

SOUTHEASTER, INC.
MINUTES OF THE ANNUAL MEMBERSHIP MEETING
NOVEMBER 6, 2021

The Southeaster, Inc. held their Annual Membership meeting on Saturday, November 6, 2021 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 9:10 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 48 present or by proxy. Luann Fanelli, Manager, verified proof of notice.

Diane Vinson moved to approve the minutes of the 2020 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. He pointed out that the Southeaster has beautiful grounds and a laid back atmosphere. There have not been any big controversies, and the owners receive good value for their maintenance fees, and their investment in their respective units. Skip said the biggest reason for this is Luann Fanelli. Her management of the condo's business is rivaled only by her excellent people skills. Linda Breum then shared a letter she received from a long time renter in which the renter was very complimentary of Luann. Skip thanked each of the Board members for their respective service to the Southeaster: Mark Chase (treasurer); Linda Breum (VP and various committees); Diane Vinson (architecture committee); Tom Smith (landscape); Steve Howard (insurance); Blake Thomas; Frank Melton; and Keith Ellis. Skip also thanked Mark Carpenter and Richard Hale for their service on the rules committee. Finally, Skip thanked Ray Halas and Allen Ebaugh for their hard work keeping the buildings and grounds beautiful and well maintained. Skip concluded by reminding the owners that they are all friends, even though they may not know every other owner. Our goal should be that everyone enjoys this very special place.

Mark Chase, Treasurer Report: Financial report attached.

The Budget Committee recommends keeping the 2022 maintenance fees at \$545.00/month even though our initial budget numbers projected a slight annual deficit of approximately \$5500.00 which would translate into a monthly increase in maintenance fees of about \$6 per unit. Since we had a special assessment last year and also increased the monthly maintenance fees by \$50.00 per unit in 2021, we wanted to try to keep the status quo for 2022. Therefore, the budget numbers for 2022 are a bit optimistic in order to make them balance. We believe that we have a fiduciary duty as association directors to make sure that association funds are managed prudently. Therefore, what we would like to do is to task the Budget Committee with scrutinizing all revenue and expense categories including all contracts and service agreements to find cost savings and/or revenue enhancements totaling at least \$10K to be realized in 2022. The Budget Committee would also examine a variety of options to support long term financial stability particularly in the capital reserve account. If we can't meet our \$10K objective by the Feb 2022 board meeting, we may have to consider a special assessment at that time. We believe this is a prudent approach to handling our current financial situation.

The Association's solicitation of candidate's yielded five (5) members submitting their names for five (5) positions for the new term. As a result, Skip Jewett, Mark Chase, Diane Vinson, Tom Smith and Frank Melton 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 2022 calendar year budget resulting in a monthly assessment of \$545 per unit, and a call for the vote on approval of temporary borrowing of the reserve funds to pay insurance premiums. Nancy Ellis and Jim Crebase volunteered to verify and count the votes. A brief intermission was established. After verification of all ballots and proxies the results were as follows: 47 in favor and 1 opposed for partial funding of the reserves therefore the vote to partially fund the reserves resulting in a monthly assessment of \$545 is approved. 48 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. 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 9:40 a.m.

Diane Vinson
Secretary, Southeaster, Inc.

Southeaster Annual Meeting 11/6/21
Treasurer's Report

2021 FINANCIAL PERFORMANCE THROUGH 9/30/21:

Year-to-date (YTD) association income through Sept 30, 2021 was \$449,159.17; \$58,648.42 over budget — (\$46,200.00 of which was a special assessment to make up the 2020 operating shortfall and there was \$12,501.40 in additional rental income from Unit C-202.)

YTD expenses totaled \$404,543.14; \$14,032.39 over budget.

YTD net income was \$44,616.03 (including the special assessment.)

INCOME VARIANCES:

Special Assessment to make up for 2020 operating deficit — +\$46,200.00 (over budget)

Rental income from assn owned unit C202 — +\$12,501.40 (over budget)

Laundry income — <\$1585.23> (under budget)

EXPENSE VARIANCES:

Building Operating Expenses: <\$5849.19> (over budget)

Maint & Repairs: <\$6686.45> (over budget) aging buildings?

Gas-Pool: <\$1058.09> (over budget) seasonal.

Cable TV: <\$1058.28> (over budget)

Grounds Operating Expenses: <\$4306.62> (over budget)

Lights & Sign Maint: <\$2316.47> (over budget) deck and turtle lights.

Sprinkler Repair/Parts: <\$1090.83> (over budget) sprinkler and timer repairs.

Palm Trim & Prune: <\$1200> (over budget) will be close to even by year's end.

Unit C-202: Maint & Repairs: <\$5874.67> (over budget) new AC (\$5200) and misc. repairs.

Payroll Expenses: +\$13,543.93 (under budget) — Mostly savings in Maintenance Salary. (Ray part time)

Office and Admin: <\$1433.96> (over budget) — Mostly accounting fees for annual audit.

Pool/Deck: <\$8292.13> (over budget)

Chemicals: <\$4054.54> (over budget) inventory building because of supply shortages and anticipated price increases.

Deck & Furniture: <\$5213.84> (over budget) mostly new umbrellas.

Recreation: <\$1511.09> (over budget)

(repairs tennis courts - \$2261.09)

CASH POSITION: (as of 9/30/21) — \$499,563.47

2021 OPERATING ACCOUNT BALANCE:

December 31, 2020: \$43,070.89

Sept 30, 2021 balance: \$46,579.91

2021 RESERVE ACCOUNT BALANCE:

December 31, 2020 balance: \$436,142.41

ADDITIONS:

\$84,480.00 (insurance premium repayments from operating account.

\$62,370.00 (from assn dues.)

SUBTRACTIONS:

Check# 1132 - \$86,366.60 (1/8/21) (wind and property insurance premium to be reimbursed from operating account)

Check# 1133 - \$3029.87 (2/10/21) (Ace Enterprises - concrete repair/replacement exterior window sill C-205)

Check# 1134 - \$3006.50 (3/22/21) (Proserve Pools - new pool pump feeder)

Check# 1135 - \$3000.00 (5/26/22) (Ace Enterprises - concrete repair/replacement exterior window sill D-103)

Check# 1136 - \$26,428.00 (6/1/21) (flood insurance premium to be reimbursed from operating account)

Check# 1137 - \$2301.47 (6/28/21) (Proserve Pools - new pool pump)

Check# 1138 - \$4005.94 (8/16/21) (Ace Enterprises - concrete repairs E207 balcony)

Check# 1139 - \$1881.50 (8/16/21) (Terra Scape - tennis court gate replacement)

Sept 30, 2021 balance: \$452,983.56*

*\$34,410.06 due from operating account for insurance premiums paid in advance.

ACCOUNTS RECEIVABLE: \$45.00 (maint fees 1-30days overdue)

PREPAID MAINTENANCE FEES: \$32,171.00

PREPAID INSURANCE: \$38,594.12

PREPAID TERMITE: \$1530.41