SEVEN COVES ASSOCIATION, INC.
Annual Property Owner's Meeting
April 14, 2019

Quorum to open the meeting was established **YES**

Meeting called to order at 2:05 pm

Seven Coves Board Members Present:
Tim Steinmuller, Neil Curlee, Shelly Corso, Kevin Lacy & Don Chronister

IMC Reps. Present:
Steve Durham and Amy Lundy

Robert Yetter (from the floor) made a Motion to approve the April 15, 2018 Annual Meeting Minutes
Second-Ruth Hannah, Unanimously approved by the members.

Neil (from the floor) made a Motion to accept the slate of the Candidates by Acclamation:
Second-Tim Unanimously approved by the members.

Nominees for Candidacy: Thomas Cherbonnier, Shelly Corso, Kevin Lacy & Tim Steinmuller

Neil Curlee, Treasurer presented the 2019 Budget and Financial Report.

President's Report-Tim Steinmuller (please see attachments)

a. Attachment "A" 2018 Accomplishments
b. Attachment "B" 2019 Summary of Planned Projects

Open Forum

Mr. Cherbonnier asked about concerns regarding dock 1 and Tim said they would take a look into this.

Unidentified new resident asked what we were going to do about the poor financial trends for 2018 vs 2019. Neil indicated again that it was primarily due to the storm damages and that there was no major concern with the numbers-we would always like to get more revenue.

Mr. Canada asked about the process of communication and why he gets emails from 2 different people. Shelly replied that residents would get emails from either her or Amy depending on the topic or circumstance. She indicated we were looking at improving the communication with updating our website soon.

Mr. Cherbonnier said that there was a light out of service at the playground for some time and someone needs to check this out. Tim said they would.

Open Session of Regular Meeting Adjourned at 3:10 pm

Closed Session of Executive Meeting Reconvene at 3:15 pm

Closed Session of Executive Meeting Adjourned at 3:35 pm

EXIBIT “A”

2018 Accomplishments

Good afternoon everyone, 2018 turned out to be a pretty busy year in our subdivision. Below is a list of the 2018 projects that were completed.

1. We planned and accomplished the installation of entry security cameras at the entrance to our subdivision and the playground. The cost of this project was $13,800. We now have 35 high definition video cameras operating 24/7 throughout the subdivision. The capabilities include time recordings of all activities including traffic entering and exiting the subdivision. Capabilities include real time observation from multiple locations through instant smart phone observation from the camera points. This system supplements our Constable Service and Marina Patrol and will contribute substantially to our efforts as we work to control the Association expenses using technology. An additional expense to this was the disconnect of security cameras on dock two prior to the project starting and reconnect of dock two after the construction was done.
2. The biggest expense and project of 2018 was the tear down and replacement of dock two. Dock two was approximately 40 years old and was costing quite a bit of money every year to maintain. The Board made the decision to replace it. The cost of this project was upwards of $600,000 for the planning, construction and assembling of dock two. Planning started in April of 2018, construction started in September and it was completed in December. This project also included the demolition and removal of the courtesy dock that was on the jetty. It had become quite an eyesore and not safe to use and it was removed completely.
3. While dock two was being torn down we had a storm microburst in early September that separated dock three from its moorings and bent dock one. Dock three was closed for three months while parts were fabricated, shipped, and installed. Dock one suffered minor shutdowns. The storm repairs for docks one and three cost a total of $90,000 subject to a $40,000 insurance deductible. We were reimbursed $53,505 in settlement of the claim during February 2019 which will be reflected on this year’s February Profit and Loss statements. In reconstruction of dock three, we opted to enhance the stability of the dock with additional spud poles at our cost of $9,700. This decision will add a substantial amount of time to the overall useful life of the dock. Tenants who were displaced for the three months on dock three were reimbursed for their loss of use.
4. We paid $10,300 to repair road erosion damage in the trailer parking lot. Vehicles were getting stuck as a result of the erosion.
5. We paid $8,000 for a new air conditioner and replacement of condensers on two older air conditioners for the clubhouse.
6. Finally, maintenance was required on the pool. We had some floor cracking and filtrations problems that were addressed to protect our pool asset.

I trust you’ll agree with me that these funds were well spent. The marina and clubhouse add a significant amount of our yearly revenue which help to keep our annual HOA dues lower and help to delay annual increases. I would also say that dock two now is probably one of the nicer docks on Lake Conroe.

EXIBIT “B”

Summary of Planned Projects for 2019

This is the section where I usually list all the projects that are scheduled for 2019. As of right now because of the significant funds spent in 2018 and no pressing needs we currently have no large projects scheduled for 2019. This will give us time to rebuild our operating reserve fund. We have some maintenance items that I will address below.

1. We have sections of the marina parking lot that were failing. We obtained bids and awarded a contract and it has been completed now. This will enable us to extend the life of the parking lot for a few more years till we have to do a complete repaving. We have built a reserve fund for this future expense.

2. We are having ongoing issues in the clubhouse with drains backing up. Plumbers have looked at the problem and we are getting bids to correct it. That should be corrected soon.

3. As always new items that pop up will be addressed, but that is all that is scheduled for 2019.