

**MINUTES OF MEETING**  
**SPECIAL BOARD OF DIRECTORS MEETING, BRINY BREEZES INC.**  
**Thursday, October 2, 2014, 9:00 A.M.**  
**COMMUNITY CENTER**

A Special Meeting of the Briny Breezes Inc. Board of Directors was called to order at approximately 9:00 am on October 2, 2014 by President Michael Gallacher. The Pledge of Allegiance was recited and a Moment of Silence observed.

Secretary Oglesby called roll and noted that seven of the eight Directors were in attendance for the meeting thus establishing a quorum. Directors Gallacher, Stewart, Oglesby and Gross were present at the Community Center in Briny and Directors Elble, Long, and Brannen attended by conference phone link. Director Coyner joined the conference call at the beginning of "New Business" so that all eight Directors were present for the remainder of the meeting.

President Gallacher confirmed that Proof of Notice for the meeting was posted on Tuesday, September 30, 2014 at 9:00 am and signed/witnessed by General Manager Theresa Pussinen.

**Approval of Minutes**

Secretary Oglesby told the Board that the minutes being considered for approval at this meeting were those for the two Special Board Meetings held on September 18, 2014 (one of which was a Closed Personnel Meeting). Oglesby then called for amendments to the minutes as written.

As there were no motions for amendment, ***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 both sets of minutes unanimously (7-0) 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**

No reports of officers were presented at this meeting.

**Committee Reports**

No Committee reports were presented at this meeting. However, Director Elble advised the Board that the Communications Committee needs to schedule a date in November-December 2014 for a meeting in which the Cable TV & Internet providers will present their offer/services to the stockholders.

**Unfinished Business**

There was no Unfinished Business.

**New Business**

**1. Board review for Approval – Sale of G-204 Record to Halfhill & Schultz**

***Director Brannen moved to approve the sale of G-204, Record to Halfhill & Schultz. The motion received a second*** and was discussed.

President Gallacher and Director Brannen explained that the issue regarding this sale was that the Sales and Rental Committee was under the impression that the sale involved a loan that would have resulted in a mortgage of greater than 65% of the Sales price. This would have invoked one of the "Criteria for Disapproving Sales and/or Rental Applications" contained in the "Policy for Background Checks for Briny

Rentals and Sales which includes “Anyone (prospective purchaser) paying less than 35% cash, i.e., with a 65% mortgage or greater.” Director Brannen and the mother of the purchaser informed the Board that the money she is providing to her son for the purchase was a ‘family-loan’, not a mortgage, and that the purchaser, her son, was not currently an owner of her unit. Thus the mortgage provision of the Policy was determined to not be applicable nor was there any issue regarding the ownership of multiple units.

The question was called and **the Board, by voice vote, unanimously (8-0) approved the sale of G-204 Record to Halfhill & Schultz.**

## **2. Board review for Approval – Rental K-29 French to Hutchins (previous tenant)**

***Director Coyner moved to approve Rental K-29 French to Hutchins (previous tenant). The motion received a second*** and was discussed.

Director Brannen pointed out that Items 2 and 3 should be considered in tandem since if both were approved, one of the approvals could constitute a violation of Rule C.2.Procedures Section (e).

The rule Director Brannen referred to states “Stockholders who have acquired a second unit will be permitted to only rent one unit per season.” Since the rule does not address owners of three units as in the French case (3 units owned based on the By-Law 3.70 that limits the number of memberships by family), the majority of the Board’s felt that the rule cited does not provide adequate guidance for denying the two rental requests made by French.

The President also pointed out that the Board was uncertain of whether Mr. French or other stockholders have been permitted in the past (either by formal Board approval or failure to monitor rental activity) to rent more than one unit if they own three units. Some believed that variations in how the stock certificates are titled units allows the owners to rent a second unit. The opposing position is that that the rental of two units is a tacit violation of Rule C.2.Procedures: Section (e).

After discussion, **a voice vote of the Board resulted in unanimous (8-0) approval for the rental of L-29 French to Hutchins (previous tenant) but recorded one opposing vote on the rental of the second unit (L-29).** (See vote on Item 3)

## **3. Board review for Approval – Rental L-29 French to Sipes (previous tenants)**

***Director Coyner moved to approve the rental of L-29 French to Sipes (previous tenants). The motion received a second.*** Pertinent discussion occurred under Item 3.

After discussion, **the Board, by a voice vote of 7-1, approved the requested rental of unit K-29 French to Sipes (previous tenants). The dissenting vote was cast by Director Elble whose interpretation of Rule C.2 Procedures: Section (e) is that rental of the second of Mr. French’s three units is a violation of this rule.**

## **4. Board review for Approval – Rental K-207 Maier to Tarman (previous renters)**

***Director Oglesby moved to approve the Rental K-207 Maier et. al. to Tarman (previous renters). The motion received a second*** and was discussed.

This was the same unit where several substantive safety and health issues were revealed in an prior inspection and discussed in conjunction with a requested change of title during the September 3,

2014 Board meeting. President Gallacher informed the Board that, subsequent to this rental request but prior to the Board meeting today, the Maier et. al. owners submitted a sales contract for this unit. The Board and Sales and Rental Committee can not approve the rental of a unit under contract for sale.

After discussion, **the Board by a voice vote unanimously (8-0) to defeat the motion to rent unit K-207 Maier et. al. to Tarman (previous renters). Rental Application Denied.**

**5. Board ratification of sales & rentals committee decisions:**

- a) Sale CD4 Zerull to Anderson
- b) Rental's A-20, E-017, J-209, O-202

*Director Brannen moved to ratify the following sales & rentals committee decisions: a) the sale CD4 Zerull to Anderson and b) Rentals of units A-20, E-017, J-209 and O-202. The motion received a second.*

There were no issues identified regarding any of the Sales and Rental Committee decisions for these units. It was noted that Board is not required to ratify rentals approved by the Sales and Rentals Committee.

The question was called and, **the Board unanimously (8-0), by voice vote, approved the Sales and Rental Committee's recommendation to support the sale of CD4 Zerull to Anderson and ratified the rentals of units A-20, E-017, J-209, and O-202.**

**6. Board Ratification/Approval of Insurance renewals**

*President Gallacher moved to ratify and approve the corporate insurance annual renewals for all corporate policies except Government Flood Insurance, Workers Compensation Insurance and Humana Employee Health Insurance which have recently been renewed and no near term action necessary to maintain these policies. The motion received a second and was discussed.*

GM Pussinen informed the Board that the cost (\$152,813) to renew these insurance policies in FY 2014-15 currently under Board consideration has increased by roughly \$9k, year over year, but this increase is partially mitigated by a recently-received, insurance refund/credit of \$4388 toward premium reduction. These policy payments are due on Oct 1, Nov 1, and Dec 1 and will be paid out of FY 2014-15 funds.

President Gallacher noted that our insurance agent is currently working to try to align all corporate insurance renewal dates to simplify our approval process. However, Citizens (wind, etc.) will not work with us and charges 20% of the policy amount to cancel an existing policy and re-initiating coverage at a preferred date.

**After discussion, the Board by voice vote unanimously (8-0) approved the corporate insurance renewals.**

**7. Board Approval – FAU Students “eco project” volunteer work**

*Director Stewart moved to approve the FAU Students “eco project” volunteer work project on Briny property. The motion received a second and was discussed.*

Director Stewart explained that the project involves FAU student McKenzie Black and fellow students removing all non-native vegetation along the dunes bordering Briny property (where this work has not already

been completed). Stewart added that the students working on Briny property are covered under the Corporation's liability insurance.

After discussion, **the Board by voice vote unanimously (8-0) approved the FAU Students "eco project" volunteer work project.**

**8. Board Ratification of Manager expenditure – Clubhouse a/c compressor replacement not to exceed \$2600.00 (general operating fund/expense from FY 2013-14 funds)**

*Director Brannen moved to ratify the GM's expenditure for the Ocean Clubhouse a/c compressor replacement at a cost not to exceed \$2600.00 (general operating fund/expense from FY 2013-14 funds). The motion received a second and was discussed.*

After discussion, **the Board by voice vote unanimously (8-0) ratified/approved the GM's expenditure for the Ocean Clubhouse a/c compressor replacement not to exceed \$2600.00 (general operating fund/expense from FY 2013-14 funds).**

**9. Board Ratification Manager expenditure – Sod for Marina not to exceed \$3500.00 (general operating fund/expense)**

*Director Elble moved to ratify the General Manager's expenditure for Sod for the Marina at a cost of approximately \$2625 (from the general operating fund/expense from FY 2013-14 funds) purchased from 'Sod Father'. The motion received a second and was discussed. The sod was expected to arrive at Briny a day or two after this meeting.*

After discussion, **the Board by voice vote unanimously (8-0) ratified/approved the General Manager's expenditure for Sod for the Marina cost of approximately \$2625 (from the general operating fund/expense from FY 2013-14 funds).**

**10. Board Ratification Manager expenditure – Able tree work not to exceed \$1200.00 (general operating fund/expense)**

*Director Brannen moved to ratify the GM contract with Able for tree work not to exceed \$1200 (to come from the general operating fund/expense from FY 2013-14 funds). The motion received a second and was discussed. The expenditure is for trimming 11 coconut trees (\$650) and removing a rotting tree (\$550) in imminent risk of falling over and injuring residents. The tree is located near the shuffleboard courts on Ruthmary.*

After discussion, **the Board, by voice vote, unanimously (8-0) ratified the GM contract with Able for tree work not to exceed \$1200 (to come from the general operating fund/expense from FY 2013-14 funds).**

**11. Board Ratification of Manager expenditure – Club House Exterior two windows, frames, & stucco not to exceed \$3500 (general operating fund/expense).**

**Director Brannen moved to ratify the GM's expenditure for repair/replacement of Club House Exterior dormer two windows, frames, & stucco of an amount not to exceed \$1900 to be paid out of FY 2013-14 funds. The motion received a second** and was discussed.

The window frames in the dormer windows in the Ocean Clubhouse have rotted and leaked profusely during heavy rains. The President and GM decided to replace the original wood-frame windows with aluminum frame windows with 'impact glass' that will not only increase the useful life of the windows but be able to withstand high winds (approximately \$1745). The corporation will pay permitting costs for this work. The work will take about six weeks to finish but will only minimally limit the use of the clubhouse during that period. The window-replacement contract was awarded to SIW glass.

After discussion, **the Board by voice vote unanimously (8-0) ratified the GM's expenditure for repair/replacement of the Ocean Club House exterior two windows, frames & stucco at a total project cost not to exceed \$1900 out of FY 2013-14 funds.**

### **Adjournment**

**Director Oglesby moved to adjourn. The motion received a second and was approved unanimously (8-0).** President Gallacher adjourned the meeting at approximately 10:07 am.

Respectfully submitted,

Tom Oglesby  
Secretary, Briny Breezes Inc.  
Approval Date: November 12, 2014

Attachment 1

# NOTICE

**SPECIAL MEETING** of Briny Breezes Inc. Board of Directors  
THURSDAY OCTOBER 2nd, 2014 at 9:00 A.M.  
Briny Breezes Community Center

## AGENDA

**ALL SHAREHOLDER 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
- V. Reading of Correspondence to the Board
- VI. Report of Officers – President & Treasurer
- VII. Committee Reports
- VIII. Unfinished Business
  - a. NONE
- VIII. New Business
  1. Board review for Approval – Sale of G-204 Record to Halfhill & Schultz
  2. Board review for Approval – Rental K-29 French to Sipes (previous tenants)
  3. Board review for Approval – Rental L-29 French to Hutchins (previous tenant)
  4. Board review for Approval – Rental K-207 Maier to Tarman (previous renters)
  5. Board ratification of sales & rentals committee decisions:
    1. Sale CD4 Zurull to Anderson
    2. Rental's A-20, E-017, J-209, O-202
  6. Board Ratification/Approval of Insurance renewals
  7. Board Approval – FAU Students “eco project” volunteer work
  8. Board Ratification Manager expenditure – Clubhouse a/c compressor replacement not to exceed \$2600.00 (general operating fund/expense)
  9. Board Ratification Manager expenditure – Sod for Marina not to exceed \$3500.00 (general operating fund/expense)
  10. Board Ratification Manager expenditure – able tree work not to exceed \$1200.00 (general operating fund/expense)
  11. Board Ratification Manager expenditure – Club House Exterior two windows, frames & stucco. Not to exceed \$3500.00 (general operating fund/expense)
  12. Board approval -
- X. Adjournment

**All stockholders are welcome**

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Theresa Pussinen, General Manager ~ Briny Breezes Inc.

This notice is dated and posted: Tuesday September 30<sup>th</sup>, 2014 - 9am