

**ENCORE OF MCLEAN, A CONDOMINIUM  
UNIT OWNERS ASSOCIATION**

**POLICY RESOLUTION NO. 01-02**

**AMENDED INVESTMENT POLICY AS OF SEPTEMBER 20, 2012**

**Rules and Regulations for Investment of Association Funds**

WHEREAS, Article 3, Section 3.1 of the Bylaws states "The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owner's Association";

WHEREAS, Article 3, Section 3.1(f) of the Bylaws authorizes the Board of Directors to adopt and amend Rules and Regulations, provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act or the condominium instruments;

WHEREAS, Article 3, Section 3.1(e) of the Bylaws authorizes the Board of Directors to collect assessments against the unit owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the property;

WHEREAS, the Board of Directors deems it to be in the best interest of the Association to establish a policy resolution of investment guidelines;

WHEREAS, the objective of the Board of Directors is to obtain the maximum rate of return available consistent with the primary goal of preserving principle;

WHEREAS, the Board of Directors deems it to be in the best interest of the Association to engage a professional investment management agent to provide assistance in investing Association funds; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the following guidelines regarding the investment and transfer of Association funds and approves the appointment of a professional investment management agent to manage Association funds as directed by the Board of Directors in accordance with guidelines established by this Resolution.

**I. INVESTMENT GUIDELINES**

A. The Board of Directors intends that Association funds shall be invested in United States Treasury Bills or Treasury Notes, Certificates of Deposit or Money Market Funds insured by the Federal Deposit Insurance Corporation (FDIC).

B. Financial institutions used for such investments must have undergone a due diligence review by the Investment Agent.

C. All moneys in excess of operating needs, including reserves for capital replacement and self-insurance, shall be invested in interest-bearing securities or accounts. Investments should be as free from loss and risk or price fluctuation as possible. The Board understands and accepts that if insured securities are sold before maturity, a loss of principal could result; however, it is the Board's intention to hold all securities until maturity unless needed for capital expenses.

D. All investment accounts will be in the name of Encore of McLean, a Condominium Unit Owners Association, with the President, Vice-President, Treasurer and Secretary named as the authorized signatories. Any reduction in the sum total investment shall require the signature of any two of the four named signatories.

E. Interest earned will be retained in the Reserve Account.

## **II. RESPONSIBILITY OF INVESTMENT AGENT**

In addition to the Authorized Persons and Enabling Resolution for Corporations and the Account Application and Client Agreement, the responsibilities of the Investment Agent will include, but not necessarily be limited to the following:

A. Consult with the Treasurer and Management Agent in advance of any pending or proposed transaction and obtain approval for appropriate action in accordance with the provisions under Section I.;

B. Be readily available to respond to questions posed by the Board, the Treasurer or Management Agent;

C. Meet with the Board of Directors and/or the Finance Committee to present an annual report on investment performance and at other such times as may be necessary;

D. Coordinate financial record keeping with the Management Agent to ensure the timely inclusion of the scheduled investments and interest income in the Managing Agent's monthly statements; and

E. Furnish such information as may be required in order for the auditing firm engaged by the Association to prepare the Annual Audit Report.

## **III. RESPONSIBILITY OF THE BOARD AND TREASURER**

A. The Treasurer is the principal Board officer responsible for Association funds and securities and will serve as liaison with the Management Agent and Investment Agent. In the event the Treasurer is not available, the President shall act in this capacity. The Treasurer has the authority to act within the guidelines of this Resolution to direct the Management Agent and/or Investment Agent to purchase or sell securities on behalf of the Association. The Treasurer has the responsibility to report to the Board on the status of its investments at each regular meeting.

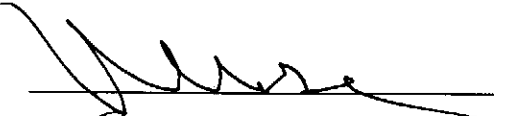
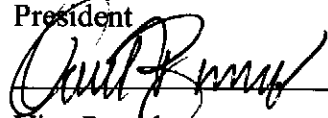
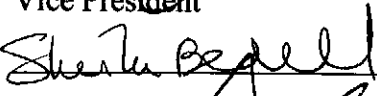
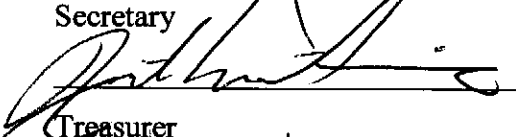
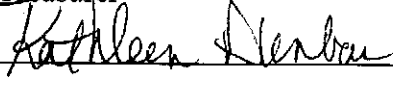
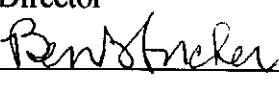
B. The Board, Managing Agent and Investment Agent will develop an investment plan aimed at obtaining the maximum rate of return available consistent with the primary goal of preserving principle while assuring that the Association has sufficient liquidity to fund future capital expenditures.

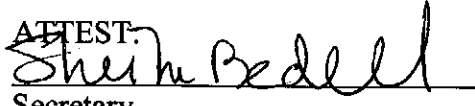
C. To assure the orderly transition of funds by the Management Agent, the Board hereby directs the Managing Agent deposit funds in accordance with the plan established by the annual adopted budget and as directed by the Board.

**ENCORE OF MCLEAN, A CONDOMINIUM  
UNIT OWNERS ASSOCIATION**

**RESOLUTIONS ACTION RECORDED**

Resolution Type: Investment No. 01-02  
 Pertaining to: Investment Policy  
 Duly amended at a meeting of the Board of Directors held on September 20, 2012.  
 Motion by: \_\_\_\_\_, Seconded by: \_\_\_\_\_

	VOTE:			
	YES	NO	ABSTAIN	ABSENT
 _____ President	X	_____	_____	_____
 _____ Vice President	X	_____	_____	_____
 _____ Secretary	X	_____	_____	_____
 _____ Treasurer	X	_____	_____	_____
 _____ Director	X	_____	_____	_____
 _____ Director	X	_____	_____	_____

ATTEST:  
  
 \_\_\_\_\_  
 Secretary

Date

FILE:  
 Book of Minutes – 9.20.2012  
 Book of Resolutions:

	Book No.	Page No.
Policy	_____	_____
Administrative	_____	_____
Special	_____	_____
General	_____	_____

Resolution effective: