

FAIRLINGTON GREEN CONDOMINIUM COUNCIL OF CO-OWNERS

POLICY RESOLUTION NO. 99-1 INVESTMENT GUIDELINES

Objective

The investment objectives of Fairlington Green Council of Co-Owners is to obtain the maximum rate of return available with the primary goal of preserving principal. Such investments must be permitted by Section 26-40 et. seq. of the Code of Virginia (in what securities fiduciaries may invest, Fiduciaries Generally).

Authority

Article IV, Section 2 of the By-laws of the Council gives the responsibility for the investment of the funds and securities of the Council to Board of Directors.

Professional Assistance

The Board deems it prudent to hire a professional consultant (Investment Manager) – Morgan Stanley Dean Witter to provide assistance in investing Council funds.

Investment Guidelines

1. In accordance with Section 26-40 et. seq. of the code of Virginia and for the preservation of capital, the Board intends that funds only be invested in the obligations of the U.S. Treasury Bills, Notes, Bonds, U. S. Government Agency obligations to include Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and Federal Deposit Insured (FDIC) Certificates of Deposits. Financial institutions used for such investments must undergo due diligence review by the Investment Manager. Investments in other types of securities will be considered on a case by case basis and require the unanimous consent of the Board. Moneys needed for operating expense will be invested in a money market account or short term investments. Investments should be as free from risk or loss or price fluctuations as possible and should be marketable securities. The Board of Directors (Board) understands and accepts the fact that if insured securities are sold before maturity , a loss of principal could result.

2. Notwithstanding the foregoing, only securities enumerated in Section 26-40 et. seq. of the Code of Virginia are authorized for investment of the Council funds.

3. Under no circumstances will any Council funds be invested in any of the following securities: commodities, options, futures, annuities or partnerships.
4. All investment accounts will be in the name of the Council with the Treasurer and President named as the authorized signatories.
5. Interest earned will be invested by the Investment Manager unless the Investment Manager is directed to transfer such interest to the Council's Managing Agent.

Responsibilities of the Investment Manager

The Investment Manager agrees that the responsibilities of the Investment Manager include, but are not limited to.

1. Consulting with the Treasurer or Managing Agent in advance any pending or proposed transaction to recommend and receive approval for appropriate action.
3. Being reasonably available to answer questions posed by the Board via the Treasurer or Managing Agent in person, in writing, or via the telephone.
4. Meeting with the Board of Directors, Managing Agent and/or the Asset Management Committee to present an annual report on investment performance and at such other times as may be necessary.
5. Coordinating financial record keeping with the Managing Agent and Auditor to assure the timely inclusions of the schedule of investments and interest earnings in the Managing Agent's monthly statements.
6. Supplying such information as needed to the auditing firm employed by preparation of the annual audit report.

Responsibilities of the Board and Treasurer and Managing Agent

1. The Treasurer or Managing Agent is responsible for coordinating the investment of Council funds and securities and will serve as liaison with the Investment Manager. In the event the Treasurer or Managing Agent is not available, the President shall act in his capacity. The Treasurer, Managing Agent or President has the authority to act within the guidelines of this resolution to direct the Investment Manager to purchase or sell securities on behalf of the Council. The Treasurer has the responsibility to report to the board at its regular meeting on the status of these investments.
2. The Treasurer, in consultation with the Investment Manager, will develop a schedule of securities' maturates aimed at maximizing return while assuring that the Council has the necessary cash on hand to fund future capital replacement expenses.
3. The Board is ultimately responsible for all investment decisions regarding funds invested and will be accountable for the objectives indicated herein, with the exception of:
 - a. Knowing Violation of any specific guidelines set forth in this document; and
 - b. Actions taken by the Investment Manager that are not consistent with this document or negligent acts or omissions.

To assure the orderly transition of management of the funds by the Managing Agent to the Investment Manager, the Board hereby directs the Managing Agent to provide the Investment Manager with a current schedule of investments, including the issuer, rate of return, and expiration date.

The guidelines stated herein will be in force at all times and apply to any Investment Manager employed by unless and until the Board of Directors direct otherwise in writing.

4. This agreement with the Investment Manager and the Council shall not be assigned without written consent of both parties. The Agreement shall be terminable at will and without cause, and the Investment Manager agrees to cooperate fully and promptly with the transition of any accounts held by the Investment Manager and/or his firm. This Agreement shall control any conflict with any separate Agreements or resolutions enforced at request or with the Investment Manager.

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The Council states that, to the best of its knowledge, it is empowered to enter into this Agreement and that nothing in this Agreement contradicts provisions of the governing documents of the Council or state law. Any disputes concerning this resolution or over the rights of the Council or Investment Manager shall be decided pursuant to the laws of the Commonwealth of Virginia.

On this 21ST day of April, 1999



President, Board of Directors

CHARLES M. SHEA, Pres, Fairfax County Board



Treasurer, Board of Directors

DAVID MORTIMER, Treasurer

The Investment Manager selected by the Board of Directors agrees to accept and abide by the terms set forth in the foregoing resolution, on behalf of the himself and his firm as set forth below.

Morgan Stanley/Dean Witter

By: 