

**MINUTES OF MEETING**  
**SPECIAL BOARD OF DIRECTORS MEETING, BRINY BREEZES INC.**  
**Wednesday, July 30, 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 July 30, 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 and a quorum was established for the meeting. Directors Gallacher, Gross, Stewart, and Oglesby were present at the Community Center in Briny and Directors Elble, Coyner, Long, and Brannen attended by conference phone link.

President Gallacher confirmed that Proof of Notice for the meeting was posted on Monday, July 28 2014 at 9:00 am and signed/witnessed by General Manager Theresa Pusinnen.

**Approval of Minutes**

Secretary Oglesby informed the Board that the minutes being considered for approval at this meeting were those for the Special Board Meeting held on July 16, 2014. He explained that approval of these minutes also implies approval of the modification to the Policy for Background Checks as approved during the July 16<sup>th</sup> meeting and as included as *Attachment 2* to these minutes. Oglesby then called for amendments to the minutes.

As there were no motions for amendments, ***Secretary Oglesby moved to waive reading of the aforementioned minutes and approve the minutes as written.*** The motion received a second, there was no discussion and the question was called. **The Board approved the minutes and attached amended Policy 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**

No reports of officers were presented at this meeting.

**Committee Reports**

Director Brannen reported on behalf of the Sales and Rentals Committee. She informed that the Committee is asking the Board if there are covered by liability (D & O) insurance related to the new rule that requires inspections of units prior to sale / membership approval and a plan of action to correct any deficiencies identified by the inspection. She noted that the new rule states that if problems are identified in the inspection, a plan of action will be requested. The Director then asked "Is the committee authorized and therefore also covered by liability insurance if we request and then acknowledge the plan and send forth (to the Board) a recommendation to approve (membership) for sale?"

President Gallacher confirmed that all Committee Members appointed by the Board are covered under the Corporation's liability (D&O) insurance policies. The President and Director Oglesby indicated that they support the Committee's authority to approve a (corrective) plan of action relative to the requirements in the rules and to determine if the plan of action is completed, but the President added that the Board may need to provide more direction on the limits of the Committee's authority and responsibilities in verifying that the plan has actually remedied the deficiencies.

Director Elble and GM Pusinnen expressed concern regarding Committee and Corporate liability with regard to approving the sale of unsafe units. Director Stewart pointed out that if the Buyer accepts a unit that has safety issue, the Buyer has accepted the unit “as is” and the associated risks with the unit. Director Coyner recommended a legal opinion on this issue. President Gallacher pointed out that the Corporation is not transferring properties (units), only stock certificates so there should be no corporate liability associated with the sale of an unsafe unit. Director Gross recommended that the Committee simply require the inspection and “sign off” when a plan of action to correct the deficiencies has been submitted by the seller or buyer.

Regarding the process requiring inspection compliance, the President advised Director Brannen to continue to take these activities on a case by case basis and advise the Board of any problems that arise.

### **Unfinished Business**

As there was no ‘Unfinished Business’ to discuss, President Gallacher directed the Board’s attention to the New Business items on the Agenda.

### **New Business**

#### **1. Board review for Approval – Sale of F-202 Greenan to Friend**

***Director Brannen moved to approve the sale of Unit F-202 to Barbara Friend. The motion received a second*** and a brief discussion ensued. It was established that Ms. Friend currently owns another unit in the Park and, if the motion were approved, would therefore be in violation of By-Law, Section 3.70. The President read the By-Law for the record.

*SECTION 3.70: LIMIT ON MEMBERSHIPS: No member, including their immediate family, shall acquire or hold more than one (1) stock certificate, except that a member, including his immediate family, who now holds more than one (1) stock certificate shall be permitted to continue holding same; providing that 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. 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 Board generally recognized that this Section of the By-Laws has been violated numerous times over the years and that denial of this membership application constituted prejudicial treatment relative to the large number of stockholders that have been allowed to purchase and continue to hold more than one membership in violation of the Section 3.70.

Director Gross asked for and received support from the Board to seek amendments to this Section of the By-Law at the next Annual Meeting, so that all members are allowed to hold a share of two memberships (stock certificates) and to clarify that adult members of an immediate family are not prohibited from holding a separate membership(s).

The question was called and **the Board approved the sale of F-202 Greenan to Friend by a roll call vote of 7-1 in favor of the motion. The lone dissenting vote was cast by Director Elble who stood on principle of enforcing the By-Laws as written.**

#### **2. Board review for Approval – Sale of I-17 Bowling to Goudreau & Patrick**

**Director Brannen moved to approve the sale of Unit I-17 to Goudreau & Patrick. The motion received a second** and a brief discussion ensued.

It was established that although the buyer is an immediate member (daughter) of an existing stockholder, she is an adult. Director Oglesby noted that his interpretation of the By-Law Section 3.70 is that the restriction for immediate family members was likely intended to prevent purchasing additional units using the name of a dependent minor rather than to exclude family members from becoming members after becoming responsible adults.

After discussion, the question was called and **the sale of Unit I-17 to Goudreau & Patrick was approved, 7-1, by the Board by voice vote. The lone dissenting vote was cast by Director Elble who stood on principle of enforcing the By-Laws as written.**

**3. Board review for Approval – Rental T-210 McAfoose sale to McGee, Lease previously executed W/Wilkinson**

**Director Brannen moved to approve the rental of Unit F-202 to W/Wilkenson of the previously-approved sale to McGee, honoring the pre-existing lease in force. The motion received a second** and a brief discussion ensued.

President Gallacher informed that the issue in this case was that the unit had already been sold was encumbered with a lease instrument committing to a lease period that would cover a portion of the first year of ownership by the buyer. He further stated that the lease was signed prior to the agreement to sell the unit. Although Briny Rules prohibit rentals during the first year of ownership, the Board understands that the lease agreement was entered into prior to the sale agreement and was accepted by the Buyer as a condition of the sale.

Director Stewart asked and President Gallacher supported that the Rules and By-Laws Committee develop and submit a rule to the Board to prohibit the sale of any unit while encumbered by a lease that would allow rentals during the first year of ownership.

After discussion, the question was called and **the Wilkinson rental was unanimously (8-0) approved by the Board by voice vote.**

**4. Board review for Approval – Rental L-30 previous tenant (Mrs. Sweeney) – from new owners Fairbanks**

**Director Brannen moved to approve the rental of Unit L-30 to previous tenant (Mrs. Sweeney) by new owners Fairbanks. The motion received a second** and a discussion ensued.

It was established that there was no lease agreement in place when the L-30 unit was sold to the Fairbanks. Thus, the Rule prohibiting rentals during the first year of ownership governs this matter.

After discussion, the question was called and **the motion to rent Unit L-30 to the previous renter (Mrs. Sweeney) during the first year of ownership by the new owners was defeated, 8-0, by voice vote of the Board. Thus, the rental is not approved.**

**5. Board Approval of Lynn Baumgarten to replace Sue Gross Section III on sales/rental committee**

**Director Brannen moved to approve Lynn Baumgarten, District 3, for the Sales and Rentals Committee to replace current member, Sue Gross. The motion received a second** and a brief discussion followed.

Director Brannen informed that Ms. Baumgarten has agreed to serve on the Sales and Rental Committee and Ms. Gross had asked to be replaced on the Committee.

The question was called and **Lynn Baumgarten, District 3, was approved unanimously (8-0) by the Board by voice vote, to become a member of the Sales and Rentals Committee, replacing Sue Gross.**

- 6. Board ratification of tree planting/removal applications, approved by landscape committee**  
**Director Coyner moved to ratify the tree planting/removal applications on E-204 and S-206 as approved by the landscape committee. The motion received a second** and a brief discussion ensued.

Director Coyner informed that Landscaping Committee Chairman Ken Gross and his Committee members support the requests for the removal of trees (one on each lease) on S-206 and E-204. The President pointed out that these requests have been reviewed and approved by Maintenance Supervisor, Omar Valazquez, and have been endorsed by each unit's District Director. He added that he and GM Pusinnen have made onsite inspections of both trees and agree with necessity of their removal.

After discussion, the question was called and **the Board unanimously (8-0) by voice vote ratified the Landscape and Pest Control Committee's approval of the tree removal requests on Unit leases S-206 and E-204.**

- 7. Board discussion &/or Approval – removal of mango tree from butterfly garden/corporate property**

**Director Coyner moved to approve the removal of the mango tree from butterfly garden. The motion received a second** and was discussed.

Director Coyner, liaison for the Landscaping and Pest Committee, has canvassed the Committee members and determined that they support the removal of the tree, with reluctance, if the Board approves its removal. He added that the Garden club also supports this motion. It was clear that removal of the tree would be at corporate expense.

Director Gross spoke against the motion stating unless there is a documented and pressing safety or health issue with the tree, no action to remove the tree should be taken at this time. The Office and Board have been unable to confirm claims of rats being present in or around the Butterfly Garden where the mango tree is planted. Further, the Board and Office are uncertain whether or not the mango tree has ever borne fruit that was blamed for the rat infestation.

After discussion, the question was called and **the motion to remove the mango tree from butterfly garden/corporate property was defeated, 8-0, by a voice vote of the Board.**

- 8. Board discussion of budget overages for 2014 fiscal year**

Since this item was for discussion only, no motions were made nor any action taken.

The following information was conveyed by Treasurer Elble in response to a stockholder question at the last meeting regarding her involvement with the request to have Qualmann delay their invoice until next Fiscal Year (FY) for the work to raise the finger piers on Dock drive to the level of the new marginal dock,

- On April 9<sup>th</sup>, the Board approved \$30k from operating cash “savings” account (102) that was needed to pay the remainder of the cost of replacing the marginal dock on Dock Drive that was not covered by the remaining Yacht Basin Reserves.
- On April 23<sup>rd</sup>, the Board voted to authorize up to \$36.1k from the same account to repair and raise the finger piers to the level of the new marginal docks based on the agreement with Qualmann not to invoice the Corporation until after the current fiscal year.
- The Director stated that although the current year operating budget appears to be in good standing, that there will be “administrative” shortfalls that will require some kind of action in the next Fiscal Year.

Director Coyner pointed out that the reasons for the above approvals have been discussed and agreed at prior Board Meetings.

**9. Board approval of Citizens meeting at Ocean Clubhouse w/State Senator Maria Sachs in September (week day, date to be announced later)**

*Director Stewart moved to use the Ocean Clubhouse for a meeting to be led by State Senator Maria Sachs in September (time, date to be announced later) to receive and discuss citizen input and ideas regarding Citizens insuring Mobile home units. The motion received a second and a brief discussion followed.*

Director Stewart, the Board Director who is championing and coordinating this fact-finding meeting, explained that Senator Maria Sachs is seeking citizen input on possible legislation requiring Citizens, the Florida State Insurance Company, to 1) insure mobile homes in South Florida for wind/property/liability risk and 2) insure the units for a reasonable value relative to county-appraised value of the mobile home versus a depreciated value. Director Stewart informed that Director Gross is helping him facilitate this meeting.

All Board members and stockholders in attendance supported Director Stewart’s initiative.

After discussion, the question was called and **the Board unanimously (8-0), by voice vote, approved Director Stewart’s motion allowing State Senator Maria Sachs to use the Ocean Clubhouse sometime in September for the purpose of discussing efforts to get Citizens to insure mobile homes.**

**Adjournment**

**Director Oglesby moved to adjourn. The motion received a second and was approved unanimously (8-0).** President Gallacher adjourned the meeting at approximately 11:00 AM.

Respectfully submitted,

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

Attachment 1

# NOTICE

**SPECIAL MEETING of Briny Breezes Inc. Board of Directors  
Wednesday July 30, 2014 at 9:30 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 F202 Greenan to Friend
2. Board review for Approval – Sale of I 17 Bowling to Goudreau & Patrick
3. Board review for Approval – Rental T-210 McAfoose sale to McGee, Lease previously executed W/Wilkinson
4. Board review for Approval – Rental L-30 previous tenant (Mrs. Sweeney) – from new owners Fairbanks
5. Board Approval Lynn Baumgarten to replace Sue Gross section III on sales/rental committee
6. Board ratification of tree planting/removal applications, approved by landscape committee
7. Board discussion &/or Approval – removal of mango tree from butterfly garden/corporate property
8. Board discussion of budget overages for 2014 fiscal year
9. Board approval of Citizens meeting at Ocean Clubhouse w/State Senator Maria Sachs in September (week day, date to be announced later)

**X. Adjournment**

**All stockholders are welcome**

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Theresa Pussinen, General Manager ~ Briny Breezes Inc.

This notice is dated and posted: Monday July 28, 2014 at 9:00 a.m.