

<b>Seven Oaks HOA</b> Post Office Box 942 Prairieville, LA 70769	<b>2005-06 Board Members</b> Sandy Baugh Carl Benedict Barry Boudreaux	<b>2005-06 Officers</b> Harvey Brooks Doug Lee Bridget Thomas	<b>2005-06 Officers</b> Carl Benedict, Pres. Harvey Brooks, Vice-Pres. Bridget Thomas, Interim Sec. Mike Glover, Treas.
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## I. Annual Report, Seven Oaks 2005-06 Fiscal Year Cash Statement

	Budget	Actual	Difference	Comments
<b>CASH BALANCE as of March 1, 2005</b>	\$16,022.00	\$14,590.54	(\$1,431.46)	
<b>ADD: Income</b>				
HOA Dues (221 budgeted)	\$33,150.00	\$33,150.00	\$0.00	
Interest	\$350.00	\$165.49	(\$184.51)	
Allowance for non-collection	(\$300.00)	(\$492.00)	(\$192.00)	
<b>Total Income</b>	\$33,200.00	\$32,823.49	(\$1,807.97)	Under Budget
<b>LESS: Operating Expenses</b>				
Common Area Maintenance	(\$11,000.00)	(\$10,269.89)	730.11	
Cul-de-sac rut repair	(\$750.00)	\$0.00	750.00	
Ins liab/lakes/com areas	(\$5,500.00)	(\$4,878.20)	621.80	
Legal/Other Professional	(\$1,400.00)	(\$175.00)	1,225.00	
SocCmte Sprng/Smr/Fall/Dec	(\$1,400.00)	(\$1,274.47)	125.53	
Annual Meeting	(\$1,000.00)	(\$639.33)	360.67	
Board Election Mailout	(\$225.00)	(\$225.00)	0.00	
Nwsltrs (4 times per year)	(\$900.00)	(\$561.40)	338.60	
Supplies/Postage	(\$800.00)	(\$330.94)	469.06	
Sppls/Pstge-Filing Enforcmnt	(\$200.00)	(\$263.89)	-63.89	
Filing Enforcement Lots 144 & 217	\$0.00	(\$12,231.79)	-12,231.79	
HOA Record Storage	(\$720.00)	(\$259.00)	461.00	
Utilities	(\$1,500.00)	(\$2,065.02)	-565.02	
Donations (FireDept/Chrch use)	(\$400.00)	(\$200.00)	200.00	
Website	(\$475.00)	(\$329.97)	145.03	
Miscellaneous Expenses	(\$250.00)	(\$281.54)	-31.54	
<b>Total Operating Expenses</b>	(\$26,520.00)	(\$33,985.44)	(\$7,465.44)	Over Budget
<b>Extraordinary Expenses</b>				
Removal of Oak Tree/dirt refill/sand removal	\$0.00	(\$5,490.00)	(5,490.00)	
<b>Total Extraordinary Expenses</b>	\$0.00	(\$5,490.00)	(5,490.00)	Over Budget
<b>Improvement Expenditures</b>				
Balance for Letterboard/Light	(\$1,225.00)	(\$1,363.32)	-138.32	
Add'l Budget for 2005-06	(\$5,000.00)	(\$500.00)	4,500.00	
<b>Total Improvements</b>	(\$6,225.00)	(\$1,863.32)	\$4,361.68	Under Budget
<b>TOTAL CASH EXPENDITURES</b>	(\$32,745.00)	(\$41,338.76)	(\$8,593.76)	
<b>CASH BALANCE as of February 28, 2006</b>	\$16,477.00	\$6,075.27	(\$10,401.73)	Under Budget

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**A.Revenue/Dues Collection, 2005-06**

1. There are a total of 224 lots in Seven Oaks: All 224 lots, as per our restrictions, were obligated to pay dues for the 2005-06 fiscal year. The HOA collected the annual dues amount of \$150 from 215 lots, prorated amounts from lots 210 and 136 for \$120 and \$132, respectively, and \$156 from one late-paying lot owner. Therefore, a total of 218 lots paid dues with those revenues totaling \$32,658. The actual dues collected were below the budget to be collected by a net total of \$192 (\$492 – the \$300 budgeted allowance in non-collection).
2. The HOA did not receive dues, in full, from six (6) lots during the 2005-06 fiscal year. Our records indicate that the following lots are in arrears for 2005-06 HOA dues:
  - a) Lot 065 (in arrears \$150)
  - b) Lot 133 (in arrears \$150)
  - c) Lot 134 (in arrears \$150)
  - d) Lot 182 (in arrears \$87.50)
  - e) Lot 184 (in arrears \$150)
  - f) Lot 210 (in arrears \$30)
3. At the board's monthly meeting held on January 10, 2006, the board agreed to have the 2006-07 treasurer collect the 2005-06 dues that are in arrears via the 2006-07 Annual Dues Invoice. In other words, there will be a balance carry forward shown on the annual dues notice for all lots not remitting, in full, their dues payment for the 2005-06 invoice period. The exception to collection of dues in arrears via the 2006-07 Invoice is with reference to Lot 133. The 2005-06 owners of Lot 133 have since sold their lot and, therefore, the HOA cannot demand payment for the dues in arrears from the new owners. In an effort to prevent future losses of annual dues payments, the HOA will work diligently to place a lien on any home not remitting their dues payment within the prescribed period of time on the Annual Dues Invoice.

**B. Expenditures, 2005-06**

1. Budgeted expenditures for the 2005-06 Fiscal Year were \$32,745. The HOA actually expended \$41,339, for a total budget overrun of \$8,594. It is important to note that the HOA did not expend cash for items that had been budgeted (most notably \$5,250 in cul de sac rut repairs and other improvements) due to the cash drain experienced in upholding the bulkhead rules. The categories that exceeded budget limitations and/or had not been included in the budget, and their corresponding budget overruns, are as follows:
 

a) Filing Enforcement, Lots 144 & 217	\$ 12,232
b) Removal of lost oak tree & sand/dirt refill	5,490
c) Utilities	340
d) Capital Expenditure (letterboard)	139
e) Miscellaneous Expenditures	32
2. A new expense item that had been budgeted in the 2005-06 fiscal year was for the monthly leasing of storage space for HOA records. In the Fall of 2005, the HOA acquired a small, climate-controlled rental space (we are being charged at the lower non climate-controlled rate) at Dependable Storage in Prairieville. At present, all HOA records collected by the board are being stored, at a cost of \$45 per month, at the storage facility.

**C.Cash Position as of February 28, 2006**

1. The beginning cash balance of the HOA at March 1, 2005, was \$14,591. The budgeted increase to our cash position should have resulted in an ending cash balance of \$16,477 as of February 28, 2006. However, due to underperformance on total revenues by \$377 (\$192+\$185), combined with the overrun

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on total cash expenditures by \$8,594 and additional 2004-05 expenditures decreasing our beginning cash balance by \$1,431, our cash position, as of February 28, 2006, is \$10,402 less than what was budgeted. In sum, the HOA ran into a budget deficit during the 2005-06 fiscal year but was able to meet with its cash needs due to cash reserves in the bank. Due to the HOA having realized a budget deficit while upholding the restrictions in fiscal year 2005-06, the HOA's cash reserves for the 2006-07 beginning fiscal year have been reduced to \$6,075.

**D.Capital Improvements and/or One-Time Cash Outlays, 2005-06**

1. As noted in the above Cash Statement, a total of \$19,585 was spent on the following:
  - a)\$12,232 for filing enforcement of Lots 144 & 217.
  - b)\$5,490 for the removal of the lost oak/replacement of dirt/removal of sand.
  - c)\$1,863 for balance on front entrance message board and landscape architect drawing.

**E. Restrictions and Architectural Control Committee, 2005-06**

1. ACC members for 2005-06 were Doug Lee (resigned after Katrina), Jim Dasch, Jim Losee, and Mike Progler.
2. In the HOA's 2004-05 Annual Report, the board had noted that the owners of Lot 9 were interested in possibly purchasing HOA property, at the back of their lot and abutting the lake, for \$1 per square foot. The idea for such a purchase was precipitated by the lot owners having been denied ACC approval for construction of a pool and decking that would have partially crossed over their property line and onto HOA-owned property.

In July of 2005, the board learned that since the property abutting Lot 9 is owned by all Seven Oaks homeowners, as is all HOA property, it was the lot owners of Seven Oaks who would have to vote on the sale of HOA property to Lot 9, not the board. Given this finding, the board notified all Seven Oaks lot owners of a specially scheduled HOA membership meeting whereby a vote would be held on Lot 9's offer to purchase HOA property. The offer tendered by Lot 9 was to purchase the 11,000+ square feet of property, equating to approximately ¼+ of an acre of property, for 10 cents per square foot, for a total of \$1,100+ dollars for the parcel. Two-thirds of the Seven Oaks lot owners who appeared at the special meeting voted in favor of Lot 9's purchase offer, meaning ownership of the property would be sold to Lot 9.

A few days after the election was held, the board was questioned about its failure to allow proxy votes to be submitted for the vote. The board was advised by its attorneys that before the board executed the transfer of property to Lot 9, a second vote would need to be held whereby proxy votes would be allowed. The board communicated this information to the owners of Lot 9 who ultimately decided to redraw and resubmit their pool plans. The redrawn pool plan was designed such that the structure would not be crossing into HOA property and, therefore, the purchase of the property was no longer necessary. The owners of Lot 9 have since submitted a new pool request and have been approved by the ACC. As per the new plan, the pool project is being built within the confines of Lot 9's property lines.

3. Board member Durel Braud resigned from the board, in September 2005, subsequent to the board having erred in failing to allow for proxy voting on Lot 9's above-described proposal.
4. During the course of the 2005-06 fiscal year, the ACC approved the following requests:
  - a)Pools - Lots 9, 26, 33 and 75
  - b)Fences - Lots 10, 26, 83,132,173,176,193,194, and 213
  - c)New Home Construction - Lots 133 and 134
  - d)Home Modification - Lots 20, 33, and 308
  - e)Bulkheads - 10 Lots submitted and were approved for bulkhead construction on the main lake

**F.Restrictions and Board Enforcement, 2005-06**

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Harvey Brooks  
Doug Lee  
Bridget Thomas

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1. While the ACC is charged with ensuring compliance with the HOA's restrictions, the board is responsible for enforcement of same. In March of 2005, Lots 144 and 217 constructed bulkheads in their filings without the approval of the ACC. Both of the lots' owners were asked to immediately stop their bulkhead projects on the day that their building began; they were asked to go through the ACC approval process before continuing with their construction projects. Unfortunately, the lot owners of each lot did not halt their construction projects as requested and, instead, completed the unapproved construction of their bulkheads within one week of the start of their projects. After several months of unsuccessful negotiating with the lot owners, the board subsequently filed suit against each of the lots' owners in August of 2005.

In the petition filed by the HOA against Lots 144 and 217, the HOA is being represented by Baton Rouge law firm, Phelps, Dunbar. The HOA's attorneys have established through a court approved land survey that both bulkheads were built on HOA property. In addition, neither bulkhead conforms to the bulkhead material policy for bulkhead construction in Seven Oaks.

The board was recently subpoenaed to provide HOA records and be deposed by the attorney representing Lot 144. The board is currently waiting for Lot 144's attorney to schedule the requested deposition. The owners of Lot 217, through their attorney, have expressed an interest in settling the ongoing issue without further court action.

The HOA has incurred and paid legal fees and costs of \$12,232 through February 28, 2006, in enforcing the bulkhead rules. The board has been advised that, at most, an additional \$10,000 in attorney fees and costs may be realized to bring the case through fruition given Lot 144's demand for a deposition. At present, the board is intent on requesting that the court order Lots 144 and 217 to repay the HOA, for all attorney fees and costs, should the HOA prevail in the case.

2. Although the restrictions are many for all filings and the board is tasked to enforce all, the two restrictions which usually warrant monthly attention are the following:
  - a) **Unsightly weed growth** (during the course of the year, the board designed a standard post card which is now used when first addressing a homeowner regarding this issue; 23 postcards were sent in 2005-06)
  - b) **Improper storage of a trailer, boat, etc.** (18 letters to individual lot owners were sent regarding this during 2005-06)

#### **G.Issues brought to board in 2005-06, but in need of further addressing in 2006-07, are:**

1. Over population of geese in subdivision
2. State of disrepair of 8' fence, running parallel to the RR tracks on Ryan Avenue, which, when built by developer, may have been built in part or in whole on HOA property line
3. Several homes in need of partial shingle replacement
4. HOA property, on perimeter of subdivision at Therese Court (at lake and abutting Ingram Development), Ryan Avenue (at lake and abutting RR property), Seven Oaks extension (at RR track), and West Lakeview (at lake) needs to be reviewed for possibly bush hogging (where appropriate) and planting of green buffer and/or fence
5. Small Pond (lake located between parallel of Ryan Avenue and Seven Oaks extension) needs to have water lilies eradicated due to their cause of oxygen depletion in the pond during summer
6. Asking homeowners to switch garbage service from BFI/Allied Waste to Acadian Waste

#### **H.Maintenance Committee, 2005-06**

1. Maintenance volunteers for the 2005-06 year were Durel Braud (resigned in September), Stephen Baugh, Harvey Brooks, Charles Bickham (resigned when moved from subdivision), and Greg Chachere.
2. The Maintenance Committee addressed the following during 2005-06:

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- a) Contracted with Hamilton Ventures to trim two oaks in common areas; 1 common area oak tree will be trimmed per year and on a rotating cycle
- b) Filled common area ruts caused by vehicle tires in two cul-de-sacs; re-sodded small portion of West Lakeview cul-de-sac with leftover homeowner sod
- c) Worked with Parish Dept. of Public Works in having them commit to enlarging the drain pipe, for more efficient out-flow drainage, at RR track weir off Therese Court (parish has purchased the pipe/waiting to have it installed)
- d) Had loose sand and sand bags removed from two common areas that had been left after Hurricane Rita
- e) Sought bids and contracted with Ascension Tree Removal to have them cut down the oak tree that was partially felled after Hurricane Katrina; the contractor also removed the tree and limbs from the common area and replenished the dirt in the resulting hole
- f) Worked with the state DEQ to have them require that Chris Ingram, who is the developer of the condos being constructed adjacent to Seven Oaks, install catch basins to better filter runoff from his development (two catch basins were installed)
- g) Repaired and relit gas lamps at front entrance of Seven Oaks
- h) Installed the new message board at the front of the subdivision
- i) Worked with DPW to have them paint arrows at the entrance/exit of the subdivision; at same time, had DPW remove Seven Oaks street sign, which was at the exit portion of the entrance, and had them re-install the street sign at the entrance portion of the boulevard
- j) Obtained bids for adding asphalt and/or concrete at cul-de-sacs with chronic rut problems (Randi Court and West Lakeview); this project was put on hold due to cash strains caused by restriction enforcement
- k) Removed the mildew on the two "Seven Oaks" signs at the front entrance and repainted same
- l) Obtained bids and contracted with a new lawn management service, effective February of 2006, which is responsible for cutting and weed-eating all common areas; the lawn service will also be providing semi-annual fertilizing and mulching of shrubs/trees/plants; the same service will plant 4" annuals at the front entrance twice per year

#### **I. Garden Committee, 2005-06**

1. The volunteers on this committee, who were maintaining the front entrance annuals and shrubs, as well as the shrubs and trees on all common areas, were Torey Braud (resigned September 2005) and Polly Glover (resigned September 2005); the Garden Committee volunteers who awarded "Yard of the Month" during 2005-06 were Tracey Krause, Barbara Dasch, Sandy Burtoft, and Edwina Efferson

#### **J. Social Committee, 2005-06**

1. The Social Committee members during the 2005-06 year were Kim Dunn, Paula Scarton, Carol Swindall, and Melinda Robert
2. The Social Committee organized and managed a subdivision-wide early Summer Social (complete with a super-sized water slide), a Fall Social (where a magician "appeared" and entertained) and ended the year with the traditional December Adopt-a-Family project

#### **K. Newsletter Committee, 2005-06**

1. The Newsletter Committee members were Bridget Thomas, Sandy Burtoft, and Barbara Dasch
2. The Newsletter Committee, which was formed to publish quarterly newsletters for Seven Oaks, published newsletters in March and June; the September and December newsletters were morphed into a President's Letter due to Hurricane Katrina having swamped the newsletter committee's printing shop

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(Seven Oaks resident Bob Cimo had graciously worked with the newsletter committee in providing the subdivision with beautifully printed newsletters, via his print shop located in Metairie, until Hurricane Katrina)

**L.Neighborhood Watch Committee, 2005-06**

1. The NWC was not formally organized during the 2005-06 year.

**M.Website, 2005-06**

1. Seven Oaks resident Mel Morales volunteered to be the administrator of the Seven Oaks website, [www.7oakssubdivision.com](http://www.7oakssubdivision.com), during the 2005-06 year. The board was slow in providing Mel with all the information he required and, for this reason, the website was late in being updated. If you have never pulled up the site, take a dander as there is much information that may be of assistance, including pdf files of all the restrictions.

**II. Pro Forma Budget, Seven Oaks 2006-07 Fiscal Year**

**A.Projected Revenues/Dues Collection, 2006-07**

1. There are 224 lots in Seven Oaks and all 224 lots were invoiced for their annual HOA dues on February 1, 2006. Invoice remittances were to be postmarked by February 25, 2006, or hand-delivered to Carl Benedict, at the Annual Meeting, on March 7, 2006.
2. Of the 224 homes that have been invoiced for their 2006-07 dues, a total of 142 lots paid prior to the Annual Meeting. Please note that these payments have not yet been indicated on the Pro Forma Budget for 2006-07.
3. **Regarding Note A:** This line item in projected revenues has a \$0 collection projection due to our lack of certainty on collection. The item concerns recoupment of legal fees expended by the HOA in pursuing the issue of the unapproved bulkheads. It is the board's intent to seek repayment of these fees and costs, from the defendants, via the court who currently has jurisdiction over the case.

**B.Projected Expenditures, 2006-07**

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1. As the annual stream of revenues, exclusively derived from HOA annual dues, is \$33,600 (224 lots x \$150), annual total expenditures, inclusive of operating expenses and capital expenditures, should not exceed this revenue stream. Based on a review of ongoing operating expenses, the HOA can assume to expend, on an annual basis, approximately \$26,700 - \$27,700 **in normal operating expenses.**
2. **Regarding Note B:** Due to the amount of time the HOA's secretary must spend in fulfilling the needs of the HOA, the 2006-07 budget includes, for the first time, a \$10/hour rate to be paid to whomever serves the HOA in the secretarial capacity. The person filling the secretarial position may or may not be a Seven Oaks homeowner. If you or someone you know is interested in assisting the HOA in its secretarial needs, please contact the HOA President.
3. **Regarding Note C:** Although the \$10,000 expense noted for restriction enforcement is not normally expected to be of this magnitude in cost, we have included this projected expense, which may be incurred and paid in fiscal year 2006-07 while pursuing, to conclusion, the unapproved building of two bulkheads in Seven Oaks.
4. **Regarding Notes D, E and F:** These three capital expenditures are being considered but will only proceed, in the 2006-07 fiscal year, if a) the HOA is able to recoup some of the fees and costs expended in pursuing the unapproved construction of two bulkheads and/or b) if the HOA expends less than the budgeted \$10,000, in 2006-07, in bringing the bulkhead suit to conclusion.

**C.Cash Position, 2006-07**

1. It is projected that the cash reserves (beginning cash balance) of the HOA will be reduced in 2006-07 due to the effects of the bulkhead suit. The ending cash balance, as of February 28, 2007, may be as low as \$2,550.

**D.Projected Capital Improvements and/or One-Time Cash Outlays, 2006-07**

1. No capital improvements can proceed unless as provided in the above regarding Notes D, E, and F. If monies are made available as per the above-noted explanation, the board will further review the expending of those funds on one or a combination of 1) updating of landscaping on all common areas, 2) adding asphalt/concrete to cul-de-sacs at West Lakeview and Randi Court, and 3) beginning revitalization of the common area with the lost oak.