

## MARYLAND MUTUAL NO. TEN

*The Kelmscot Village Tidings***Important****Phone Numbers**

- LW Administration:  
(301) 598-1000
- LW Security:  
(301) 598-1355
- Main Gate:  
(301) 598-1044
- Comcast:  
1-855-638-2855

**Board of Directors**

*Peggy Salazar, President*  
(301)598-0373

psalazar1952@comcast.net

*Leroy Salazar, Vice President*  
(301)598-0373

dsalazar58@comcast.net

*Susan Ascencio, Treasurer*  
(703-405-1313

seagol@hotmail.com

*Paul Eisenhour, Secretary*  
(301) 460-5588

paule@lwm10.com

*Cathy Kyle, Director*  
(301) 706-6477

cbartonkyle@gmail.com

*Christine Petersen*  
1-757-414-3849

cmpkayak@gmail.com

*Dotty VanScoyoc, Director*  
(240)669-4955

dotty36@comcast.net

*Kenia Ibanez*

*Mutual Assistant*  
(301) 598-1370

kibanez@lwm.com

**MUTUAL WEBSITE**

www.lwm10.com

July 3, 2020

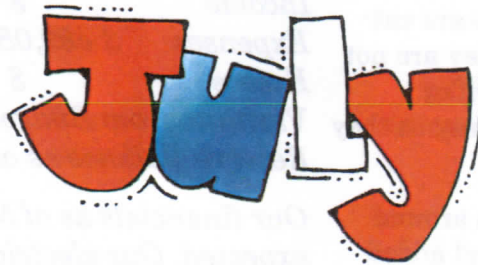
Publication: July 3, 2020

**FROM THE PRESIDENT**

By: Peggy Salazar

301-598-0373

psalazar1952@comcast.net



*“With freedom comes responsibility.” (Eleanor Roosevelt: American political figure, diplomat and activist. She was the longest serving First Lady, 1933 -1945)*

I want to thank the 32 homeowners who participated in our Annual Meeting telephone conference on June 23. Bravo to all who sent in their proxies – 102 out of 158 came in so we had a quorum of 64% when only 45% was required.

The ballots were tallied and the 3 members up for re-election gathered enough votes to remain: LeRoy Salazar, Susan Ascencio and Christine Petersen. I want to especially thank Cheryl Aiello Silverstein on Lindsey Lane for throwing her hat in the ring for a director's position. We are a Board filled with volunteers and we are grateful there are others ready, willing and able to step up when the call goes out for candidates.

As an outgrowth of the Annual Meeting, we will be forming a small group, chaired by Paul Eisenhour, Secretary to the M10 Board, to study and discuss the LWBoard's proposal to raise the sales fee for new home-

buyers from 2% to 3%. **If you'd like to join the group, call or email me ASAP.** You will have to have an email address though, as Paul will conduct the meeting virtually. (My phone # and email address are at the top of this page.) The small group will meet this summer (the vote now has been delayed until February 2021) and their input will help the M10 Board members inform their decision as to how to vote. Remember, this vote is a representative one – the Board will be voting for all homeowners of Mutual 10. I encourage all of you to read or re-read the attached memo from the General Manager as to the details of the proposed increase.

Concrete replacement work will happen July/August. If the work is close to your unit, or involves your unit, you will get a notice in your mailbox before the work begins.

*“Many public-school children seem to know only two dates: 1492 and 4<sup>th</sup> of July, and as a rule they don't know what happened on either occasion.” (Mark Twain: writer, humorist, entrepreneur, publisher and lecturer – real name, Samuel Clemens)*



## Landscaping Report

By Christine Petersen

Thank you all for your response to letters I sent regarding weeds, trimming etc. Mutual 10 looks good. Those of us living on Ludham have been plagued by a couple of does who are eating flowers and all kinds of things they are not supposed to eat. My advice is Deer Off or Bobbex but wear gloves when you spray as they smell awful.

We replaced some bushes in the pots around the mutual signs and the bus stop and added more bushes to the Rainscape Garden. Two trees were added - a River Birch on Deerhurst and a Dwarf Crepe Myrtle on Kelmscot. McFall and Berry should finish the tree trimming this coming week.

If you have flowers in the patio or around the house, dead heading will have them flowering again unless they are spring bloomers.

The rainy hot weather is good for plants but also for weeds. Plucking them when you see them means less work for your landscaper. If your landscaper was not on our list and you were happy with the work, I will add them to the list if you let me know.

Remember if you have any problems feel free to call me.

### Landscaper List

Bill Bowers	301-831-7893
Carlos Gavidia	240-305-8813
Mark Emmell	301-249-3655
Marcus	301-6110-9721

Any questions or problems call me at 757-414-3849  
Christine Petersen



## Treasurer's Report

By Susan Ascencio

*Our finances through May 2020 are as follows:*

<i>Income</i>	<i>\$ 475,049</i>
<i>Expenses</i>	<i>\$ 489,082</i>
<i>Excess</i>	<i>\$ &lt;14,033&gt;</i>
<i>Variance from Budget</i>	<i>\$ 11,201</i>
<i>Reserve Balance as of 5/31/20</i>	<i>\$ 826,430</i>

*Our financials as of May 2020 have been as expected. Our electricity bill for April was in line and water expense was under budget. Total utility cost and overall budget is still anticipated to be at or under budget for the year.*

*The 2019 audited financial statements have been approved by the M10 board. The final 2019 report will be made available for all residents to access and review.*

*Concrete and/or asphalt work to be done in 2020 from the designated Replacement Reserve funds has been identified and will begin this summer. The Planned Roof replacements for this year have been completed.*

*Stay safe, stay connected, and feel free to contact me with any questions about the community finances. I can be reached via email at [seagol@hotmail.com](mailto:seagol@hotmail.com) or by phone at 703-405-1313.*



## Summary of M10 BOD Meeting via Teleconference — June 25 2020

*By Paul Eisenhaur*

### General Manager's Report by Kevin Flannery

- The Year-to-Date budget is reflective of the impact of the pandemic. The current budget shortfall is \$365,000, and the pandemic's impact will certainly continue.
- The pandemic impact has been significantly less severe on resales. In a typical month, about 32 units are sold each month. Right now, about 24 are being sold.
- The Master Insurance Company Leisure World is likely to change if the Audit Advisory Committee recommendation is approved by the LWCC BOD. The new plan will bring one significant change – that is the master deductible remains at \$5,000 unless the cause of a fire is identified as aluminum wiring. The deductible would then be \$25,000.
- Modified opening of some amenities has begun with careful adherence to state/county safety requirements. Safety procedures are strict. They are also fluid since requirements are changeable. At present, the Fitness Center and Terrace Room restaurant are open. The week of July 29<sup>th</sup> should see an opening of the outdoor pool.

- The 2021 LW budget process has begun and will face severe financial challenges due to financial constraints and caps.
- The progress on the new Administration/Clubhouse site plan has been slightly delayed by the pandemic but continues.

### Mutual Business

- President Salazar noted that the Mutual 10 Annual Meeting was held on June 23 via teleconference with 32 residents. The meeting went well. A notable discussion was regarding the likely mutual input to the LW effort to raise the resale fee from 2% to 3%. It seemed a good idea to form a sub-committee to be educated on all aspects of this issue and the position our mutual should take. In the July Tidings, she will ask for volunteers willing to participate.
- Director Eisenhaur will lead the sub-committee on the resale effort. He will set up a Zoom meeting for any resident to be invited and participate. (Zoom is accessible by phone if a webcam is not available)
- Director VanScoyoc noted that as a result of the pandemic mutual social events are on hold for the foreseeable future. Special caution will concentrate on distancing and food safety when the situation loosens.
- Treasurer Acscencio presented the monthly invoices which were all approved. Also, she will check any requirements to post the audit on our secure community portal.
- Director Petersen reported that the significant landscape maintenance efforts that are typical during spring are done except for some trimming of trees.

## SUMMARY



### **Summary of LWCC Board Meeting — June 30, 2020**

*By Paul Eisenhour*

1. Full governance authority, which had been delegated to the Executive Committee during the early phases of the pandemic, was formally returned to the LWCC BOD.
2. The LWCC BOD approved the bid from Philadelphia Insurance Company to replace Travelers Insurance as the master insurance company for the community. Beginning August 1, 2020, the property loss deductible is \$5k/per incident at a premium cost of \$2,408,405.00. The expiring premium is \$2,493,212. The motion that passed was also recommended by the LW Insurance Advisory Committee.
3. The LWCC BOD approved a motion to delay until February 2021 the BOD approved final draft of a possible resale increase. The intention is that the extra time will allow the BOD more detailed discussions of a draft than has been afforded during the pandemic.



# This & That...

...a little of everything

- **Problems with Paying Mortgage or Condo Fees? Get Advice from a Housing Counselor:** This pandemic has, and will continue to cause financial problems for so many people. There is help guiding you through steps needed to deal with your situation. Here are 2 websites that will help you tremendously. Remember, during a hardship, the earlier you act, the more options are available!

<https://dhcd.maryland.gov/Residents/Pages/HOPE/CounselorsList.aspx>

<https://www.dllr.state.md.us/finance/consumers/frfinancialreliefguidecovid.pdf>

- **Be aware that Mutual 10 has rules about house keys:** 1) Every resident is encouraged to provide a door key to the Leisure World of Maryland Security office, in the Administration Building, along with the following information: Name of Occupant(s); Emergency contact phone number of someone not residing here. 2) All residential alarm systems must be installed and contracted with a company registered and licensed with Montgomery County. 3) If keys are not available, and in the case of an emergency, the Board has the right to enter a home by any means necessary. Any related damages will be the responsibility of the unit owner. (Page #8 under "Keys" in the Mutual 10 Rules packet)
- **TRASH/RECYCLING** – Garbage, in trashcans, to be put out the night before for **Monday & Thursday** pick-up; **Recycling**, in blue containers, to be put out the night before for **Monday & Thursday** pick-up; **Yard Debris**, in tall, yard-recycling paper bags, to be put out the night before for **Monday & Thursday** pick-up **ALTHOUGH**, you must call the Grounds Department to notify them you have yard debris for pick-up (301-598-1314); **Paper/print**, in a paper bag or tied

with string, to be put out the night before for **Wednesday** pick-up only (please secure properly so paper doesn't fly around the neighborhood when windy).

- **Consistent Reminders:**

1. Dogs must be on a leash and their "gifts" need to be scooped up. Take the poop bag home to trash it – do not leave it somewhere in the community.
2. **If you have a maintenance issue, please call LeRoy Salazar (301-598-0373) before calling PPD or any other company. He will let you know if the issue will be a cost to our Mutual or to you.**
3. Nothing is to be attached to siding, including the siding on the house inside your patio. Nothing is to be attached to the fencing either. (Only plastic wreath hangers are acceptable.) Gates, and their hardware, should not be altered. Violations will cost you the pricey bill from the siding/fencing company to fix the holes/damage. All gates, fencing and siding are owned and maintained by M10.





## Board Meeting

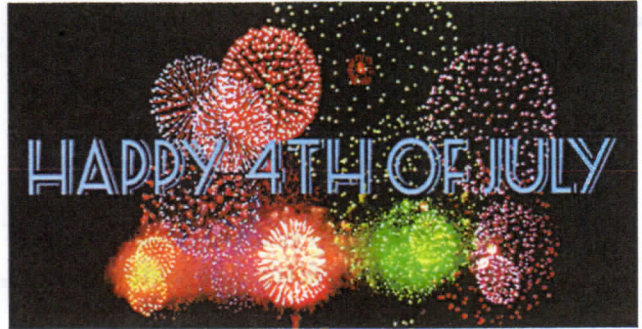
### Next Board Meeting

Mutual 10 Board Meeting will be held on July 23, 2020 at 9:30 AM.

As always, we encourage all residents to attend.



### FROM MUTUAL 10:





## MEMORANDUM

Leisure World of Maryland Corporation  
3701 Rossmoor Blvd.  
Silver Spring, MD 20906

**TO:** LWCC Board of Directors & Mutual Presidents  
**FROM:** Kevin Flannery, General Manager  
**DATE:** May 6, 2020  
**SUBJECT:** Proposed Trust Amendment: Resale Fee Increase

On April 17, the LWCC Executive Committee, acting under the authority granted to it by the LWCC Board of Directors, approved sending proposed language to the Mutual boards of directors for approval to amend the Leisure World Trust Agreements, Section II D (1). However, due to the current economic uncertainty as a result of the pandemic and to allow the LWCC board of directors the time necessary to fully vet the resolution, the Mutual boards are not being asked to take action until July/August.

The purpose of this document is to provide preliminary information to help guide both the LWCC Board of Directors and the Mutual boards of directors moving forward.

Included herein are background and process information, the resolution accepted by the LWCC Executive Committee, and Rationale. In addition, the attached spreadsheet provides the history of the previous amendments to the Trust Agreements relative to the resale transfer fee, including the establishment of the fee.

### I. Background Information

The Trust is a legal entity that holds title to the commonly owned property of Leisure World of Maryland and the shared facilities that are not part of a Mutual. The Leisure World Community Corporation (LWCC) board of directors serves as trustee of the Trust, and the Mutuels are the beneficiaries. The 2% fee received from property transfers goes into the Resales Improvement Fund to finance enhancements to the Trust facilities.

### II. The Process

The current Trust Agreements dictate that an amendment must achieve at least 75 percent of Mutual boards' weighted votes in its favor before it can be considered approved. The weight of each Mutual board's vote corresponds to the number of its residential units. For example, Montgomery Mutual has a total of 898 units, so its board's vote counts as 898 out of a total of 5,660. For the amendment to be approved, a minimum of 4,245 votes in favor of the amendment must be achieved.

As we move through the process, the LWCC Board of Directors will meet on June 30 and will draft final language to be submitted to the Mutual boards of directors.

You are encouraged to educate the owners within your Mutual regarding this amendment by sending a communication out to each owner and discussing the amendment at an open Mutual board meeting \*\*. As Agent, we will play an active role in assisting with the distribution of this information to residents, as needed.

\*\*Should meeting restrictions still be in place, Management will assist Mutuals with teleconference meetings, as needed.

### III. LWCC Executive Committee Action

Resolved, The LWCC Executive Committee acting under the authority granted to it by the LWCC Board of Directors (Resolution #13, 3/31/2020), approves sending the proposed language below to the Mutual Board of Directors for approval to amend the Trust Agreements by deleting the current language in Section II D (1) and replacing it with the proposed language Section II D

(1):

#### **Current:**

*In the case of a resale of a unit in a condominium or shares of stock in a cooperative, the purchaser(s) thereof shall transfer to the Trustees as part of the Trusteed sum, an amount equal to two percent (2%) of the gross sales price or \$500.00, whichever is greater. Each such amount shall be deposited into a Resales Improvement Fund Account. Funds in that Account are available for expanding, altering, or improving existing improvements or other properties of the Trust, and establishing Reserve Funds and a Capital and Operating Fund.*

#### **Proposed:**

*In the case of a resale of a unit in a condominium, shares of stock in a cooperative, or transfer of title in a homeowners association, the purchaser(s) thereof shall transfer to the Trustees as part of the Trusteed sum, an amount equal to three percent (3%) of the gross sales price or \$2,000.00, whichever is greater. Each such amount will be deposited into a Resales Improvement Fund. The purpose of this Fund is to expand or renovate existing Trust facilities and to construct new Trust facilities. In addition, amounts collected may be deposited into the Trust Replacement Fund.*

### IV. Rationale: (Note The Executive Committee is developing additional rationale that will be sent out to the Members of the LWCC Board of Directors)

Increasing the resales fee to 3% provides the following benefits:

- **It improves the community's ability to maintain (and possibly increase) value in a very competitive market.**
  - Reinvesting in one's business to provide modern, well-maintained and efficient deliverables is a sound business practice.
  - By updating and investing in quality amenities, the community is promoting a standard of lifestyle that will be attractive to residents, guests and potential buyers.
  - Buyers of homes in the community are purchasing not only a particular unit but also the lifestyle and amenities that come with being a resident of Leisure World of Maryland. Approximately 600 new residents buy into the community each year, each choosing Leisure World after shopping other communities in the area.



- Some residents might be concerned a resale fee increase could adversely affect their ability to sell their unit. But adding value to the community itself could raise selling prices, as has been the case in the past, offsetting any potential detrimental effect of an increased transfer fee. (See attached bar graph).
  - Since the resale fee was modified from 1% to 2%, the community has invested approximately \$10 million in facility enhancements, beginning with the expansion of Clubhouse II in 2005. This and other enhancements since then, such as the construction of the Clubhouse II fitness center and renovations of the Clubhouse I ballroom and restaurants, have greatly added to the community's value and enjoyment.
  - It helps enact Leisure World's stated mission and vision (2010). Leisure World provides a variety of amenities, which drive the need for a robust Resales Improvement Fund. Its mission, "To provide amenities and services that meet the needs and interests of the residents," and vision, "To be the most desirable and secure active lifestyle adult community in the Mid-Atlantic States," are aimed at the competitive advantage of "offering the broadest range of amenities and services," including recommendations from the 2019-20 Strategic Planning effort.
- **It positions the community to maintain its fiscal responsibility into the future.**
    - Reinvesting in facility updates and upgrades is preferable to reacting to potential problems/expenses arising from outdated facilities.
    - The Trust remains debt free, and the resale fee increase will help to support a continuation of this disciplined approach. Waiting too long to accumulate the needed cash on hand can result in facilities' conditions worsening to unacceptable levels – entering a "downward spiral," so to speak.
    - Every year the cost of maintenance, renovation and construction escalates, and funding the account needs to keep up.
    - The scope of the portfolio of Trust facilities is extensive and requires a serious commitment of funds dedicated to their upgrade and enhancement: two clubhouses, medical center, administration building, three gatehouses, golf course, tennis/pickleball courts, miles of roads and sidewalks, parking lots, hundreds of landscaped acres, etc.
    - While we are on track to fund the final projects in the previous Facilities Enhancement Plan, we should keep the Resales Improvement Fund well-funded in anticipation of further projects needed in the near future, such as recommendations resulting from the Strategic Planning effort.