

DONATION TO THE FUND AT THE TIME IT IS 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.

(G) "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.

7. APPROPRIATION OF APPRECIATION.

THE GOVERNING BOARD MAY APPROPRIATE FOR EXPENDITURE FOR THE USES AND PURPOSES FOR WHICH AN ENDOWMENT FUND IS ESTABLISHED SO MUCH 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 AS IS PRUDENT UNDER THE STANDARD ESTABLISHED BY SECTION [16] 11. 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.

8. RULE OF CONSTRUCTION.

SECTION 7 DOES NOT APPLY IF THE APPLICABLE GIFT INSTRUMENT INDICATES THE DONOR'S INTENTION THAT NET APPRECIATION SHALL NOT BE EXPENDED. A RESTRICTION UPON THE EXPENDITURE OF NET APPRECIATION MAY NOT BE IMPLIED FROM A DESIGNATION OF A GIFT AS AN ENDOWMENT, OR FROM A DIRECTION OR AUTHORIZATION IN THE APPLICABLE GIFT INSTRUMENT TO USE ONLY "INCOME," "INTEREST," "DIVIDENDS," OR "RENTS, ISSUES OR PROFITS," OR "TO PRESERVE THE PRINCIPAL INTACT," OR A DIRECTION WHICH CONTAINS OTHER WORDS OF SIMILAR IMPORT. THIS RULE OF CONSTRUCTION APPLIES TO GIFT INSTRUMENTS EXECUTED OR IN EFFECT BEFORE OR AFTER THE EFFECTIVE DATE OF THIS ACT.

9. INVESTMENT AUTHORITY.

IN AN 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, 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:

(1) 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 NONPROFIT CORPORATIONS, SHARES IN OR OBLIGATIONS OF ASSOCIATIONS, PARTNERSHIPS, OR INDIVIDUALS, AND OBLIGATIONS OF ANY