

PLAN OF OPERATION FOR COLUMBIA MUSEUM OF ART (CMA) COMMISSION

ARTICLE I

NAME, FORM OF ORGANIZATION AND PURPOSES

Section 1.1 Name

The name of the organization is Columbia Museum of Art Commission

Section 1.2 Form of Organization

The Commission is an organization created by act of the General Assembly of the State of South Carolina in 1949 (the "Commission Act"). The Commission is exempt from income taxes under Section 501C (3) of the Internal Revenue Codes, as amended.

Section 1.3 Purposes

The Commission shall have the duties, functions, purposes, powers, and authority set forth in the Commission Act.

ARTICLE II

Section 2.1 Office

The principal office of the Commission shall be located at the Corner of Hampton & Main streets, Columbia, South Carolina. The Commission may change its principal office to another location with the City of Columbia, South Carolina. The Commission shall maintain all of the records of the Commission at its principal office.

ARTICLE III

MEMBERS OF THE COMMISSION

Section 3.1 Composition, Number, and Term

The Commission shall consist of seven members. The Mayor of the City of Columbia and the President of the Columbia Art Association shall serve ex-officio as members of the Commission. The other five members shall serve for terms of five years and can be elected to serve two five-year terms or until a successor is appointed or until such Commissioner's earlier death, resignation, or incapacity to serve. The members of the Commission whose terms have not expired (including the ex-officio members) shall appoint such members, subject, however, to the approval of the City Council of Columbia. Because the Commission Act set staggered terms for these five members, the term of one of the five appointed members should expire at the end of each year.

Section 3.2 Appointment of Members

Except as provided in Section 3.4 below relating to vacancies, a new member of the Commission shall be elected by the remaining members of the Commission whose terms have not expired (including the ex-officio members). The nominee who receives the votes of a majority of the remaining members of the Commission whose terms have not expired (including the ex-officio members) shall be deemed to have been elected.

Section 3.3 Resignation of Member

A member may resign by delivering written notice to the Chairman of the Commission. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective later, the Commission may fill the pending vacancy before the effective date if the Commission provides that the successor does not take office until the effective date.

Section 3.4 Vacancies

If a vacancy occurs on the Commission, the remaining Commissioners may fill the vacancy by the vote of a majority of the entire Commissions subject, however, to the approval of City Council. A Commissioner elected to fill a vacancy shall hold office until the end of the expired term that the new Commissioner is filling and until such Commissioner's successor is appointed.

Section 3.5 Chairman

At the annual meeting of the Commission, The Commissioners shall elect a member of the Commission to serve as Chairman and another member to serve as Vice-Chairman. The Chairman shall preside at all meetings of the Commission and perform such other duties as may be prescribed from time to time by the Commission. The Vice Chairman shall assume the duties of the Chairman in the absence of the Chairman. The Chairman is elected for a one-year term and may be re-elected for a second consecutive term.

Section 3.6 No Compensation

No Commissioner shall receive compensation for services on the Commission.

Section 3.7 Investment Committee

The Commission may appoint an Investment Committee of the Commission. The Investment Committee shall consist of at least two persons, and at least one member of the Investment Committee shall be a Commissioner. The Investment Committee Shall be empowered to act on behalf of the Commission with regard to implementation and monitoring of the Commission's investment policies. A representative of the Investment Committee shall make a report to the Commission at each regular meeting and annual meeting of the Commission and at such other meetings of the Commission as the Commission may determine.

MEETINGS OF COMMISSION

Section 4.1 Place of Meetings

All meetings of the Commission shall be held at its principal office or at such other place as the Chairman of the Commission may determine as stated in the notice of meeting.

Section 4.2 Annual Meeting

The annual meeting of the Commission, for the purpose of electing members, appointing a Chairman and transacting other business, shall be held in the first quarter of each year as stated in the notice of the meeting.

Section 4.3 Regular Meetings

The Commission shall meet not less often than quarterly (with the annual meeting constituting one of the quarterly meetings) at such time, date, and place as stated in the notice of meeting.

Section 4.4 Special Meetings

Special meetings of the Commission may be called by the Chairman or at the request of at least 20% of the Commissioners then in office. Special meetings shall be held at such time, date and place as stated in the notice of meeting.

Section 4.5 Notice of Meetings

Regular meetings (including annual meeting) must be preceded by at least two days' notice to each Commissioner of the date, time, and place, but not the purpose of the meeting. Special meetings of the Commission must be preceded by at least two days' notice to each Commissioner of the date, time, place, and purpose of meeting. Notice required by the foregoing provisions may be oral or written and may be communicated in person; by telephone, facsimile transmission or other form of wire or wireless communication; or by mail or private carrier. Oral notice is effective when communicated, if communicated in a comprehensible manner. Written notice, if in a comprehensible form, is effective at the earliest of the following: (a) when received; (b) five days after its deposit in the United States mail, as evidenced by the postmark if mailed correctly addressed and with first-class postage affixed; or (c) on the date shown on the return receipt if sent by registered mail or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. The Chairman shall be responsible for preparing and send notice of meetings and shall set the time, date and place of any meeting.

Section 4.6 Waiver of Notice

A Director may at any time waive any notice required by law or this plan of operation. Except as hereinafter provided in this section, the waiver must be in writing, signed by the Commissioner entitled to the notice, and filed with the minutes of the corporate records. A Commissioner's attendance at or participation in a meeting waives any required notice of the meeting unless the Commissioner upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or this plan of operation to lack of notice and does not thereafter vote for or assent to the objected to action.

Section 4.7 Manner of Acting

The affirmative vote of a majority of the Commissioners then in office is the act of the Commission.

Section 4.8 Proxies

At all meetings of the Commission, a Commissioner may participate and vote in person or by a proxy that is executed in writing by the Commissioner or by the Commissioner's duly authorized attorney-in-fact. Such proxy shall be dated and filed with the Chairman of The Commission.

Section 4.9 Telephone Meeting

Any or all of the Commissioners may participate in a meeting of the Commission by any means of communication by which all of the Commissioners participating in the meeting may simultaneously hear each other during the meeting. A Commissioner participating in a meeting by such means is deemed to be present in person at the meeting.

ARTICLE V

COLUMBIA ART ASSOCIATION

Section 5.1 Executive Director of Columbia Art Association

The Commission may delegate matters to the Columbia Art Association. The Commission shall invite the Executive Director of the Columbia Art Association to Commission meetings, except to the extent that the Commission determines otherwise. The Executive Director of the Columbia Art Association shall not be entitled to vote on matters before the Commission. The Commission may delegate certain matters to the Executive Director of the Columbia Art Association, including but not limited to:

1. Maintaining all the records of the Commission including but not limited to all financial records maintained by the Association's business manager and all minutes and other records by the executive administrative assistant.
2. Act as liaison to the Commission's portfolio managers as authorized by the Commission.
3. Call, arrange, otherwise implement, and facilitate all arrangements related to the Commission's meetings, including preparation of the agenda and all pertinent documentation.
4. As such, the Administrative Department of the Columbia Museum of Art's staff will act as an administrative arm of the Commission with the approval of the Association's Board of Trustees.

Section 5.2 Contract with Columbia Art Association

The Commission's relationship with the Columbia Art Association is governed by a contract between the Commission and the Columbia Art Association.

ARTICLE VI

SPENDING POLICY

Section 6.1 General

The endowment funds of the Commission consists of funds the use of which is limited to some specified purpose (for example, acquisition of a particular type of art or conservation) ("restricted funds") and funds that may be used by the Commission for any purpose specified in the Commission Act ("unrestricted funds"). The restricted funds and the unrestricted funds shall be commingled for purposes of investment. The income and realized and unrealized gains from the endowment shall be allocated among each of the funds in an equitable manner. The investment policy of the Commission is set forth in a separate document.

Section 6.2 Unrestricted Funds

- (a) It is the general policy of the Commission that 5% of the moving average of the fair market value of the Commission's unrestricted funds over the three-year period ending on the preceding December 31 shall be distributed to the Columbia Art Association during that fiscal year at such times as the Commission may determine. For the budgeting purposes of the Columbia Art Association, the Commission shall communicate to the Columbia Art Association an estimate of the amount that the Commission expects to distribute from the unrestricted funds during such fiscal year and the time at which such amounts are expected to be distributed. The Commission shall endeavor to inform the investment manager of the amounts and dates of distributions from the unrestricted funds during the fiscal year, so that the investment manager may plan for such distributions and minimize the time during which any portion of the endowment must be held as uninvested cash.
- (b) Notwithstanding the above-stated general policies, the Commission retains the discretion to change the amount and timing of distributions from the unrestricted funds.

Section 6.3 Restricted Funds

- (a) The Commission shall monitor spending from the restricted funds on a periodic basis to ensure that the restricted funds are being administered in accordance with the terms of the gift instrument. The spending policy with respect to any restricted fund is subject to any contrary provision in the gift instrument for such restricted fund.
- (b) It is the general policy of the Commission that 5% of the moving average of the fair market value of the temporarily restricted portion of each restricted fund over the three-year period ending with the preceding December 31 shall be distributed to the Columbia Art Association at such time or times during the fiscal year as the Commission may determine. Notwithstanding the reference of the preceding sentence to fair market values at the beginning of the fiscal year, if an addition is made to a restricted fund during the fiscal year or if a new restricted fund is created during the fiscal year, the Commission may determine to make a distribution from the new restricted fund (or a greater distribution from the increased restricted fund) during that fiscal year.
- (c) For budgeting purposes of the Columbia Art Association, the Commission shall communicate with the Columbia Art Association concerning the amounts and timing of distributions from each restricted fund during the fiscal year. The Commission recognizes that amounts distributed from the Commission's restricted funds may be held by the Columbia Art Association in similarly restricted funds and actually used for the restricted purpose at such times the Columbia Art Association deems appropriate. With respect to each restricted fund, the Commission shall seek advice from the Columbia Art Association whether the Association during such fiscal year will in fact apply distributions from such restricted fund. If the Commission determines the distributions from such restricted fund are not likely to be used by the Columbia Art Association immediately, the Commission may consider deferring such distribution until a later time at which the Columbia Art Association is likely to use such amounts. If distribution is deferred, the decision by the Association to rollover part of the deferred available distribution will be documented in the minutes, along with the pledge by the Commission to release the deferred distribution in full when the Association requests payment.

Notwithstanding the above-state general policies of the Commission, the Commission maintains the discretion to increase or decrease distributions from any restricted fund and to change the time of distributions in such manner as the Commission deems appropriate including the discretion to distribute or apply any amounts in a restricted fund in excess of the original amount of the gift.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Amendments

This plan of operation may be amended by the Commissioners. The amendment must be approved by a majority of the Commissioners in office at the time the amendment is adopted.

Section 7.2 Fiscal Year

The fiscal year of the Commission shall begin on July 1 and end on June 30 the following calendar year.

Section 7.3 Financial Reports

The books of the Commission shall be closed as of the end of each fiscal year and a financial statement shall be prepared and submitted to the Commission. At the discretion of the Commission, the Commission may engage an independent certified public accountant to audit or review the financial statements.

Section 7.4 Commission Minutes and Records

The Commission shall keep as permanent records minutes of all meetings. The Commission shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. The minutes and records described above shall be made available for inspection by current members of the Commission during normal business hours.

Section 7.5 Checks and Drafts

All checks, drafts, or other orders for the payment of money issued in the name of the Commission shall be signed by such members of the Commission as shall from time to time be determined by resolution of the Commission.

Amended: September 9, 2010