that meets the minimum criteria enumerated in the above proposition (Ballot Item #2), the Board will review and evaluate the offer and bring the offer to purchase Briny Breezes Inc or all its assets to the stockholders for a vote. After review by the Board, any offer that does not meet the criteria set forth in the ballot proposition above will not be submitted to the stockholders for approval but will be available to the stockholders for inspection after the Board has completed its review.

Reason for Vote

The purpose of this proposition is to document criteria and considerations that the Board of Directors will use to determine if an offer to purchase the Corporation or all its property will be sent to the Stockholders for approval, if such an offer is received by the Corporation.

What Your Vote Means

- A **YES** vote means the Corporation will bring any offers, solicited or not solicited, that meet the criteria in Proposition 2 to the stockholders for a vote.
- A **NO** vote means that there will be no binding criteria for the Board of Directors to use to determine which offers will be brought to the stockholders for vote and the Board of Directors will make the sole determination on which offers have sufficient merit to be presented to the stockholders for a vote.

Ballot Item 3: Should the reserves required by Section 719.106(1)(j)(2), Florida Statutes, be reduced for the 2018 fiscal year (Oct 1, 2017 – Sept 30, 2018) to an amount determined by the Board of Directors?

Reason for Vote

Florida Statute 719 requires a majority vote of the Stockholders to allow the Corporation to “partially fund” its reserves. The Board of Directors has proposed an amount of **\$339,969** referred to as Partial Funding (see table below) to fund Briny’s 2017-18 Fiscal Year Reserve Accounts. This funding level is significantly less than the “Full Funding” amount of **\$872,293 (w/o update from Reserves Advisors)** for the 2017-18 FY as determined by *Reserve Advisors*, a third-party professional company that conducted the 2017 Reserves Study. **If Proposition 3 does receive a YES vote of 51% of the outstanding shares of the corporation, the Board will be required by Florida Statutes to assess the stockholders based on the “Full Funding” level of \$872,293 (w/o Reserves Advisors final numbers).**

The table below documents the levels of Full Funding, Partial Funding and the difference between the two alternatives for each Briny 2017-18 FY Reserve Funding. **(Update Table after 2017 Reserves Study data finalized and Final 2017-18 Budget approved)**

Briny Breezes Reserves Accounts	2017-18 Statutory Full Funding (based on 2015 Reserves Study)	Board Recommend Partial Funding (Approved 2017-18 FY Budget)	Partial Funding - Full Funding (negative values represent amount of underfunding)
PAINT	\$13,503	\$11,777	-\$1,726
ROOFS	\$17,996	\$31,406	\$13,410
ROADS & DRAINAGE (ended 3Q 2017-18)	\$303,517	\$47,109	-\$256,408
ROADS (2nd half 2017-8)	\$257,989	\$70,664	
DRAINAGE (2nd half 2017-8)	\$45,528	\$7,852	
YACHT BASIN	\$17,814	\$36,086	\$18,272
LAUNDRY	\$0	\$1,600	\$1,600
SEAWALL	\$62,649	\$31,406	-\$31,243
POOL	\$14,550	\$7,852	-\$6,699
CAPITAL ASSETS	\$30,938	\$47,109	\$16,171
BUILDINGS	\$107,809	\$47,109	-\$60,700
TOTALS	\$872,293	\$339,969	-\$532,324

What Your Vote Means

- Vote **YES** if you want the Corporation to assess the stockholders for \$292,860 for the funding of its Reserve Accounts for Fiscal Year 2017-18.
- Vote **NO** if you want the Corporation to assess the stockholders to “Fully Fund” it’s FY 2017-18 Reserve Accounts for **\$872,293 (update w/ 2017 Reserves Study data).**

Ballot Item 4: Should the Corporation approve a new By-Law Section 3.24 governing ‘Nuisances / No Improper Use’ in Briny? The wording of the proposed new By-Law Section 3.24 follows.

Section 3.24: NUISANCE / NO IMPROPER USE

No improper, offensive, hazardous or unlawful use shall be made of the Corporate Property or any part thereof, or any Mobile Home Site or Mobile Home, or any portion of either of the foregoing, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Corporate Property, Mobile Home Site, or Mobile Home, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Corporate Property, Mobile Home Site, or Mobile Home, as elsewhere herein set forth and subject to the provisions of the Bylaws, Rules and Regulations and Leases of this Corporation. Notwithstanding the foregoing and any provisions of the foregoing documents, the Corporation shall not be liable to any person(s) for its failure to enforce the provisions of this subsection.

No nuisances (as defined by the Corporation's Board from time to time) shall be allowed on the Corporate Property or on any Mobile Home Site or within or about any Mobile Home, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of Mobile Homes on Mobile Home Site or which interferes with the peaceful possession or proper use of the Corporate Property by its residents or occupants. The Board of Directors is hereby authorized to adopt additional rules and regulations regarding noise, including, but not limited to, regulations regarding the types of activities that are permitted, the level of noise that is permitted, and the hours during the day during which certain types of activities are permitted.

The Common Areas of the Corporation shall be used for the purpose of furnishing services and facilities as herein provided for the welfare and enjoyment of its residents and their guests. The Corporate property and the mobile home sites shall be used in accordance with all federal, state, and local laws and ordinances, and the Corporation's governing documents, and no use shall be permitted which will increase the Corporation's insurance rates or affect its insurability.

In Plain Language

This 'Nuisance/ No Improper Use' By-Law will strengthen the Corporation's ability to pursue legal remedies when necessary to deter and remove, as necessary, those few people in our community that chose to create disturbances or threaten the well-being, safety, and security of their neighbors or prevent our stockholders and/or their guests or renters from being able to enjoy living in Briny. It will also discourage the improper use of mobile homes, mobile home sites and Corporate property and insure that any costs incurred due to such improper use are paid solely by the person(s) responsible for the improper use.

Reason for Vote

The Corporation's lawyers have recommended that we add this provision to our By-Laws to improve our chances of prevailing in any legal action needed to remove those who disrupt the community by their behavior, cause their neighbors to fear for their welfare, safety or security, or whose illegal activities make it difficult for other residents to enjoy their homes and community.

What Your Vote Means

- A **YES** vote means that proposed By-Law Section 3.24 will be added to the By-Laws
- A **NO** vote means that that proposed By-Law Section 3.24 will not be added to the By-Laws

Ballot Item 5: Should the Corporation amend By-Law Section 5.10 to provide for one alternate Director to sign checks if President or Treasurer is unavailable as shown below? (Underlined text below reflects proposed additions to the existing By-Law Section 5.10.)

SECTION 5.10:

TREASURER: The Treasurer shall have custody of the funds and assets of the Corporation and shall keep proper books of accounts, and shall submit a financial statement to the Board of Directors monthly. The Treasurer shall disburse the funds of the Corporation under the direction of the Board of Directors, and shall be authorized to sign all checks and financial papers jointly with the President. The Board of Directors may appoint one additional Director authorized to sign checks and financial papers in lieu of either the President or the Treasurer if either will not be in Briny Breezes, Inc. for more than five (5) consecutive days or is otherwise incapacitated.

In Plain Language

Because Corporate checks and some of the Corporate documents require the signatures of two Directors, the Board needs to have an alternate Director with the authority to sign checks and other financial papers for the Corporation when either the President or Treasurer is not in Briny or is incapacitated for an extended period in order for the Corporation to be able to conduct its financial affairs such as paying its bills in a timely manner, avoiding late fees or execute time-sensitive corporate documents.

Reason for Vote

We need to authorize this alternate signer in our By-Laws.

What Your Vote Means

- Vote **YES** will allow the Board to approve an alternate Director authorized to sign checks and other financial documents when either of the President or Treasurer is unavailable for an extended period.
- Vote **NO** to require all checks and financial documents to be signed only by the President and Treasurer.

Ballot Item 6: Should the Corporation approve a Material Alteration to replace the pre-existing, steel-sheet Cabana Roofs on either side of the Ocean Clubhouse that were blown-off by Hurricane Irma with Tiki Hut structures?

In Plain Language

This proposition asks for stockholder approval for the Corporation to install two (2) Tiki Hut structures (Seminole or other supplier) over the two Ocean-front picnic areas where Hurricane Irma blew off the corrugated metal coverings that used to cover the facilities. Properly installed and constructed Tiki hut structures are very resistant to hurricane forces winds and if removed by winds, would be less likely to damage near-by mobile homes, other structures and/or pose as serious of a safety risks to people in the area as did the corrugated steel covers.

Reason for Vote

Repair of damaged common elements is one of the responsibilities of the Board of Directors. For safety reasons, the Board is recommending replacement of the former corrugated metal cabana roofs with Tiki Hut structures for improved hurricane-sustainability considerations. This change in appearance, including a significantly higher roof profiles than the prior covers, is likely to be considered a Material Alteration of our common elements per Florida Statute 719 and per Briny By-Law Section 7.52 which requires approval by 51% of the outstanding shares of our Corporation for such a change.

What Your Vote Means

- A **YES** vote means that the Corporation can install Tiki Hut structures over the picnic areas on either side of the Ocean Clubhouse.
- A **NO** vote means that the existing cabana picnic areas will, most likely, be covered with bonded aluminum roofs which look very similar to the former coverings but afford greater survivability and safety in high winds and are represented by the vendor, AMS, to remain in place in winds up to 165 mph. The roof profiles of these bonded aluminum structures will nearly replicate those of the former corrugated-steel roofs and are not considered a material alteration since replacement of the former steel covers constitutes a significant safety risk to our residents, homes and common elements during hurricanes.

Ballot Item 7: Should the Corporation approve an Amendment to our By-Laws adding subsection (vi) to Section 7.80 that defines the term “Family Resident Guests” and sets forth the requirements and criteria for family resident guests who wish to live in Briny for more than thirty (30) days during a year as shown below? (Underlined text below reflects proposed additions to the existing By-Law Section 7.80.)

Section 7.80 e (vi)

a. Family Resident Guests are only members of the immediate family of a stockholder(s) as listed on their Stock Certificate. Immediate family is permitted to include sibilnigs (biological, step, and adopted), children (biological, step, and adopted), parents (including step-parents), and grandchildren and respective spouses of any of the foregoing immediate family members if accompanied by the immediate family member.

b. The Family Resident Guest must reside in the owner's unit, without cost or consideration paid to the shareholder/owner and must register and complete an application 30 days prior to occupancy;

c. The Family Resident Guest or the shareholder/owner permitting the occupancy is required to provide legal documentation to support the asserted relationship. Failure to substantiate the relationship to the Board of Directors' satisfaction, through legal documentation (e.g. birth certificates, adoption certificates, marriage certificates, etc.) or otherwise, shall be considered a rebuttable presumption that the familial relationship does not exist. The Board and management may act upon this presumption and deny such occupancy until such documentation is presented.

d. Family Resident Guests shall, upon fulfilling the obligations in paragraph c, above, agree to submit to and pay for a background check (including but not limited to criminal background check on all occupants 18 years of age or older) if the Family Resident Guests are to stay longer than 30 days in any 12 consecutive month period. Anyone not submitting to such background check shall be in violation of these By-laws and unable to receive a badge that allows them access to common property. Badges, upon approved residency, will be available for a reasonable fee to be determined by the Board of Directors from time to time.

e. Family Resident Guests may receive mail in the owner's mailbox. Family Resident Guests may have privileges of clubs, and social events.

f. Shareholders, understand, acknowledge and accept that Briny Breezes, Inc. may demand the removal of any Family Resident Guests who becomes a nuisance or annoyance to other residents of Briny Breezes as outlined elsewhere in these Bylaws and/or violate the provisions of the Corporation's Articles or Incorporation, Proprietary Lease, Bylaws, Rules and/or State and Federal Laws. If the Shareholder fails to remove the immediate family member upon thirty (30) days written notice, the Corporation will seek their removal in the Circuit Court and the Shareholder will be responsible for the Corporations Attorneys' fees and costs at all trial, administrative, appellate, and bankruptcy levels.

In Plain Language

This addition to our By-Law requires the Corporation to verify the relationship of the Family Resident Guest by requesting birth certificates, adoption papers, marriage licenses etc. that document the claimed familial relationship to the Stockholder. This amendment also changes the definition of the term "Family Resident Guest" so that only children (including step or adopted children) and parents of the stockholders of record are considered Family Resident Guests and are entitled to live in Briny year-round **as long as** they do not pay rent. The required 30-days' notice provides the time necessary to verify the proported family relationship and to process the necessary paperwork prior to occupancy. (As a reminder: Any stockholder can have a guest live in his/her mobile home for a maximum of 2 weeks without the shareholder present.) Unlike our current Rule, this By-Law strengthens the Corporation's position to remove a Family Resident Guest if he or she is unable or unwilling to abide by our governing documents.

Reason for Vote

In the past, a few stockholders have used the Family Resident Guest rule as a way to rent their units year-round. This new By-Law give the Corporation a method to determine if the claimed family relationship is valid and will simplify processing and enforcing the requirements for Family Resident Guests.

What Your Vote Means

- A **YES** vote means Family Resident Guests will be restricted to the immediate family of the stockholder(s) where the stockholder can demonstrate this relationship by producing a copy of a legal document(s) so indicating. If the By-Law Amendment is approved, Briny Rule A.1.c will be rescinded to avoid any potential conflict.
- A **NO** vote means that resident guests criteria and enforcement will continue to be governed by the current Briny Rule A.1.c which may be revised from time to time by the Board of Directors.

Ballot Item 8: Should the Corporation approve an amendment to By-Law Section 7.80 (a) which will prohibit Stockholders who have not paid their assessments or fines owed to the Corporation from renting any of their units until all outstanding fees and fines are paid in full. (Underlined text below reflects proposed additions to the existing By-Law Section 7.80.)

Section 7.80:(a) The term “sublease” shall be used interchangeably with the term “rent” and shall mean the agreement by which the Shareholder transfers occupancy of mobile home site to a Tenant or Lessee for consideration. Any shareholders with outstanding fines or delinquent fees will not be allowed to rent or lease their units until all fines/assessments are paid in full. All rental rules and procedures must then be followed once these fines and/or fees have been paid.

In Plain Language

Shareholders who have outstanding fines and or are delinquent is paying their assessments will not be able to offer their units for rent until all fees and fines are paid in full. The existing rules and procedures for the rental of units in Briny (e.g. 30 days prior to the start of the rental) continue to be applicable.

Reason for Vote

- Given the change in Florida’s Statutes in 2015, we are no longer able to place a lien on stockholders or their property for failure to pay assessments or fines. If someone chooses not to pay a fine levied by the Board of Directors and upheld by the Appeals Committee, we are required to follow a legal process that burdens the corporation and its stockholders with legal fees and court costs. This new By-Law will, at least, penalize those who have been fined and continue to be delinquent in paying those fines or assessments by denying their ability to rent their unit(s). Our existing By-Laws address situations where stockholders are delinquent in assessment fees but penalties are limited to denying access to Briny common property/facilities in those cases.

What Your Vote Means

- A **YES** vote means that if someone has outstanding assessments or fines, they will not be allowed to rent their unit or have access to our common elements until such time these debts have been paid in full.
- A **NO** vote means that if a stockholder(s) has not paid assessments or fines duly-levied by the Corporation, that stockholder(s) may continue to rent their unit(s).

Ballot Item 9: Should the Corporation approve a new By-Law, Section 3.21 that will require title (for mobile homes) and ownership documents (for Modular Homes), the lease and the related stock certificates to be held in the same name(s) or by a single trust (as permitted in Section 3.70 of the By-Laws)? (The wording of the proposed, new By-Law Section 3.21 follows.)

Section 3.21: Any mobile or qualified modular home existing on a Mobile Home Site or to be placed on a Mobile Home Site in Briny Breezes must be held and/or titled in the same owner(s) names or in a single trust, as permitted in Section 3.70 of these By-Laws, that appear on the stock certificate and the proprietary lease for that Mobile Home Site. A copy of the title for a manufactured home or the ownership documents for a qualified modular homes shall be furnished to the Corporation within thirty days of closing. In the event of subsequent changes in ownership, a copy of the new title or new ownership documents, as appropriate, must be furnished to the Corporation within 15 days of issue. All stockholders not in compliance with this By-Law on the date of its approval (2-28-18) must take action necessary within ninety (90) days from February 28, 2018 to change these documents to comply with the above provision (no grandfathering after this adjustment period which ends May 28, 2018).

In Plain Language

Proposed Section 3.21 to our By-Laws is similar to the existing Rule C.1.3. (vi) requiring title, lease and ownership documents be held in the name of the same persons or permitted trust. This By-Law, if approved by the Stockholders, will require any stockholders not in compliance to make changes to their ownership documents, title, lease and/or stock certificates so that all these documents show the same owner(s) and lessors within 90 days after the By-Law is approved. Rule 1.C.c (vi) states that: *“A mobile home placed on a lot must be titled in the same name(s) as appears on the stock certificate/lease for that location unless a waiver is provided to the Corporation signed by any person whose name is on the mobile home title but not on the stock certificate. A copy of the title shall be furnished to the Corporation. In the event of title changes, a copy of the new title must be furnished to the Corporation.”* Note that the provision for wavers is not included in the proposed By-Law. This section of our Rules will be rescinded if Section 3.21 is approved.

Reason for Vote

Some stockholders in Briny hold title/ownership to their unit(s) in different names/trusts than appear on the leases and stock certificates related to their unit(s). This complicates legal and other actions necessary to enforce compliance with our Rules, By-Laws and Lease provisions.

What Your Vote Means

- A **YES** vote means that all ownership, lease and stock certificate documents must be held in the name of same person(s) or a trust as permitted in Section 3.70.
- A **NO** vote means the Corporation will continue to rely on Rule 1.C.c (vi) to enforce compliance of the requirement to hold every stock certificate, lease, and ownership document related to a Briny lot per Rule C.c (vi) until such a time that Board chooses to amend this rule.

Ballot Item 10: **Should the Corporation amend Section 3.10 of the By-Laws to document the requirements for and responsibilities of Board-authorized, Briny Breezes Clubs?** (Underlined text reflects proposed additions and strikeouts indicate deletions to the existing By-Law Section 3.10.)

SECTION 3.10: ~~BRINY BREEZES, INC.~~ shall carry on its ~~their~~ social activities under the name of Briny Breezes Club ~~The Board of Directors may approve clubs for the purpose of carrying on social and charitable activities that are not otherwise represented. Such approval must be documented in the minutes of a duly called Regular or Special Meeting of the Board of Directors each fiscal year.~~

1. All clubs authorized by the Board of Directors must first present a club charter that delineates its purpose, its operating procedures and a list of officers who are current stockholders (including at a minimum, a President and Treasurer) for review and approval by the Board of Directors
2. Only such authorized and formally recognized Briny Breezes Clubs may use the Corporate EIN (Employee Identification Number) to open and maintain bank accounts for their respective clubs.

3. All such Briny Clubs must submit statements of income and expense receipts with a copy of their bank statement to the Corporation on a monthly basis to remain a Corporate-approved, Briny Breezes Club.

In Plain Language

Existing By-Law Section 3.10 is irrelevant since there is no Club in Briny named “the Briny Breezes Club”. The current version of By-Law also it fails to address the requirements for Board-approved clubs carrying on activities in Briny Breezes. The proposed amendment to By-Law Section 3.10 uses the criteria that has been practice for Board-approved clubs. Every club currently using the Corporate EIN must submit statements of income and expense receipts along with a copy of their club bank statement to the Briny Bookkeeper each month in order for the Corporation provide this compliance information to our accountants for the preparation and filing of Corporate tax returns, as necessary. The continued use of Corporate EIN numbers by Board-sanctioned clubs is under review and this practice could change in the future. An intent of this amendment is to approve clubs that have a new or a different mission than Board-approved clubs that currently exist.

Reason for Vote

No such requirements for Board-approved Briny Clubs are documented in our By-Laws or Rules.

What Your Vote Means

- A **YES** vote means the Corporation will have documented requirements for Board-sanctioned, Briny Clubs
- A **NO** vote means requirement for such clubs will only be documented in Corporate or Board Procedures that can be changed at any time by the Board of Directors.

Ballot Item 11: Should the Corporation amend Section 7.80 (d) of the By-Laws as shown below?
(Underlined text reflects proposed additions to the existing By-Law Section 7.80.)

SECTION 7.80: SUB-LEASING: All sub-leasing or renting of mobile home sites and the mobile homes thereon shall be governed by the following provisions. *(as amended 2/24/16)*

- d. No Shareholder acquiring stock certificates to a lot in Briny Breezes and title ownership documents to a mobile or modular home on that lease ~~or~~ after the effective date of this amendment (2/28/18) may sublease the mobile home for a period of one (1) year [twelve(12) consecutive calendar months] from the date that the lease title is approved ~~acquired~~. This one (1) year moratorium period shall run from the date of recording of any instrument transferring any ownership interest in ~~title to~~ the stock or any lease for the lot upon which the mobile home is situated, except for transfers to add or remove members of the Stockholder’s Unit Owner’s immediate family ~~as titleholders~~ with the Stockholder(s) Unit Owner or to a trust where such transfers were undertaken for the purpose of estate planning. The only other exceptions to the foregoing moratorium are for stock certificates, leases, and Mobile or Modular Homes Units obtained by beneficiaries or heirs of the previous unit owner when title was acquired through inheritance or devise. This restriction shall not apply to Units acquired by the Corporation while the Units are owned by the Corporation. If at the time of transfer of any interest in title to a mobile home ~~or/and~~ a mobile home site that is already sub-leased pursuant to a sub-lease agreement entered into by the previous Shareholder/owner, the aforementioned one (1) year period during which the mobile home may not be sub-leased shall commence at the expiration of the current term of the existing sub-lease which may not be renewed, extended, or sub-subleased.

In Plain Language

This amendment simply reflects the intent of Section 7.80 of our By-Laws to require a 1-yr moratorium on renting after any transfer of stock certificates, leases and mobile home where none of the subsequent owners were prior owners, lessors, stockholders or in the immediate family of the prior owners.

Reason for Vote

Because the language in the current By-Law only applied to the title to a mobile home, this section of the By-Laws needs to be amended to cover transfers of stock certificates, leases and ownership documents for Modular homes which are not titled by the Florida Department of Motor Vehicles. The prior version referred to changes in title for imposing the one-year moratorium but did not cover modular home which do not received DMV titles. Also, the Corporation does not receive notification from the DMV on title changes which normally occur outside of closing.

What Your Vote Means

- A **YES** vote means that any change of lessors, stock ownership or title/ownership of a unit (excluding transfers by inheritance /devise) that does not include at least one former owner or immediate family member of the former owner will not be able to rent that unit for a period of one year after the date the Board approved the transfer of stock ownership and lessor.
- A **NO** vote means that this 1-year moratorium regulation will be more problematic to enforce.

Ballot Item 12: Should the Corporation approve a Material Alteration to install up to two Tiki umbrellas on our Beach at no cost to the stockholders?

In Plain Language

The Beach Club has offered to pay for a new Tiki umbrella (similar to the existing one) to be purchased and installed on the North section of the Corporation's beach. If approved, this will be done at no cost to the stockholder. This proposition would also cover an additional Tiki umbrella should the Beach Club propose to pay for and install a second Tiki umbrella in the future.

Reason for Vote

It is possible that installing a Tiki umbrella could be considered a material alteration of our common elements per our By-Law Section 7.52 which requires approval by 51% of the outstanding shares of the Corporation.

What Your Vote Means

- A **YES** vote means that the Corporation can allow the Beach Club to purchase and install a Tiki umbrella on our beach at a mutually(Corp and Club) agreeable location and at no cost to the stockholders.
- A **NO** vote means that the Corporation may not be able to take advantage of the Beach Club's offer.

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Ballot Item 13: Should the Corporation amend By-Law Section 13.25 as shown below?

SECTION 13.25: DISPOSITION OF YEAR-END BUDGET OPERATING CASH SURPLUSES *(as amended 2/25/15)*: When the final audited financial results of the prior fiscal year are presented to and approved by the Board of Directors and the audit indicates that there is prior-year cash remaining in excess of the operating expenditures for the year after depreciation and without considering surpluses and or deficits related to Club accounts, the Board of Directors will vote to transfer these funds to one or more of the following current year accounts based on the needs of the Corporation:

1. Catastrophe Fund
2. Briny Breezes Reserve Accounts
3. Park Improvement Fund

4. Prepaid Assessments to reflect a reduction of the Stockholder Operating Assessment

In Plain Language

By eliminating the words “after depreciation” in By-Law 13.25, the Board will be able to transfer any amount of year-end operating surpluses as determined by our independent auditors to one of four accounts regardless of the amount on depreciation (for book or tax purposes) in the prior fiscal year. The added words regarding Club accounts are to make it clear that Briny Clubs accounts that are recorded as a surplus or deficit on Corporation financial accounts are not included in the calculation of year-end annual surplus cash that are subject to transfer to any of the four accounts/funds listed in By-Law 13.25

Reason for Vote

The intent of By-Law 13.25 is to transfer any year-end operating surpluses as determined by the Corporation's independent auditors at the end of each fiscal year to one of the four accounts and funds listed in By-Law 13.25. Operating surpluses are determined without considering depreciation which is relevant to Corporate taxes and books but unrelated to operating accounts. Without this change, YE operating surpluses cannot be transferred in years where depreciation is equal to or greater than the amount of the YE operating surplus.

At present, some Briny Club Bank Accounts use our EIN number to open and maintain Club bank accounts. We have been advised that Generally-accepted Accounting Practices (GAAP) require us to include the value of these accounts on our Corporate records. This money is controlled by the Clubs and is not related to any operating surplus related to the Corporation expenditures. Thus, it should not be considered in the calculation of year-end operating surpluses for transfer to one of the four accounts/funds listed in Section 13.25.

What Your Vote Means

- A **YES** vote means that the Corporation will be able to transfer YE operating surpluses to one of the four accounts or funds listed in By-Law 13.25 without considering depreciation or Club surpluses
- A **NO** vote means that the Corporation can only transfer YE operating surpluses to the funds and accounts listed in By-Law 13.25 in years where the surplus exceeds annual depreciation and but Club surpluses would have to be considered in the determination of Fiscal Year operating surplus (or deficit).

*******END OF 2018 BALLOT INFORMATION DOCUMENT*******