

ARTICLE XII Section 6

(a) Establishment of Endowment and Investment Funds *(Amended June 8, 2005 by 2005-06-039; Amended July 30, 2008 by 2008-07-034, Amended April 30, 2010 by 2010-04-xxx)*

The Board establishes the following funds, for the sole purpose of improving the long-term financial development and security of the specified activities:

- 1) The National Watch and Clock Museum Endowment Fund,
- 2) The Library and Research Center Endowment Fund,
- 3) The NAWCC Endowment Fund, ~~and~~
- 4) The Museum and Library Investment Fund, **and**
- 5) **The NAWCC Heritage Fund.**

Each fund will be reported in the monthly financial reports and recorded separately in the audited financial reports. The Board retains the right to establish sub-accounts within each fund to reflect specific needs and conditions of donation.

Earnings available for payout from these funds shall be determined no less than quarterly through reporting by and consultation with professional investment managers(s) appointed per Article III Section 2 (d) 3 of the Bylaws. Said earnings shall be managed by the Executive Director in consultation with the Finance Committee, to be utilized as and when needed for operational and other support of the purposes of each fund. Such use shall be reported when made and for what purpose in the monthly reports.

(f) The NAWCC Heritage Fund *(Added April 30, 2010 by 2010-04-xxx)*

The Board herewith establishes the NAWCC Heritage Fund (the "Heritage Fund") to operate for the sole benefit of the NAWCC.

The Heritage Fund is established for the sole purpose of receiving bequests from deceased donor estates in favor of the NAWCC that are otherwise unrestricted as to their use. Said bequests may be in cash and cash equivalents (or items intended to be converted into cash) and when received by the NAWCC will be deposited into the Heritage Fund. Should a donor bequest be accompanied by specific instructions from the donor estate as to its use, the funds will be placed in other NAWCC endowment or investment funds as appropriate.

The Board will have the right to expend account principal under conditions deemed appropriate by the Board. Approval of such conditions and approval of specific expenditures of principal will require a 75% majority vote of the full Board.

All expenditures from the Heritage Fund will be used to enhance, improve, or create any program or activity of the NAWCC in support of its mission and purposes.

Any earnings available for payout not expended in a given fiscal year will be maintained in an accumulated earnings account for future use. The Board may designate any earnings as part of the principal account.