

**TO:** ALL CO-OWNERS OF FAIRLINGTON MEWS

**FROM:** SHERRILLE A. OPAL, PCAM  
COMMUNITY MANAGER  
FAIRLINGTON MEWS COUNCIL OF CO-OWNERS  
DIRECT LINE 703-848-4339

**DATE:** November 5, 2002

**RE:**

1. POLICY RESOLUTION NO. 2002-01  
INVESTMENT GUIDELINES
2. UPDATE TO WELCOME HANDBOOK
3. HOMEOWNER FORUM - MONTHLY BOARD MEETINGS

On behalf of the Board of Directors of Fairlington Mews Condominium Association, please find attached the above mentioned items for your Association records.

Policy Resolution No 2002-01 spells out the Investment Guidelines that have been established for the Association Replacement Reserve Funds. This provides the money manager at Morgan Stanley his criteria for investing the funds. This resolution has been reviewed by Associations legal counsel and adopted by the Board of Directors of Fairlington Mews. Please review the resolution and store with your Association Governing Documents for safekeeping.

Item #2: Remove page 23 of your Welcome Handbook (updated and printed in March 1999) and replace with enclosed page 23. The Board has added language to the last paragraph (highlighted) requesting that all residents be notified, if a court is interested in assigning parking spaces in that court. Recently Court #9 assigned parking spaces, leaving only Courts # 1 & #8 unassigned. All other courts have reserved parking spaces for each resident.

Last item: The Board of Directors would like to encourage owners to attend the monthly Board Meetings. Next Meeting is December 3, 2002 at the S. Stafford Street, Fairlington Community Center at 7:30 p.m. At the beginning of the meeting there is time for owners to address the Board during Homeowner Forum. The Board asks co-owners wishing to address the Board contact management to be placed on the agenda (max. 5 minutes) with the specifics of their request. All variance requests must be provided to management at least 7 days before each meeting, in order for the Board to adequately review the request.

If you should have any questions, please feel free to contact me or a Board Member.

Sao/notice.resolution.updatehandbook.homeownerforum.11.5 .02  
Attachments

Fairlington Mews Condominium Council of Co-Owners  
Policy Resolution No. 2002-01  
Investment Guidelines

### Objective

The investment objectives of Fairlington Mews Condominium Council of Co-Owners are to obtain the maximum rate of return available while fulfilling the primary goal of preserving principal. Such investments must be permitted by section 26-40 of the Code of Virginia, as amended (in what securities fiduciaries may invest, Fiduciaries Generally).

### Authority

Article IV, Section 2 of the Bylaws of Fairlington Mews gives the responsibility for investment of the funds and securities of Fairlington Mews to the Board of Directors.

### Professional Assistance

The Board deems it prudent to hire a professional management company or financial consultant (investment manager) to provide assistance in investing Condominium funds.

### Investment Guidelines

1. As authorized under Section 26-40 of the code of Virginia, as amended, and for the preservation of principal, the Board intends that funds only be invested in 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 Corp. (FHLMC), Federal National Mortgage Association (FNMA), and FDIC insured Certificates of Deposit. Financial institutions used for such investments must undergo due diligence review by the Investment Manager. The Board intends for a portion not to exceed 10% of the funds to be invested) to be invested in a conservative growth and income equity mutual fund. Investments in other types of securities will be considered on a case by case basis by the Board. Council funds in excess of operating needs, including reserves for capital replacement, are to be invested in interest bearing securities. Council funds needed for operating expenses will be invested in a money market account or short term investments. Investments should be as free from loss of risk or price fluctuations as possible and should be marketable securities only. 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 of the Code of Virginia are authorized for investment of Fairlington Mews funds.

3. Under no circumstances will any Fairlington Mews 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 Fairlington Mews with the President and Treasurer named as 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 Agreement or the Contract between Fairlington Mews and the Investment Manager will provide that the responsibilities of the Investment Manager include, but are not limited to.

1. Consulting with the Treasurer or Managing Agent in advance of any pending or proposed transaction to recommend and receive approval for appropriate action.
2. Being reasonably available to answer questions posed by the Board via the Treasurer or Managing Agent in person, in writing, or via the telephone.
3. Meeting with the Board of Directors and/or the Asset Management Committee to present an annual report on investment performance and at such other times as may be necessary.
4. 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.
5. Supplying such information as needed to the auditing firm employed to prepare the annual audit report.
6. That the provisions of this Resolution are acknowledged and will be complied with by the Investment Manager and any person working with or at the direction of the Investment Manager.

### **Responsibilities of the Board and Treasurer**

1. The Treasurer or Managing Agent is responsible for coordinating the investment of Council's funds and securities and will serve as liaison with the Investment Manager. **In** the event the Treasurer or the Managing Agent is not available, the President 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 of CoOwners. 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 aimed at maximizing return while assuring that Fairlington Mews 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 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.

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 Council 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 until the Board of Directors directs 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. The Agreement shall control any conflict with any separate Agreements or resolutions enforced at request or with the Investment Manager.

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 Councilor state law. Any disputes concerning this resolution or over the rights of the Councilor Investment Manager shall be decided pursuant to the laws of the Commonwealth of Virginia.

On this 22<sup>nd</sup> day of October 2002

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President, Board of Directors

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Treasurer, Board of Directors



The investment manager selected by Fairlington Mews Board of Directors agrees to accept and abide the terms set forth in the foregoing resolution on behalf of himself and his firm.

Morgan Stanley Dean Witter

John A. Fell

Date

7. Spaces for Handicapped Drivers

The Board will consider the allocation of specific reserved spaces to handicapped residents upon written request. Spaces shall be marked accordingly.

8. Motorcycle Parking

Motorcycles and mopeds are considered motor vehicles and may not be driven or parked on sidewalks, grass or other non-paved common areas. They may not occupy the same parking space as a full-sized motor vehicle. Motorcycles and mopeds may be stored in patio areas only if they are not regularly used, as frequent moving across lawns would harm the turf

9. Current Tags and Registration

Vehicles in Mews parking lots must have current tags and registration. The Arlington County police have been granted permission to enter Mews property to enforce licensing and tag requirements. Vehicles without current tags shall be considered abandoned and subject to towing, without prior notices, at the direction of the Board.

10. Storage of Vehicles

As the parking lots are intended for the active use of Mews residents, storage of vehicles is not permitted. The Board may determine that a vehicle is being stored even though it is moved within the lot and have it removed. The owner will be notified of the determination before the vehicle is towed.

11. Parking Violations

Where residents have noted a parking problem, they may wish to leave a note on the violator's windshield reminding the owners of the parking rules. Residents may also wish to contact the violator personally. In addition, a resident may wish to provide the community manager or the Board with a written account of a continuing parking problem, including the violator's name and address and the vehicle license number, so that appropriate action may be taken in accordance with the governing condominium documents.

12. Unassigned and Assigned Space Parking Lot Designation

At the discretion of the Board or at the request of court residents, the Board may implement either Unassigned Space or Assigned Space parking in any court. A court may initiate a request for either Unassigned or Assigned Space parking by submitting a written request to the Board to re-designate the court's parking lot, to change from the existing system (i.e. from Unassigned to Assigned or from Assigned or Unassigned). The written request for change should indicate that a majority of the residents of the court favor the change and that all residents were given the opportunity to review this request.

Updated 10/22/02