

## **ENDOWMENT FUND OF THE NATIONAL CAMBRIDGE COLLECTORS, INC**

The following laws are set up by the State of Ohio concerning an Endowment Fund and its management.

### **Section 1715.51 Definitions**

As used in sections 1715.51 to 1715.59 of the Revised code:

(A) "Institution" means an incorporation or unincorporated organization organized and operated exclusively for educational or religious purposes or a governmental organization to the extent that it holds funds exclusively for either of these purposes. Such definitions do not apply to section 109.23 of the Revised Code.

(B) "Institutional fund" means a fund held by an institution for its exclusive use, benefit, or purposes but does not include:

(1) A fund held for an institution by a trustee that is not an institution;

(2) A fund in which a beneficiary that is not an institution has an interest.

(C) "Endowment fund" means an institutional fund, or any part thereof not wholly expendable by the institution on a current basis under the terms of the applicable gift instrument.

(D) "Governing board" means the body responsible for the management of an institution or of an institutional fund.

(E) "Historic dollar value" means the aggregate-gate fair value in dollars of:

(1) An endowment fund at the time it became an endowment fund;

(2) Each subsequent donation to the fund at the time made; and

(3) Each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund. The determination of historic dollar value made in good faith by the institution is conclusive.

(F) "Gift instrument" means a will, deed, grant, conveyance, agreement, memorandum, writing, or other governing document, including the terms of any institutional solicitations from which an institutional fund resulted, under which property is transferred to or held by an institution as an institutional fund.

### **1715.52 Appropriation for expenditure.**

The governing board of an institution may appropriate for expenditure for the uses and purposes for which an endowment fund is established up to fifty percent of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment fund over the historic dollar value of the fund, but only so much of such fifty per cent of the net appreciation as is prudent under the standard established by section 1715.56 of the Revised Code.

This section does not limit the authority of the governing board to expend funds as permitted under other law, the terms of the applicable gift instrument, or the charter of the institution.

### **1715.53 Exception to expenditure.**

Section 1715.52 of the revised Code does not apply if the applicable gift instrument states the donor's intention that net appreciation shall not be expended.

### **1715.54 Powers of governing board to invest.**

In addition to an investment otherwise authorized by law or by the applicable gift instrument, and without restriction to investments a fiduciary may make, the governing board of an institution, subject to any specific limitations set forth in the applicable gift instrument or in the applicable law other than law relating to investments by a fiduciary may:

(A) Invest and reinvest an institutional fund in any real or personal property deemed advisable by the governing board, whether or not it produces a current return, including mortgages, stocks, bonds,

debentures and other securities of profit or non-profit corporations, shares in or obligations of any government or subdivision or instrumentality thereof;

(B) Retain property contributed by a donor to an institutional fund for as long as the governing board deems advisable;

(C) Include all or any part of an institutional fund in any pooled or common fund maintained by the institution;

(D) Invest all or any part of an institutional fund in any other pooled or common fund available for investment, including shares or interests in regulated investment companies, mutual funds, common trust funds, investment partnerships, real estate investment trusts, or similar organizations in which funds are commingled and investment determinations are made by persons other than the governing board. All institutional funds held by a governmental organization shall be audited by the auditor of state.

### **1715.55 Board may delegate authority**

Except as otherwise provided by the applicable gift instrument or by applicable law relating to governmental institutions or funds, the governing board of an institution may:

(A) Delegate to its committee, officers, or employees of the institution or the fund, or agents, including investment counsel, the authority to act in place of the board in investment and reinvestment or institutional funds;

(B) Contract with independent investment advisors, investment counsel or managers, banks, or trust companies, so to act;

(C) Authorize the payment of compensation for investment advisory or management services.

**1715.56 Standard Established.**

In the administration of the powers to appropriate appreciation, to make and retain investments, and to delegate investment management of institutional funds, members of a governing board of an institution shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision. In so doing they shall consider long and short term needs of the institution in carrying out its educational or religious purposes, it's present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

**1715.57 Written consent of donor.**

(A) With the written consent of the donor, the governing board of an institution may release, in whole or in part, a restriction imposed by the applicable gift instrument on the use or investment of an institutional fund.

(B) If written consent of the donor cannot be obtained by reason of his death, disability, unavailability or impossibility of identification, the governing board may apply in the name of the institution to the appropriate court for release of a restriction imposed by the applicable gift instrument on the use or investment of an institutional fund. The attorney general is a necessary party to and shall be served with process in all such proceedings. A judgment rendered in such proceedings without service of process upon the attorney general is void. If the court finds that the restriction is obsolete or impossible, it may by order release the restriction in whole or in part. A release under this division may not change an endowment fund to a fund that is not an endowment fund.

(C) A release under this section may not allow a fund to be used for purposes other than the educational or religious purposes of the institution affected.

(D) This section does not limit the application of the doctrine of cy pres.

**1715.58 Uniform law among states.**

Sections 1715.51 to 1715.59 of the Revised Code shall be to applied and constructed as to effectuate their general purpose to make uniform, the law with respect of these sections among those states which enact the uniform management of institutional funds.

**1715.59 Sections cited.**

Sections 1715.51 to 1715.59 of the Revised Code may be cited as the uniform management of institutional funds act.

There is hereby established, under the authority of the Uniform Management of Institutional Funds Act, R.C. 1715.51 - 59, an National Cambridge Collectors, Inc. Endowment Fund

The Endowment Fund is being established for the purpose of receiving gifts, from time to time, to the National Cambridge Collectors, Inc., that are not wholly expendable by the National Cambridge Collectors, Inc. on a current basis under the terms of the gift instrument.

The Board of Directors of the National Cambridge Collectors, Inc. shall administer the fund in accordance with the provisional laws and also upon the terms of any applicable gift instrument.

**Permanent Collection Program:**

The following shall be the policies of the National Cambridge Collectors Inc. with respect to donations or bequests of glass to this organization.

(A) Items which the National Cambridge Collectors, Inc. does not already have in its collection shall become a part of the Permanent Collection.

(B) Items which are duplicates of glass already in the Permanent Collection shall be handled as follows:

(1) If the duplicates are in equally good condition, or the earlier item is in better condition, the earlier item shall remain in the Permanent Collection and the new item may be sold with the proceeds used to purchase additional glass for the Permanent Collection, or placed in the Endowment Fund.

(2) If the new item is in better condition than the earlier item, the new item shall become a part of the Permanent Collection, and the earlier item may be sold, and the proceeds applied as above.

**Addendum 8/22/1997**

The Board of Directors is empowered to direct interest and income gained from the Endowment Fund for the use of the Club and/or Museum operations.

Signed this 22nd day of August 1997.

President: Richard D. Jones

Vice President: \_\_\_\_\_

Secretary: Lynne R. Verbskey

Treasurer: Charles A. Upton

Director: Edgar W. Hagerty

Director: Cynthia Arent