

MINUTES OF MEETING
SPECIAL BOARD OF DIRECTORS MEETING, BRINY BREEZES INC.
Wednesday, May 28, 2014, 9:30 A.M.
COMMUNITY CENTER

A Special Meeting of the Briny Breezes Inc. Board of Directors was called to order at approximately 9:30 AM on May 28, 2014 by President Michael Gallacher. The Pledge of Allegiance was recited and a Moment of Silence was observed.

Secretary Oglesby called roll and noted that all Directors were in attendance. Directors Gallacher, Gross, Stewart and Oglesby were present at the Community Center in Briny. Directors Long, Coyner, Brannen, and Elble attended by conference phone link.

President Gallacher confirmed that Proof of Notice for the meeting was posted on Friday May 1, 2014 at 11am and signed/witnessed by President Gallacher.

Approval of Minutes

Secretary Oglesby informed the Board that the minutes being considered for approval at this meeting were those for the Special Board Meetings held on April 23, 2014. The Secretary then called for amendments to the minutes. As there were no motions for amendments, ***Secretary Oglesby moved to waive reading of the afore-mentioned minutes and approve the minutes as written.*** The motion received a second, there was no discussion and the question was called. **The Board unanimously (8-0) approved the Secretary's motion to approve the aforementioned minutes by voice vote.**

Motion to Amend the Order of Business

Director Oglesby moved to amend the Order of Business so that a letter from stockholder Dave Westgate that was received last week could be read. President Gallacher seconded the motion and called the question **by voice vote. The Board unanimously approved the motion, 8-0,** (2/3rd majority required by Robert's Rules, majority + one by Statute 719) **to amend the Agenda/Orders of the Day to allow Reading of Correspondence.**

Based on Board approval above, Oglesby read the letter from Stockholder Westgate dated 5/16/14. After the letter was read, President Gallacher informed the Board that Stockholder Westgate had also sent a number of emails and one certified letter to the Town asking about permitting status for several planned and ongoing, Board-approved projects.

The Order of Business then continued as per the posted Agenda.

New Business

A. Banking Changes

President Gallacher began by reminding the Board that the proposal for consolidating Corporate bank accounts into one Bank has been discussed at previous meetings and was the Agenda today to consider the proposal for Board approval and subsequent action.

Treasurer Elble explained that the plan was to move Corporate monies in all banks into one bank, 1st United Bank, and for this bank to segregate these monies in separate CDARS

(government-insured program for business CDs) containing up to \$250k each. The Treasurer further clarified that most of the money will be placed in 30-day CD's and that the Bank will notify the Corporation by email each month prior to CDAR maturity dates so that we can instruct the bank how to invest the monies at maturity. Treasurer Elble pointed out that this procedure obviates the need for our employees or officers to frequently drive to the bank to manage our accounts. Further, the partitioning of our funds into separate CDs in one bank under the CDAR program provides protection of FDIC insurance for the full amount of our deposits while they earn nominal interest.

Treasurer Elble made a motion to approve the consolidation of our Corporate bank accounts into one master account with 1st United Bank and to instruct the bank to distribute these monies into separate CDARs in amounts of up to \$250k each. The motion received a second and was discussed.

The question was called and Treasurer Elble's motion was carried unanimously. 8-0 by voice vote.

B. Approval of Rule changes

President Gallacher announced that the proposed rule changes were previously reviewed and accepted by the Board at the April 23, 2014 Special Board meeting and now needed to be considered as an amendment to the Briny Breezes' Rules, since the two-week stockholder notification as required by Statue 719 has been satisfied.

Director Brannen moved (as amended by Director Oglesby) to amend Briny Rule C, Item 1a to add a subsection iv as follows:

C. SALES AND RENTALS

1. SALES – STOCK SHARES (LOT LEASES) – MOBILE HOMES

a. Sales

iv. Each purchaser applying for membership in the corporation will have the property/unit inspected by a Florida licensed (home) inspector in part to determine if the property/unit is in compliance with the Requirements set forth in these Briny Rules Section B, #s 3. Anchoring Trailers; 7. Fire Prevention & Storage of Miscellaneous Items; 8. Condition of Lots; 9. Shutters; and any relevant Town codes. Further, if the inspection reveals gross non-compliance, a plan of action must be submitted prior to approval.

Director Brannen's motion passed 7 to 1 by roll call vote, with only Director Stewart voting for against the motion.

C. Sales process (recommendation vs approval)

Director Oglesby read By-Law Section 3.65: APPROVAL OF APPLICATIONS: which states that "Membership in the Corporation is at the option of the Board of Directors or by a Committee appointed by the Board of Directors and the Board reserves the right to approve or reject applications."

Oglesby observed that a way to 1) *honor the letter of the By-Law and maintain an appropriate level of Board oversight of new members of the Corporation* and 2) *avoid calling Board meetings to approve every membership application* would be for the Board to give the President continuing authority to grant Final Approval for all membership applications that are recommended for approval by the Sales and Rentals Committee. He added that he expected that the vast majority of membership applications will be supported by the Committee and the President thus eliminating the need for a review by the entire Board at a Board Meeting.

Director Oglesby went on to explain that **in the case** where the President does not support the Committee's recommendation for approval or where the Committee has recommended rejecting a membership application or title transfer, the President would be obligated to call a meeting of the Board to determine final disposition of the application in question. Oglesby believes the latter situation will be a rare occurrence, but one where the Board should be actively involved in per By-Law 3.65.

Finally, Oglesby suggested that whenever the Sales and Rental Committee Chair informed the Office of their decision to approve or reject one or more new membership applications, the Office will send a brief email to all Board Members informing them of the number of the unit, the names of the Buyers and Sellers and the decision of the committee (approve or reject) so the Board will be aware of all such activity in case any Board member has information relevant to an application that should be considered/communicated. No objections to this proposal were voiced.

Director Oglesby then moved that the Board grant the President continuing authority to grant Final Approval on its behalf for membership only for applications recommended for approval by the Sales and Rental Committee. However, in cases where the President believes there is sufficient reason to withhold Final Approval of a membership application recommended for approval by the Committee or if the Committee recommends rejection of a membership application, the President is required to call a meeting of the Board to consider the membership application in question for final approval or rejection. The motion received a second and was discussed.

The Board approved Oglesby's motion for Final Approval of corporate membership applications was unanimously by voice vote, 8-0. This process as described above is documented in Attachment 2 of these minutes.

Adjournment

Director Oglesby moved to adjourn. The motion received a second and was approved unanimously (8-0) by voice vote of the Board. President Gallacher adjourned the meeting at approximately 10:29 AM.

Respectfully submitted,

Tom Oglesby
Secretary, Briny Breezes Inc.
Approval Date: July 16, 2014

NOTICE

**Special Meeting of Board of Directors, Briny Breezes Inc.
Wednesday 28th, 2014
At 9:30 a.m.
At the
Briny Breezes Community Center**

AGENDA

- I. Call to Order**
- II. Pledge and Moment of Silence**
- III. Roll Call**
- IV. Proof of Notice**
- V. Approval of Minutes (prior board meeting)**
- VI. New Business**
 - A. Banking changes**
 - B. Approval of Rule changes (re: Sales; as listed in Bugle 5/2)**
 - C. Sales process (recommendation vs approval)**
- VI. Adjournment**

All Stockholders are Welcome

This notice is dated and posted: 5/1/2014 at 11:00 a.m.

Michael Gallacher, President - Board of Directors

Procedure for Corporate Approval of Membership Applications

(Approved by Briny Board of Directors on May 28 2014,)

PURPOSE

By-Law Section 3.65: APPROVAL OF APPLICATIONS reads “Membership in the Corporation is at the option of the Board of Directors or by a Committee appointed by the Board of Directors and the Board reserves the right to approve or reject applications.”

The purpose of this procedure is to:

- Honor the letter of the By-Law and maintain an appropriate level of Board oversight of new members of the Corporation and to
- Avoid calling Board meetings to approve every membership application

OVERVIEW

The Board of Briny Breezes voted unanimously on May 28, 2014 at a duly called Board Meeting to give its President continuing authority to grant Final Approval for all membership applications that are recommended for approval by the Sales and Rentals Committee. The President’s signature on the stock certificate and lease will signify said Final Approval as attested to by the Corporate Secretary.

In the case where the President 1) does not support the Committee’s recommendation for approval or 2) where the Committee has recommended rejecting a membership application or title transfer, the President is obligated to call a meeting of the Board to determine final disposition of the application in question.

PROCESS

1. The Sales and Rental Committee Chair informs the Office of their decision to approve or reject one or more new membership applications
2. The Office (person appointed by the GM) will send a brief email to all Board Members informing them of the number of the unit, the names of the Buyers and Sellers and the decision of the committee (approve or reject)
3. Any Board member aware of information relevant to the application will communicate that information to the remainder of the Board and its General Manager within three days from receipt of the email
4. **a.** If, after due consideration of any relevant information provided by a Board member, the President agrees with the Committee’s recommendation to approve a membership application, the President signs the membership document (Stock certificate and lease form) signifying final approval of the application **or**

b. If, after due consideration of any information provided by the Board, the President does not agree with the Sales and Rental Committee's (Committee) recommendation to approve a membership application(s) or the Committee recommends rejecting an application(s), the President will call a Special Meeting of the Board as soon as convenient, but not to exceed 14 days after receipt of Committee decision, to make a final decision on the membership application in question.

5. The President will then take appropriate action as determined by the Board of Directors on the application(s)

CONSIDERATIONS

This procedure will remain in force until amended or revoked by a vote of the Briny Breezes Inc. Board of Directors