

WATERS LANDING ASSOCIATION, INC.

Qualification Statement for Board of Directors Candidate

Laura Tise Magnuson.

Phone:

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Have you ever been involved in a Homeowners Association or similar community service organization? If so, describe including positions held & length of service.

I have been a community activist for the entire 32 years that I have resided in Waters Landing. I have served as Treasurer on the Waters Landing Board of Directors for the past two years. During that time, I have found an investment advisor specializing in HOAs who has increased our investment income significantly in safe, HOA-appropriate investments. I have examined our books on a monthly basis and found issues and deviations that lead me to the conclusions below. I consult with our auditor regularly and follow up, to the extent I can, with the recommendations in our annual audit. I am the third treasurer in the past 3 years. This underscores the problems discussed below.

What background or experience do you have which would qualify you for a Director position (education, organizations, occupation, attending Waters Landing meetings, etc)? I am a licensed attorney who has practiced in Maryland for the past 30+ years. My legal experience has been very important in responding to the very complex litigation that has occupied the Board since April, 2021. It was also instrumental in discovering that our AERC process lacked appropriate notice to the community both before applications were submitted and after AERC decisions were rendered. This lapse in due process resulted in a number of neighbors being upset about changes that were being approved and constructed without notice to the community and which were contrary to the guidelines. Our guidelines are recorded in land records and define a design concept for the community that people have relied on when they bought their homes. Once the notice process was corrected, the result was a number of appeals to the Board which were considered extremely carefully, in great detail and in consultation with WLA counsel. The decisions on appeal were either unanimous or close to unanimous, and most importantly, were consistent among the applications and with the guidelines. This was a very difficult process, and the Board endured a lot of criticism for trying to correct the procedures to be fair to all, not just those who wanted a change to the guidelines. The minutes, taken by Anita Weinstein, were painstakingly complete and are available to anyone who wishes to understand the Board's decision to uphold the existing guidelines.

What are your reasons for seeking nomination to the Board of Directors (goals, ideas, etc)? WLA is both huge and in a very serious transition period. According to our counsel, it is twice the size of most HOAs, and staffed by about half as many as other HOAs. We have communicated to the community throughout this past year, that as result of being understaffed, we are behind on our budget process, we continue to see the same issues year-after-year in our audits, we are late in awarding contracts which are often not bid, we do not pay our invoices on time, we do not do regular community-wide inspections or enforcement, our delinquencies are growing and have been cited by our auditor. We are not increasing our reserves at the rate recommended in our reserve study and we

are keeping too much in operating accounts according to our auditor. Our community center and pool houses are outdated and need repair, our parking lots are not being repainted, our asphalt is in need of repair, and our EV station policy has yet to be voted on and implemented. Anita Weinstein, our secretary, has kept an action item list that grows every month. The Board has examined other options to resolve these increasing deficiencies, but the only option that has had any traction is consideration of expanding our current financial management contract with FSR into a full property management contract so as to provide the necessary support for staff. Our budget process to date confirms that we can well afford the 7% of gross salary cost to manage staff and our auditor confirms that this is within industry standards. Hiring FSR as a full property manager would not result in an increase in assessments but would provide all of the resources of a nationally owned property management company to Waters Landing with continued, personal, on-site management. A review of the CCOC records shows that essentially all other HOAs in Montgomery County are managed by property management companies. Our auditor has strongly suggested that we not change our financial management unless we absolutely have to. She, our counsel, our investment advisor, and another attorney all confirm that FSR is a good property management company.

I have watched many educational webinars for Board members which confirm that being on the Board of Directors of an HOA of our size and complexity requires experience and knowledge that many new board members do not have. That should not be an issue once full property management is engaged, but absent that, I am very concerned about the future of our organization. We will have one employee as of December, 2023, and we have no succession plan should our GM not be available to continue to work. This is very concerning. A majority of the Board is considering a full property management contract with FSR. If a contract agreement is not reached, no other plan has been presented to address the problems stated above.

The complexities of our organization cannot be overstated. We have 26 different neighborhoods and 27 different budgets. We have had 3 treasurers in 3 years. Understanding our budgeting process is essential for the health of the organization. I have spent the last two years learning how it works and hope to make it clearer to our members should I be re-elected.

A majority of the Board: Mark Sagarin, Anita Weinstein and myself, have diligently pursued options for bringing our management up to industry standards. Anita and I are up for re-election. If we lose the majority vote, there is no plan in place to solve the problems identified above. This is not the time for people who not been intimately involved in the situation to start fresh on the board. WLA would be greatly disadvantaged if we yet again interrupt our continuity of operations and were left with insufficient management staffing.

Vision for the future of WLA: I am optimistic that with adequate staffing and resources we can address the outstanding issues and move towards some additional goals. In my two years on the Board, I realize that our neighborhoods each have their own distinctive character and personality, yet we have not succeeded in encouraging Neighborhood Advisory Committees ("NACs") or in knowing what the needs of each community are. To date, the Board does not hear from the community through the office. Calls and complaints are not tracked so we are sitting in an ivory tower not knowing much about how our members feels about being part of WLA. This could be addressed in a number of ways including inviting particular neighborhoods to the monthly Board meetings.

I also would like to see a much better use of our committees from the point of creating the clear mandate for the committee, soliciting and vetting applicants, ensuring open communication between the Board and the committee, and ensuring that the committee mandate is followed. This has not been the case in the past. Unfortunately, much anger and disappointment has resulted. A property management company would assist with this process.

Our current AERC has asked for a review of the guidelines. Once the lawsuit is finalized and our management is stabilized, this is a priority that requires adequate notice and consideration of all points of view with a constant eye towards the design principles on which this Community was founded.

My highest priority goal is to stabilize the management of the Association in a way that the Board of Directors can change over the years without risk to the stability of the organization. That change to new directors during this very serious transitional period is risky.

I want to endorse Anita Weinstein also if she chooses to run. We have made very important changes since Anita was appointed to the board in March of this year. While we both have encountered a lot of challenges in the past two years, she is essential to this transition period.

For these reasons, I ask you to vote for both me and Anita Weinstein at our annual meeting on December 20, 2023.