

SWEETWATER EAST INVESTMENT CO.
dba LAKE HENRY ESTATES
Annual Shareholders Meeting Minutes Draft
January 10, 2022 – 7:00 PM

1. Call to Order Paul Bockelman

2. Pledge to the Flag – Moment of Silence Paul Bockelman

3. Roll Call Rocco Guarino

President – Paul Bockelman
Treasurer – Rita Fournier
Secretary – Rocco Guarino

Vice President – John Bakle
Director at Large – Vaughn Lewis

4. Declaration of Quorum Carmen Wilde

Carmen Wilde stated a quorum had been established.

5. Acceptance of Shareholders Meeting Minutes Rocco Guarino

Rocco Guarino asked for a motion to accept the posted January 11, 2021 Shareholders Meeting Minutes. John Bakle so motioned, Rita Fournier seconded, motion passed.

6. Nominating Committee Report Dale Stone

- a) Dale stated that at this year's shareholders meeting there are two positions to fill, both for 2 year terms. Dale presented 1 current Director, Rocco Guarino, and 1 past Director, Cindy Williams, applied for the positions. Resumes were included in the Annual Shareholders meeting packets which were hand delivered or mailed to the residents not present. The resumes were also in the November News Letter.
- b) There will be no nominations from the floor due to a change in our bylaws last year.
- c) Dale also thanked his co-chair, Rosemary Frost, for assisting in the process.
- d) Lastly, Dale submitted a verbal resignation to the Board from the Nominations and Disaster Preparedness Committees for personal reasons. It was an educational and pleasurable experience to have served on these committees and other capacities within LHE. Thanked everyone for allowing him to serve us.
- e) The Board accepted the resignations.

7. Election Committee Carmen Wilde

The election committee was dismissed to count the ballots.

8. Financial Reports

Rita Fournier

- a) The first report is the Budget which was included in the information packet and was approved at the November Board meeting. There have been no changes. The major changes in the passed Budget were the maintenance fees increasing to \$240/month and the golf fees increasing to \$170.
- b) The Balance sheet shows cash on hand; what has been prepaid for both Federal and State tax; our fixed assets; our liabilities which is what is put on our credit cards which changes monthly. It also shows our Capital stock which is currently shares for 275 homeowners. It also shows a loss of approximately \$32,000 from our Budget, some of which was due to the large expense of the moat which was almost \$90,000. Some of that was from a carryover from last year when we showed a profit because we didn't do the moat.
- c) The next item is the Profit and Loss which shows Budget to Actual, not a lot; maintenance fees were under by \$6,800 due to a sub account that had \$6,000 in case of a house in foreclosure and we could recover legal fees. Another item is new home administration fee, we closed 37 homes this year and we had only budgeted for 20, so there was an extra \$3,900 in that category. Also other administrative expenses were under Budget such as our printing we didn't print as many items per month so it was significantly less. There was also a difference in taxes, as mentioned at a previous board meeting, where the 2014 back taxes were payed we received a refund of \$13,000 because we were too late in paying. In projects we were over Budget by \$52,000 due to the moat.
- d) The last page is the checking account balances as of December 31, 2021. They were:
- e) Corporate Account - \$91,206; Debit Card - \$680; Emergency account - \$51,758; Projects account – down to \$2,517; Social - \$6,832; and the Pub \$6,598. For an approximate total of \$159,594.
- f) Asked for questions, no questions.
- g) Paul Bockelman asked for a motion to accept the Treasure's financial reports. Vaughn Lewis so motioned, Rocco Guarino seconded, motion passed

9. Internal Auditors Report

Cindy Williams

- a) This audit report was done by Cindy Williams and Herb Kramer. Cindy explained the tasks of the audit committee and that they do not verify the accuracy of books and accounts, as that is the role of external auditors.
- b) Cindy read the following statement "According to our corporate attorney, Albert C. Galloway Jr, this procedure follows the guidelines set down in our Bylaws. He says, "Looking at Article 13 of the Bylaws, I believe the current approach is sufficient until there is a judgement that, in essence, says otherwise. I would continue with your current method.""
- c) This year the Internal Audit committee reviewed the documentation on November 30, 2021. 43 checks and invoices were reviewed from January 1, 2021, through November 30, 2021. All credit card invoices and authorizations were also reviewed. The bulk of Lake Henry Estates Invoices are now being paid by means of the corporate credit card.

- d) Items reviewed were: date of invoice; vendor; amount paid; check #; check date; proof of service/authorization; approval signature/initials and approval date.
- e) Minor recommendations for the future were discussed with Marianne and Rita Fournier. A few items found were authorized and approved by the same individual. Recommendation was for different individuals doing this in the future. Also recommended that all invoices be properly dated, as well as the dates and initials of the approvals.
- f) Paul Bockelman asked for a motion to accept the Internal Auditors reports. John Bakle so motioned, Rita Fournier seconded, motion passed

10. Question and Answers Paul Bockelman

Since the Election committee is still out, went to a question and answer period. Paul Bockelman asked if there were any questions we could answer. No questions.

11. Election and Ballot Results Carmen Wilde

Rocco Guarino and Cindy Williams have been elected to fill the two Board positions. Vaughn Lewis motioned to accept the Election committee results, John Bakle seconded, motion passed.

12. Election of Officers meeting Announcement Paul Bockelman

As in our Bylaws, the new Board will meet privately at 1:30 PM Wednesday, January 12, 2022 to assign office positions, which will be announced shortly thereafter.

13. Swearing in of new Directors Paul Bockelman

Paul Bockelman swore in Rocco Guarino and Cindy Williams to the 2 positions on the Lake Henry Estates Board of Directors.

14. For the Board, John Bakle thanked Paul Bockelman for his services for the past 2 years.

15. Adjournment Paul Bockelman

Rita Fournier motioned for adjournment, Vaughn Lewis seconded, motion passed.
Meeting adjourned approximately 7:19 PM

Respectfully submitted
Rocco F Guarino Sr.
Secretary, LHE BOD.

January 11, 2022