RINCON BAND OF LUISEÑO INDIANS

Ordinance and Procedure of Investment Assets

The Business Committee has supervisory authority over the Investment Committee. The Business Committee has delegated certain responsibilities of its investment management to the Investment Committee. The Investment Committee is responsible for the regular reporting on the investments to the Business Committee. In carrying out its responsibilities, the Investment Committee will act in accordance with the Investment Policies and all applicable tribal laws and ordinances. The Investment Committee's responsibilities include investment policy development, investment manager due diligence and evaluation, measuring investment performance and other tasks as deemed appropriate. The role of the Investment Committee is to make recommendations for final approvals to the Business Committee.

Investment Committee will recommend to the Business Committee the selection of an Investment Consultant to assume the investment management of funds and assets owned or administered by the Band. The Investment Committee will recommend to the Business Committee assignment of custodial responsibility for the assets to specific financial institutions, including the Investment Consultant, as appropriate. In every instance, the Business Committee and the Investment Committee shall exercise due diligence in its selection of the Investment Consultant and Managers and in a manner consistent with the objectives, guidelines and constraints outlined in the Policies.

Assignment of Responsibility

**Investment Consultant.** The consultant will assist the Investment Committee in: establishing investment policy, objectives, and guidelines; providing asset allocation advice; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.

**Investment Manager.** The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives.

**Custodian.** The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.
Co-Trustee (optional). The Business Committee may appoint an outside individual or entity, such as a bank trust department, to be co-trustee. The Co-trustee will assume fiduciary responsibility for the administration of Fund assets.

Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Business Committee to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

In addition, the Investment Committee follows a prudent six-step process that will assist Business Committee in meeting their fiduciary responsibilities as trustees of the Funds. This six-step process includes the following:

1) Needs Analysis – Review time horizon, risk tolerance, future liabilities and cash flows, and desired fund surpluses and reserves.
2) Investment Policy – Establish guidelines for portfolio design. Define duties of all parties to the process, set risk and return targets, describe portfolio constraints and state manager selection criteria.
3) Asset Allocation – Design a diversified portfolio that optimizes the tradeoff between expected risk and return in accordance with the investment policy.
4) Manager Selection – Identify the appropriate investment vehicles and/or portfolio managers for each asset class in the portfolio. Establish procedures for evaluating, negotiating and contracting with investment managers.
5) Portfolio Monitoring – Fund performance is measured and evaluated in relation to stated risk-return targets, inflation, liability growth, customized market indices or other relevant benchmarks.
6) Review & Rebalancing – Portfolio weights are adjusted periodically to track the allocation targets. Managers may be downgraded or replaced due to changing fund requirements or deficiencies identified through the research process.

The Investment Committee will communicate investment goals and concerns and keep the Investment Consultant informed of significant financial developments or goal changes.

The Investment Committee is chaired by the Business Committee Chairman or Business Committee Chairman Appointee. Investment Committee members are appointed by the Business Committee annually. Investment Committee members can be removed at the discretion of the Business Committee by majority vote.

Authorized officers to act on behalf of decisions made by the Business Committee to authorize transactions, including withdrawal of funds, investment manager changes and investment decisions are: Chairperson, Vice Chairperson, Treasurer and CFO (or Controller). The order of direction is as follows: (1) CFO, (2) Treasurer, (3) Chairperson, (4) Vice Chairperson. Notification of transactions shall be conveyed within 24 hours to the
Business Committee and authorized officers. Transactions will be permitted with verbal and/or written instructions from an authorized officer(s).

This Ordinance and Procedure is adopted on January 10, 2006 by the Business Committee of the Rincon Luiseño Band of Mission Indians whose signatures appear below.

**RINCON LUISEÑO BAND OF MISSION INDIANS**  
Ordinance and Procedure of Investment Assets

---

John D. Currier, Chairman  
Vernon Wright, Vice Chairman  
Stephanie Spencer, Council Member  
Gilbert Parada, Council Member  
Charlie Kolb, Council Member

---