

**SOUTHEASTER, INC.**  
**MINUTES OF THE ANNUAL MEMBERSHIP MEETING**  
**NOVEMBER 4, 2023**

The Southeaster, Inc. held their Annual Membership meeting on Saturday, November 4, 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 and sent to all owners of record at least fourteen (14) days in advance.

Skip Jewett, President called the meeting to order at 9:45 am. 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 54 present or by proxy. Luann Fanelli, Manager, verified proof of notice.

Skip Jewett gave the President's report. Skip thanked Luann Fanelli for helping to make Southeaster one of the premiere condominiums in NSB, as evidenced by the waiting list to buy units. Skip also thanked Allen Ebaugh and Ray Halas for their maintenance efforts. Skip thanked the outgoing board members, Diane Vinson, and Tom Smith, for their service and he welcomed the incoming board members, Rob Schwarz, and Jerry Rauterkus.

Skip said that 2023 was slightly less "crazy" than 2022. Fortunately, we were able to fix the 2022 hurricane damage Skip Jewett, President Report: Skip Jewett gave the President's report. Skip and there has been no new hurricane damage. We were able to work around the unpredictable insurance market by changing some coverage to Citizen's. We were also able to keep our liability coverage by having a pool fence installed on short notice. The seawall fence was finally installed, and the replacement of Building A's roof has finally started.

Skip said there are big issues on the horizon. These include further unpredictability in the insurance market; mandates the State that will go into effect in 2024 and 2025, such as building integrity inspections, engineering studies, and fully funding "structural" reserves; and the inevitably replacement of the roofs on Buildings B through F.

Mark Chase, Treasurer Report: Financial report attached.

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, Frank Melton, Rob Schwarz and Jerry Rauterkus 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 2024 calendar year budget resulting in a monthly assessment of \$750 per unit, and a call for the vote on approval of temporary borrowing of the reserve funds to pay insurance premiums. Nancy Ellis and Donna Roberts volunteered to verify and count the votes. After verification of all ballots and proxies, the results were as follows: 53 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 \$750 is approved. 54 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.

Tom Smith wanted to remind owners to follow the rule with regards to alterations and repairs. If damage to the roof or any other common element is caused by an owner's renovation, it will come at the owner's expense to repair. As a reminder, please see Rule 4. C. - Alterations and Repairs, from the approved Rules and Regulations:

The Association is responsible for maintaining the integrity of the common elements, including, but not limited to, the walls and roofs of each building within the complex. Any and all proposed renovations to the interior of any unit shall be submitted before the proposed renovations begin to the Manager and the Architectural Review Committee for review and approval. Said proposed renovations shall not proceed unless approved in writing by the Architectural Review Committee and the Manager. The review shall determine whether the proposed interior renovations will or are likely to adversely impact the integrity of building's common elements, such as walls and roofs, for which the Association is responsible for maintaining. The unit's owner shall be responsible for ensuring that all interior renovations to the unit comply with all applicable building codes.

Jack Moore, owner, requested we investigate charging renters a resort fee. Luann Fanelli will contact the Association attorney regarding this issue.

Linda Breum moved to adjourn the meeting which motion was seconded and unanimously approved. The meeting was adjourned at 10:20 am.

Diane Vinson  
Secretary, Southeaster, Inc.

All,

Southeaster BOD Meeting 11/4/23  
Treasurer's Report

2023 FINANCIAL PERFORMANCE THROUGH 9/30/23:

Year-to-date (YTD) association income through September 30, 2023 was \$758,008.62; \$316,453.62 over budget — (\$308,000 of which was a special assessment, \$5192.16 was non budgeted interest income, and 2129.70 from fraud recovery).

YTD 2023 expenses through September 30, 2023 totaled \$640,061.99; \$198,406.99 over budget (includes \$62,370 allocated to reserves from association dues).

YTD 2023 net income through September 30, 2023 was \$117,946.63 (including the special assessment, transfer to reserves, and check fraud recovery of \$2129.70).

INCOME VARIANCES:

Special Assessment to make up for projected 2023 operating deficit and unanticipated reserve shortfalls — +\$308,000 (over budget)

Rental income from assn owned unit C202 — +\$1325.31 (over budget)

Check fraud recovery — + \$2129.70 (over budget)

Interest income — + \$5192.16 (over budget)

Laundry income — <\$393.55> (under budget)

EXPENSE VARIANCES:

BUILDING OPERATING EXPENSES: <\$64,454.42> (over budget)

Water, Sewer, Irrigation — <\$9474.90> (over budget) extra water usage related to storm damage restoration and repairs.

Seawall Repair — <\$50,000> expensed through operating account. Transferred to reserve account in June.

GROUNDS OPERATING EXPENSES: <\$72,074.56> (over budget)

Courtyard Landscaping/Pavers: <\$69,474.40> (over budget) storm damage repair. Expensed through operating account.

Trash Removal: +\$4004.35 (under budget) — new contract



UNITC-202: + \$5153.71 (under budget) Good.

PAYROLL EXPENSES: <\$4491.73> (over budget) Maintenance Gross and Social Security

INSURANCE: <\$51,232.03> (over budget)

Property and Casualty: <\$50,983.96> (over budget)

OFFICE & ADMIN: ok overall

POOL/DECK: <\$10,024.22> (over budget)

Chemicals: <\$3542.13> (over budget)

Deck & Furniture & Equipment Repair: <\$6482.09> (over budget) storm related repairs

RECREATION: <\$1043.00> (over budget)

Tennis/Shuffleboard: <\$1418.00> (over budget) general repairs

CASH POSITION: (as of 12/31/22) — \$517,624 CASH POSITION: (as of 9/30/23) — \$457,012.58

#### 2023 OPERATING ACCOUNT:

December 31,2022 balance: \$52,819

September 30,2023 balance: \$55,467.29

#### 2023 RESERVE ACCOUNT:

December 31,2022 balance: \$464,805.65

#### ADDITIONS:

\$146,997.83 (insurance premium repayments from operating account.)

\$62,370.00 (from assn dues.)

\$50,000 from operating account to seawall reserve account

#### SUBTRACTIONS:

Check# 1172 - \$10,711.14 (1/5/23) to Tim's Home Repair (beach stairs and seawall restoration)

Check# 1173 - \$750.00 (1/5/23) to United Engineering (inspection of seawall restoration work)

Check# 1174 - \$9413.18 (1/13/23) to Tim's Home Repair (beach stairs and seawall restoration)

Check# 1175 - \$5000.00 (1/13/23) to Tim's Home Repair (beach stairs and seawall restoration)

Check# 1176 - \$104,397.05 (1/18/23) to IOA (property insurance)

Check# 1177 - \$10,000.00 (1/25/23) to Tim's Home Repair (beach stairs and seawall restoration)

Check# 1178 - \$78,852.00 (1/25/23) to IOA (property insurance)

Check# 1179 - \$30,684.25 (2/4/23) to Ace Enterprises (concrete restoration work and seawall repairs)

Check# 1180 - \$3100.00 (2/7/23) to Tim's Home Repair (beach stairs and seawall restoration)

Check# 1181 - \$13,680.00 (2/14/23) to Ace Enterprises (concrete restoration work and seawall repairs)

Check# 1182 - \$481.00 (2/24/23) to Ace Enterprises (concrete restoration and seawall repairs)

Check# 1183 - \$4275.00 (4/27/23) to W. Davis, LLC (Bldg F roof repair from hurricane damage)

Check# 1184 - \$26,840.00 (5/17/23) to Terra-Scape Enterprises (storm damage repair)

Check# 1185 - \$15,639.01 (5/25/23) to Ace Enterprises (storm damage repair to seawall and concrete restoration)

Check# 1186 - \$12,741.00 (6/1/23) to Hartford Fire Ins. Inc. (flood insurance premium)

Check# 1187 - \$750.00 (6/6/23) to United Engineering (seawall repair engineering)

September 30, 2023 Balance Reserve Checking: \$31,545.29\*

September 30, 2023 Balance Money Market: \$370,476.03

Total Reserve Balance as of 9/30/23: \$402,021.32

\*\$48,992.93 due from operating account borrowed for insurance premiums paid in advance.

PREPAID MAINTENANCE FEES: \$35,019.45

PREPAID INSURANCE: \$62,884.87

PREPAID TERMITE BOND: \$1530.41