

THE BOARD OF THE STEWARDSHIP TRUST OF THE CHURCH OF THE GOOD SHEPHERD

BY LAWS

ARTICLE 1 NAME AND HEADQUARTERS

The name of this Trust shall be the “GOOD SHEPHERD STEWARDSHIP TRUST” (herein “Trust”) and its principal offices and headquarters shall be located in the Administrative Office of the Church of the Good Shepherd, 231 North Church Street, Rocky Mount, North Carolina.

ARTICLE 2 PURPOSES

This Trust is created by the Vestry of the Church of the Good Shepherd (herein the “Parish,”) a parish of the Episcopal Diocese of North Carolina located in Rocky Mount, North Carolina, for the following purposes.

- 2.1 To hold, manage, invest, and reinvest gifts of property, both real and personal, in trust for the exclusive use, benefit, or purposes of the Parish, said gifts to include all endowment funds of the Parish, all funds raised in “Capital Fund Drives” approved by the Vestry of the Parish, all designated and undesignated gifts to the Parish, and such other funds and property which the Vestry of the Parish places under its management; excluding, however, those funds raised through annual pledges of the parishioners of the Parish for the day-to-day operation of the Parish, budgeted in its annual operating budget, contingency carry-over funds from an annual operating budget, and those funds designated for the discretion of the clergy of the Parish.
- 2.2 To exercise, on behalf of the Vestry of the Parish, the investment authority and other functions delegated to the body responsible for the management of the institutional investments and endowment funds of the Parish under canon law and the provisions of the Uniform Management of Institutional Funds Act, found in Chapter 36B of the General Statutes of North Carolina, as amended from time to time.
- 2.3 To exercise ordinary business care and prudence under the facts and circumstances prevailing at the time an action is taken or a decision is made in the administration of the property entrusted to the Trust. In so doing the Board of Trustees shall consider long- and short-term needs of the Parish in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and the general economic conditions.
- 2.4 To provide continuity in the investment and endowment programs of the Parish, and to provide a continuing body for the supervision of the investment and endowment property of the Parish.
- 2.5 To periodically turn over to the Vestry of the Parish the principal of and income from, the trust funds held by it, with appropriate directions (where applicable) as to the expenditure of the same.

- 2.6 To sell or exchange any property, both real and personal, in accordance with the wishes of the donor or, in the absence of instructions from the donor, upon such terms as the Board of Trustees shall deem wise and appropriate, subject always to the limitations set forth in Article 3 of these By Laws.
- 2.7 To manage or direct, or both, such special or continuing drives for funds or gifts as are authorized by the Vestry of the Parish.
- 2.8 To determine, unless otherwise defined by the donor, the allocation to principal and income of receipts and disbursements of the funds administered by the Trust in accordance with the provisions of the Uniform Principal and Income Act of 1973, found in Chapter 37 of the General Statutes of North Carolina, as amended from time to time.

ARTICLE 3 POWERS

As a means of accomplishing the foregoing purposes, the Board of Trustees shall have the following powers delegated to it by the Vestry of the Parish.

- 3.1 To exercise the investment authority granted to a body responsible for the management of institutional and endowment funds of the Parish under the terms of the Uniform Management of Institutional Funds Act, found in Chapter 36B of the General Statutes of North Carolina, as amended from time to time. Such authority shall extend to all property entrusted to the Trust whether or not meeting the definitions of institutional or endowment funds under such Act.
- 3.2 To accept, acquire, receive, take, and hold by bequest, grant, gift, purchase, exchange, lease, transfer, by judicial order or decree, or otherwise (herein "gift instrument") for any of its purposes, any property, both real and personal, of whatever kind, nature, and description, and wherever situated; provided, however, the Board of Trustees shall have the right to refuse gifts which, in the opinion of the Board, are not in accord with the nature and purposes of the Trust.
- 3.3 To invest and reinvest its funds in such stock, common or preferred, bonds, debentures, mortgages, or in such other securities and property, both real and personal, as its Board of Trustees shall deem advisable, subject to the limitations and conditions imposed by the donor in any gift instrument.
- 3.4 To deposit all intangible personal property of the Trust with some federal or state bank, or a Diocesan Corporation, or with some other agency approved in writing by the Department of Finance and Business Methods of the Diocesan Council, under a deed of trust, agency agreement, or other depository agreement providing for at least two signatures on any order of withdrawal of such funds or securities; provided, this section shall not apply to funds and securities refused by the depository as being too small for acceptance, which funds and securities shall be under the care and custody of the Trust; provided further, this section shall not be deemed to prohibit investments in securities issued in book entry form or other manner that dispenses with the delivery of a certificate evidencing the ownership; and provided always that such custody shall be in accordance with the requirements of the

Constitution and Canons of the Protestant Episcopal Church, the Diocese of North Carolina, and the Parish.

- 3.5 To delegate investment management and to purchase investment advisory and management services in accordance with N.C.G.S. 36B-5, after first securing written authorization to do so from the Vestry of the Parish.
- 3.6 To sell, exchange, convey, mortgage, lease, transfer, or otherwise dispose of any such property as the purposes of the Trust may require, subject to such limitations as may be prescribed by law, or which may be prescribed by the donor of the property to be held in trust by the Trust; provided, however the Trust may not encumber or alienate any real property or any part thereof without the written consent of both (a) the Vestry of the Parish, and (b) the Ecclesiastical Authority, acting with the advice and consent of the Standing Committee of the Diocese of North Carolina when required by the canons of the Diocese. Upon obtaining the consent, the wardens of the Parish shall execute such instruments with regard to real property as shall be necessary or convenient for the purpose.
- 3.7 To participate in the reorganization or readjustment of capital or sale of assets of any corporation or other entity whose securities may constitute a part of the funds being administered by the Trust, and to receive the securities or other assets which may become distributable to the Trust or the Parish by reason thereof.
- 3.8 To prepare such printed and visual material as may be necessary, in the opinion of the Board of Trustees, to aid in developing an awareness and support for funding long-range development plans for the Parish and fund-raising campaigns for endowment gifts; to enter into contracts for the construction or implementation of the Long-Range Plan of the Parish, when authorized to do so by the Vestry of the Parish, in those instances where such activities will be funded solely or partially by property entrusted to the care of the Trust; and to organize and administer fund-raising campaigns from time to time for endowment gifts in furtherance of the objectives and goals of the Parish.

ARTICLE 4 MEMBERSHIP AND MEETINGS OF TRUST

- 4.1 The Board of Trustees of this Trust shall be composed of persons not less than twenty-one years of age who are confirmed communicants in good standing of the Parish, as shown upon the Parish records.
- 4.2 In January of each year, the Vestry of the Parish, after having solicited suggestions from the Parish membership at the Annual Meeting of the Congregation, shall appoint two Trustees. Trustees shall serve for three years, and they may succeed themselves in office for a continuous period which shall not exceed nine years. Upon the organization of this Trust, the Vestry shall appoint six Trustees; two to serve three years, two to serve two years, and two to serve for one year.
- 4.3 A vacancy on the Board of Trustees caused by resignation, incapacity, or death of an appointed Trustee shall be filled by the Vestry of the Parish for the balance of the term of the Trustee being succeeded.

ARTICLE 5
BOARD OF TRUSTEES

- 5.1 The affairs of the Trust shall be managed by the Board of Trustees in accordance with the powers set forth in Article 3 of these By Laws.
- 5.2 The Board of Trustees shall consist of seven voting members, the six appointed Trustees and the Treasurer of the Parish. In addition, the Senior Warden and the Junior Warden shall serve, *ex officio*, without vote.
- 5.3 The Board of Trustees shall meet at least once each calendar quarter and more often as necessary. One of the meetings shall be the Annual Meeting in March of each year for the purpose of electing officers.
- 5.4 The Board of Trustees shall make quarterly reports to the Vestry concerning the property entrusted to the Trust. These reports shall be submitted to the Senior Warden in time for submission to the Vestry at its regular meeting (currently the second Tuesday of the month) in April, July, October, and January.
- 5.5 Special meetings of the Board of Trustees may be called upon notice sent by any usual means of communication not less than forty-eight hours before the meeting by the Chairman, at the request of two Trustees, or at the request of the Vestry.
- 5.6 A quorum shall consist of a majority of the Trustees then serving. Any action required or permitted to be taken by the Board shall be by majority vote of those present at a meeting at which a quorum is present. No Trustee may vote by proxy.
- 5.7 Any action may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing the action and the resolution and consents are filed with the minutes of the Board.

ARTICLE 6
OFFICERS

- 6.1 The Board of Trustees, at its Annual Meeting, shall elect the Officers of the Trust from among its membership.
- 6.2 Officers of the Trust shall be:
 - 6.2.1 A Chairman, who shall preside at all meetings of the Trust and execute instruments on behalf of the Trust.
 - 6.2.2 A Vice-Chairman, who shall preside in the absence of the Chairman and, in the absence of the Chairman, execute instruments on behalf of the Trust.
 - 6.2.3 A Secretary-Treasurer, who shall keep minutes of the meetings, maintain financial and other records, and acknowledge all gifts. The receipt of all gifts shall be promptly reported to the Rector of the Parish. As the Secretary, act on behalf of the Trust in certifying the due authorization of acts of the Board and attesting any instruments requiring the attestation of the signature of the Chairman or Vice-Chairman.
- 6.3 The Board may elect one or more assistant officers to serve at the pleasure of the Board.

6.4 Officers shall serve one year terms from April 1 through the following March 31 and until their successor is elected and qualifies. Officers may succeed themselves in office.

ARTICLE 7 OPERATIONS OF THE TRUST

- 7.1 The Board of Trustees of the Trust shall have control of the income, the net appreciation, and principal of the property entrusted to the Trust, the use of which is not specifically restricted by the donor, and the Board of Trustees shall be responsible for seeing that the income, net appreciation, and principal of the various trust funds entrusted to the Trust shall be used for the purposes designated in the gift instrument by which such funds were created, or, where undesignated, as designated by the Vestry of the Parish.
- 7.2 The Board of Trustees shall make an annual report for each calendar year to the Vestry and the Parish as to the status and management of the affairs of the Trust. The annual report shall include a complete financial report describing the property entrusted to it, the results of its investment policies, and the disbursements made by it. The annual report shall be made available to each communicant of the Parish and to such other entities and individuals as the Board or Vestry deem appropriate.
- 7.3 Instruments of transfer of personal property in the custody of the Trust shall be executed by the Chairman or Vice-Chairman and one additional Trustee. Instruments of transfer or alienation of real property shall be subject to the restrictions and manner of execution set out in Section 3.6 and the Canons of the Episcopal Church. Approval by the Board of Trustees, by either general or specific action, shall be obtained prior to the disposition of any property entrusted to the Trust.
- 7.4 The Trust may utilize reasonable sums from undesignated income, or from income designated for that purpose, to maintain its records and discharge the administrative responsibilities imposed by these By Laws.

ARTICLE 8 AMENDMENTS

These By Laws of the Trust are to be made, altered, amended, or rescinded only by the affirmative vote of two-thirds of the members then serving of the Vestry of the Parish. The Vestry shall give due consideration to all proposals therefor by the Board of Trustees of the Trust and to proposals which will preserve the purposes of Section 7.1 of these By Laws with respect to income, net appreciation, and principal of the property entrusted to the Trust.