

BRINY BREEZES

Briny Breezes, Florida

The Town of Briny Breezes spans approximately 42 acres in Palm Beach County, Florida, with significant water frontage on both the Intracoastal Waterway and the Atlantic Ocean. While governed by a mayor and a Board of Aldermen, the town—including its land and all of its assets—is owned by Briny Breezes, Inc. (the “Corporation”), a for-profit corporation guided by an eight-member Board of Directors. Almost all voters on town matters are shareholders in the Corporation. Briny Breezes has operated as a mobile home park since the 1920s and has been incorporated since 1963.

In 2005, the Corporation received an unsolicited offer in the amount of \$500 million for all of its outstanding shares, by a developer intent on redeveloping the property. In response, the Corporation decided to go to the market to seek competitive offers.

In fall 2006, RCLCO’s Development Services Group (DSG) was brought in by the Corporation to interview developers and evaluate proposals for the site. Proposals were ranked according to the total purchase price, timing of closing, quality/experience of the development team, and marketability of the product program and overall vision. As a result of this process, RCLCO recommended that the Briny Breezes Board of Directors should move forward and negotiate a deal based on the \$510 million offer made by Ocean Land Investments; this breaks down to slightly more than \$12 million per acre.

RCLCO then actively participated in the finalization of negotiations with Ocean Land, including Briny Breezes’ internal strategy sessions and face-to-face meetings with Ocean Land. As a result of the negotiations, Briny Breezes achieved a deposit structure that met the needs of the Corporation, a closing date that fulfilled the needs of its aging population, a tax structure advantageous to its stockholders, and, of course, a \$510 million purchase price. On January 10, 2007, the shareholders of Briny Breezes, Inc., voted overwhelmingly to sell the Corporation and all of its assets to Ocean Land.



Project Update: In August of 2007, after RCLCO’s involvement with the project had ended, the deal between Briny Breezes and Ocean Land was called off. For confidentiality reasons, RCLCO cannot share further detail regarding its ongoing involvement or concerning the project in general.