WHEREAS, the 2010-2011 Board of Directors of Mutual Twelve took office with the Mutual's reserves already invested in Municipal Bonds; and

WHEREAS, Mutual Twelve'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 5515(e) 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 as municipal bonds mature or are sold, the proceeds therefrom shall be reinvested in federally-insured financial instruments; and

BE IT FURTHER RESOLVED, that all funds including reserves will be placed in accounts instruments or securities that are backed by the full faith and credit of the Federal government under the F.D.I.C., N.C.U.A. or such other federally approved program, with prudent attention to the established limits of coverage per account.

WHERAS, that California Civil Code 5510(a) provides that two signatures shall be required for the withdrawal of moneys from reserve accounts and in accordance with Article X, Section 5, of Mutual Twelve’s Bylaws.

BE IT RESOLVED, that all checks executed on behalf of Seal Beach Mutual Twelve shall be signed and executed by two officers, either the President or Vice President and countersigned by either the Secretary or Chief Financial Officer.

MUTUAL ADOPTION AMENDMENTS
TWELVE 10 Dec 92 09 Dec 10, 08 Mar 12, 04-09-15

(Apr 15)