

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Banking Resolution – Mutual One**

WHEREAS, the 2009-2010 Board of Directors of Mutual One took office with the Mutual's reserves already invested in Municipal Bonds; and

WHEREAS, Mutual One's Policy 7306, Banking Resolution, was in effect at that time and required, "That all funds will be deposited with banks and savings and loans that are insured by the F.D.I.C."; and

WHEREAS, California Civil Code 1365.5 (c) (2) states, in part, "...The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account..."; and

THEREFORE, BE IT RESOLVED, that with respect to the existing Municipal Bonds, the Board has the discretion to hold them to maturity or sell them as deemed prudent; and

FURTHER, that any new reserve funds will be placed in federally-insured accounts and instruments or other securities backed by the full faith and credit of the Federal government.

- Financial instruments that are guaranteed by the Federal government;
- Financial instruments that are insured to Principal and Interest;
- CDs, CDARS (Certificate Deposit Account Registry Service) that are fully F.D.I.C. Insured.

FURTHER, that all Cash and Money Market accounts will be deposited with financial institutions that are insured by the F.D.I.C. and that these deposits are restricted to the maximum amount insured by the F.D.I.C.,

FURTHER, that any two of the following Mutual officers are authorized as signatories on the financial institution for the Mutual Corporations:

PRESIDENT, VICE PRESIDENT, SECRETARY, CHIEF FINANCIAL OFFICER

(Apr 15)

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MUTUAL ADOPTION AMENDMENTS

ONE: 08-27-93 01-27-11, 04-23-15