

WAKE COUNTY

RALEIGH, NORTH CAROLINA

STATON FOUNDATION

App. 277

CHARITABLE TRUST INDENTURE

THIS DECLARATION OF TRUST is made as of the 6<sup>th</sup> day of Dec, 1993 by Centura Bank, Tom Brame, Jerri Brame, and Philip A. R. Staton, Trustees, who hereby declare and agree that they have received this day from Philip A. R. Staton, as donor, the sum of Two Million Dollars (\$2,000,000), and that they will hold and manage the same, and any additions to it, in trust, as follows:

FIRST: This trust shall be called the "Staton Foundation."

SECOND: The trustees may receive and accept property, whether real, personal or mixed, by way of gift, bequest or devise, from any person, estate, entity, firm, trust or corporation, to be held, administered and disposed of in accordance with and pursuant to the provisions of this Declaration of Trust; but no gift, bequest or devise of any such property shall be received and accepted if it is conditioned or limited in such manner as to require the disposition of the income or principal to any person or organization other than a "charitable organization" or for other than "charitable purposes" within the meaning of such terms as defined in Article Third of this Declaration of Trust, or as shall in the opinion of the trustees, jeopardize the Federal income tax exemption of this trust pursuant to section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding section of any future federal tax code.

THIRD: A. The principal and income of all property received and accepted by the trustees to be administered under this Declaration of Trust shall be held in trust by them, and the trustees may make payments or distributions from income or principal, or both, to or for the use of such charitable organizations, within the meaning of that term as defined in paragraph C, in such amounts and for such charitable purposes of the trust as the trustees shall from time to time select and determine; and the trustees may make payments or distributions from income or principal, or both, directly for such charitable purposes, within the meaning of that term as defined in paragraph D, in such amounts as the trustees shall from time to time select and determine without making use of any other charitable organization. The trustees may also make payments or distributions of all or any part of the income or principal to States, territories, or possessions of the United States, any political subdivision of any of the foregoing, or to the United States or the District of Columbia, but only for charitable purposes within the meaning of that term as defined in paragraph D.

Income or principal of the trust shall be distributed by the trustees for use solely within the United States or its possessions. No part of the net earnings of this trust shall inure or be payable to or for the benefit of any private shareholder or individual, and no substantial part of the activities of this trust shall be the carrying on of propaganda, or otherwise attempting to influence legislation. No part of the activities of this trust shall be the participation in, or intervention in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

B. The trust shall continue forever unless the trustees terminate it and distribute all of the principal and income, which action may be taken by the trustees in their discretion at any time. On such termination, the assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. The Donor authorizes and empowers the trustees to form and organize a nonprofit corporation limited to the uses and purposes provided for in this Declaration of Trust, such corporation to be organized under the laws of the State of North Carolina or under the laws of any other state in the United States as may be determined by the trustees; such corporation when organized shall have power to administer and control the affairs and property and to carry out the uses, objects and purposes of this trust. Upon the creation and organization of such corporation, the trustees are authorized and empowered to convey, transfer and deliver to such corporation all the property and assets to which this trust may be or become entitled. The charter, bylaws and other provisions for the organization and management of such corporation and its affairs and property shall be such as the trustees shall determine, consistent with the provisions of this paragraph.

C. In this Declaration of Trust and in any amendments to it, references to "charitable organizations" or "charitable organization" mean corporations, trusts, funds, foundations, or community chests created or organized in the United States or in any of its possessions, whether under the laws of the United States, any state or territory, the District of Columbia, or any possession of the United States, organized and operated exclusively for charitable purposes, no part of the net earnings of which inures or is payable to or for the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which do not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office. It is intended that the organizations described in this paragraph C shall be entitled to exemption from Federal income tax

under section 501(c)(3) of the Code, as now in force or afterwards amended.

D. In this Declaration of Trust, and in any amendments to it, the term "charitable purposes" shall be limited to and shall include only religious, charitable, scientific, literary or educational purposes within the meaning of those terms as used in section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, but only such purposes as also constitute public charitable purposes under the law of trusts of the State of North Carolina.

FOURTH. This Declaration of Trust may be amended at any time or times by written instrument or instruments signed and sealed by the trustees, and acknowledged by the trustees, provided that no amendment shall authorize the trustees to conduct the affairs of this trust in any manner or for any purpose contrary to the provisions of section 501(c)(3) of the Code as now in force or afterwards amended. An amendment of the provisions of this Article Fourth (or any amendment to it) shall be valid only if and to the extent that such amendment further restricts the trustees' amending power. All instruments amending this Declaration of Trust shall be noted upon or kept attached to the executed original of this Declaration of Trust held by the trustees.

FIFTH. Centura Bank, Tom Brame, Jerri Brame, and Philip A. R. Staton shall be the initial trustees under this Declaration of Trust (the "Original Trustees"). Any of the Original Trustees hereunder may, by written instrument signed and acknowledged, resign his office.

At such time as one of the Original Trustees shall, for any reason, cease to serve as trustee hereunder, Philip Staton shall have the power and authority to name a successor trustee, and such power may be exercised at any time.

No trustee hereunder shall be required to furnish any bond or surety. No trustee hereunder shall be responsible or liable for the acts or omissions of any predecessor or of a custodian, agent, depository or counsel selected with reasonable care. No trustee hereunder shall be required to qualify or to file any periodic inventory or accounting with respect to this trust with any court, even though otherwise required by law, but any successor trustee shall file annual accounts of receipts and disbursements of cash and principal with the Donor.

The trustees serving under this Declaration of Trust are authorized to pay to themselves amounts for reasonable expenses incurred and reasonable compensation for services rendered in the administration of this trust; provided, however, that the payment of compensation (and the payment or reimbursement of expenses, including reasonable advances for expenses anticipated in the

immediate future) to a disqualified person shall be reasonable and not excessive and may only be permitted for the performance of personal services which are reasonable and necessary to carry out the exempt purposes of the Staton Foundation.

SIXTH: In extension and not in limitation of the common law and statutory powers of trustees and other powers granted in this Declaration of Trust, the trustees shall have the following discretionary powers:

(a) To invest and reinvest the principal and income of the trust in such property, real, personal or mixed, and in such manner as they shall deem proper, and from time to time to change investments as they shall deem advisable; to invest in or retain any stocks, shares, bonds, notes, obligations or personal or real property (including without limitation any interests in or obligations of any corporation, association, business trust, investment trust, common trust fund or investment company) although some or all of the property so acquired or retained is of a kind or size which but for this express authority would not be considered proper and although all of the trust funds are invested in the securities of one company. No principal or income, however, shall be loaned, directly or indirectly, to any disqualified person (as such term is defined under section 4946 of the Code, or the corresponding provision of any later federal tax code) with respect to the Staton Foundation.

(b) To sell, lease or exchange any personal, mixed or real property, at public auction or by private contract, for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertakings relating to the trust property as they consider advisable, whether or not such leases or contract may extend beyond the duration of the trust. No real or personal property, however, shall be sold, leased or exchanged, directly or indirectly, to any disqualified person (as such term is defined under section 4946 of the Code, or the corresponding provision of any later federal tax code) with respect to the Staton Foundation.

(c) To borrow money for such periods, at such rates of interest and upon such terms as the trustees consider advisable, and as security for such loans to mortgage or pledge any real or personal property with or without power of sale; to acquire or hold any real or personal property, subject to any mortgage or pledge on or of property acquired or held by this trust. No money, however, shall be borrowed, directly or indirectly, from any disqualified person (as such term is defined under section 4946 of the Code, or the corresponding provision of any later federal tax code) with respect to the Staton Foundation.

(d) To execute and deliver deeds, assignments, transfers, mortgages, pledges, leases, covenants, contracts, promissory notes, releases and other instruments, sealed or unsealed, incident to any transaction in which they engage.

(e) To vote, to give proxies, to participate in the reorganization, merger or consolidation of any concern, or in the sale, lease, disposition, or distribution of its assets; to join with other security holders in acting through a committee, depository, voting trustees, or otherwise, and in this connection to delegate authority to such committee, depository, or trustees and to deposit securities with them or transfer securities to them; to pay assessments levied on securities or to exercise subscription rights in respect of securities.

(f) To employ a bank or trust company as custodian of any funds or securities and to delegate to it such powers as they deem appropriate; to hold trust property without indication of fiduciary capacity but only in the name of a registered nominee, provided the trust property is at all times identified as such on the books of the trust; to keep any or all of the trust property or funds in any place or places in the United States of America; to employ clerks, accountants, investment counsel, investment agents, and any special services and to pay the reasonable compensation and expenses of all such services in addition to the compensation of the trustees.

SEVENTH: The trustees' powers are exercisable solely in the fiduciary capacity consistent with and in furtherance of the charitable purposes of this trust as specified in Article Third and not otherwise.

EIGHTH: Any other provisions of this instrument notwithstanding, the trustees shall distribute the income (and, if necessary, principal) of the trust for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Code, or the corresponding provisions of any subsequent Federal tax laws.

Any other provisions of this instrument notwithstanding, the trustees shall not engage in any act of self-dealing as defined in section 4941(d) of the Code, or the corresponding provisions of any subsequent Federal tax laws; nor retain any excess business holdings as defined in section 4943(c) of the Code, or the corresponding provisions of any subsequent Federal tax laws; nor make any investments in such manner as to incur tax liability under section 4944 of the Code, or the corresponding provisions of any subsequent Federal tax laws; nor make any taxable expenditures as defined in section 4945(d) of the Code, or the corresponding provisions of any subsequent Federal tax laws.

NINTH: In this Declaration of Trust and in any amendment to it, references to "trustees" mean the trustees, whether original or successor, for the time being in office.

TENTH: Any person may rely on a copy, certified by a notary public, of the executed original of this Declaration of Trust held by the trustees, and of any of the notations on it and writings attached to it, as fully as he might rely on the original documents themselves. Any such person may rely fully on any statements of fact certified by anyone who appears from such original documents or from such certified copy to be a trustee under this Declaration of Trust. No one dealing with the trustees need inquire concerning the validity of anything the trustees purport to do. No one dealing with the trustees need see to the application of anything paid or transferred to or upon the order of the trustees of the trust.

ELEVENTH: This Declaration of Trust is to be governed in all respects by the laws of the State of North Carolina.

Tom Brame  
Tom Brame, Trustee

Jerré Brame  
Jerré Brame, Trustee

Tom Brame  
Philip A. R. Staton, Trustee  
by his duly authorized and acting  
attorney in fact,  
Centura Bank, Trustee

(Corporate Seal)

By: Dennis K. Usher  
VICE President

Attest:

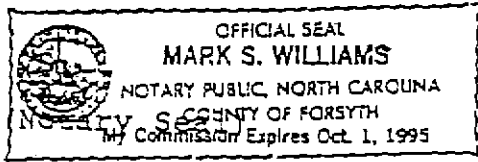
Claudia B. Moore  
Asst. Secretary

STATE OF NORTH CAROLINA  
COUNTY OF Forsyth

App. 283

I, Mark S. Williams, a Notary Public for said County and State, do hereby certify that Tom Brame personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 6<sup>th</sup> day of December, 1993.



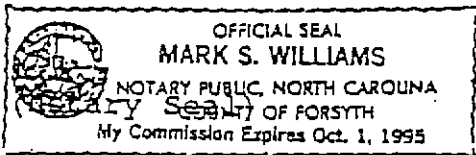
Mark S. Williams  
Notary Public

My Commission Expires: OCTOBER 1, 1995

STATE OF NORTH CAROLINA  
COUNTY OF Forsyth

I, Mark S. Williams, a Notary Public for said County and State, do hereby certify that Jerri Brame personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 6<sup>th</sup> day of December, 1993.



Mark S. Williams  
Notary Public

My Commission Expires: OCTOBER 1, 1995

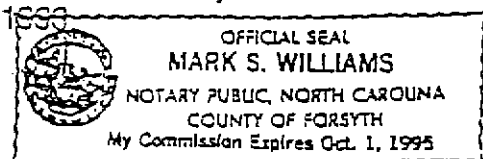
STATE OF NORTH CAROLINA

App. 284

COUNTY OF Forsyth

I, Mark S. Williams, a Notary Public for said County and State, do hereby certify that Tom Beane personally appeared before me this day and acknowledged the due execution of the foregoing instrument by and on behalf of Philip A.R. Staton, as his duly authorized and acting attorney in fact.

Witness my hand and notarial seal this 6<sup>th</sup> day of December



Mark S. Williams  
Notary Public

My Commission Expires: OCTOBER 1, 1995

STATE OF NORTH CAROLINA  
COUNTY OF NASH

App. 285

This 10<sup>th</sup> day of DECEMBER, 1993, personally appeared before me, PATSY B. LANGSTON, a Notary Public for said County and State, CLAUDIA B. MERRITT, who, being by me duly sworn, says that he is the ASST. SECRETARY of Centura Bank, a corporation, and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company, and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said ASST. SECRETARY acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal, this 10<sup>th</sup> day of DECEMBER, 1993.

(Notary Seal) 

PATSY B. LANGSTON Notary Public Nash County, N. C.	<u>Patsy B. Langston</u> Notary Public My Commission Expires: <u>3-9-96</u>
--	---