

SOUTHEASTER, INC.
MINUTES OF THE ANNUAL MEMBERSHIP MEETING
NOVEMBER 5, 2022

The Southeaster, Inc. held their Annual Membership meeting on Saturday, November 5, 2022 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 and sent to all owners of record at least fourteen (14) days in advance.

Skip Jewett, President called the meeting to order at 9:05 a.m. Linda Breum moved to nominate Skip Jewett to chair the meeting which motion was seconded and unanimously approved. A quorum of the members was established with 53 present or by proxy. Luann Fanelli, Manager, verified proof of notice.

Linda Breum moved to approve the minutes of the 2021 annual meeting which motion was seconded and unanimously approved.

Skip Jewett, President Report: Skip Jewett thanked the Board and owners for the opportunity to be Board President for the past year. This has been a challenging year especially with the seawall issue which was resolved better than expected. Skip wanted to thank Luann Fanelli for her excellent management of the Southeaster's business as well as her excellent people skills. Skip also wanted to thank all the board members for their service Mark Chase (treasurer/insurance committee); Linda Breum (VP); Diane Vinson (secretary/architecture committee); Tom Smith; Steve Howard; Blake Thomas; Frank Melton; and Keith Ellis (landscape committee) Finally, Skip wanted to thank Ray Halas and Allen Ebaugh for their hard work keeping the buildings and grounds beautiful and well maintained.

Mark Chase, Treasurer Report: Financial report attached.

The Association's solicitation of candidate's yielded four (4) members submitting their names for four (4) positions for the new term. As a result, Linda Breum, Blake Thomas, Keith Ellis and Steve Howard are automatically elected to serve on the Board of Directors.

There was a call for the vote for partial funding of the reserves in the 2023 calendar year budget resulting in a monthly assessment of \$610 per unit, and a call for the vote on approval of temporary borrowing of the reserve funds to pay insurance premiums. Donna Roberts and Nancy Ellis volunteered to verify and count the votes. After verification of all ballots and proxies the results were as follows: 53 in favor and 0 opposed for partial funding of the reserves therefore the vote to partially fund the reserves resulting in a monthly assessment of \$610 is approved. 53 in favor and 0 opposed to allow borrowing of the reserve funds to pay insurance premiums therefore the vote to allow borrowing of the reserve funds to pay insurance premiums is approved. 53 in favor and 0 opposed to eliminating two reserve accounts therefore the vote to eliminate two reserve accounts is approved. 53 in favor and 0 opposed to combining Balconies/Corridors and Common Area interiors with Concrete Restoration reserve account therefore the vote to combine Concrete Restoration reserves is approved. 53 in favor and 0 opposed to combining Asphalt Sealcoating with Asphalt Overlay and naming it Paving Replacement/Repairs reserve account therefore combining Paving Reserves is approved. 53 in

favor and 0 opposed to combining Pool Heater Repair/Replacement with Pools Interior Resurfacing and naming it Pool Replacement/Repairs reserve account therefore combining Pool Reserves is approved. 53 in favor and 0 opposed to combining Roof Replacement/Mansard with Roof Replacement Tar & Gravel and naming it Roof Replacement/Repairs reserve account therefore combining Roof Reserves is approved. 53 in favor and 0 opposed to combining Tennis Court Fencing & Gates and Tennis Courts Light Fixtures and Shuffleboard Courts Resurfacing with Tennis Court Resurfacing and naming it Tennis Court/Shuffleboard Replacement/Repairs reserve account therefore combining Tennis Court & Shuffleboard Court reserves is approved.

All owners should expect periodic special assessments when we do not fully fund the reserves.

Linda Breum moved to adjourn the meeting which motion was seconded and unanimously approved. Meeting was adjourned at 10:00 am.

Diane Vinson
Secretary, Southeaster, Inc.

2022 FINANCIAL PERFORMANCE THROUGH 9/30/22:

Year-to-date (YTD) association income through September 30, 2022 was \$539,906.78; \$143,396.03 over budget — (\$138,600 of which was a special assessment).

YTD 2022 expenses through September 30, 2022 totaled \$529,943.56; \$195,802.81 over budget (includes transfer of \$86,600 from operating account to the concrete restoration reserve account and \$62,370 allocated to reserves).

YTD 2022 net income through September 30, 2022 was \$9963.22 (including the special assessment and transfers to reserves).

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 — +\$5061.85 (over budget)

Laundry income — <\$165.07> (under budget)

EXPENSE VARIANCES:

BUILDING OPERATING EXPENSES: <\$91,234.63> (over budget) \$86,600 transferred to the concrete restoration reserve account.

Plus energy related cost increases and repairs & maintenance <\$2280.82> (over budget)

GROUNDS OPERATING EXPENSES: <\$1964.20>(over budget)

Trash Removal: <\$3233.57> (over budget)

UNITC-202: + \$5117.88 (under budget) Good.

PAYROLL EXPENSES: <\$745.00> (over budget)

INSURANCE: <\$25,875.06> (over budget)

Property: <\$30,326.08> (over budget)

Flood: + \$3536.02 (under budget)

OFFICE & ADMIN: <\$5970.53> (over budget)

Accounting/Audit Fees: <\$1820.00> (Over budget) annual audit
Legal Fees: <\$2265.00> (over budget) seawall fencing
Fees/Permits/Licensing: <\$2221.05> (over budget)

POOL/DECK: <\$14,199.68> (over budget)

Chemicals: <\$4751.69> (over budget) chlorine price increase.
Equipment Repair: <\$8382.77> (over budget) mostly new pool heater.
Deck & Furniture: <\$1065.22> (over budget) restrapping chairs

RECREATION: + \$1438.41 (under budget) Good.

CASH POSITION: (as of 12/31/21) — \$509,817.26 CASH POSITION: (as of 9/30/22) — \$546,204.94

2022 OPERATING ACCOUNT:

December 31,2021 balance: \$8532.98
September 30,2022 balance: \$53,916.50

2022 RESERVE ACCOUNT:

December 31,2021 balance: \$501,284.28

ADDITIONS:

\$105,173.17 (insurance premium repayments from operating account.)

\$62,370.00 (from assn dues.)

\$86,600.00 (from sp assmt transferred from operating 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

September 30, 2022 balance: \$492,238.44*

*\$30,629.74 due from operating account for insurance premiums paid in advance.

PREPAID MAINTENANCE FEES: \$30,391.35

PREPAID INSURANCE: \$32,343.05

PREPAID TERMITE BOND: \$1530.41