

RADIO AMATEUR SATELLITE CORPORATION FOUNDATION & ENDOWMENT FUND COMMITTEE

POLICIES, REGULATIONS AND RULE

By Resolution of the Board of Directors of AMSAT (the “Corporation”) on the 31st day of December, 2003, the Board of Directors, pursuant to Article II, Section 1 of the By-Laws of the Corporation created the AMSAT Foundation & Endowment Fund and the AMSAT Foundation & Endowment Fund Committee to consist of the President, Executive Vice-President, Treasurer, and two (2) other Members of the Corporation’s Board of Directors.

The Board of Directors further directed that the initial Committee proceed with the creation of the necessary operating instruments and documents, including, but not limited to, the Policies, Regulations and Rules for the operation and administration of the Foundation & Endowment Fund Committee to be presented to the Board of Directors of the Corporation for discussion, modification and ratification.

In accordance with the Resolution of the Board of Directors, referred to above, the proposed Policies, Regulations and Rules of the operation and administration of the AMSAT Foundation & Endowment Fund Committee are attached hereto and presented to the Board of Directors for its approval.

**DUTIES, POLICIES, RULES AND REGULATIONS
OF
THE FOUNDATION & ENDOWMENT FUND COMMITTEE OF
AMSAT**

A. PURPOSE: The Foundation & Endowment Fund Committee shall be responsible for the development and implementation of fund raising and related financial activities, long-term and short term, to secure the on-going goals, operations and purposes of the Radio Amateur Satellite Corporation, a public charitable organization (the “Corporation”); to be the vehicle through which individuals, corporations, foundations, governmental entities and charitable organizations are able to make gifts and bequests to benefit the Corporation and its charitable purposes.

B. CRITICAL RESPONSIBILITIES:

1. To develop creative plans and activities for continuing financial support of the strategic (long term and short term) mission and goals of the Corporation.
2. To encourage philanthropy for the support and encouragement of the activities of the Corporation from a variety of fund raising sources including, but not limited to grants, corporate, organizational and individual charitable gifts.
3. To develop a permanent endowment for the Corporation with a variety of contribution options, including operational funds, unrestricted funds and restricted funds by current and deferred giving opportunities.
4. To provide a variety of planned giving vehicles and opportunities for Donors with varied interests and at varied levels of giving to support the mission and goals of the Corporation both now and in the future.
5. To assess and respond to emerging and changing needs of the Corporation and to serve as a resource and catalyst for charitable fund raising activities to support such needs.
6. To account to the Board of Directors of the Corporation semi-annually, or at specific intervals, upon request of the Board of Directors, as to the status of the Foundation & Endowment Funds and the respective fund categories, including a report of the income and principal thereof.
7. To review and implement the general policies for the acquisition, division, use,

investment and administration of the Foundation & Endowment Fund to assure the best use and orderly administration of the Fund and to provide a continuing viable guideline for the Committee and the Board of Directors of the Corporation.

8. To maintain such policy or policies that will create an increased interest and confidence in the Foundation & Endowment Fund with the Corporation, its members and the general public and maximize and encourage future gifts and bequests to the Foundation & Endowment Fund.
9. To initiate such plans, activities and publicity to generate gifts and bequests and provide such information as may be necessary to potential Donors advising of the Fund categories available and the uses and purposes thereof.
10. Other than providing an income source for the operating budget from the Foundation & Endowment Fund, the Committee shall not be responsible for the general raising of revenues to be used solely to fund the annual operating budget of the Corporation.

C. PLAN OF OPERATION:

The Committee:

1. The Foundation & Endowment Fund Committee shall include the President, Executive Vice-President, and Treasurer of the Corporation and not fewer than two (2) additional members selected from the Board of Directors of the Corporation selected by the Board of Directors annually. In addition, the President may appoint no more than two (2) persons who are not Board Members and who have an area of expertise deemed valuable to the operations and responsibilities of the Committee.
2. The AMSAT President shall serve as the “Chairman of the Foundation & Endowment Fund Committee”. The Foundation & Endowment Fund Committee may determine such further offices as it chooses and the persons on the Committee to fill such offices.
3. In the event of a vacancy on the Committee, the President shall appoint a person to fill the vacancy until the next annual selection of Committee Members.
4. The Committee shall meet at least quarterly or more frequently, as deemed to

be in the best interest of the Committee's Critical Responsibilities. Such meetings may be face-to-face, by telephone, e-mail or other electronic means. All committee members shall be notified by e-mail, telephone, or mail at least 48 hours in advance of any meeting of the Committee.

5. A quorum shall consist of three (3) Members of the Committee, so long as at least one of those present is a member of the Board of Directors of the Corporation. A majority present and voting shall carry any motion or resolution.
6. The Committee shall report on a semi-annual basis to the Board of Directors of the Corporation and render a full and complete report and account of the administration of the Foundation & Endowment Fund.
7. The Committee may request other members of the Corporation to serve as advisory members of the Committee and, at the expense of the Foundation & Endowment Fund income, may provide for such professional counseling on investments or legal, accounting and fund raising matters as it deems to be in the best interest of the Foundation & Endowment Fund.
8. All assets of the Foundation & Endowment Fund shall be assets of the Corporation and be held in the name of the AMSAT Foundation & Endowment Fund.
9. Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the Foundation & Endowment Fund except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other member. No members shall engage in any self-dealing or transactions with the Foundation & Endowment Fund in which his/her personal interests would conflict with the interest of the Foundation & Endowment Fund.
10. All activities of the Foundation & Endowment Fund Committee shall be in accordance with the Articles of Incorporation of the Corporation so as to not jeopardize the public charitable tax exempt status of the Corporation.
11. Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest and all other respects to manage and control the assets of the

Foundation & Endowment Fund, including stocks, bonds, debentures, mortgages, notes or other securities, as in their judgment and discretion they deem wise and prudent, are to be made by the Committee for approval or ratification by the Board of Directors of the Corporation, with subsequent execution by the Treasurer of AMSAT.

12. At such time as the Foundation & Endowment Funds attain such value requiring professional management, the Committee may, upon approval by the Board of Directors, establish an agency or other account with an institutional trustee or investment service for the purpose of obtaining professional management of the Foundation & Endowment Fund, accounting services and investment counseling.
13. The Foundation & Endowment Fund Committee shall retain the right and discretion to decline the acceptance of a particular gift due to its inappropriateness, restrictions placed upon it or potential financial or legal liability to the Corporation.

D. ACCUMULATION, MANAGEMENT AND DISTRIBUTION OF PRINCIPAL AND INCOME:

The Assets of the Foundation & Endowment Fund shall be held in one or more of the following categories, by the Treasurer, under the direction of The Committee, as specified at the time of receipt:

- Operational Fund: This Fund category may be used for the current annual operating needs of the Corporation to defray administrative expenses.
 1. Except for specific gifts or bequests to this Fund category, additions thereto may be made from undesignated and unrestricted gifts to the Corporation at the direction of the Board of Directors.
 2. Income or principal from this Fund category may be distributed to the general Corporate Accounts annually to meet annual operating needs of the current annual budget; provided, however, that the Board of Directors may require repayment of principal to the Fund category that may be withdrawn to meet such needs.
- Unrestricted Fund: This Fund category shall consist of undesignated and

unrestricted gifts or bequests to the Corporation in general, or to this Fund category specifically. Additions may also consist of excess funds from the Operational Fund at the direction of the Board of Directors.

1. The use of principal from this Fund category shall be at the direction of the Board of Directors to meet the needs of the Corporation if the Operational Fund is not sufficient.
 2. Income earned in this Fund category shall be paid annually to general Corporate accounts for the operating budget.
 3. Depending upon the income needs of the Corporation as determined by the annual budget, the Foundation & Endowment Fund Committee may direct the Treasurer to invest all or any part of this Fund category in long-term equity investments for the purpose of capital appreciation.
 4. If income needs are paramount, however, the funds in this Fund category will be invested in such form so as to maximize income production.
- Restricted Fund: This Fund Category shall consist of that portion of the total Funds, now or hereafter held or received by the Corporation, which are designated for a specific use by the Corporation or which, by the specific terms of a gift or bequest, are limited to the use of income only.
 1. Any limitation or restriction upon the use of the principal and/or income of funds placed in this Fund category shall be specifically documented and evidence thereof shall be, at all times, available to the Board of Directors for its review.
 2. Income from this Fund category shall be paid to the general corporate accounts annually for the operating budget unless income from a gift or bequest is specifically designated for a restricted purpose, in which event such income, when so paid, shall be used only to fund the item for the designated purpose.
 3. Principal from this Fund category shall be used only for the designated purpose, if any, at such time as the Board of Directors may direct. Principal of this Fund category, which by direction of the Donor is not

to be withdrawn, shall be retained in this Fund category with the income, unless otherwise restricted, only being available for use as directed by the Board of Directors.

4. The Treasurer, under direction of the Board of Directors of the Corporation, upon ratification by the Corporation's Board of Directors of the recommendations of the Foundation & Endowment Fund Committee, shall invest this Fund category in long-term or short-term investments, in its discretion, keeping in mind, however, the intent of the gift or bequest as to the production of income and the projection by the Board of Directors as to when the use of a designated gift or bequest may be made.

E. GENERAL MANAGEMENT AND DISTRIBUTION POLICIES:

1. All gifts and bequests to the Corporation received in general, or specifically to the Foundation & Endowment Fund, or to one of the Fund Categories, shall be first received by the Board of Directors. The Board of Directors shall thereafter forward such gifts or bequests to the Foundation & Endowment Fund Committee with the direction as to the Fund Category to which such gift or bequest shall be credited. The Board of Directors shall also designate all present Endowment Funds at the inception of this policy statement.
2. Any gift or bequest received by the Corporation, having no specific designation as to Fund Category, may be placed in any one or more of the Three (3) Fund categories at the sole discretion of the Board of Directors. The Board of Directors shall have the authority to designate a specific use of an undesignated gift or bequest in a manner suitable to the amount of the gift or bequest, the needs of the Corporation and the known interests of the Donor. The Board of Directors shall not, however, indefinitely restrict the use of a gift or bequest to income only unless such direction is specifically made by the Donor.
3. The Foundation & Endowment Fund Committee shall establish a method by which the Donor or any gift or bequest may be suitably memorialized and thereafter be responsible for memorializing each gift or bequest, keeping a continuing record thereof and forward a communication of appreciation to the Donor or his or her family.
4. The annual income of the Foundation & Endowment Fund shall be an income

item of the operation budget of the Corporation each year. Consequently, in addition to the annual report by the Committee and Treasurer to the Board of Directors, a projection of the annual income from the Foundation & Endowment Fund shall be made available to the persons responsible for the preparation of the annual budget at a reasonable time prior to such preparation and presentation of the annual budget.

5. Unless otherwise required by law or by applicable standards and practices of accounting, income for distribution shall include income from investment of Fund principal only and shall not include realized or unrealized gain or appreciation from principal appreciation.
6. Management officials of the Corporation shall seek the advise of the accountants and auditors of the Corporation regarding the incorporation of the financial operations and assets of the Foundation & Endowment Fund into the financial statements of the Corporation to assure that the financial statements are in accordance with generally accepted accounting practices and standards and are free of any material misstatement and are in accord with fiduciary standards relating to investment and management of charitable funds.