

**The Charter of
The Episcopal Foundation of the
Diocese of East Carolina Incorporated**
(As Amended)

1st. The name of this Corporation is The Episcopal Foundation of The Diocese of East Carolina, Incorporated.

2nd. The location of the principal office of the corporation in this State is at Kinston, in the County of Lenoir, but it may have one or more branch offices and places of business in the Diocese of East Carolina.

3rd. This Corporation is formed by the Diocese of East Carolina of the Protestant Episcopal Church exclusively for religious; educational and charitable purposes, including the purpose of holding, managing and investing property of the Diocese of East Carolina, either temporarily, for a specified or indefinite time, or permanently, and the purpose of providing (1) funds, the income from which is to be used for the promotion of new work in the Diocese of East Carolina and for the development of the religious, educational and charitable work of the Protestant Episcopal Church in the Diocese of East Carolina, (2) funds to be used for making loans to parishes, missions, diocesan institutions and church organizations for capital improvements and (3) funds for capital grants to parishes, missions, diocesan institutions and church organizations for capital improvement.

4th. And for the purposes herein specified, the Corporation shall have the right to receive by Will, Deed, gift or otherwise; to hold, own, sell and dispose of real, personal and mixed property of every kind and description, and the Corporation shall also have the authority to be named as a beneficiary in policies of life insurance and act as such beneficiary.

5th. The Corporation shall have authority in its corporate name to buy, sell, convey and lease real and personal property; and invest or otherwise dispose of any and all property belonging to the Corporation when authority therefore has been duly given as provided by the By-Laws of the Corporation, and shall have such other powers, privileges and authority as are given by the laws of the State of North Carolina now enacted or which may be hereafter enacted.

6th. The Corporation shall not have members or capital stock and no stock or shares shall be issued. No incorporator, director or officer shall at any time be considered to be the owner of any of the assets, property or income of the Corporation, nor shall he, by distribution, liquidation, dissolution or in any other manner, be entitled to or receive any of said assets, property or income, all of which shall be devoted exclusively and forever to the purpose of the Corpo-

1 ration or disposed of as hereinafter provided. The Corporation is not organized and shall not
2 operate for profit, and not part of its net earnings shall inure or may lawfully inure to the ben-
3 efit of any private shareholder, incorporator, director, officer or individual. The above provi-
4 sions, however, shall not prevent the payment of reasonable compensation to any person, orga-
5 nization, firm or corporation for services rendered to this Corporation. No substantial part of
6 the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempt-
7 ing to influence legislation. The Corporation shall not participate in, or intervene in (including
8 the publishing or distributing of statements) any political campaign on behalf of any candidate
9 for public office. The Corporation shall not lend any part of its assets, property or income to
10 any political campaign on behalf of any candidate for public office. The Corporation shall
11 not lend any part of its assets, property or income to any incorporator, director or officer of,
12 or any substantial contributor to, the Corporation, to any member of the family of any such
13 person, or to any corporation controlled by any such person; nor shall the Corporation pay any
14 compensation in excess of a reasonable allowance for salaries or other compensation for per-
15 sonal service actually rendered, to any such persons or corporations; nor shall the Corporation
16 make any part of its services available on a preferential basis to any such persons or corpora-
17 tions; nor shall the Corporation make any substantial purchase of its securities or other prop-
18 erty to any such persons or corporations for other than an adequate consideration in money or
19 money's worth; nor shall the Corporation engage in any other transaction which results in a
20 substantial diversion of its assets, property or income to any such persons or corporations.
21 The Corporation shall not (i) accumulate its income if any such accumulations are unrea-
22 sonable in amount or duration in order to carry out the religious, educational and charitable
23 purpose for which it is organized or (ii) use any such accumulated income for purposes or
24 functions other than the religious, educational and charitable purpose for which it is organized
25 or (iii) invest any such accumulated income in such a manner to jeopardize the carrying out
26 of the religious, educational and charitable purposes for which it is organized. The Corpora-
27 tion shall distribute its income for each taxable year at such time and in such manner as not
28 to become subject to the tax on undistributed income imposed by Section 4942 of the Internal
29 Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws. The
30 Corporation shall not engage in any act of self-dealing as defined in Section 4941 (d) of the In-
31 ternal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.
32 The Corporation shall not retain any excess business holdings as defined in Section 4943 of
33 the Internal Revenue code of 1954, or corresponding provisions of any subsequent federal
34 tax laws. The Corporation shall not make any investments in such manner as to subject it to
35 tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of
36 any subsequent federal tax laws. The Corporation shall not make any taxable expenditures as
37 defined in Section 4945 (d) of the Internal Revenue Code of 1954, or corresponding provision
38 of any subsequent federal laws. It is intended that the Corporation shall qualify as an organi-
39 zation (I) which is exempt from income taxes under the United States Internal Revenue Code
40 of 1954 and corresponding provisions of subsequent federal tax laws and under any applicable
41 laws of the State of North Carolina from time to time in effect and (II) contributions to which

1 are deductible for income, gift and estate tax purposes under said Internal Revenue Code of
2 1954 and corresponding provisions of subsequent federal tax laws and under any applicable
3 laws of the State of North Carolina from time to time in effect. In the event the Corporation is
4 liquidated or dissolved, voluntarily or involuntarily the assets and property of the Corporation,
5 after payment or arrangement for payment of its debts and obligations, shall be transferred,
6 conveyed and delivered to the Trustees of the Diocese of East Carolina; provided, that any
7 funds or property held by the Corporation upon any condition requiring the return, transfer or
8 conveyance of said funds or property, or the unused portion thereof, upon liquidation or dis-
9 solution of the Corporation shall be returned, transferred or conveyed in accordance with said
10 condition.

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12 7th. The Trustees heretofore elected and now serving shall hereafter be known and designated
13 as Directors and shall continue to serve in their respective offices until their successors have
14 been duly elected and qualified, and said Directors shall be vested with all the same rights and
15 subject to the same responsibilities as when designated as Trustees.

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17 8th. Subject to the approval of the Diocesan Convention, the Directors shall have full power
18 and authority to promulgate, alter and amend such By-Laws, rules and regulations as in their
19 discretion will best promote the interest and purpose for which this corporation is created.

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21 9th. The period of existence of this Corporation is unlimited.

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23 The original Charter was revised and rewritten by Certificate of Amendment filed March 26,
24 1957, in the Office of Secretary of State.

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26 An amendment rewriting the 3rd and 6th articles was adopted by the Directors and approved
27 by the Diocesan Convention January 29, 1971. Articles of Amendments were filed June 17,
28 1971, in the Office of Secretary of State.

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