

SOUTHEASTER, INC.
BOARD OF DIRECTOR'S MEETING MINUTES
FEBRUARY 11, 2023

The Southeaster, Inc. held a Board of Director's meeting on Saturday, February 11, 2023, in the recreation room of the Southeaster Condominium, 4841 Saxon Drive, New Smyrna Beach, Florida. Notice of the meeting was duly posted on the Association property at least 3 days in advance. A quorum of the board was established and Skip Jewett, President called the meeting to order at 9:00 a.m. Directors present were Skip Jewett, President; Linda Breum, Vice-President; Diane Vinson, Secretary and Keith Ellis, Director. Mark Chase, Treasurer; Tom Smith, Director; Frank Melton, Director; Blake Thomas, Director and Steve Howard, Director, were present via conference call.

Linda Breum moved to approve the minutes of the January 14, 2023, Special Board Meeting minutes which motion was seconded and unanimously approved.

Skip Jewett, President: I want to thank Luann Fanelli for getting us through the crisis from two storms as well as the emergency pool fence installation. I also want to thank the board for all their help in making some very tough decisions in the last several months. I look forward to a peaceful kingdom in 2023.

Mark Chase, Treasurer: See attached.

Storm damage update: The stairs to the beach are complete. The repairs to the seawall on the grass side are complete and the repairs to the seawall on the concrete side are almost complete. The seawall deck paver replacement and repair will begin this week. New sod for the A and F buildings will be installed after the seawall deck paver replacement is complete.

The pool fence installation is complete.

The seawall cable railing will be installed the first or second week of March.

A building roof replacement is scheduled to begin the middle March or early April.

There was a discussion regarding the existing property gates. Since we were required to install a fence around the pools, the property gates are no longer a liability insurance requirement but can still provide additional security. Linda Breum moved to keep the existing property gates between all the buildings which motion was seconded and unanimously approved.

There was a discussion regarding the fence and gate between F102 and F103. Since we were required to install a fence around the pools, the fence and gate between F102 and F103 is no longer a liability insurance requirement. Keith Ellis moved to not replace the fence and gate between F102 and F103 which motion was seconded and unanimously approved.

The board will address traffic issues after the spring and the summer season to see if modifications will need to be made around the pool fence areas and property security between F102 and F103.

There was discussion with regards to selling the Association owned unit C202. This item has been tabled until the next Board of Directors meeting.

We have secured our Property and Wind policies for 2023. The commercial market has almost tripled. Our agent was able to secure our wind policy through Citizens at a fraction of the cost of a commercial policy.

The board discussed how hard our maintenance staff Ray Halas and Allen Ebaugh have been working because of all the damage from both storms. Blake Thomas moved to approve a \$1000 bonus to both Ray Halas and Allen Ebaugh which motion was seconded and unanimously approved.

The next regular Board of Director's meeting is scheduled for May 27, 2023, at 9:00 am in the recreation room.

Frank Melton moved to adjourn which motion was seconded and unanimously approved. The meeting was adjourned at 9:50 a.m.

Diane Vinson
Secretary, Southeaster, Inc.

2022 FINANCIAL PERFORMANCE THROUGH 12/31/22:

Year-End (YE) association income through December 31, 2022 was \$667,954; \$139,273. over budget — (\$138,600 of which was a special assessment and a check fraud reduction of \$2129.70)

YE 2022 expenses through December 31, 2022 totaled \$754,285; \$225,604 over budget (includes transfer of \$86,600 and \$50,000 from operating account to the concrete restoration and seawall reserve accounts respectively and \$83,160 allocated to reserves from assn dues.)

YE 2022 net income through December 31, 2022 was <\$86,331> (including the special assessment and transfers to reserves and check fraud <\$2129.70>)

INCOME VARIANCES:

Special Assessment to make up for projected 2022 operating deficit and unanticipated concrete restoration costs — +\$138,600.00 (over budget)

Rental income from assn owned unit C202 — +\$1239.35 (over budget)

Laundry income — <\$540.07> (under budget)

EXPENSE VARIANCES:

BUILDING OPERATING EXPENSES: <\$151,785.27> (over budget) \$86,600 transferred to the concrete restoration reserve account. \$50,000 transferred to seawall reserve account. Audited variance: <\$10,213> after sp assmt transfers were recategorized and other adjustments made.

Electric — <\$2271.29> (over budget) - rate increases

Maintenance and Repairs — <\$5205.10> (over budget) - temporary seawall fencing and storm related repairs

Water, Sewer, Irrigation — <\$4739.30> (over budget) - price increase and extra water usage

Includes \$5000.00 for seawall repair

GROUNDS OPERATING EXPENSES: <\$14,564.81> (over budget)

Trash Removal — <\$5457.62> (over budget) - inflation related increases

Mulch & Shrubs — <\$5031.44> (over budget) - price increase and extra mulching

Palm Trim & Prune — <\$2000.00> (over budget) - price increase

UNITC-202: + \$2591.65 (under budget) Good.

PAYROLL EXPENSES: <\$3897.81> (over budget)

Maintenance Gross and Social Security - extra hours because of storm mitigation

INSURANCE: <\$39,546.13> (over budget
Property: <\$46,539.65> (over budget)
Flood: + \$7348.52 (under budget)

OFFICE & ADMIN: <\$6441.41> (over budget)

Legal Fees: <\$2140.00> (over budget) seawall fencing
Fees/Permits/Licensing: <\$2154.05> (over budget)

POOL/DECK: <\$14,829.88> (over budget)

Chemicals: <\$6276.89> (over budget) chlorine price increases, also storm related increased chemical usage and chemicals for acid etching pools

Equipment Repair: <\$7862.79> (over budget) new pool heater(\$5700), new sump pumps (\$500), misc. pool supplies

CASH POSITION: (as of 12/31/21) — \$509,817.26 CASH POSITION: (as of 12/31/22) — \$517,624

2022 OPERATING ACCOUNT:

December 31,2021 balance: \$8532.98
December 31,2022 balance: \$52,819

2022 RESERVE ACCOUNT:

December 31,2021 balance: \$501,284.28

ADDITIONS:

\$153,191.13 (insurance premium repayments from operating account.)

\$83,160.00 (from assn dues.)

\$86,600.00 (from sp assmt transferred from operating account to concrete restoration account)

\$50,000.00 (transferred from operating account to seawall reserve account)

\$3811.12 (Ck# 77903) (from operating account to reimburse reserve account for ice machine purchase)

SUBTRACTIONS:

Check# 1141 - \$116,838.50 (1/5/22) to IOA (property/liability insurance premium to be reimbursed from operating account)

Check# 1142 - \$700.00 (1/11/22) to United Engineering (inspection of concrete restoration work)

Check# 1143 - \$2500.00 (1/11/22) to Terra-Scape Enterprises (deck lights/transformers)

Check# 1144 - \$16,049.40 (1/20/22) to Ace Enterprises (concrete restoration work)

Check# 1145 - \$16,852.92 (2/6/22) to Ace Enterprises (concrete restoration work)

Check# 1146 - \$12,517.45 (3/3/22) to Ace Enterprises (concrete restoration work)

Check# 1147 - \$700.00 (3/8/22) to United Engineering (inspection of concrete restoration work)

Check# 1148 - \$17,893.71 (4/5/22) to Ace Enterprises (concrete restoration work)

Check# 1149 - \$40,638.00 (6/3/22) to Terra-Scape Enterprises - Deposit for Seawall Railing

Check# 1151 - \$6799.04 (6/8/22) to Ace Enterprises - Concrete repair on B building patio beam (specifically B206)

Check# 1152 - \$12,750.00 (6/9/22) to Hartford Fire Ins - Flood insurance Buildings A-F

Check# 1153 - \$5058.75 (6/23/22) to Coastal Refrigeration - New ice machine

Check# 1154 - \$8503.95 (9/7/22) to IOA - property insurance premium increase because of updated appraisal

Check# 1155 - \$3154.15 (11/29/22) to ProServe - new pool pump (storm damage)

Check# 1156 - \$4158.50 (11/29/22) to Ace Enterprises - concrete repair for slider install A Building

Check# 1157 - \$2596.00 (11/29/22) to Total Solar, Inc. - solar panels repair (storm damage)

Check# 1158 - \$8200.00 (11/29/22) to Tim's Home Repair - seawall and beach stairs repair (storm damage)

Check# 1159 - \$8200.00 (11/29/22) to Tim's Home Repair - seawall and beach stairs repair (storm damage)

Check# 1160 - \$5000.00 (11/29/22) to Davis Brothers - new ac unit for office/rec room

Check# 1161 - \$18,676.00 (11/29/22) to Terra-Scape Enterprises - cable railing fence seawall

Check# 1162 - \$5000.00 (11/29/22) to Tim's Home Repair - seawall and beach stairs repair (storm damage)

Check# 1163 - \$10,172.71 (12/1/22) to Tim's Home Repair - seawall and beach stairs repair (storm damage)

Check# 1164 - \$36,314.98 (12/9/22) to Ace Enterprises - concrete repairs C Building window sill, B Building ceiling spall. E Building patio spalls, seawall repairs.

Check# 1165 - \$10,837.74 (12/13/22) to Tim's Home Repair - seawall and beach stairs repair (storm damage)

Check# 1166 - \$10,663.70 (12/16/22) to Tim's Home Repair - seawall and beach stairs repair (storm damage)

Check# 1167 - \$2007.77 (12/20/22) to ProServe Pools - new chemical feed pump deposit (storm damage)

Check# 1168 - \$2007.77 (12/21/22) to ProServe Pools - new chemical feed pump balance (storm damage)

Check# 1169 - \$11,365.21 (12/21/22) to Tim's Home Repair - seawall and beach stairs repair (storm damage)

Check# 1170 - \$580.00 (12/27/22) to CMS Plumbing - pool heater repair

Check# 1171 - \$9507.00 (12/29/22) to Tim's Home Repair - seawall and beach stairs repairs (storm damage)

December 31, 2022 balance: \$464,805.65*

*\$1767.38 owed to operating account for over reimbursement of insurance premiums paid in advance.

*\$6211 owed to reserves from operating.

PREPAID MAINTENANCE FEES: \$30,616.35

PREPAID TERMITE BOND: \$1530.41

PREPAID 2023 SPECIAL ASSESSMENT: \$104,000.00

PREPAID INSURANCE: \$7997.00

CONTRACT LIABILITIES: \$45,158.00

NB: I was able to review the draft auditors' report for YE 12/31/22 this morning before submitting my Treasurer's report. There were some slight differences between our internal financials and those presented in the auditors's report. I adjusted my report to the auditors' findings for the most part. There were some expense variations that I left alone since it looked like the auditors had reclassified a few of the expenses and I didn't have the detail to understand why. Overall, i think our internal financials and the auditors' numbers are consistent.