

MINUTES OF MEETING
REGULAR BOARD OF DIRECTORS MEETING, BRINY BREEZES INC.
Wednesday November 12, 2014, 9:00 A.M.
COMMUNITY CENTER

A Regular Meeting of the Briny Breezes Inc. Board of Directors was called to order at approximately 9:00 am on November 12, 2014 by President Michael Gallacher. The Pledge of Allegiance was recited and a Moment of Silence observed.

Secretary Oglesby called roll and noted that all eight Directors were in attendance for the meeting, thus establishing a quorum. Directors Gallacher, Gross, Stewart, Brannen, Coyner, Elble, Long and Oglesby were present at the Community Center.

President Gallacher confirmed that Proof of Notice for the meeting was posted on Friday, November 7, 2014 at 1:00 pm and signed/witnessed by General Manager, Theresa Pussinen.

Approval of Minutes

President Gallacher reminded the Board that the minutes being considered for approval at this meeting were those for the Special Board Meeting held on October 2, 2014. Director Oglesby then called for amendments to the minutes as written.

As there were no motions for amendments, ***Secretary Oglesby moved to waive reading of the minutes and to approve the minutes as written and distributed to the Board members previously by email.*** The motion received a second, there was no discussion and the question was called. **The Board approved the aforementioned minutes unanimously (8-0) by voice vote.**

Reading of Correspondence to the Board

There were no letters to the Board received in advance of the meeting.

Report of Officers – President & Treasurer.

The President welcomed the seasonal-resident stockholders back to Briny for the first Regular Board Meeting of the 2014-15 Fiscal Year. He then enumerated the many improvements made to the Park during the summer as listed on PowerPoint slides shown.

GM Pussinen also welcomed the returning “Seasonal Residents”. She reminded all stockholders that she had an Open Door Policy and invited each stockholder to meet with her to share their ideas and suggestions to improve Briny and its administration.

Treasurer Elble began her report by noting that based on the unaudited results of FY 2013-14, spending was within \$5k +/- of the approved Budget.

Regarding the Current Fiscal Year status, the Treasurer provided the following information (rounded):

\$369k Cash on Hand

\$236k Park Improvement Fund

\$114k Catastrophe Fund

\$720k TOTAL OPERATION CASH

\$624k RESERVES CASH AS OF 10/31/14 (includes encumbered funds for ongoing work)

\$1345k TOTAL OPERATING & RESERVES

- Delinquent Accounts as of 10/31/14: \$66k
- Delinquent Yacht Basin as of 10/31/14: \$20k.
- One account turned over to attorney's for collection.

Finally, the Treasurer invited all stockholders to participate in upcoming Finance Committee Meetings related preparing the 2014-15 FY Budget so that their suggestions and concerns can be aired before the Budget is finalized.

Report – Chief of Police

Chief Yannuzzi reported the October crime statistics noting that were 69 service calls by Briny Residents over the period, the most serious of which was an ID/Credit Card theft. Working with the Palm Beach Police Department, the perpetrators were identified and are being sought in connection with the crime. The Chief added that his officers issued citations for 6 violations in October, 4 parking tickets and 2 moving violations.

Chief Yannuzzi reminded those present at the meeting that this is the usual time of year to test alarm systems (after contacting the alarm company and/or police as appropriate to advise them of the test) and it's the time of year to change batteries in smoke detectors. The Chief reminded the residents to get the new Parking Stickers and place them on their vehicles to avoid receiving a ticket after the "grace period" ends.

One stockholder asked the Chief to instruct his officers to get out of their Patrol Cars, if necessary, to confirm that cars that parked in the guest parking spots along ~~Cordoba~~ **Cordova** have resident, renter or guest permits needed to park in those spots.

Director Elble announced that Chief Yannuzzi will attend the next Parking Committee meeting. Director Stewart asked the stockholders to wear their ID Badges to help identify trespassers in the Park.

Town Liaison Report

Town Council member Barbara Molina announced that the next Town meeting will be held on November 20, 2014 at the Town Hall starting at 4:00pm

Committee Reports

Standing Committees:

Marina and Watercraft Committee: Board Liaison Gail Elble informed the Board that a Marina Committee meeting was held yesterday. Chairperson Tom Byrne noted that the Marina was a valuable asset to the entire Park and was capable of generating revenue over \$100k per year. He told the Board that his Committee had decided to temporarily place the Dock Boxes unsecured on / not bolted into the top of the new Seawall along Dock Drive. He noted that they would have to be removed if a hurricane approached and that the committee would continue to look at a way to secure the dock boxes without drilling into the seawall. The Chairman mentioned that there are eleven parties with large boats that have made inquiries regarding renting slips on the north side of the Marina, once the finger piers are completed. He added that currently ½ of the slips available on the south (Bay Drive) side of the Marina are vacant (=loss of \$32k per year). With the goal of increasing rentals, he asked the Board to consider reducing the monthly fee for slips on the south side of the Yacht Basin from \$180/month to \$150/month and allow lessees to only pay two-month rent upfront rather than requiring a half-year or more rental payments at the time the lease is signed. The President reminded the Committee to notify the Board when they were ready to recommend a new rule for the permanent placement of Dock Boxes at the Marina so the Board could amend the Rules as needed.

Landscape and Pest Control Committee: Board Liaison, Joe Coyner related the Committee's agenda for the season: 1) Research and Develop a Master Plan for Briny 2) Replant trees and shrubs 3) Continue Dune Restoration and Preservation Project 4) Continue to promote Fountain Restoration Project. He encouraged everyone to attend the next Committee Meeting on December 4th at 6:30pm in the West Clubhouse.

The Technology and Communications Committee: Gail Elbe opened the committee report presentation and then asked Chairperson Nancy Greenblatt Nancy to speak. Chair Greenblatt informed the Board that her Committee was working to improve our Briny webpage (*thanks in large part to Larry Ericksen who deserves our heartfelt appreciation for his service - President Gallacher noted that Larry spends countless hours working with us on the website each month, and is lightning fast in responding to any requests*), making the Bugle available electronically, and inventorying all electronic equipment in the Park to determine if changes/updates are needed. She reminded the Board that our current Cable TV contract with AM3 expires in October of 2015. With regard to the matter on a new bulk Cable TV contract, Technology and Communications Liaison announced that Cable TV Subcommittee would meet at 9:30 am on Nov 19 (Community Center) and on Dec 3rd to discuss the bulk Cable TV Contract to continue discussions on this subject. She added that the subcommittee is tentatively planning a presentation to the Stockholders by the potential service providers regarding their services on Nov 25 at 11:00 am. Director Long reminded the Board that she was Board Liaison for this Committee and encouraged all stockholders to attend the upcoming meetings.

Sales and Rentals Committee: Board Liaison Susan Brannen noted that Briny Sales were on the rise and that they approved one title transfer and 14 rentals in their meeting on Monday. She shared that there may not be many more units left to rent in Briny for the current season.

Bulkhead Seawall and Flooding: Board Liaison Oglesby announced that he plans to ask Chairperson Doug Long to schedule a meeting of the Committee to review the effectiveness of recent seawall work and establish plans and priorities for future work. Director Stewart mentioned the need to look at flooding issues in District 1 & 2.

Ad Hoc Committees:

Parking Committee: Board Liaison Elble informed that the Parking Committee meeting yesterday to discuss A-Row and Cordova Parking. Board Liaison Elble requested that Agenda Item J be tabled as the Committee had not reached to point of making a final recommendation to the Board.

Unfinished Business

There was no Unfinished Business to consider at this meeting.

New Business

A. Board Ratification Manager Expenditure \$3,000 Laundry room floor (laundry savings acct)

Director Coyner moved to ratify the GM's expenditure of \$3000 to seal the Laundry Room floor with an epoxy coat. The motion received a second and was discussed.

The President began the discussion by explaining the rationale behind re-flooring the Laundry Room. The pre-existing floor had so many damaged tiles that it made no sense to try to repair it. After surveying several vendors, GM Pussinen determined that the best option was to seal the existing floor with an epoxy, "non-slip" coat at the lowest bid price of \$3000.

After the GM discussed the plan with the President, it was decided that this time-consuming work be initiated in advance of formal Board approval so that it could be completed and the Laundry Room reopened before the return of Briny seasonal residents. The floor is now completed and the Laundry Room is open for business.

After discussion, the Board by voice vote, unanimously (8-0) ratified the GM decision to repair the Laundry room floor for \$3000 (from Laundry Savings Account).

B. Board Ratification Manager Expenditure \$2,500 Concrete grind 5000 front (outdoor maint.)

Since this expenditure was within GM Pussinen's authority, no Board action was required. However, the President placed the item on the agenda to communicate the scope of this project to the Board and stockholders.

Director Gross moved to ratify the GM's expenditure of \$2500 to grind the concrete outside the 5000 North Ocean Blvd Building down to bare concrete in preparation to seal with an epoxy coating next year. The motion received a second and was discussed.

President Gallacher stated that there were too many patches, cracks and large sections of broken and multi-colored sidewalk around the 5000 North Ocean Building to repair, recoat or patch over the existing surface. Before refinishing, the sidewalk has to be ground down to raw concrete to properly apply these finishes. The President pointed out that it was cheaper to contract the concrete removal work than to do the work in-house and added that doing the work now eliminates tripping hazards during the season. He informed that the GM has bids for several options to re-finish the concrete that will be evaluated and presented to the Board, possibly in the March-April time frame. Doing the work sequentially in sections requires 5-7 days for each section to cure before re-use and this more expensive than doing work continuously. Thus, it is more efficient to resurface the concrete after the winter season when most of the seasonal residents have returned home.

After discussion, the Board voted unanimously (8-0, by voice vote) to ratify the GM's expenditure of \$2500 to grind the sidewalk outside the 5000 North Ocean Blvd down to bare concrete.

C. Board Discussion/Approval – Sealing Paver Pool Deck (\$1,850.00) expenditure - pool reserves.

Director Stewart moved to spend \$1850 to seal the pavers recently installed around the swimming pool and cabana. The motion received a second and was discussed.

The President explained that the vendor who installed the pool pavers has provided samples of sealed pavers. He and the GM have tested these sealed pavers and determined that they are not slippery when wet. Moreover, sealing the pavers will serve to extend their life and allow cleaning by washing with soap and water and if the pavers are not sealed, the maintenance staff will have to pressure wash them frequently which will reduce their expected useful life. The President concluded by stating that the work, if approved, will result in the pool being closed for two days (1-day pressure wash, 1-day sealing)

After discussion, the Board by voice vote unanimously (8-0) approved the sealing of the pavers for a cost of \$1850 paid from the laundry savings account.

D. Board Ratification/Approval – Sales & Rentals from Nov. 10th

As there was no business under this agenda item for the Board to consider, President Gallacher moved on to Agenda Item E.

E. Board Discussion/Approval (possible sub-committee of Finance committee) written policy on corporate expenses vs. club expenses: detailing responsibilities, club banking procedures etc.

Director Coyner moved to form an Ad Hoc Committee chaired by Director Brannen to develop a written policy / guidebook on corporate expenses vs. club expenses that details responsibilities of each and will include club banking policies when developed by the Finance Committee. The motion received a second and was discussed.

The President pointed out that the goal of this Ad Hoc Committee would be to develop a policy and guidelines on how clubs operate, what they contribute back to the corporation and what the corporation provides to the clubs for the Board to use as a basis for making decisions on club-related requests. The Finance Committee will continue to work on the issue of banking procedures for the clubs and will work with Susan's Committee to document the procedures.

After discussion, the Board by voice vote unanimously (8-0) approved Director Coyner's motion to establish an Ad Hoc Committee with Director Brannen as Chairperson to develop a written policy /guidelines concerning corporate expenses vs. club expenses and related matters.

F. Board Discussion/review – inspection requirement on sales

President Gallacher noted that in spite of a few growing pains and a few extra steps required by the office, the results of establishing the rule requiring inspections have been effective in addressing many health and safety issues. He invited Board members and Stockholders to make comments regarding the rule or the need for any changes. Director Brannen spoke for the Sales and Rentals Committee communicating that the Committee supports this rule and believes that the procedure is working well.

Stockholder Mulgannon (J-7) stated his belief the Board lacked authority to require an inspection before approving new members and transferring stock certificates to new owners. The President stated that since the Board has the authority to approve new members and also has a responsibility to exercise due diligence in protecting all stockholders and their units with regard to safety and health risks, it has the authority to set reasonable conditions for membership approval.

President Gallacher thanked the Sales and Rental Committee, noting that Sue Thaler and Susan Brannen have spent countless hours working with Sharon and Cindy to insure the new procedures are being followed and working smoothly.

There was no Board action taken on this agenda item.

G. Board Discussion/Approval – Square Dance Club request auditorium for three weekend SE Regional dances.

Director Coyner moved to approve the request of the Briny Square Dance Club to host three weekend Southeast Florida Square and Round Dance Association Regional Dances to be held at the Briny Auditorium on Feb. 14 -Saturday evening; Mar. 22 -Sunday afternoon; and Sept. 20 - Sunday afternoon. The motion received a second and was discussed.

President Gallacher called on Stockholder Steve Adler (S-204), President of the Southeast Florida Square and Round Dance Association and member of the Briny Breezes Square Dance Club to make his request directly to the Board.

Stockholder Adler made the following points;

- These events have been tentatively scheduled with the Briny Breezes Office with confirmation waiting on Board Approval.
- Several of our stockholders are members of this association and the association members are largely the same people who attend regular Briny Breezes Square Dance Club functions.
- As with the Club dances, any member of the Briny community is welcome to either attend or observe.
- The Club believes that hosting these dances would help to support not only the Briny Square Dance Club but the community in general and would introduce some people to Briny who have never been here before who may wish to consider renting or buying a place in Briny in the future.
- Some attendees may return for regular club night dances (Wednesdays) where they will hear about special open events at Briny such as the Art Show, Chiselers Sale, Hobby Club Sale and our Bazaar.
- The Association will provide a copy of a Certificate of Liability in December before any of the events will be held.

After discussion, the Board by voice vote unanimously (8-0) approved the request of the Briny Square Dance Club to host the three weekend Southeast Florida Square and Round Dance Association Regional Dances at the Briny Auditorium as requested.

H. Board Discussion/Approval – additional web-pours for cracks in district 4 sea walls

Director Oglesby moved to approve \$8,400 to pay for under-appropriated but previously contracted repair work on District 4 seawalls and \$6000 to pay for six (6) additional web pours to repair cracked T-piles recently identified by Qualmann and needed to stabilize six panels in the District 4 seawalls. The motion received a second and was discussed.

President Gallacher reminded the Board that on April 9 2014, it approved \$42k from Seawall Reserves to repair and stabilize 42 cracked panels in District 4 seawalls identified by Qualmann in March of this year. He noted that during high tides, these areas are a significant factor in street flooding in some areas of the District and, as the tides recede, cause erosion and loss of soil from behind the seawalls threatening the stability of the seawalls and adjoining mobile homes. The repairs are expected to extend the life of the repaired panels over 10 years. Due to a misunderstanding between the Briny and Qualmann, the work already contracted will cost \$50,400 or \$8,400 more than previously approved/appropriated.

The President informed the Board that two weeks ago, Qualmann conducted a new survey of these seawalls while cleaning and preparing for contracted repair work and noted six (6) additional panels that need stabilizing to prevent cracking for a cost of \$6000. It makes sense to do all this work at one time.

The President then noted that that the money for these repairs totaling \$14.4k will come from the Seawall Reserves Account which, before this new expense, held nearly \$70k in unencumbered funds.

In a response to a question from stockholder Gower (F-211), Director Oglesby responded that Bay Drive was, in his mind, the top priority after the current seawall work is done. Director Stewart stated that his top priority was street flooding in District 1 and 2.

After discussion, the Board by voice vote unanimously (8-0) approved \$8,400 to pay under-appropriated but previously contracted repair work on District 4 seawalls and \$6000 to pay for six additional web pours in the District 4 seawalls.

I. Board Discussion – variance or possible rule change – setbacks for placement of new units

Director Stewart, District 2 ARC representative, made a motion to seek a Board decision grant a variance or a change in the District 2 setback requirements for a new doublewide unit placed on two adjoining lots from five feet (5') to 2 ½ feet (2.5') and to grant an exception for the maximum length of the unit from 32' to 36' for a new modular home proposed by Catherine Murray for lots L13 & L14. The motion received a second and was discussed.

President Gallacher informed the Board that Stockholder Catherine Murray has requested advance approval to place a new modular unit on lots L-13 and L-14. The ARC has determined that the only standoff that does not meet the required setbacks is the rear lot line setback.

The President stated that Ms. Murray's unit, if approved as proposed, would be just 2.5 feet from the rear lot line and only 3.8 feet from an existing mobile home on lot K-14 behind her lot. Greensheet regulations for District 2 generally require a 5' setback between units but in the case of a doublewide unit being placed on two or more lots, the Greensheet requires at least a 5-foot setback from the rear lot line, more stringent than the 2.5 feet requirement for single-wides.

Director Stewart pointed out that the existence of an FPL right of way 3.5 feet from the front lease next to the Cordova sidewalk limits Ms. Murray's ability to fully utilize the front portion of her lease and constitutes a mitigating factor in this case. Stewart also noted ~~mentioned~~ that the standard maximum length (absent and exception or variance) for a unit in District 2 L-Row is 32 feet. However, exceptions for units placed on two or more lots have routinely been granted and documented in the Greensheet. Ignoring the rear setback, the 36 foot unit, if installed per the engineering plat previously submitted, will not only exceed the Greensheet 5 foot setback between homes but also exceed the Palm Beach County and State setbacks requiring 10 feet between mobile homes.

Director Brannen expressed the opinion that if the Board chooses to grant a variance, it has established a precedent and should change the rule so that further variances are not required. She also asked and was told that if the FPL box was removed, the unit could be placed on the lot without a variance. Finally, she recommended that the Board / ARC review the Greensheet to change the setback requirement so that it is consistent with the variance, if granted.

Director Oglesby related that during the ARC meeting of October 13, 2014, Stockholder Murray appropriately questioned the reason for / basis of the 5-foot rear lot line setback rule for doublewides. In response, Oglesby cited that following as a possible basis for the rule:

- Palm Beach County Health Department regulations require that "a minimum distance of ten (10) feet between mobile homes and any enclosed appurtenances thereof shall be maintained at all times".
- On Oct 23, 1973, the Palm Beach County Health Department brought Briny Breezes before the Palm Beach County Environmental Control Board seeking to have all units not in compliance forced to be removed or relocated. At that hearing, the Control Board dismissed the complaint with prejudice.

- The District 2 requirement for a 5-foot setback from the rear lot line will not immediately achieve compliance with the Health Department’s 10 foot setback requirement. However, it is evidence of “**intent to comply**” with the Health Department regulation sometime in the future when and if all single lots are combined into double lots with doublewides.
- Thus, the rule may have been proposed as a trade-off between providing stockholders with reasonable use of their leases (*ability to use their lease for commercially-available, mobile homes which would currently be nearly impossible if the 10 foot setback was strictly enforced*) and the Corporation’s intent at some future time to follow Health Department regulations.
- In addition, the 3.8 foot distance between units along the rear lease lines does not include the overhangs and might constitute a material risk in case of fire in either unit to the adjoining units.

Director Elble supported the concept of “intent to comply” as per the Fire code and the potential impact on all stockholder units. She mentioned that moving utilities is common practice in the building industry and expressed the concern that we should either enforce or change the rules rather than selectively grant variances.

Director Gross believed the fact that the Murray unit is a modular rather than a manufactured unit is a factor in making this decision because modular units are better options for housing in Briny.

At the end of discussion, The President made the following statement to avoid any confusion with regard to Board authority over decisions regarding acceptable criteria for installing manufactured and modular homes. The Florida Statue 719 regulations state that changes to “units” require a stockholder vote. However, Becker and Poliakoff have assured us that in the case of Briny, the word “unit” as used in Statute 719 refers to the Briny Proprietary Lease and not to the housing unit placed on the lease.

After discussion, the Board by roll call vote of 6-2 approved the Murray request for to place a 36 foot modular unit on lots L-13 and L-14 and grant a variance of 2.5 feet from the rear lot line. The dissenting votes were cast by Directors Oglesby and Elble.

J. Board Discussion/review - A Row Parking, Distribution of Stickers & 2nd Spaces

As requested by Director Elble, this matter was tabled waiting on a Parking Committee recommendation to the Board. There was no action taken by the Board on this Agenda Item.

K. Board Discussion/Approval - “Keeping up Appearances” (possible sub-committee of landscape committee)

President Gallacher told the Board that the purpose of this Agenda item is to discuss a process for improving and maintaining the appearance of the Park. He informed that the GM, the President and Directors Stewart and Elble have spent a great deal of time and effort looking at effective approaches to improve the appearance of the Park common areas, leases and units on the leases. He noted that this work, because it involves walking around all four sides of every unit in the park, is a huge time commitments.

President Gallacher made a motion to establish an Ad Hoc Committee to (1) develop a “Keeping up Appearances” process and (2) recommend a Standing Committee to work with the GM on a broad-based Park Appearance Program to be voted on at a future Board meeting. The motion received a second and was discussed.

The President repeated a suggestion made by GM Pussinen that if we came up with comprehensive forms like the ones developed by Director Stewart entitled "NOW/VIOLATIONS" and "FUTURES" that would be filled out for each unit and give time frame expectations for items that need attention, we could insure that improvements are completed in a timely manner. He suggested that the Standing Committee when formed would be comprised of two people from each District and would be responsible for making the inspection and filling out the forms, but not be responsible for enforcement of violations.

He then cited some examples of potential improvement that could be noted on the forms:

- Paint or re-side a unit within next 3 months or before next season or within the next year.
- Refinish driveway in the next year
- Trim trees in the next 3 months
- Repaint clamshell awnings before next season

Once the improvement was identified for a lease and added to the appropriate form, the NOW/VIOLATIONS form would be reviewed by our manager for letters and follow-up per our Rules would be conducted as appropriate. If the improvement needed was not a violation but more of a long-term improvement, it would be placed in the "FUTURES" form and the stockholder would be notified so they could budget and plan for making the improvement.

The President believes that if the Corporation advised people during season that their unit really needs to be painted within the next 6 months that they would contract for the work to be done during the off season. (Example...My driveway should be on the list for NOW/Violations OR on the Futures form i.e. complete in the next 3 months)

He concluded if the GM had to handle this type of activity on a regular basis, she would not have time for higher priority projects on her plate. Of course, reported and/or blatant rule violations observed by manager, maintenance staff, and others other will continue to be handled as they have been. However, he supports appointing a committee similar to the beautification committee to help with these "park appearance items", and suggested forming a subcommittee of the landscape committee that includes two (2) residents from each section who would be reporting to / discussing these items with the GM (rather than enforcing rules with shareholders).

Director Brannen supported the President's concept if it does not conflict or interfere with the normal process for reporting rule violations, stockholder notification, and review as detailed in the Violations and Fining Process documented in our Rules. She also noted that if the violations are not correct, the Park has the right to make the repairs at stockholder expense. Finally, the Director stressed that stockholder notifications must be done in a respectful manner.

After discussion, the Board voted (8-0) to approve the President's Motion to establish an Ad Hoc Committee to develop a "Keeping up Appearances" Committee to work with the GM on a broad-based Park Appearance Program.

L. Board Discussion/Approval (possible group/committee) "Keeping the Community Safe"

The President told the Board that several stockholders have suggested establishing a friendly Community Watch group to help with special events, watch the beach on weekends or keep an eye out for parking violations. The goal of such a group would be to improve the safety and security of our stockholders, their families, residents and guests.

The President made a motion to establish an Ad Hoc Committee to make a recommendation to the Board on establishing a Standing Committee to “Keep the Community Safe”. The motion received a second and discussion ensued

Directors Stewart, Elble, and Oglesby suggested getting advice / information from the Ocean Ridge Police Department on forming Community / neighborhood Watch groups.

After discussion, the Board voted (8-0) to establish an Ad Hoc Committee to make a recommendation to the Board on establishing a Standing “Community Watch Committee” to “Keep the Community Safe”.

M. Board Discussion - Initial Consideration of Amendments of By-Laws and Preliminary Wording for Annual Meeting Ballot, Feb 2015

Director Oglesby moved that the draft versions of amendments to three existing By-Laws (Sections: 3:70; 11:10; and 13:25) and one new By-Law (Section 12.11) that documents that a “Qualified Modular” is a type of Mobile home permitted in Briny be referred to the Rules and By-Laws Committee for their review. Further, he moved that the Committee also to review Section 8:45 (as requested by Director Brannen) and Section 13:10 (as requested by Director Long) and present its written recommendations on all these proposals to the Board no later than December 1, 2014. The motion received a second and discussion ensued.

Director Oglesby recommended that once these proposed changes (see Attachment 2) to our By-Laws are reviewed and presented by the Committee to the Board, the Board would obtain any legal review necessary before making the final changes needed before voting to place any new or amended By-Laws on the ballot for a Stockholder vote at our 2015 Annual Meeting.

Oglesby then summarized the proposed new By-Laws and Amendments to existing By-Laws contained in his draft:

- The new By-Law addresses Qualified Modular Units as a type of Mobile Home and makes it clear that this type of housing choice is approved under in our By-Laws.
- The amended By-Law Section 3:70 covers stock certificate ownership limits / restrictions and is something that is needed if we are going to enforce any limit on the number of certificates or the type or ownership. He added that Director Gross requested that the Board attempt to “fix” this By-Law when the Board voted at a previous meeting to allow a two members to each purchase one additional stock certificate.
- The Park Improvement Fund amendment (Section 13:25) is intended to give the Board flexibility in distributing prior-year’s cash surpluses / operating savings to use those surplus monies to fund its mandated Reserve Account, augment the current year budget as needed and/or continue to fund the Park Improvement savings account. The BOD has considered amending this By-Law in one way or another for at least the last three years.
- Finally, the amendment to the structure of Special Meeting Agendas (Section 11.10) is simply a common-sense measure to allow flexibility in planning and conducting Special Board Meetings by only requiring a limited number of agenda item that have to do with the purpose of the Special Meeting, thus making these meetings more efficient while avoiding conflict with our By-Laws.

Director Brannen proposed amending Section 8:45 to have the vote determined by plurality instead of by majority. Director Long seeks an amendment to Section 13:12 to include authority for internet services under the Bulk Cable TV provision. Rules and By-Laws Chair Dan Statt reminded the Board that three years ago, an amendment to Section 8:45 for the voting outcome to be determined by plurality instead of majority had been voted on by the Stockholders but failed to pass, somewhat ironically because of the large number of stockholders who failed to vote (counts as a "no" vote).

Oglesby pointed out that we need to maintain tight deadlines for this work in order to place these By-Law amendments and additions before the stockholders as they must be listed in the 1st Notice of Annual Meeting. That notice has to be sent to the Stockholders at least 60 days before the Annual Meeting. The Director anticipates that at least some of the amendments will need some legal review and may also need a Board Sub-Committee to write the final versions of these By-Laws before they receive final Board Approval and are placed on the Ballot. He clarified that while there is still plenty of time to change the wording of the proposed By-Law changes, it is important that the Board agree now that these are directionally, the By-Law sections that we want to consider for vote by the Stockholders at the upcoming Annual Meeting.

Rules and By-Laws Committee Chair Statt informed the Board that he had a quorum of his Committee in Briny and would be in position to present his Committees recommendations to the Board by December 1.

The Board voted by voice vote to unanimously (8-0) approve Oglesby's motion to refer his draft of new By-Law 12:11, draft proposed amendments to By-Laws 3:70, 11:10, and 13:25 to the Rules and By-Laws Committee for review and comment and to request that the Committee also draft Amendments to Section 8:45 to change the voting outcome method to vote by plurality and Section 13:12 to allow the Board to sign Bulk contracts for internet services. The Committee was requested to present their findings and recommendations to the Board no later than December 1, 2014.

Adjournment

Director Brannen moved to adjourn. The motion received a second and was approved unanimously (8-0) by the Board President Gallacher adjourned the meeting at approximately 12:40 pm.

Respectfully submitted,

Tom Oglesby
Secretary, Briny Breezes Inc.
Approval Date: December 3 2014

Attachment 1

NOTICE

Regular Meeting of Briny Breezes Inc. Board of Directors

Wednesday November 12, 2014

At 9:00 A.M.

Briny Breezes Community Center

AGENDA

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

- I. Pledge of Allegiance & moment of silence
- II. Call to order & Roll call
- III. Proof of Notice
- IV. Approval of previous board meeting minutes (October 2nd Special Board of Directors Meeting)
- V. Reading of Correspondence to the Board
- VI. Report of Officers
- VII. Report – Chief of Police
- VIII. Town Liaison Report
- IX. Committee Reports
- X. Unfinished Business
 - A. None
- XI. New Business
 - A. Board Ratification Manager Expenditure \$3,000 Laundry room floor (laundry savings acct)
 - B. Board Ratification Manager Expenditure \$2,500 Concrete grind 5000 front (outdoor maint.)
 - C. Board Discussion/Approval – Sealing Paver Pool Deck (\$1,850.00) expenditure - pool reserves
 - D. Board Ratification/Approval – Sales & Rentals from Nov. 10th
 - E. Board Discussion/Approval (possible sub-committee of Finance committee) written policy on corporate expenses vs. club expenses: detailing responsibilities, club banking procedures etc.
 - F. Board Discussion/review – inspection requirement on sales
 - G. Board Discussion/Approval – Square Dance Club request auditorium for 3 SE Regional dances
 - H. Board Discussion/Approval – additional web-pours for cracks in district 4 sea walls
 - I. Board Discussion – variance or possible rule change – setbacks for placement of new units
 - J. Board Discussion/review - A Row Parking, Distribution of Stickers & 2nd Spaces
 - K. Board Discussion/Approval - “Keeping up Appearances” (possible sub-committee of landscape committee)
 - L. Board Discussion/Approval (possible group/committee) “Keeping the community Safe”
 - M. Board Discussion - Initial Consideration of Amendments of By-Laws and Preliminary Wording for Annual Meeting Ballot, Feb 2015
- XII. Adjournment

All Stockholders are Welcome

This notice is dated and posted: Friday, NOVEMBER 7, 2014 at 1:00 p.m.

Theresa Pussinen, General Manager ~ Briny Breezes Inc.

Attachment 2: Possible Amendments and Voting issues for 2015 Annual Meeting

Resolution 1: Amend By-Law Section 3.70 to

- Clarify and strengthen the language that limits the number of stock certificates that can be held by one family (spouse/domestic partner & dependents)
- Increase the number of Briny stock certificates a stockholder and his immediate family may hold, regardless of the ownership vehicle or title language, from one to two stock certificates
- Prevent outside corporations and limited partnerships from purchasing Briny stock

Underlines indicate words added to the current Section of our By-Laws, strikeouts are deletions from the existing By-Law Section

SECTION 3.70: LIMIT ON MEMBERSHIPS: No ~~member person~~person, either individually or severally, and including ~~their~~ the person's immediate family defined as their spouse, domestic partner, and their dependents, shall acquire or hold an interest in more than ~~one (1)~~ two (2) stock certificates, except that a member, including his immediate family, who holds more than ~~one (1)~~ two (2) stock certificates on the date this By-Law is approved shall be permitted to continue holding same. For the purposes of this By-Law, dependents are persons that are under the age of 18 and/or receive more than one-half of their annual income from the person or persons that hold one or more a stock certificates. ~~;~~ providing that

~~An exception is also permitted whenever stockholders wish to change their residence from one location in the park to another. They may do so provided that they immediately place the stock certificate for the location they are leaving up for sale and abide by the rules governing rental at either location. The above restrictions cover any and all forms of ownership including but not limited to estates and trusts in which the person, their spouse, domestic partner, and their minor dependents hold an interest. However, a person holding an interest in two (2) or more stock certificates is allowed to acquire and hold additional stock certificates acquired through inheritance.~~

Also, members residing in Districts One, Two and Three, and desiring to increase the land area for the placement of a single trailer thereon, may acquire a maximum of up to four (4) stock certificates covering adjoining lots. Thereafter, said lots may not be transferred except as one unit.

As of the date of approval of this By-Law, no corporation or limited partnership or other business including for profit and non-profit entities may acquire a stock certificate in Briny Breezes Inc. unless they are purchasing one hundred percent (100%) of the outstanding stock of the Corporation under an agreement with Briny Breezes Inc. as approved by the Stockholders in accordance with these By-Laws.

Reasons for Amendment: The existing wording of the By-Law is not sufficiently precise or legally strong enough to prevent ownership and control of multiple stock certificates via alternate ownership vehicles such as trusts, estates or corporations or by slight changes in title description by the same individuals in one family. In addition, some stockholders read the existing By-Law to mean that adult children of a stockholder were prevented from holding a Briny Stock Certificate if their parents were stockholders, certainly not the intention of the By-Law. Finally, the pervasive practice over the years of allowing some stockholders to acquire and hold more than one stock certificate has weakened of the current By-Law and argues for an amendment that can be effectively enforced.

The proposed language allowing family/domestic partnership to hold up of two stock certificates renders the requirements related to acquiring a new unit / stock certificate and selling a current unit unnecessary. Thus, this provision was deleted.

The language preventing outside corporations, limited partnerships, and other business entities from purchasing or holding stock certificates is intended to prevent these types of enterprises and their subsidiaries from acquiring multiple stock certificates and gaining control over the future direction of Briny. Also, corporations and limited partnerships enjoy limited liability under US and Florida civil law that is not extended to private owners, thus creating separate classes of stockholders under civil law. *(This section to be reviewed by Becker and Poliakoff)*

Resolution 2: Amend By-Law Section 11.10 as follows to allow the Board of Directors to develop Agendas that are “fit for purpose” for Special Meetings.

Underlines indicate words added to the current Section of our By-Laws, strikeouts are deletions from the existing By-Law Section

SECTION 11.10: ORDER OF BUSINESS: The order of business at Annual Meetings shall be as follows:

1. Roll Call
2. Reading of Minutes of Last Meeting
3. Reading of Communications
4. Report of Officers
5. Report of Standing Committees
6. Reports of Special Committees
7. Unfinished Business
8. New Business
9. Election of Directors

At all other Regular meetings, the order of business shall be the same as outlined above with the exception of election of directors. However, Special Meetings may have abbreviated agendas suitable for the purpose of the Special Meeting but must contain the following:

1. Roll Call
2. Approval of Minutes of Last Meeting, if available
3. Reading of Communications directly related to purpose of Special Meeting

4. Report of Committees directly related to purpose of Special Meeting

7. Unfinished Business directly related to purpose of Special Meeting

8. New Business directly related to purpose of Special Meeting

Special Meetings solely of the purpose of developing agendas for Board of Director meetings (Agenda Meetings) may simply contain the following Order of Business.

1. Roll Call

2. Discussion of Agenda Items

3. Agreement on Agenda for meeting under consideration

Reasons for Change: Special Meetings are generally called to act on matters that cannot or should not wait until the Annual, General or Regular Meeting.

This proposed amendment allows the Briny Board of Directors to organize the order of business to make Special Meetings more efficient and focused on the purpose for which the Special Meeting was called. One stockholder has repeatedly pointed out that all our Agendas must comply with the requirements of the existing By-Law. This amendment allows some flexibility under the amended By-Law so that Special Meetings may be conducted more effectively.

Resolution 3: Add By-Law SECTION 12:11 that specifically permits “Qualified Modular Homes” to be installed in Briny Breezes as a special type of Mobile Home.

This is a proposed new By-Law so there are no changes to be indicated.

SECTION 12.11: QUALIFIED MODULAR HOMES

A Modular Home is defined as a building which is assembled on an approved building site from components manufactured off-site in the form of separate elements or modular units produced in standardized sizes and designs which can be arranged and fitted together in a variety of relationships that, upon completion, form a detached one-story single family residence.

A “Qualified Modular Home” is considered equivalent to a mobile home and may be placed on a stockholder lease or leases if it meets each of the following requirements:

- 1) The separate elements or modular units are fabricated off-site into one or more structures or sections on an integral frame or chassis with running gear attached.
- 2) The structures or sections are designed and built to be drawn as a vehicle onto the streets and highways by a motorized towing vehicle.
- 3) The structures or sections are designed and built so that the exterior of the finished housing unit is similar to a mobile home in look, architectural style and appearance.
- 4) The finished housing unit is one designed and manufactured for assembly for a mobile home lot for occupancy as a detached single family one story dwelling unit in a mobile home park

when connected to the required utilities, including the plumbing, heating, air-conditioning and electrical systems contained therein.

- 5) The manufacturer or company selling the modular home provides a letter to the Corporation stating that the “Qualified Modular Home” to be placed in Briny is built to equal or surpass Federal HUD standards/codes for manufactured homes built in the US.

In Plain Language: The proposed new By-Law states that new modular homes that look like Briny mobile homes and are built to standards equal to or better than new mobile homes are essentially mobile homes as referenced in By-Law SECTION 12:10 and are allowed to be placed in Briny.

Reasons for Change: A new Section of our By-Laws is needed to document, control and codify the decision to allow modular homes to be placed / assembled in Briny.

Modular homes could offer an attractive option to manufactured homes to our stockholders:

- Unlike Manufactured Homes, Modular Homes are considered single-family homes for insurance purposes. This means that their insured replacement value is not depreciated annually as is done for Manufactured Homes by Citizens.
- Modular homes can be built with higher wind resistance characteristics than Manufactured Homes. Modulares are currently available with wind resistance capabilities of up to 180 mph versus Manufactured Homes that are only required to have up to 120 mph wind resistance capabilities under HUD requirements.

“Qualified Modular Homes” built and installed in conformance with Briny’s Corporate and Town building codes, architectural style and appearance will be difficult to distinguish from Briny’s mobile homes and will not materially change the look or continuity of the housing in Briny.

This new By-Law uses almost the exact wording of the existing Town Ordinance 1-96 except for the addition of requirement # 5 included to prevent the installation of Modulares that do not at least meets the HUD structural, building and safety codes for Manufactured homes.

FOR EASY REFERENCE...

SECTION 12.10: SPACE LEASED FOR MOBILE HOMES TO STOCKHOLDERS: No

portion of Districts One, Two, Three or Four shall be sold or leased for any use other than a site for a mobile home unless eighty (80) percent of the shares outstanding of the stockholder-lessees in the specific district are in favor of such change, and in addition such sales or lease shall also require an affirmative vote of eighty (80) percent of the total number of shares outstanding of the corporation.

No portion of the area between the Ocean Boulevard and the Atlantic Ocean shall be sold unless eighty (80) percent of the total number of shares outstanding of the corporation shall approve.

Resolution 4: Amend By-Law Section 13.25 to give the Board of Directors authority to use surplus operating funds at the end of any fiscal year to reduce subsequent year stockholder assessments and/or fund Reserves Accounts.

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SECTION 13.25: DISPOSITION OF YEAR-END BUDGET OPERATING CASH-SURPLUSES ~~BRINY BREEZES IMPROVEMENT FUND:~~

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, the Board of Directors will vote to transfer these funds to one or more of the following current year accounts based on the current needs of the Corporation and the expected value to the Stockholders:

- 1) The Park Improvement Fund
- 2) Addition to Current-Year Operating Funds
- 3) Briny Breezes Reserve Accounts as approved by the Board

The Park Improvement Fund shall be maintained in an interest-bearing account and no monies can be disbursed from this fund without the approval of a majority vote of the stockholders. ~~Any monies from assessment or other income, with the exception of the restricted funds, in excess of operating costs as shown in the audit at the end of the fiscal year, shall be placed in an interest bearing Park Improvement Fund.~~ However, in the event of a catastrophe, when funds are needed immediately, the Board of Directors may temporarily borrow funds from this Park Improvement Fund which shall be reimbursed from the first of any insurance proceeds.

In Plain Language: This proposed change to By-Law Section 13.25 means that every year after the audit is completed, the Board of Directors will vote to use any remaining / surplus operating funds for one of the three uses listed in the proposed amendment above.

Reasons for Change: This Section of our By-Laws as currently written requires the any year-end operating surplus funds to be transferred to the Park Improvement Fund. The purpose of this amendment is to authorize the Board of Directors to have the discretion to expand the options for the use any prior year-end surplus operating funds to better serve the Corporation and stockholder based on the Corporation's current fiscal position.

Funds transferred to the Briny Breeze Improvement Fund cannot be used to maintain or improve the Park without a stockholder majority vote. The Board can temporarily borrow from this Fund in case of a catastrophe that is covered by our insurance policies. This requirement essentially "sequesters" excess prior-year shareholder assessments in a savings account which currently pays only **0.05%** annually. The Park Improvement Fund now holds over \$236k that can only be spent in the event of a catastrophe and must be replaced with insurance proceeds when received or if the majority of the shareholders vote to spend some or all of these funds. Nothing in the proposed amendment changes these spending restrictions for the current Park Improvement Fund monies.

We believe that the Briny Breezes Park Improvement Fund was likely intended as a type of Reserve Account before Reserve Accounts were mandated by law. Now that the Corporation is required to maintain reserves accounts, any year-end surplus funds could be also used to fund our Reserve Accounts, thus reducing the amount of new stockholder Reserve assessments in any year.