

July 2009

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La Buena Vida Property Owners Association Newsletter

The La Buena Vida Property Owners Association, Inc is incorporated under the laws of the State of Texas as a non-profit corporation, and granted powers of administering the Covenants, Conditions and Restrictions for La Buena Vida.

LBV POA Officers

Donna Vaughan
President
donna.l.vaughan@intel.com
(361) 729-0721

Michael Zotzky
Vice President
mzotzky@comcast.net
(281) 587-8913

Jeanne Hunter
Secretary
wrhunter@cablone.net
(361) 729-5436

Michael Johnson
Treasurer
(Johnson & Cate Certified
Public Accountants)
cpaman@hotmail.com
(361) 729-9707

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Report from the Board

Your Association Board has been quite busy since election in early April. And we are pleased to report our progress via this media – our first Association newsletter. First though, we wish to thank the prior Board for their years of service and dedication. We now fully understand the effort required, but hopefully are developing a framework and better organization for future management of the Association.

To guide our efforts in 2009, we have adopted overall goals as follows:

- Audit and fully understand Association expenses and liabilities, and reduce 2009 costs as possible
- Develop and recommend a detailed operating budget for 2010
- Build a reasonable reserve to cover extraordinary liabilities (i.e., street repairs, gate repairs/replacement, street lighting, canal dredging)
- Position the Association to allow future reduction of the POA dues
- Establish effective communication with the property owners and the community

Our initial focus was to locate all of the files and documents of the Association, review the Articles of Incorporation and By Laws, and review current contracts and obligations. As part of that effort, Property Owner Association (POA) activity back to the first member meeting in May 2004 has been documented for future reference.

The next course of action - and probably the item of most interest to property owners - was the effort to analyze the major spending categories so that we could determine opportunities for cost reduction. For fiscal year 2008 - the period of December 1 thru November 30, 2008 - the Association had \$104,907 of expenses, as follows:

Mowing	\$37,582	35.8%
Water	\$27,090	25.8%
Sprinkler Repair	\$9,521	9.1%
Electrical Repairs	\$6,571	6.3%
Entrance Landscaping	\$6,165	5.9%
Electric	\$4,452	4.2%
Accounting Services	\$4,237	4.0%
Fertilize	\$3,255	3.1%
Insurance	\$2,428	2.3%
Gate Repairs	\$2,073	2.0%
Property Tax	\$791	0.8%
Sea Grass Removal	\$518	0.5%
Bank Charges	\$225	0.2%
Total Expenses	\$104,907	100.0%

(continued on page 2)

Mowing and watering common grounds comprise almost 62% of Association operating expense.



Mowing the common grounds comprises over one-third of POA expenses. In March 2009, the prior Board changed the mowing contractor which should save around \$9,800 per year. The new contract also includes mowing of the highway frontage culvert, which previously incurred separate expense several times per year.

Water bills comprise over one-fourth of POA expenses. In 2008, there was a complete change-out of the sprinkler controllers to a more efficient system – a one-time cost. In March 2009, the Board formed a Water Committee, headed by Randy Hunter. Meters have been checked for leaks, and sprinklers and controllers reset to eliminate over-watering and waste. Conditions of the common areas are being actively monitored, and monthly bills for each meter reviewed. Residents are asked not to change any of the timer settings, and to instead report issues to Randy. Year to-date water bills are lower than 2008 spend even with the drought, but unless we get rain, water usage will have to increase.

The entrance landscaping cost in 2008 should be a one-time item. Regarding electrical service, the average rate in 2008 was \$0.18/kwh. In June 2009, service was switched to a lower-cost provider and a two-year contract signed for \$0.08/kwh. And in late June, the Board also proposed a revised reimbursement level for expenses (such as mowing and watering the front gate area) paid by LBV Property Owners' Association, Inc on behalf of property owned by LBV Development LLC (the owner of Phase II). The Board is also in the process of fully understanding the Association's responsibilities regarding operation of the marina vs those of the private slip owners.

Unfortunately, 2008 fiscal year expenses exceeded assessment income, resulting in an \$11,576 deficit. Thus the 2009 dues increase of \$500 – to \$2,500 per lot. With additional diligence and ongoing programs – and some rain – the Association should end the year with a small positive balance. We need to build a reasonable reserve to cover extraordinary liabilities, but feel we are laying the groundwork for future reduction in property owner assessments.

New Association Treasurer

Effective June 2009, Michael Johnson of Johnson and Cate is the Treasurer for the LBV POA. He is accountant for most of the POA's in Rockport, plus the country club. In addition to covering the day-to-day payment of approved invoices on behalf of the POA, Michael will also be our registered agent, handle accounting and tax filing, dues invoicing and collection, and prepare resale certificates. His office is located in Rockport, Texas.

The position of Association Treasurer is the only paid position on the Board. The services had been performed since November 2004 by Barry Lobell.

Board of Director and Annual Meetings

Meetings of the Association Board are normally held on the third Sunday of each month, excluding August, when no meeting is held. All meetings are open to property owners of La Buena Vida - with the occasional exception of closed executive sessions - and are currently held at 21 La Buena Vida (Donna Vaughan's residence). The meeting date and time is subject to change, so please contact Donna in advance if you wish to attend a Board meeting.

The Board has scheduled the 2009 annual meeting for November 14, in Rockport, Texas. The exact meeting time and location will be announced later.

Michael Johnson is new Association Treasurer.

Annual meeting has been scheduled for November 14, 2009.

Association Newsletter and Website

A strong desire of the new Board of Directors is to establish and provide communications with the property owners on a regular basis. This newsletter – although simple in format – will hopefully convey the activity and progress of the Board in a timely manner. The newsletter can also be used by property owners to provide information of interest to other property owners.

We have also begun development of an Association website: www.lbvpoa.com. The website will be a repository for official documents (i.e., covenants and restrictions, bylaws), minutes of Board meetings, and related information. Thanks to Cissy Beasley of Kuper Sotheby's International Realty for providing the wonderful aerial photos of LBV posted on the website. If you have any suggestions, or an article or story that you would like published in the newsletter, please contact a Board member.



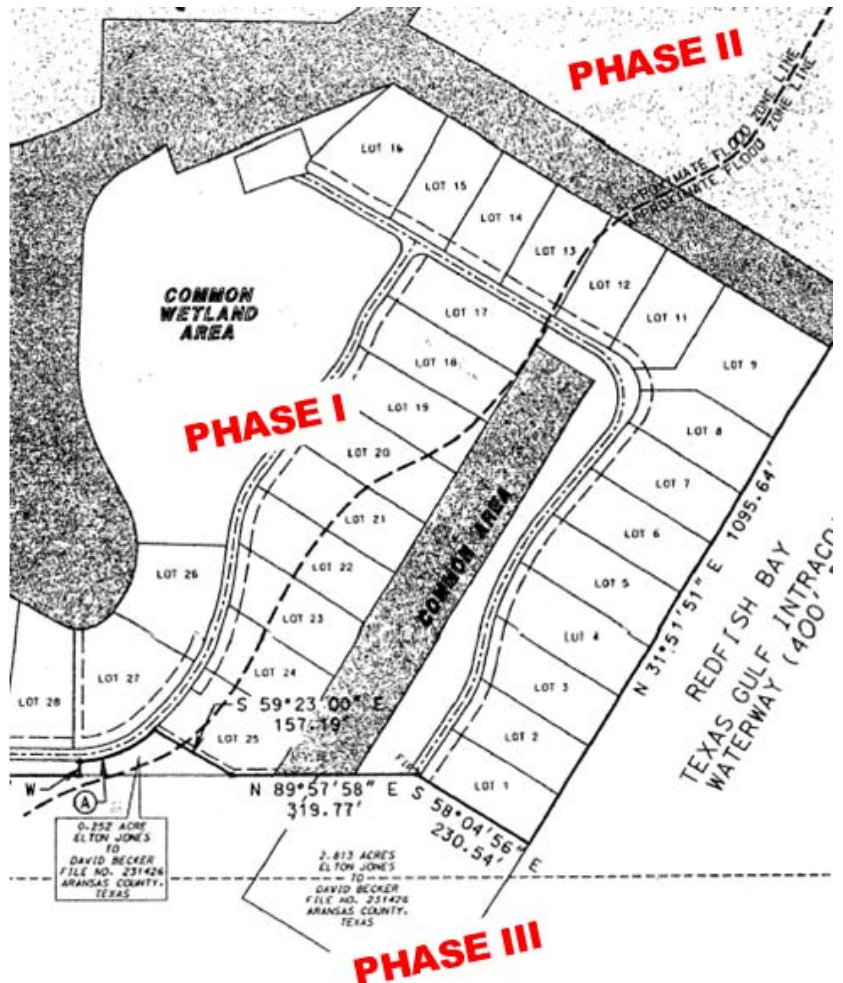
La Buena Vida Phase I & III

For those not familiar with the development “phases” of La Buena Vida, there are 44 Phase I lots. Phase I lots are adjacent to La Buena Vida Drive, but end just north of the cul-de-sac. Phase I development is governed by Declaration of Covenants, Conditions and Restrictions (CCR’s) for La Buena Vida, filed in June 2004.

Phase II is the undeveloped tract of land north of the common lake area and lake entry canal, and is owned by LBV Development LLC.

Phase III is comprised of three lots at the end of La Buena Vida Drive, starting north of the cul-de-sac. Two of these lots were retained by the LBV developer, David Becker. Lot 1 of Phase III is owned by Lauren & J.W. Turner from Tomball, Texas, who purchased in April 2008.

The CCR’s for Phase III were filed in May 2007, and identify the Phase III lot owners as members – along with Phase I - of the LBV Property Owners’ Association, Inc. Some lot owners have expressed concern about two Phases within the contiguous area. However the CCR’s – although filed separate – are similar, and all lots belong to the same POA, so this assures uniform architectural control, conditions and restrictions to the benefit of all of the Phase I and III property owners.



Architectural Committee

Chair

Bob Hardesty

(361) 463-9549

hardestybuilders@sbcglobal.net

Members

David Becker

(361) 884-3613

dkbecker1137@sbcglobal.com

Byron Field

(361) 883-4721

Byron.Fields@att.net

*Beginning in 2010,
vacant lot mowing must
be prepaid, and will be
invoiced with HOA dues*

Architectural Committee

Probably the most important committee within the subdivision is the Architectural Committee. As per Article 3.1 of the Covenants, Conditions and Restrictions for LBV, no improvements shall be constructed upon any lot or beach or channel adjacent to the lot without the prior written approval of the Architectural Committee.

Bob Hardesty is currently the Chairman of the committee. Recent activity has been approvals granted for boat docks for three owners. No new construction plans have been submitted.

Gate Code Changed

In April, the La Buena Vida entry gate code was changed to (*removed for security*). The previous code had been in effect for several years, and thus distribution was expected to be fairly wide-spread. Please try to maintain the confidentiality of this code, as it affects security for all residents as well as Association property. To facilitate construction activities in the neighborhood, the gate is programmed to be open between the hours of 6 am to 6 pm.

Vacant Lot Mowing

Mowing of undeveloped lots has historically been coordinated by the POA, to allow lot owners to capitalize on bulk mowing service, and at the same time maintain the appearance of the neighborhood. However, while a single mowing contract is very effective, the separate invoicing of around 30 lot owners several times per year is not an efficient use of Association contracted accounting services. As such, many POA's charge an administrative fee for lot mowing, in addition to the direct costs.

Beginning in 2010, the Board will require prepayment of lawn mowing expense for undeveloped lots. The prepayment will be combined with the POA dues invoicing, later this year. Prepayment allows for a specified number of mowings – probably three - in 2010, at a pre-negotiated cost for each mowing. If weather dictates less mowing is done in 2010, the excess prepayment will be credited to the property owner's 2011 assessment. If an additional mowing is required in 2010, the property owner will be invoiced (as has been done in the past).

The property owner may choose to arrange their own mowing service, but if the grass is not maintained and thus the POA is required to arrange for a mowing, the invoice will include an administrative fee plus the cost of mowing. If you choose to arrange your own mowing service for 2010, please advise the POA in writing no later than November 14, 2009. Again, understand that this is a service provided for the benefit of lot owners, and at-best is a cost-neutral operation for the POA.

Finally, we are happy to report that the new contractor is doing an excellent job mowing the vacant lots, including edging the street and bulkhead. The price per lot is also less than the previous contractor charged.

Property Owner E-mail Addresses

If you received this newsletter by US mail, it is because we do not have a valid email address for you on file. We hope to avoid the expense and delay of printing and postal-mailing future newsletters, so please send a quick email to one of the Board members and we will update our list. Having your email address also allows the Board to provide quick communications for other important items such as annexation, dues assessments, etc.

La Buena Vida Property Owners Association, Inc

c/o Johnson & Cate
Certified Public Accountants
2602 Hwy 35 N
Rockport, TX 78382

PHONE:
(361) 729-9707

FAX:
(361) 729-9729

E-MAIL:
cpaman@hotmail.com

We're on the Web!

See us at:
www.lbvpoa.com

Newsletter Name Contest

We really need help here! While your Board is diligent in cost control and planning measures, the "naming" our new Association newsletter is challenging our creative talents. So if you have any suggestions – please email or phone them to Donna. The contest will be judged by the Officers, with the winner announced in the next newsletter. As we are pretty tight with your Association funds, there will not be a big cash prize. But you will have the satisfaction of seeing your winning suggestion at the top of each newsletter!

Closing Message

If you have any questions, concerns, advice or comments, each of us on the Board monitor email or can be reached via the phone numbers listed. Also, we could use volunteers for a Nominating Committee, still need to tackle more issues, and could use anyone interested in working with us. We look forward to hearing from you.

About Our Organization...

The La Buena Vida Property Owners Association, Inc (the "Association" or "POA") is incorporated under the laws of the State of Texas as a non-profit corporation, and granted powers of administering the Covenants, Conditions and Restrictions (these "Restrictions") for La Buena Vida. The purpose of the Restrictions is to preserve the natural beauty of the property, to encourage attractive improvements which are harmonious and compatible, and to enhance the quality and economic value of the community and each lot therein.

The Bylaws of the Association govern the election of the Board of Directors of the Association, their term of office, and meetings, powers and duties. Each owner of a lot in the La Buena Vida subdivision is automatically a Member of the Association, with one vote per lot. Members elect all Directors for a term of one year.

LA BUENA VIDA POA

c/o Johnson & Cate
2602 Hwy 35 N
Rockport, TX 78382



**MEMBER NAME
STREET ADDRESS
CITY, ST ZIP**