

CURRENT ARTICLE TWELVE

ARTICLE TWELVE — ENDOWMENT

1. Endowment Committee

The Board of Directors shall establish an Endowment Committee composed of five members who have significant interest in raising the funds and developing the charitable grants of AAM. The Endowment Committee shall develop and administer the endowment and grant policy for funds solicited through contributions for the charitable purposes and objectives of the Association subject to the approval of the Board of Directors. Funds solicited for endowment purposes shall be governed by an investment policy as maintained by an Investment Committee reporting to the Board of Directors. The Investment Committee provided for in Article Twelve may include persons who are not Members of the Association when such persons have particular specialized skills and talents related to investments and the management thereof.

2. Composition of Committee

- a. Each member of the Endowment Committee shall serve from the time of appointment for a term of three years or until a replacement is appointed or elected as provided herein.
- b. The Board will stagger the terms of the appointed members so that the Endowment Committee will not all rotate off in the same year.
- c. The Endowment Committee shall elect a chairperson from among its members.

3. Expenditures

Funds solicited for the endowment and ongoing grants shall not be encumbered by the Board of Directors and are restricted to the charitable purposes and objectives of the Association. Only expenses related to the administration and solicitation of funds, including appropriate expenses of part-time or full-time employees engaged in such administration and fund solicitation, shall be paid from funds solicited for endowment purposes. In addition, the records of all transactions pertaining to management, use and/or disbursement of the funds in the Endowment, whether such transactions are authorized by the Endowment Committee, Board of Directors, or both, shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP).

4. Management of Funds

The management and use of funds held by the Association for charitable purposes, including the endowment, shall be in accordance with the Michigan Uniform Prudent Management of Institutional Funds Act, Public Act 87 of 2009, as amended.

PROPOSED REVISION TO ARTICLE TWELVE

ARTICLE TWELVE — DEVELOPMENT AND ENDOWMENT

The Board of Directors shall establish and maintain a Development Committee, which shall serve to effect the aims and purposes of the Endowment and solicitation of funds for the Annual Fund. The Development Committee shall manage such subcommittees as may be appointed as herein provided to administer the various functions related to the Endowment, including receiving grant applications and recommending grants, developing planned giving and raising funds for the Endowment and for the Annual Fund.

1. Composition of Committee

The Development Committee shall consist of the current Vice- or Past-President of the Association, the Association's Treasurer, and the chairperson of each subcommittee appointed.

2. Subcommittees

The President of the Association, with the advice and consent of the Association's Board of Directors, may appoint subcommittees to serve under the umbrella of the Development Committee, dealing with the aims and purposes of the Endowment and of the Annual Fund, addressing such functions as (by way of illustration and not limitation) Grants, Planned Giving, Internships, scholarships and such other activities of the Development Committee for which the formation of a subcommittee may be expedient. The President of the Association shall be an ex-officio member of all appointed subcommittees.

a. Each member of any subcommittee within the framework of the Development Committee may serve from the time of appointment for a term of up to three years or until a replacement is appointed or elected (as provided herein), whichever event occurs first. Members of subcommittees may serve successive terms. Persons who are not members of the Association but have expertise relevant to the aims and purposes of the Association's development may be appointed by the President.

b. The President and the Board shall stagger the terms of persons appointed to any subcommittee that operates under the umbrella of the Development Committee so that fewer than one-half of the membership of the subcommittee will rotate off in any single calendar year.

c. The President of the Association, with the advice and consent of the Board, will choose a chairperson from its members for each subcommittee operating under the framework of the Development Committee.

3. Expenditures

Funds solicited for the Endowment shall not be encumbered by the Development Committee or the Board of Directors. Such funds shall be restricted solely to the charitable purposes and objectives of the Association. Expenses related to the administration of the Endowment and the solicitation of funds, including appropriate expenses of part-time or full-time employees engaged

in such administration and fund solicitation, shall be paid from the funds solicited for the Endowment. In addition, the records of all transactions pertaining to management, use and/or disbursement of the funds in the Endowment, whether such transactions are authorized by the Endowment Committee, Board of Directors, or both, shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP).

4. No encumbrance by Development Committee

Funds solicited for the Annual Fund shall not be encumbered by the Development Committee. Such funds may be disbursed as directed by the Board of Directors in the furtherance of the charitable and educational purposes of the Association. Expenses related to the solicitation of funds for the Annual Fund, including appropriate expenses of part-time or full-time employees engaged in such administration and fund solicitation, shall be paid from the Association's general operating funds.

5. Management and use of funds

The management and use of funds held by the Association for charitable purposes, including funds in the Endowment, shall be in accordance with the Michigan Uniform Prudent Management of Institutional Funds Act, Public Act 87 of 2009 and as it may be thereafter amended.