Indian Summer HOA Board of Directors

Board of Directors Meeting – Third Monday of Each Month, 5:30pm

President, David Skinner
Vice President, Gordon Jackson
Treasurer, Bill Moseley
Secretary, Janet Charles
Member At-large, MaryAnne Lindeblad

Meeting Date: **Monday, June 16th, 2025**
Meeting Time: **5:30 PM**
Meeting Location: **Indian Summer Clubhouse and on Zoom**

<u>Meeting Minutes</u>

1. Call to Order – Gordon @ 5:38pm

2. Roll Call : MaryAnne Lindeblad, Bill Moseley, Gordon Jackson; ABSENT: Janet Charles, David Skinner
   VIS – Nicole Eby, Bella Stupina, See sign in sheet

3. Approval of the Agenda - **Motion to approve 1st Bill, 2nd MaryAnne, All 3**

4. Approval of the Minutes from the Board Meeting of May 19th, 2025 – **Motion 1stMaryAnne, 2nd Bill, All 3**

5. Treasurer's Report – **Motion 1st Gordon, 2nd MaryAnne, All 3**

6. Homeowners' Forum (20 Minutes) – NONE

7. Committee Briefings
   a. Ad-Hoc CC&R Rewrite Committee: Mike Brauser, Chair -Attached
   b. Architectural Review Board: Linda Kaszycki, Chair - Attached
   c. Communications : Kathie Torgison, Chair – Attached
   d. Social Committee: Janet Charles, Board Liaison - Attached
   e. Finance Committee: Roselyn Marcus, Chair - Attached
   f. Maintenance Committee: Jeff Gochenour, Chair – Attached
   g. Nature Preserve: Cal Early, Chair- NA - Attached
   h. Pet Committee: Nancy Watkins, Chair – Attached
   i. Security Committee: Jeanne Johnson, Chair - Attached
   j. Compliance Committee: (Vacant; BOD acting as committee) – NA

8. Unfinished Business: Action, Discussion, Information
   a. **Our current contract with VIS Management expires at the end of this calendar year. The Board issued a Request for Proposals on June 13 to current and potential management contractors. Proposals are due July 15, and the Board will hold closed meetings to consider and select potential candidates to interview. When the successful bidder is selected, the board will establish a new contract to be in effect January 1.**

9. New Business

Discussion/Information

Action Items

- a. **Proposed changes to Policy FIN-07**
  - a. **Motion – 1st Bill, 2nd MaryAnne, All 3**

10. Board Member Comments

- i Bill asked about Garage Sale details and the Board will discuss more at the next working session.

b. Good of the order

c. President's closing remarks

d. Notice of next month's board meetings

- i Board working session – Monday, July 7th @ 5:30PM, Club House (open)
- ii Board Meeting – Monday, July 21st @ 5:30PM, Club House (open)

11. Executive Session as needed. The Board of Directors may convene in closed executive session to consider matters involving possible violations of governing documents. (RCW 64.38.035) -NONE

12. Adjournment **6:45pm 1st Bill, 2nd MaryAnne, All 3**

Sign In Sheet

Date 6/16/2025

Name	Address	Do you wish to speak during homeowner comments? (Each owner will be limited to 3 minutes)
Steve Shaver		
Mary Weiss		
Jeanne Johnson		
Jeff Gochenour		
Jeanne Wilson		
Lorraine Price		
Ingrid Rees		
Donna Sloan		
Linda Kasuzki	3914 PWIdC	
Nancy Watkins	6504 Troon	
Kathie Torgison		
Melissa Watkins		
Mike Brauser		
Ro Marcus		
Lauren West		
Susan McColley		

via zoom

Indian Summer Home Owner's Association

Board Financial Snapshot

Date May-25

	Current Month	Actual to Date	Budget	Variance	Comments
Income	**$ 55,607**	**$ 293,544**	**$ 690,205**	**$ 396,661**	Dues, Fines, $15345 Carryover
Operating Expenses					
Security	$ 10,495	$ 57,372	$ 138,977	$ 81,605	Gate Repairs--$3700 Above Budget
Maintenance	$ 29,373	$ 82,975	$ 210,495	$ 127,520	
Administration	$ 11,644	$ 43,442	$ 129,445	$ 86,003	VIS Mgt/Services,Insurance, Legal
Community Liaison(Social)	$ -	$ 89	$ 9,434	$ 9,345	
CCR Rewrite	$ 1,611	$ 2,276	$ 14,971	$ 12,695	
Pets	$ -	$ 1,039	$ 2,973	$ 1,934	
Communications	$ -	$ 267	$ 2,200	$ 1,933	
ARB	$ -	$ -	$ 1,700	$ 1,700	
Nature Preserve	$ -	$ -	$ 561	$ 561	
Emergency Maintenance	$ -	$ -	$ -	$ -	
Contingency	$ -	$ -	$ 8,500	$ 8,500	
Total Operating Expenses	**$ 53,123**	**$ 187,460**	**$ 519,256**	**$ 331,796**	
Reserve Fund Transfer	$ 12,967	$ 51,868	$ 155,604	$ 103,736	
Total Net Expenses	$ 66,090	**$ 239,328**	**$ 674,860**	**$ 435,532**	
Net Total /(Loss)	-$10,483	$ 54,216	$ 15,345		
Assets					
- Savings		$ 25,778			
- Investments		$ 998,937			Rockefeller (Reserve Fund)
- Acct's Receivable		$ 3,567			No Change
- Operating Checking		$ 172,355			Includes Petty Cash
Total HOA Assets		**$ 1,200,637**			
Reserve Fund Expenses		**$ 4,508**			

June 16, 2025
Monthly Report for ISHOA Board
CC&R Rewrite Committee

The Committee met on May 3, May 10 and May 31.

1. Final review and revisions were completed for all the documents needed for the upcoming Board Briefing on the revised CC&Rs and Bylaws.
2. Arrangements were finalized for Briefing document printing, AV equipment, and meeting room selection.
3. Plans for Oki negotiations were discussed with David Skinner.
4. The critical connection between well-functioning Policies and homeowner acceptance of revised CC&Rs was discussed at length. When current or proposed Policies are causing confusion or complaints, homeowners may react negatively to related topics found in the amended CC&Rs. Improving any weakness in current policy should be done now to improve chances for passage of the amended CC&Rs next year.
5. The Committee has obtained an opinion from John Burleigh that Indian Summer's four sub-associations are subject to the laws governing community associations. As such, the sub-associations should be following the requirements of RCW 64.38 now, and RCW 64.90 beginning January 1, 2028. The Board has been advised of Mr. Burleigh's conclusion.
6. The Committee has a draft Charter under development. It will be submitted for Board approval when completed.

MEETING MINUTES

ARCHITECTURAL REVIEW BOARD (ARB)

Date:	JUNE 12, 2025
Time:	10:00
Meeting called to order by:	Linda Kaszycki

In attendance

Linda Kaszycki, Linda Forrer, Margaret Holm and Judy Maretta

REPORTS

- ARB applications increased due to Summer season and warmer weather. New applications received and processed for roofs, tree removals, pavers, decks, landscaping, exterior painting and home repairs.
- ARB is current in processing new applications and final inspections
- New business
  1. New Build on Turnberry status –roof sheathing complete & shingles pending, exterior walls prepped for siding
  2. VIS spring compliance drive and results pending for homeowners. Homeowners may need to file an ARB application for exterior projects noted by VIS in a homeowner courtesy notice.
  3. Review and approve pending application
  4. Discuss and draft ARB content for pending revised ISHOA.ORG website

MEETING ADJOURNED AT – 12:00

Next meeting

JULY 10, 2025

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Communications Committee Report

Jun 11, 2025

- Sent out 3 SMS advisories since last report:
  - Gate repair at Bellavita gate
  - Clubhouse parking congestion and potential noise from high school prom
  - One lane only entry/exit on Troon during roof work.
- Posted HotNews, E-Blast and Board Meeting signs were as needed.
- New Resident Welcome event is now confirmed for July 29 @ 7P in clubhouse. All new residents since Aug 2024 will receive an invitation to attend. Board members will be asked to attend. Committee chairs will be invited to give a **brief** overview of their committee's function and invite participation.
- Requests for photos and committee description/mission was sent to all Committee chairs for inclusion on upgraded website platform.
- Created dedicated exclusively for website maintenance
- Updated Key Contacts List as of 5/25/25
- Updated Resident Directory on website as of 6/4/25
- Uploaded 2025 Garage Sale participation forms to website
- Website registered 64 hits for rolling 7 day period.

- No expenditures this month
- 12% of budget used year-to-date but website domain and new platform site bills will occur next month.

Many thanks to Melissa Watkins, Mary Weiss and Jim Zopolis for their help with all these issues!
Kathie Torgison, chair

Indian Summer Homeowners Association:

Community Events Committee Report to the Board

June 2025

The Community Events Committee supports two summer events in our neighborhood: the annual garage sale and the annual picnic.

The annual garage sale is deftly managed by Judy Weeks, who has already issued one announcement to residents about the August 24 public sale. Residents are encouraged to begin sorting through potential sale items now. Forms to register as a participant are available on the ISHOA.org website.

We are recruiting volunteers for the neighborhood summer picnic which will take place on the Clubhouse lower patio on Sunday afternoon, August 10, from 4-6pm. This year's picnic will be decorated with a Luau theme and will include tropical items on the buffet and hula dancers!

Other future events include the November Annual Meeting, the Annual Community Food Drive and Golf Cart Parade, and the Annual Holiday Party.

ISHOA FINANCE COMMITTEE MEETING

MAY 29, 2025 – 2:30pm

In attendance:

Roselyn (Ro) Marcus, Committee Chair
Todd Lindley
Steve Severson
Terese Dwinal
Bill Moseley, ISHOA Treasurer

The meeting was called to order; main topics of discussion centered around the preparation of the 2026 HOA Budget:

- VIS Property Management can provide budget data from the past year for Committee members as they prepare next year's budget. A spreadsheet for each committee will be prepared and sent to the chairperson showing past expenses; the Reserve Account will have a separate spreadsheet.

- Due to inflationary costs on some necessary contracts, Committee chairs will be asked to find a 2% reduction in their budgets.

- Due to the long lead time to schedule CEDCORE evaluations, the deadline to turn in the 2025 expense data and proposed 2026 expenses for the Reserve Study is June 28. All other committee budgets are due by Aug 13

- A Draft Budget will be sent to Homeowners in August for preview before sending to the Board for approval.

Other discussions:

- Bill Moseley is submitting the application for 501(c)4 tax exemption status for the HOA. This will save the HOA $10,000-12,000 Federal Taxes per year

- Ro updated the committee on Senate Bill 5129, which modifies the rules for our investments in the Reserve Fund. Since this was passed, the committee approved recommending to the Board approval of Policy FIN-07, which was updated to include more investment options.

MAINTENANCE COMMITTEE BOARD REPORT

June 10, 2025

Committee members: (*= unavailable for this meeting)**:**
Jeff Gochenour, Chair/ *Tim Johnson/ Bill Moseley/Ward Forrer /Dan Weiss/ Bill McClanahan/ Guy Grayson/ * Rich Oconnell / Nancy Watkins and Gordon Jackson (Committee Liaison)

OPENING COMMENTS:

- The opened and followed the agenda below:

AGENDA
Maintenance Committee Meeting
6/10/2025 (3:00 to 4:30)

- **Contracted Work List Review (20 Mins) -** Team
  - Status ongoing, review completed & upcoming Projects.
- **Project List Review (30 mins) - Team**
  - Review of Active Administrative Projects
  - Review of Active Stand-Alone Focal Projects
- **Performance to Budget (5 mins) - JAG**
  - Invoice Tracking, performance to budget
  - VIS Financials (reconciled)
- **Reserve Funded Projects Status (15 mins) - Focal (Title, Description, Reserve Study details, Cost)**
  - Swale upgrades Phase II (BM)
  - Lacey Neighborhood Grant (DW)
- **Group discussion (10 mins)** – JAG
  - Irrigation Changes
  - Long term landscaping plan & incorp into the Reserve Study
  - 2026 Budget status
  - Island Irrigation and lighting issue
  - Community turf issues (roots, crab grass etc.)
  - Field mowing frequency
  - Backflow repairs
- **Around the Room (5 mins)**
- **Adjourn**

- It was noted that Ward Forrer will be leaving the committee at the end of 2025 and that we will need to begin the search for an irrigation focal

- Also, Nancy Watkins attended representing the Planter Maintenance Sub-Committee

CONTRACTED WORK REVIEW:

Landscape Maintenance Contract (BM)

* ALS completed an application of herbicide to address Crack weeds and vegetation at the Nature Preserve frontage.
* ALS completed limbing up of Cedar by the Kinsale storm pond.
* ALS will review our common areas and take any corrective action needed
* ALS will take out the dead rhododendrons at Kinsale
* ALS still has street debris to address
* ALS is not anticipating a price increase in 2026. Bill will confirm.
* ALS will also address Kinsale storm pond fence vegetation in need of trimming
* Bill will check contract for number of field mows and will have ALS increase frequency if required to address any potential fire hazard

Irrigation Maintenance (WF):

* Irrigation “start-up” completed
* planters are irrigated and adjusted
* Several performance issues were noted
* Ward is looking into a new irrigation contractor for 2026
* In addition, a meeting with ALS and MC will be set up to discuss performance issues noted.

Street Sweeping (TJ):

* 1st full Sweep completed. Next sweep to be done 6/25 in prep of the 4th of July
* We will balancing sweeps with ALS spot cleaning going forward
* Tim *to obtain 2026 pricing*

Backflow Testing (TJ)

* Completed & invoiced
* 1 repair required. To be scheduled
* Anticipate slight increase in pricing
* Tim will obtain pricing

Storm System (Catch basins) (BMc)

* Work completed and invoiced (under budget)
* Bill will estimate 2026 cost

Storm Systems (Swales) (BMc)

* Phase II swale work was authorized and will be scheduled in the Fall
* Bill will assess swales in front of nature preserve for any 2026 work
* Bill will consider any work to be included in 2026 Reserve study

Storm System (Retention Pond Maintenance) (BMc)

* Discussed schedules.
* Bill will obtain 2026 pricing
*

Planter Maintenance (NW)

* It was noted that the Planter maintenance committee was doing a great job with plants and hand watering where irrigation is not available.
* Nancy to monitor Islands and planters to make sure irrigation is working
* Nancy and Ward will work together to address 3 planters not currently irrigated by our system. Ward is looking into pricing now and team will determine of we irrigate them in 2025 or hand water through 2025 and irrigate in 2026

MISC. STAND-ALONE PROJECTS:

Historical Park (WW)

* Misc. irrigation upgrades in front of Chambers Park were completed.

Fence Line Clearing Behind Ashdown Homes (RO)

* All fence line clearing scheduled for 2025 Completed & invoiced
* Guy will determine plan and estimate for 2026 and reserve input

Nature Preserve Clearing (RO)

* Rich will come up with a long-term plan and estimate

Handyman Services (GG):

* Gate Lighting: Guy working with PS Lighting on solution for better gate lighting as relocation of accent landscape lighting ECD: TBD (2026)
* Guard House water: Overarching Settlement reached Guy working with Spa owner to determine details of plan (best practices).
* Sidewalks: Olympia Construction completed all new panel replacements. No grinding anticipated for 2025. Will assess annually to determine need. Replacing concrete panels is a priority. Will do a

survey for potential grinding needs later this summer

* Sidewalk & Gutter Cleaning. Dan is investigating use on "wet & Forget" as a solution to cleaning of HOA walks and gutters.

Miscellaneous Projects

* Crack Sealing: Road Cracks Kinsale: Bill will have Global crack seal later in the year Ashbourne & Fairway @ Seven issues will also be reviewed by Global
* Street Light Replacement Plan: Discussed need for a plan on when streetlights are replaced so we get a consistent "look and feel" throughout ISHOA. Tim Johnson will be assigned next meeting
* Island Maintenance (& Barker Garden): We have a need for contractor; Brian Stark will do it one time and provide a cost estimate for 1 x mo. Once we have estimate we will compare to ALS and authorize work accordingly

* **Lacey Neighborhood Grant:** xxxx

Administrative Projects:

* Cost Reduction Exercise: continued newly documented process with several low hanging fruit cost ideas implemented
* Maintenance Plans for all Assets: In work ECD: As time permits
* Annual Meeting Story Boards: In work ECD: As time permits
* Update maps and Vis Portal: In work ECD: As time permits
* Long-Term Landscaping plan: We need to address a long-term plan for common area landscaping. This will be used for the reserve study, 2026 budget to include an estimate for landscape consulting. JAG and Team to determine best option and present to board

2025 PERFORMANCE TO BUDGET: *BELOW ARE **2025** AMOUNTS BASED ON INVOICES RECEIVED AS OF 6/10/2025.*

NOTE: Due to timing (our report is generated when we receive an invoice), these may not correspond exactly with VIS reporting (VIS reports when an invoice is paid). We have identified areas of concern and are working to manage costs. We don't expect any year end issues.

Maintenance Codes		Budget	Accumulated	Delta
400920	Electric	21,300.00	9,553.93	11,746.07
400910	Water	29,000.00	0.00	29,000.00
401000	General Maintenance	28,495.00	19,637.90	8,857.10
401001	Street Sweeping	4,000.00	1,052.51	2,947.49
401098	IRRIGATION & REPAIRS	15,000.00	4,898.67	10,101.33
401100	Contracted Landscape Maint	93,000.00	46,436.04	46,563.96
401360	Catch basin Cleaning	8,500.00	8,073.44	426.56
401362	Storm Pond Maintenance	12,500.00	4,161.00	8,339.00
[redacted]				
TOTALS		211,795.00	93,813.49	117,981.51

Indian Summer HOA
Committee Report

Meeting Date: 05/07/2025, 1900

Committee: Nature Preserve

Planning, Projects and Activity Update:

Members present: Three members (BB, ML, CE) were present.

Ongoing projects: trail maintenance, interpretative materials for the bulletin boards and trail, additional plant identification signs to be placed in the Preserve, and nesting box maintenance. Monthly walk-throughs by committee members continue. The designated member for each month walks the trail and reports its status to the committee. Current assignments for this are: JF(Jan, Apr, Jun), BB (Feb, May, Oct), DB (Jul, Aug, Sep), and CE (Mar, Nov, Dec).

Work performed since the last meeting in February has been trail maintenance, extirpating a patch of non-native invasive wood hyacinth, shortening the metal post that holds the "Gene Seidel Nature Trail" sign, re-mounting the sign and cleaning it. The Maintenance Committee also engaged the services of a contractor to remove the roots and stumps that were re-growing in the Prestwick edge of the preserve. That strip still needs application of a herbicide to remove the nettles that are growing thickly in it so that other more desirable native plants can be installed.

Future projects:
Adding a roof over the back side of the small bulletin board to increase space for postings.

Financial Status Update:

DATE	DESCRIPTION	EXPENSES	BALANCE
1/1/2025	Beginning balance		425.00

Other Business:

There was a discussion about whether we ought to expend any effort to publicize or otherwise encourage use of the Nature Preserve. The consensus was that a majority of the community has no interest, but those that do can easily find it, with the bulletin boards, signage, and interpretive materials that we've developed over several years.

Tentative date for a work-party: 14 June at 10:00 am. Meet at the Prestwick end where the Maintenance shed is.

Committee Chair: CE Date: 05/20/2025

Indian Summer HOA
2025
Pet Committee

June 2025 - Meeting Minutes and Report

The Meeting was held at 1:30 p.m., Monday, June 2, 2025, at Clubhouse Board Room

Attending – Doug Allen, Janet Boselly, Maggie Hawkinson, Linda Peckler and Nancy Watkins, Chair

- The Pet Committee reviewed information to be added to ISHOA's updated website. Nancy will forward pictures and an introductory message. We will also suggest adding to the Pet Committee section
    - The Pet Policy or have a link taking people to the CC&R section
    - The Complaint form or link
    - The Pet Brochure
    - Current year's budget with explanation as necessary
    - Schedule of events with descriptions
- The Pet Committee's Questionnaire results were reviewed.
    - 23 HOA responses, 31 dogs,
    - All responses were positive
    - Requests for Big dog support, double entry to gate, Nametags
- August SWAP meet will be held at 4p.m. on Friday, Aug. 15 at Chambers Park.

- Committee Hosts for future Puppy Parties
    - Linda Peckler – May
    - Janet Boselly – June
    - Missy Bartlett – July
    - August – Nancy or others as necessary
    - September – Maggie and Nick Hawkinson
    - October - TBD
    - Maren Turner – Puppy Parties for BIG dogs

Indian Summer HOA

Security Report
May 2025

The Security Committee plans to do an on line Resident Survey. We will compose the survey questions to be published via Survey Monkey. Publication of survey would come via SMS, E-Blast, and web-site. We ask the board for this approval. (The same as was done for the Event Survey.)

- **What does the community want???**
- In the Event Survey that was done several weeks ago, in which they received 96 responses, 25 of those responses used words such as: (Many used multiple times)
  - Security
  - Safety
  - Secure
  - Safe Environment
  - Security Gates

Gates:

Troon gates are	1 & 2
Bellavita Gates are	3 & 4
Rainier Gates are	5 & 6
CWT gates are	7 & 8, 9 & 10,
Pedestrian gates	11 & 12

- Gate 9 motor is beginning to show signs of wear and failure, and it is recommended to replace before complete failure of component.

Comcast Business-nothing new to report
Traffic Logix-suspended by the board

Cameras:

- Nothing new to report

Guard House:

- New Roof on Guard House was finished last week. The cost will be covered by the Reserves. $3250.00 (Approved by the board at the March Meeting.)

Pending:

Will put No Solicitation Signs at each entrance.

- Identical signs at all three gates, right now, they are only at Rainier and Bellavita

The Security Committee Meetings:

- We are still working on a consistent date and time for our meetings.

Policy FIN-07

RESERVE ACCOUNT INVESTMENT

1.0 REFERENCE(S)

- CC&R Article Ill, Sec. 3.05, Assessments
- ISHOA Policy FIN-05, Reserve Accounts
- Revised Code of Washington (RCW) Title 64, Chapter 64-38, Homeowners' Associations

1. BACKGROUND, PURPOSE AND DEFINITIONS

2. Background.

The Indian Summer Homeowners Association (ISHOA) Board of Directors established the Reserve Account (FIN-05) to provide for long-term savings designated to pay the costs of major maintenance, repair, and replacement of ISHOA assets. To establish appropriate funding for the Reserve Account, the Board works with a professional reserve study firm to prepare a 30-year reserve study, which is annually updated, in accordance with Washington State laws (RCW 64.38.065 — 085). Policy FIN-05 details the establishment of the Reserve Account, and Reserve Study. This policy recognizes that the Board of Directors of ISHOA has a fiduciary responsibility to properly manage and/or invest the funds of the ISHOA Reserve Account. The Treasurer is the lead board member for the purposes of this policy and a standing Finance Committee is charged to provide support, expertise and assistance in the development, implementation, and execution on this policy.

3. Purpose and Scope.

The Reserve Account Investment Policy was created with the goal of providing for the safety, liquidity, and adequacy of ISHOA Reserve Account assets while (a) identifying, monitoring, and managing inherent investment risk, (b) maintaining the purchasing power of the Reserve Account funds, and (c) achieving investment returns that support the conservative assumptions utilized in the Reserve Study. In doing so this policy:

- Establishes a framework for investment of Reserve Account funds according to Prudent Investor Standards as established by legal and regulatory laws, policies, procedures and guidelines.

- Establishes the investment objectives, strategies and guidelines of the Reserve Account.

- Defines and assigns the principal duties and responsibilities of all concerned parties concerning the management of Reserve Account funds.

- Offers limitations regarding Investment Securities utilized by the Reserve Account.

- Establishes requirements for monitoring, evaluating, and reporting investment activity and performance.

- Serves as a review document to guide the ongoing oversight of Reserve Account investments.

2.3 Definitions. For purposes of this document, the following definitions will apply:

- "Agency Securities" shall mean investment securities issued by federal agencies or private entities, such as the Federal National Mortgage Association and the Federal Home Loan Bank Board, that are also known as government sponsored enterprises.

- "Asset Class" shall mean a group of investments that tend to behave similarly and are subject to the same market forces, for example, cash equivalents, stocks or bonds.

- "Board" shall refer to the ISHOA Board of Directors as elected by ISHOA members in accordance with the ISHOA Articles of Incorporation.

- "Cash Equivalents" shall mean any short-term investment securities that have maturity periods of 90 days or less. These include banker's acceptances, Treasury bills, commercial paper and other money market instruments.

- "Exchange Traded Fund (ETF)" shall mean a type of investment security that involves a collection of securities, such as stocks and government or corporate bonds, that often tracks an underlying index, although they can invest in any number of industry sectors or use various strategies. ETFs are in many ways similar to mutual funds; however, they are listed on exchanges and ETF shares trade throughout the day just like ordinary stock.

- "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or in administration of ISHOA Reserve Account funds.

- "Finance Committee" shall refer to ISHOA members who, in accordance with the ISHOA Amended Bylaws, are selected by and report to the Board to work in collaboration with the Treasurer on tasks specified in the Finance Committee Charter.

- "Investment Horizon" shall be the time period over which the investment objectives, as set forth in the statement, will be met.

- "Investment Policy" shall refer to the document designed to address the objectives, constraints, unique circumstances and oversight procedures that govern investment-related activities of the Reserve Account funds.

- "Investment Risk" shall refer to any uncertainty with respect to "Investment Securities" that has the potential to negatively affect the Reserve Account. Examples of such uncertainties include inflation risk, market volatility, general business environment, ease or tightening of liquidity, currency fluctuations, excessive concentration in companies, industries, etc. and country specific geo-political activities. All investments carry some degree of risk which must be identified, monitored and managed.

- "Investment Securities" shall refer to the individual US Government and agency securities, cash equivalents, ETFs, mutual funds, corporate stocks and corporate bonds that are defined as acceptable in this statement.

- "ISHOA" shall mean the Indian Summer Home Owners Association.

- "Mutual Fund" shall mean a type of investment security made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money market instruments and other assets. Mutual Funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund invests in a vast number of securities and its portfolio is structured and maintained to match the investment objectives stated in its prospectus. Each shareholder participates proportionally in the gains or losses of the fund. Unlike ETFs, mutual funds do not trade during the day like stocks. The share price of a mutual fund is determined after the close of the trading day.

- "Professional Investment Manager(s)" shall mean any independent, compensated and properly licensed and registered individual, or group of individuals, that manage the investment of all or a part of the ISHOA Reserve Account. Examples of services include (l) selection of various securities to meet specified ISHOA investment goals, (2) providing advice on investment objectives and/or asset allocation, (3) managing investment advisor searches or (4) monitoring investment performance.

- "Prudent Investor Standards" shall refer to the expected approach by a fiduciary when managing assets for others. Prudent Investor Standards have recently evolved to an approach of nuanced risk management rather than categorical risk avoidance. As a result, fiduciaries should manage assets with an overall investment strategy having risk and return objectives reasonably suited to the specific organization. In addition, Prudent Investor Standards mean that fiduciaries (1) will diversify the investments of an organization and (2) have an ongoing duty to monitor investments and make portfolio adjustments as deemed appropriate given overall investment strategy.

- "Reserve Account" shall mean long-term funds designated by ISHOA for major maintenance, repair and replacement of common elements.

- "Reserve Study" shall mean the 30-year plan for ISHOA, which is annually updated and estimates the amount of funds to set aside for major maintenance, repair and replacement of common elements during the study period. Key inputs to the Reserve Study include assumptions regarding investment income and inflation rates, monthly contributions to Reserve Account and identification of common area assets (components) appropriate for Reserve Account funding.

- "Separately Managed Accounts" shall mean a portfolio of individual securities managed on behalf of ISHOA by a professional asset management firm. Unlike a mutual fund, the Reserve Account owns the individual securities in a Separately Managed Account and therefore it participates directly in each security's gains and losses.

- "Treasurer" shall refer to the individual ISHOA Board member who is elected in accordance with the ISHOA Amended Bylaws to hold the office of Treasurer.

1. PROFESSIONAL INVESTMENT MANAGER(S)

The Board may engage a Professional Investment Manager(s) to plan and execute investment strategy. The Treasurer, in collaboration with the Finance Committee, will recommend a Professional Investment Manager(s) to the full Board after obtaining a formal proposal from a minimum of two different investment management firms.

2. Selection of Professional Investment Manager(s)

The Board selection of Professional Investment Manager(s) must be based on prudent due diligence procedures. A qualified investment manager must be a registered investment adviser under the Investment Adviser's Act of 1940, or a bank or insurance company. The Board requires that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to the Board.

3. Expenses

Expenses for Professional Investment Manager(s) must be customary and reasonable and will be borne by the investment account as deemed appropriate.

4. Investment Manager(s) Performance Review

1. Professional Investment Manager(s) shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment outcomes.

2. Professional Investment Managers are expected to adhere to investment management styles for which they were retained and will be evaluated regularly for adherence to investment discipline.

3. Investment performance of the total portfolio, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investments results are consistent with the investment strategies and guidelines in this policy.

4. The Board will evaluate the portfolio's total return over at least a 3-year period but reserves the right to terminate the manage(s) for any reason including:

    1. Investment performance which is significantly less than anticipated given the strategies and guidelines established in this policy, or unacceptable justification of poor results.

    2. Failure to adhere to any aspect of this policy, including communications and reporting requirements.

    3. Significant qualitative changes to the investment management organization.

1. RESPONSIBILITIES

2. Responsibilities of the Board.

The Board is a Fiduciary and, as such, retains overall authority and responsibility for approving, monitoring, and managing the investment of Reserve Account funds. The Board's principal responsibilities related to investment of Reserve Account funds include:

4.1. I Annually review and approve any changes to the Reserve Account Investment Policy after considering recommendations from the Treasurer.

2. Approve selection of a Professional Investment Manager(s) after considering recommendation from the Treasurer.

3. Make decisions regarding the appropriate portions of the Reserve Fund that will be held by the HOA management company, the Professional Investment Manager(s), and the HOA Board (for CD purchases directly from banks).

4. Review and approve any change in investment strategy proposed by the Treasurer.

5. Monitor performance of the portfolio through review of quarterly reports from the Investment Manager(s) and the semi-annual and annual review reports from the Treasurer.

6. Annually review and update the ISHOA Reserve Account Investment Policy after considering recommendations from the Treasurer.

7. Annually review and approve key inputs to the Reserve Study, which is a key planning tool utilized by the Board, Treasurer and Finance Committee. The Reserve Study helps determine liquidity needs from the Reserve Account.

8. Review performance of Professional Investment Manager(s) after considering recommendation from the Treasurer.

4.2 Responsibilities of the Treasurer.

The Board delegates to the Treasurer, subject to review and input from the Finance Committee, responsibility for development, implementation, and execution, of this policy. The Treasurer's principal responsibilities related to investment of Reserve Account funds include:

1. Monitor Reserve Account investments and recommend portfolio adjustments, as deemed appropriate given overall investment strategy, to the Professional Investment Manager(s).

2. Perform a semi-annual review of the Reserve Account investment portfolio holdings for purposes of monitoring investment risk. Suggested portfolio adjustments resulting from these reviews are forwarded to the Professional Investment Manager(s).

3. Perform a semi-annual review of the Reserve Account investment returns as compared to the agreed upon performance benchmarks (See Section 3.3.3) and the interest rate assumption found in the latest Reserve Study. The timing for this review should be coordinated so that the resulting information is available for the annual update of the Reserve Study and preparation of the next year's budget. Suggested changes resulting from these reviews are forwarded to the Board for consideration.

4.2.4 Review annually the Professional Investment Manager(s) performance and recommend to the Board either their continuation, correction or dismal. Generally, performance over a period of at least three (3) years will be considered.

4.2.5 Perform an annual review of this policy to ensure that all language and content reflect current fiduciary views and remain aligned with long-term objectives. Suggested changes to this policy resulting from these reviews are forwarded to the Board for consideration.

4.3 Responsibilities of the Finance Committee

The Board established a standing Finance Committee to ensure the Treasurer has access to the appropriate expertise to carry out all responsibilities under this policy.

1. The Committee will provide input, research, advice and / or direct assistance to the Treasurer related to responsibilities for the investment of Reserve Account funds.

2. The Committee will provide an annual review of this policy and recommend changes to the Treasurer.

4.4 Responsibilities of Professional Investment Manager(s)

1. Accept in writing its responsibility as a fiduciary.

2. Make investment decisions for the assets placed under its jurisdiction, including decisions to buy, sell, or hold individual securities, and to alter asset allocation while observing and operating within all policies, guidelines, constraints, and strategies outlined in this policy.

3. Communicate the performance of the investment portfolio to the Treasurer, Board, and Finance Committee demonstrating the progress toward meeting the investment objectives. Performance reports generated by the manager(s) shall be compiled at

   least quarterly and communicated to the Treasurer and the Finance Committee for review in a timely manner.

4. Inform the Treasurer and the Finance Committee regarding any qualitative change to investment management organization including:

- Changes in portfolio management personnel
- Ownership structure
- Investment philosophy

5. Communicate any major changes to economic outlook, investment strategy or any other factors that affect implementation of investment process, or the investment objective progress of the operating funds investment management.

6. Provide recommendations to the Treasurer and Finance Committee regarding changes to the investment strategy.

7. Conduct investment research when requested by Treasurer or the Finance Committee.

8. Vote proxies, if requested by the Board, on behalf of the Reserve Account, and communicate such voting records to the Treasurer on a timely basis.

1. INVESTMENT GUIDELINES

2. General Guidelines

1. Reserve Account investments shall be made solely in the best interests of ISHOA.

2. Reserve Account funds shall be invested utilizing Prudent Investor Standards: with care, skill, caution, and diligence that a prudent investor, under the circumstances then prevailing, acting in like capacity, and familiar with such matters, would use in the investment of funds of like character and with like objectives.

3. Investment of Reserve Account funds shall be so diversified as to minimize the risk of material loss, maintain the purchasing power of the Reserve Account funds, achieve investment returns that support the conservative assumptions utilized in the Reserve Study and provide for the safety, liquidity, and adequacy of Reserve Account funds unless, under the circumstances, it is clearly prudent not to do so.

4. Reserve Account cash is to be employed productively until it is required for eligible expenditures.

5.2 Asset Allocation.

As explained in more detail in Sections 5.3 and 5.4 below, the Professional Investment Manager(s) will adhere to the following asset allocation guidelines:

Reserve Account Portfolio Asset Allocation

Investment Type	Min %	Max %	Notes
Fixed Income: 60% Certificates of Deposit, Cash Equivalents and US Government & Agency Securities and Municipal Bonds of varying maturities	60%	~	See Note (l)
Equites: 40% Corporate Stocks and REITs in a moderately conservative portfolio	~	40%	

Notes: (l) Each investment limited to 10-year term and held to maturity.

5.3 Fixed Income 60% - Certificates of Deposit, Cash Equivalents, U.S. Government & Agency Securities and Corporate and Municipal Bonds

5.3.1 Investment Strategy for Fixed Income. The investment strategy for 60% of Reserve Account funds, funds anticipated to be utilized in the next 1-10 years, is to minimize investment risk by investing in certificates of deposit, cash equivalents, U.S. Government and Agency securities and the two highest grade (AAA/AA) municipal bonds. The key objectives of these investments are:

- Preserve capital
- Maintain liquidity
- Provide current income

5.3.2 Investment Guidelines for Fixed Income.

5.3.2.1 Certificates of Deposit (CDs) will be purchased only from financial institutions offering FDIC insurance. The fixed term of a CD will be no longer than ten (10) years. The combined total of all CDs, deposit accounts and accrued interest thereon with the same financial institution must be less than the FDIC coverage limit, currently $250,000.

5.3.2.2 Governmental securities purchased in this portion of the portfolio will have a maximum remaining maturity for any single security of ten (10) years. Each security will be purchased with the intent to hold it to maturity to avoid loss due to changes in interest rates.

5.3.2.3 Money market mutual funds are allowable for investment. While they do not carry FDIC protection, the short-term nature of their portfolios (average maturity of all holdings cannot exceed 60 days) and federal regulations governing investment quality make them nearly as safe as insured bank accounts.

5.3.2.4 In order to achieve a prudent level of portfolio diversification no single investment will exceed 10% of the Reserve Account unless such investment is federally insured (e.g., certificates of deposit and then only up to the limit of federally insured).

5.3.2.5 This portion of the portfolio will be diversified as to maturity of fixed income investments (including laddering of maturities when appropriate) and coordinated with the Reserve Account spending plan, as documented in the Reserve Study.

(Moved from 5.4.2.2):

5.3.2.6 Bonds investments may be made in corporate bonds, Treasury securities, Agency bonds or municipal bonds via mutual fund, ETF or SMA. The preference for bonds will be investment grade, however non-investment grade bonds can be utilized if the total does not exceed 10% of all fixed income.

5.3.2.7 When investing in bond mutual funds or ETFs, decisions regarding duration will be cautiously made after consideration of current market conditions and trends. Bond mutual funds, ETFs, and SMA's will generally be limited to bond portfolios having a modified duration of one to ten (1-10) years to reduce interest rate volatility. The 10 year limit on the modified duration may be increased by the ISHOA Board if deemed prudent to take advantage of sustained falling interest rates or if a particular investment fund presents unique opportunities

5.4 Equities 40% - Stocks and REITs

5.4.1 Investment Strategy for Equities. The Board expects to achieve a conservative rate of return from investment of Reserve Account funds. This is documented in the most current annual Reserve Study. There are times when extended economic conditions will prevent any meaningful return from certificates of deposit, cash equivalents, government securities and municipal bonds. To reach the expected overall rate of return, the Board authorizes an investment allocation of **up to 40% maximum** from Reserve Account funds into a moderately conservative portfolio of stocks and REITs purchased through mutual fund, exchange-traded funds (ETFs) and separately managed accounts (SMAs). **This portion of the portfolio is not anticipated to be utilized for Reserve expenditures during at least the next five years**. Considerations for such investing include market conditions, interest rates, risk management, time horizon, inflation and spending plans. Investment in individual stocks is only allowed through the use of a Separately Managed Account.

The investment strategy, for up to 40% of the Reserve Account funds, is to emphasize total return, that is, modest capital appreciation plus dividend income.

The key objectives in the investment in equity, mutual funds or ETFs are:

- Preserve purchasing power over the investment horizon to achieve returns exceeding the rate of inflation.
- Maintain liquidity.
- Maintain appropriate levels of risk.

5.4.2 Investment Guidelines for Equities.

5.4.2.1 Equity investments may be made only in high quality corporate stocks and/or REITs via mutual fund, ETF, or Separately Managed Account (SMA).

Note – original 5.4.2.2 paragraph is now found as 5.3.2.6 with modifications for non-investment grade bonds

Note – original 5.4.2.3 paragraph is now found as 5.3.2.7 with modifications for duration of bond fund investments

5.4.2.2 Selection of specific mutual funds, ETFs and / or Separately Managed Accounts will reflect a moderately conservative investment portfolio. Investments involving stocks and REITs will only be made via low risk, low cost, well diversified and highly liquid income generating mutual funds, ETFs, and Separately Managed Accounts.

5.4.2.3 Standard and Poor's, Moody's, Morningstar, Reuters, or other reputable rating companies will be used to measure the quality of funds, determine "best of breed" and provide documentation for the investment choices made.

6.0 PROHIBITED INVESTMENTS AND TRANSACTIONS

6.1 Prohibited non-liquid investments include, but are not limited to the following:

6.1.1 Commodities and futures contracts

6.1.2 Private placements

6.1.3 Options

6.1.4 Venture capital investments

6.1.5 Interest only (10), principal only (PO), and residual tranche CMOs

6.1.6 Derivative securities

6.2 Prohibited transactions include, but are not limited to the following:

6.2.1 Short selling

6.2.2 Margin transactions

7.0 RISK MANAGEMENT

7.1 Liquidity Risk Management. The Board requires that all Reserve Account funds be invested in liquid securities, defined as securities that can be transacted quickly and efficiently with minimal impact on market price. To ensure liquidity, investments will be limited to those listed on the following exchanges: New York Stock Exchange, American Stock Exchange and NASDAQ over-the-counter market.

To minimize the possibility of a loss occasioned by the sale of a security, forced by the need to meet a required payment, the Treasurer, in collaboration with the Finance Committee and the Board, will periodically review the Reserve Account's expected net cash flow. The Treasurer will recommend portfolio adjustments to the Board and to the Professional Investment Manager(s) so that upcoming cash needs are met. For unplanned cash requirements the Board establishes a $50,000 minimum balance of cash and cash equivalent investments, which may be held either in the account with the Professional Investment Manager(s) or in a designated money market account managed by the currently contracted ISHOA management company.

7.2 Interest Rate Risk Management. Certificates of deposit and U. S. government securities will be purchased with the intent of holding them to maturity thus avoiding premature liquidation that may result in the loss of a portion of the guaranteed earnings/and or principal. The maximum maturity for any individual investment in the Fixed Income portion of the portfolio will be 10 years. During periods of probable future rising interest rates, maturities will be kept appropriately short to allow for re- investment at higher rates as they rise.

7.3 Purchasing Power Risk Management. A key objective in the investment of Reserve Account funds is preservation of purchasing power. It is important that, over time and with consideration of risk tolerance, investment income offset the impact of inflation on the cost of major common area repairs and replacements. There may be times when economic conditions are such that the portfolio does not generate sufficient return to preserve purchasing power and increasing risk tolerance is an unacceptable choice. When this is reflected in the Reserve Study report the Operations Account may need to increase the annual funding of the Reserve Account.

7.4 Diversification Risk Management. The portfolio will be diversified as to maturity of fixed income investments (including laddering of certificate of deposit maturities when appropriate) and coordinated with the reserve spending plan.

8.0 ANNUAL FORECAST OF RESERVE ACCOUNT

The Reserve Study is the 30-year plan for ISHOA, which is annually updated and estimates the amount of funds to set aside for major common area repair and replacement expenditures during the study period. Key inputs to the Reserve Study include assumptions regarding investment income and inflation rates and monthly contributions (transfers from the Operating Account) and identification of common area assets (components) appropriate for Reserve Account funding.

The Board will meet annually to review recommendations prepared by the Treasurer with the assistance of the Finance Committee and agree on these key inputs. As provided for in FIN-05 Section 4.0. I the Treasurer will submit to the Board for its approval a one-year Cash Flow Plan specifying the timing of approved withdrawals for Reserve Fund projects as well as the timing for investment of any excess funds.

9.0 EFFECTIVE DATE AND RECORD OF AMENDMENTS

04/21/2016, Original policy approved per Board Motion 2016-012 and subsequent notice sent to owners, effective 7/1/2016.
06/13/2016, Reformatted and renumbered policy to FIN-07 (per new policy ADM-Ol , Policy Numbering and Format and Board Motion 2015-011).
06/15/2017, Revised as follows: Section 2.3 Definitions, added "Separately Managed Accounts"; Sections 4.3.1 and 4.3.2, changed 30% of Reserve Funds to "up to 30-50%"• Section 5.0 Prohibited Investments, deleted "Limited partnerships" and deleted "Real estate properties." Approved by Board Motion 2017-040 08/17/2020, Overall revision, adding language to hire a professional investment manager(s), adding language to formalize the finance committee, approved per Board Motion 2020-062
10/17/2022, Amended Policy per Board Motion 2022-085, clarifying (l) the allowable investments and parameters the Investment Advisor must follow and (2) the responsibilities of Investment Advisor, ISHOA Board, Treasurer and Finance Committee.