

MARYLAND MUTUAL NO. TEN

*The Kelmscot Village Tidings***Important**

June 5, 2020

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FROM THE PRESIDENT

By: Peggy Salazar
301-598-0373
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June

“Never let your head hang down. Never give up and sit down and grieve. Find another way. And don’t pray when it rains if you don’t pray when the sun shines.” (LeRoy Satchel Paige: American Negro League pitcher and Major League baseball pitcher who is notable for his longevity in the game and for attracting record crowds whenever he pitched – inducted into baseball’s Hall of Fame in 1971.)

I trust you are all doing well and that the change of seasons has brightened your spirits. Sunshine and warmth even makes a pandemic seem less ominous.

We are still waiting to hear from our governor as to the number of people allowed to assemble in the month of June. The plan is that if we are allowed to meet for our Annual Meeting on Tuesday, June 23, we will – if not, we will have a meeting by phone. We’ll inform you when we know. (Please refer to the attached flyer.) **Because we might meet on the phone, it’s VERY important that ALL HOMEOWNERS return our ballots through the mail, or slip the envelope under the administration office’s glass door inside the Admin Building, which is open. We need to have a quorum of 45% in order to hold the meeting, whether in person or by phone.**

So, thank you for getting in your envelope before June 23.

Also attached is a memorandum from our General Manager as to the Proposed Trust Amendment regarding an increase in the Resale Fee – currently 2% - proposed 3%. It will be worth your while to read the memo in its entirety so you can understand the rationale for the increase. Our Mutual 10 Board will be asked to vote on the amendment in July. Until then, we’d like you to weigh in if you so desire. Call any of our board members to express your thoughts and we will take what you relay into consideration before voting. The amendment requires all mutual boards to vote, not individual homeowners, so we are your representatives for this change and will be voting on your behalf. (Your Mutual 10 Board members had their first discussion about it at the May meeting.) If you have any questions about the memo, call Paul Eisenhaur at 301-460-5588.

“Just as despair can come to one only from other human beings, hope, too, can be given to one by other human beings.” (Elie Wiesel: Romanian born American writer, professor, political activist, Nobel Laureate, and Holocaust survivor. He was a prisoner in Auschwitz and Buchenwald concentration camps.)



Landscaping Report

By Christine Petersen

The Landscape Committee has been busy this last week in May, putting water bags on new trees and deciding which trees must be removed and which need pruning. Next week we will inspect all the foundation plantings at every house to see if the Mutual 10 rules regarding up-keep have been followed. Weeds must go – beds should be edged and dead bushes or bushes touching gutters must either be removed or cut back. If new mulch is needed, make sure it does not touch the siding – to prevent termites from getting into your home. If you are replacing plants, look for the words “deer resistant” or “native” and hope the deer get the message.

This is the time to remind you that standing water is a breeding ground for mosquitos. Pots with saucers fill during rain. I personally like the little pot feet or pots on a dolly so the plants drain. If you use a watering can, turn it upside down when finished using so it will dry thoroughly.

June is the month to start pinching the buds of Chrysanthemums to have fuller plants in the fall. If you are lucky to have a tomato plant in your patio, remove some of the lower leaves to promote growth of more fruit.

Finally, if you are tired of walking in LW, take a drive to Brookside Gardens and smell the roses!

Landscaper List-for-Hire

- Bill Bowers 301-831-7893
- Jose Mayorga 301-346-5580
- Carlos Gavidia 240-305-8813
- Marcus 301-610 -9721
- Lucero Landscaping 240-604-8553

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

Treasurer’s Report

By Susan Ascencio

Our finances through April, 2020 are as follows:

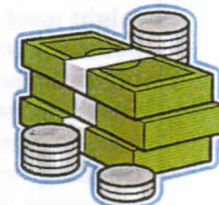
Income	\$ 385,349	
Expenses	\$ 405,989	
Excess	\$ <20,640>	
Variance from Budget		\$ 8,135
Reserve Balance as of 4/30/20		\$ 803,149

Our financials as of April 2020 have been as expected. Our electricity bill for April came in under budget and water expense as expected. 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 available shortly for all residents to access and review.

The planned roof replacements for this year have been completed. Concrete and/or asphalt work will be identified for repair or replacement with the 2020 budgeted Replacement Reserve funds through this season.

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 or by phone at 703-405-1313.





Summary of M10 BOD Meeting via Teleconference — May 28, 2020

By Paul Eisenhaur

Assistant General Manager Crystal Castillo Re- ported for the General Manager

- For the period ending March 31, 2020, net operating expenses were \$40K over budget. As of March 31, the net operating expenses were \$105K over budget. As a result of the pandemic impact, these losses are expected to rise significantly.
- To mitigate the severe financial impact on residents and likely employee layoffs, a federal Payroll Protection Plan loan was secured to support payroll expenses while experiencing a significant loss of income at the same time. The intent is to meet government conditions for loan forgiveness by early July.
- During April, there were 27 property transfers. A pandemic negative impact on home sales/prices hasn't been seen - yet.
- The Maryland state legislature has passed a law allowing the master insurance policy deductible to increase from \$5K to \$10K. Given the massive increase to LW, this will likely begin on October 31. It will be necessary for every home owner to contact their insurance company to address the coverage adjustment needed. There will be more info about this in the LWNews in the coming months.

Mutual Business

- President Salazar noted that the Mutual 10 Annual Meeting planned for late June (hopefully) will be switched to the Clubhouse II activities room. Plans will be announced when they are firm. There will be no food this year. It was noted that some other mutuals have conducted their annual meetings by Teleconference. If that must be resorted to, it's good to know it can work.
- Director Petersen reported that the landscape maintenance efforts, that the annual spring appraisal of landscape needs in the mutual, have continued despite the pandemic. Scheduled tree removal and replacement is about done for the year.
- Vice-President Salazar reported that all scheduled roof repairs for the year have been completed. Final concrete replacement measurements will be completed next week.
- Director Kyle is planning to continue efforts to

recruit back-ups for newspaper delivery of the Mutual 10 Tidings.

- Director VanScoyoc noted that as a result of the pandemic, mutual social events are on hold. Special caution will concentrate on distancing and food safety when the situation loosens.
- Treasurer Ascencio presented the monthly invoices which were all approved. Also, she will check any requirements to posting the audit on our secure community portal before doing so.
- Director Eisenhaur directed a discussion about raising the community resale fee from 2%-3%. The reason mutuals must be involved is that the Trust Agreement (not a simple bylaw) was agreed to by all mutuals and can't be changed without their consent. Info will be presented to residents soon to explain the effort.

Summary of LWCC Executive Committee Meeting

By Paul Eisenhaur

Note: The LWCC BOD granted temporary authority to the Executive Committee (Resolution #13, 3/21/2020) to act on its behalf.

ACTIONS

1. The Exec Committee approved a recommendation by the Personnel Special Committee for the funding of \$160k in the 2021 budget for General Manager Transition expenses. This includes retaining a search firm, interview expenses, legal and moving expenses. This effort was essentially the will of the BOD as directed in discussions over the past year.
2. The Exec Committee approved the recommendation of the Budget & Finance Advisory Committee to have the 2019 fiscal year deficit of \$63,570 carried forward and charged against the 2021 LW budget and not charged back to the mutuals.
3. The Exec Committee approved a resolution, motioned by committee member David Polinsky, to take no further action on the Resales Increase effort until the full LWCC BOD has a chance to review and act on the proposal. This formalizes the plan that's in place.

Note

- ** Draft assumptions for the 2021 budget will be distributed by the GM to the Budget & Finance Committee and LWCC BOD in May/June.
- ** In spite of the pandemic disruption, finalization of permitting and contractor selection for the new Admin Building continues as scheduled.
- ** The resident gate access system has been augmented by concurrently installing a visitor access system to address potential problems of traffic congestion.



- **Be aware that M10 has parking rules:** "All vehicles parked on a day-to-day basis must belong to residents or temporary guests and must have a valid license tag. No recreational vehicle (trailer, motor home, fifth-wheel camper & truck, camper or boat) may be parked within the Mutual except a maximum of two days for the purpose of loading or unloading. No commercial vehicles are allowed to park overnight. Golf carts shall not be parked on any street within the Mutual or between the street and sidewalk. Golf carts must be parked in the garage or on the driveway. Parking or driving on grass is prohibited. Parking is not allowed on concrete turn-around areas." (Page #9 under the section PARKING, Mutual 10 Rules)

- **Please consider:** With summer soon here, consider not only getting outdoors but also doing a good deed at the same time. It doesn't take long, it provides some exercise and it contributes to the well-being of your neighbors. It's the delivery of the Leisure World News 2 times per month, and The Kelmscot Village Tidings once per month. What is needed at this time is **BACKUP**, when the regular delivery person cannot deliver. You can opt to help out in your neighborhood only or anywhere in Mutual 10. Hope to hear from you! **Cathy Kyle** – 301-706-6477

- **An often asked question about replacing front and patio doors and screen doors:** They may be of any design, but they must be white in color. The cost is the homeowner's.

- **Take care when pulling in or out of your driveway – guests too:** If a garage door is damaged, the cost to replace a panel (s) is the homeowner's responsibility. The

Mutual paid for all new garage doors 3 years ago. "Any external damage to a unit caused by the owner will require restoration at the owner's expense." (Page #2 under the section PENALTIES AND SANCTIONS, Mutual 10 Rules)

- **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

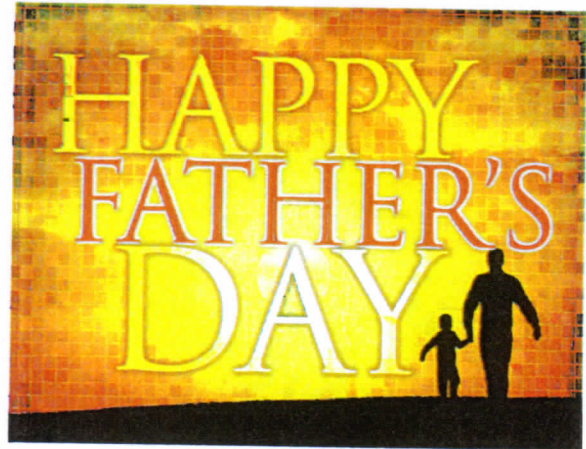
Mutual 10 Annual Meeting
will be held on June 23, 2020
at 2:00p.m.

Mutual 10 Board Meeting
will be held on June 25, 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.

NOTICE of Annual Meeting for Mutual 10
Kelmscot Village

It will either happen in person on Tuesday, June 23,
2:00 p.m. in Clubhouse II, Activities Room, OR by
telephone conference - same date and time.

*It's VERY important that you vote and send in
your ballot by mail, or slip it under the glass
door of the Admin Office, inside the Admin
Building (which is open). This is not the year
where we can chance hand-carrying the ballot
to the meeting.*

After voting for 3 out of the 4 candidates, place your ballot in
the envelope provided (stamp required if mailing), seal, and
sign/date the back of your envelope – OTHERWISE YOUR
VOTE WON'T COUNT.

Thank you for participating in our Annual Meeting as is
required in our by-laws. We will let you know soon if we will
be meeting in person or by telephone.

Questions?

Call Kenia Ibanez, Mutual Assistant, at 301-598-1370

or

Peggy Salazar, President, at 301-598-0373