

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

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

WHEREAS, Mutual Sixteen 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 will see 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 or any one of the officers and one Golden Rain Foundation (GRF) administrative staff member (Controller) are authorized as signatory on the financial institutions for the Mutual Corporation:

PRESIDENT, VICE PRESIDENT, **OR** CHIEF FINANCIAL OFFICER

MUTUAL ADOPTION

SIXTEEN: 10-19-92

(Feb 11)

AMENDMENTS

02-18-11