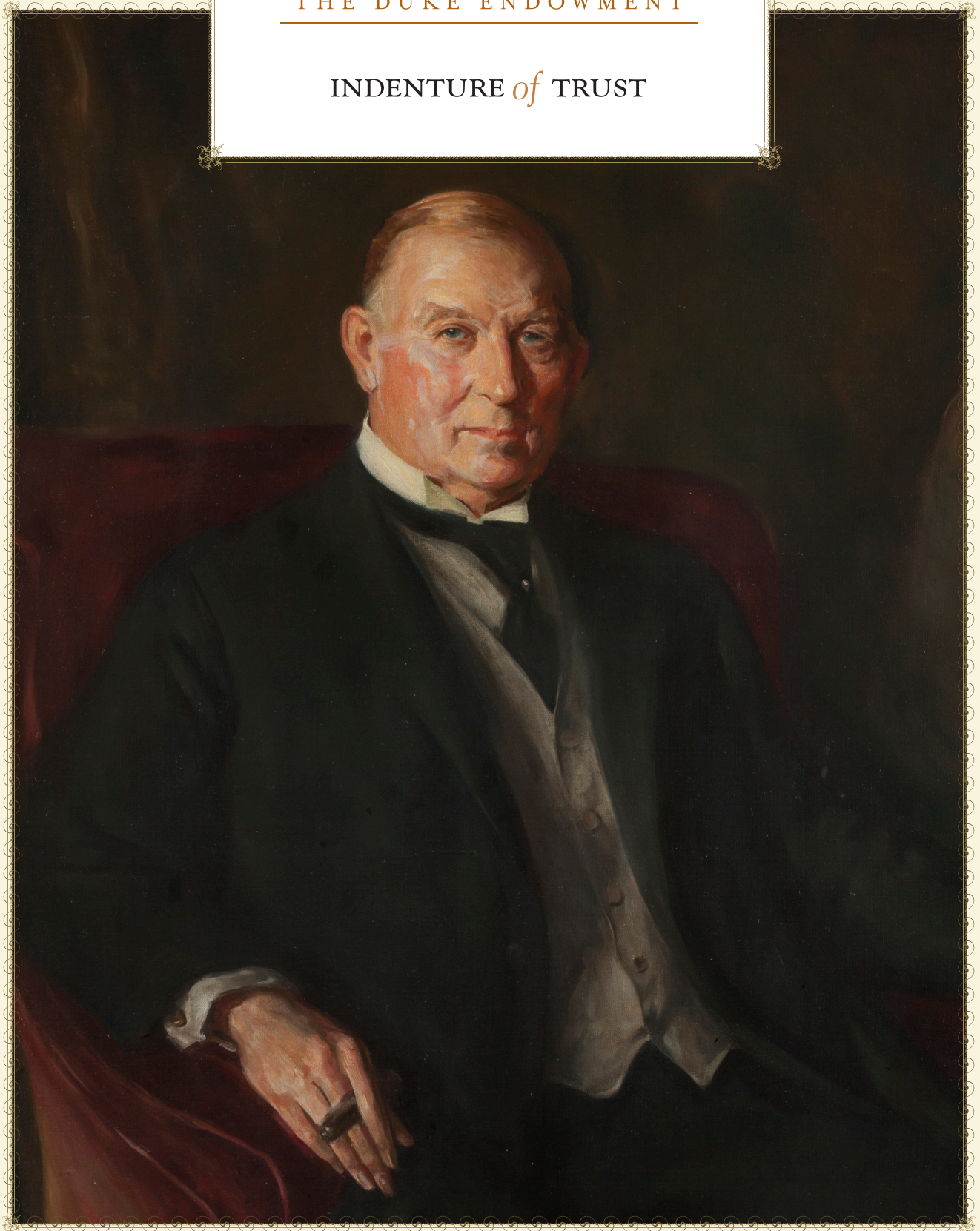


James B. Duke

THE DUKE ENDOWMENT

INDENTURE *of* TRUST





**INDENTURE AND DEED OF TRUST
ESTABLISHING THE DUKE ENDOWMENT
DECEMBER 11, 1924**

**MODIFIED BY SUPERIOR COURT FOR MECKLENBURG COUNTY
FEBRUARY 3, 1972**

**AFFIRMED BY NORTH CAROLINA SUPREME COURT
APRIL 30, 1973**

**MODIFIED BY SUPERIOR COURT FOR MECKLENBURG COUNTY
JANUARY 25, 2008**

**MODIFIED BY SUPERIOR COURT FOR MECKLENBURG COUNTY
DECEMBER 15, 2009**

**MODERNIZED LANGUAGE AT TRUSTEE DIRECTION
FEBRUARY 1, 2019**

This Indenture made in quadruplicate this 11th day of December, 1924, by and between James B. Duke, residing at Duke Farms, near Somerville, in the County of Somerset, and State of New Jersey, United States of America, party of the first part, and Nanaline H. Duke, of Somerville, N.J., George G. Allen, of Hartsdale, N.Y., William R. Perkins, of Montclair, N.J., William B. Bell, of New York City, N.Y., Anthony J. Drexel Biddle, Jr., of New York City, N.Y., Walter C. Parker, of New Rochelle N.Y., Alex. H. Sands, Jr., of Montclair, N.J., William S. Lee, of Charlotte, N.C., Charles I. Burkholder, of Charlotte, N.C., Norman A. Cocke, of Charlotte, N.C., Edward C. Marshall, of Charlotte, N.C. and Bennette E. Geer, of Greenville, S.C. as trustees and their successors as trustees under and in accordance with the terms of this Indenture, to be known as the Board of Trustees of this Endowment, parties of the second part,

WITNESSETH:

That in order to effectuate the trusts hereby created, the first party has given, assigned, transferred and delivered, and by these presents does give, assign, transfer and deliver, the following property, to wit:

122,647 Shares of Stock of Duke Power Company, a corporation organized and existing under the laws of the State of New Jersey.

100,000 Ordinary Shares of the Stock of British-American Tobacco Company, Limited, a corporation organized and existing under the laws of Great Britain.

75,000 Shares of the Common "B" Stock of R.J. Reynolds Tobacco Company, a corporation organized and existing under the laws of said State of New Jersey.

5,000 Shares of the Common Stock of George W. Helme Company, a corporation organized and existing under the laws of said State of New Jersey.

12,325 Shares of the Stock of Republic Cotton Mills, a corporation organized and existing under the laws of the State of South Carolina.

7,935-3/10 Shares of the Common Stock of Judson Mills, a corporation organized and existing under the laws of said State of South Carolina.

unto said trustees and their successors as trustees hereunder, in trust, to be held, used, managed, administered and disposed of, as well as all additions and accretions thereto and all incomes, revenues and profits thereof and therefrom, forever for the charitable purposes, in the manner and upon the terms herein expressly provided, and not otherwise, namely:

FIRST.

The trust established by this Indenture is hereby denominated The Duke Endowment, and shall have perpetual existence.

SECOND.

Each trustee herein named, as well as each trustee selected hereunder, shall be and remain a trustee so long as such trustee shall live and continue mentally and physically capable of performing the duties of a trustee hereunder, subject to resignation and to removal as hereinafter stated. The number of trustees within two years from the date of this Indenture shall be increased to, and thereafter remain at, fifteen, such increase being made by vote of the trustees at any meeting. He suggests, but does not require, that, so far as practicable, no one may be selected trustee if thereby at such time a majority of the trustees be not natives and/ or residents of the States of North Carolina and/or South Carolina. It is the wish of the party of the first part, and he so directs, that his daughter, Doris Duke, upon attaining the age of twenty-one years, shall be made a trustee hereunder, for that purpose being elected to fill any vacancy then existing, or, if there be no such vacancy, added to the trustees thereby making the number of trustees sixteen until the next occurring of a vacancy, whereupon the number of trustees shall again become and remain at fifteen.

Subject to the terms of this Indenture, the trustees may adopt and change at any time rules and regulations which shall govern in the management and administration of the trust and trust property.

Meetings of the trustees shall be held at least ten times in each calendar year at such time and place and upon such notice as the rules and regulations may provide. Other meetings of the trustees may be held upon the call in writing of the chairman or a vice-chairman or any three trustees given in accordance with the rules and regulations, at such place and time and for such purpose as may be specified in the call. A majority of the then trustees shall constitute a quorum at any such meeting, but less than a majority may adjourn any such meeting from time to time and from place to place until a quorum shall be present. The affirmative vote of the majority of a quorum shall be necessary and sufficient at any such meeting to authorize or ratify any action by the trustees hereunder, except as herein otherwise expressly provided. Written records, setting forth all action taken at said meetings and the voting thereon, shall be kept in a permanent minute book of the trustees, and shall be signed by each trustee present at the meeting.

The trustees shall select annually from their number a chairman and two vice-chairmen, and a secretary and a treasurer, who need not be trustees. Such officers shall hold office for one year and thereafter until their respective successors shall be selected. The compensation of the secretary and treasurer shall be that fixed by the trustees.

The trustees shall establish an office, which may be changed from time to time, which shall be known as the principal office of this trust, and at it shall be kept the books and papers other than securities relating to this trust.

By the affirmative vote of a majority of the then trustees any officer, and by the affirmative vote of three-fourths of the then trustees any trustee, may be removed for any cause whatever at any meeting of the trustees called for the purpose in accordance with the rules and regulations.

Vacancies occurring among the trustees from any cause whatever (for which purpose an increase in the number of trustees shall be deemed to cause vacancies to the extent of such increase in number of trustees) may be filled by the remaining trustees at any meeting of the trustees, and must be so filled within six months after the vacancy occurs; provided that no person (except said Doris Duke) shall remain or become a trustee hereunder who shall not be or at once become a trustee under the trust this day being created by the party of the first part by Indenture which will bear even date herewith for his said daughter and his kin and their descendants, so long as said latter trust shall be in existence.

Each trustee shall be paid at the end of each calendar year an amount specified in the Order of the Superior Court of Mecklenburg County, North Carolina entered on January 25, 2008 in Civil Action No. 71 CVS 10778, provided that if any trustee by reason of death, resignation, or any other cause, shall have served during only a part of such year, there shall be paid to such trustee, if alive, or if such trustee be dead then to the personal representatives of such trustee, such a part of said one-fifteenth as the time during which said trustee served during such year shall bear to the whole of such year, such payment to be in full for all services as trustee hereunder and for all expenses of the trustees. In the event that any trustee shall serve in any additional capacity (other than as chairman or vice-chairman) the trustees may add to the foregoing compensation such additional compensation as the trustees may think such trustee should receive by reason of serving in such additional capacity.

No act done by any one or more of the trustees shall be valid or binding unless it shall have been authorized or until it shall be ratified as required by this Indenture.

The trustees are urged to make a special effort to secure persons of character and ability, not only as trustees, but as officials and employees.

THIRD.

For the purpose of managing and administering the trust, and the properties and funds in the trust, hereby created, said trustees shall have and may exercise the following powers, namely:

To manage and administer in all respects the trust hereby created and the properties and funds held and arising hereunder, in accordance with the terms hereof, obtaining and securing for such purpose such assistants, office space, force, equipment and supplies, and any other aid and facilities, upon such terms, as the trustees may deem necessary from time to time.

To hold, use, manage, administer and dispose of each and every of the properties which at any time, and from time to time, may be held in this trust, and to collect and receive the incomes, revenues and profits arising therefrom and accruing thereto, provided that said trustees shall not have power to dispose of the whole or any part of the share capital (or rights of subscription thereto) of Duke Power Company, a New Jersey corporation, or

of any subsidiary thereof, except upon and by the affirmative vote of the total authorized number of trustees at a meeting called for the purpose, the minutes of which shall state the reasons for and terms of such sale.

To invest any funds from time to time arising or accruing through the receipt and collection of incomes, revenues and profits, sale of properties, or otherwise, provided the said trustees may not lend the whole or any part of such funds except to said Duke Power Company, nor may said trustees invest the whole or any part of such funds in any property of any kind except in securities of said Duke Power Company, or of a subsidiary thereof, or in bonds validly issued by the United States of America, or by a State thereof, or by a district, county, town or city which has a population in excess of fifty thousand people according to the then last Federal census, which is located in the United States of America, which has not since 1900 defaulted in the payment of any principal or interest upon or with respect to any of its obligations, and the bonded indebtedness of which does not exceed ten per cent of its assessed values. Provided further that whenever the said trustees shall desire to invest any such funds the same shall be either lent to said Duke Power Company or invested in the securities of said Duke Power Company or of a subsidiary thereof, if and to the extent that such a loan or such securities are available upon terms and conditions satisfactory to said trustees. **Provided further that the trustees may, to the extent that any funds of this trust are not loaned to or invested in the securities of Duke Power Company or its subsidiaries, invest and reinvest those funds in such securities and other properties as the trustees in their discretion may select from time to time, subject to the condition that in making any investments not expressly permitted by this Indenture the trustees shall act with such care and judgment under the circumstances then prevailing which persons of ordinary prudence and reasonable discretion exercise in the management of their own affairs, considering the probable income as well as the probable safety of their capital.**

To utilize each year in accordance with the terms of this Indenture the incomes, revenues and profits arising and accruing from the trust estate for such year in defraying the cost, expenses and charges incurred in the management and administration of this trust and its funds and properties, and in applying and distributing the net amount of such incomes, revenues and profits thereafter remaining to and for the objects and purposes of this trust, and to distribute the principal of this trust to the extent necessary in the judgment of the trustees to make available to beneficiaries of the trust for the purposes and in the manner described in the "FIFTH" and "SEVENTH" divisions hereof funds reasonably needed for those purposes, consistent with the fiduciary duty of the trustees to preserve the trust in perpetuity.*

As respects any year or years and any purpose or purposes for which this trust is created (except the payments hereinafter directed to be made to Duke University) the trustees in their uncontrolled discretion may withhold the whole or any part of said incomes, revenues and profits which would otherwise be distributed under the "FIFTH" division hereof, and either (1) accumulate the whole or any part of the amounts so withheld for expenditures (which the trustees are hereby authorized to make thereof) for the same purpose in any future year or years, or (2) add the whole or any part of the amounts so withheld to the corpus of the trust, or (3) pay, apply and distribute the whole or any part of said amounts to and for the benefit of any one or more of the other purposes of this trust, or (4) pay, apply and distribute the whole or any part of said amounts to or for the benefit of any such like

* This modification made by the court in 2009 replaced the following modification made in 1972: "and to distribute the principal of this trust to the extent necessary in the judgment of the trustees to comply with the provisions of section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal statute."

charitable, religious or educational purpose within the State of North Carolina and/or the State of South Carolina, and/or any such like charitable hospital purpose which shall be selected therefor by the affirmative vote of three-fourths of the then trustees at any meeting of the trustees called for the purpose, complete authority and discretion in and for such selection and utilization being hereby given the trustees in the premises.

By the consent of three-fourths of the then trustees expressed in a writing signed by them, which shall state the reasons therefor and be recorded in the minutes of the trustees, and not otherwise, the trustees may (1) cause to be formed under the laws of such state or states as may be selected by the trustees for that purpose a corporation or corporations so incorporated and empowered as that the said corporation or corporations can and will assume and carry out in whole or in part the trust hereby created, with the then officers and trustees hereof officers and directors thereof, with like powers and duties, and (2) convey, transfer and deliver to said corporation or corporations the whole or any part of the properties then held in this trust, to be held, used, managed, administered and disposed of by said corporation or corporations for any one or more of the charitable purposes expressed in this Indenture and upon all the terms and with all the terms, powers and duties expressed in this Indenture with respect to the same, provided that such conveyances, transfers and deliveries shall be upon such terms and conditions as that in case any such corporation or corporations shall cease to exist for any cause the property so transferred shall forthwith revert and belong to the trustees of this trust and become a part of the corpus of this trust for all the purposes thereof.

Said trustees shall have and may exercise, subject to the provisions of this Indenture, any and all other powers which are necessary or desirable in order to manage and administer the trust and the properties and funds thereof and carry out and perform in all respects the terms of this Indenture according to the true intent thereof.

Any assignment, transfer, bill of sale, deed, conveyance, receipt, check, draft, note, or any other document of paper whatever, executed by or on behalf of the trustees, shall be sufficiently executed when signed by the person or persons authorized so to do by a resolution of the trustees duly adopted at any meeting and in accordance with the terms of such resolution.

FOURTH.

The trustees hereunder are hereby authorized and directed to expend as soon as reasonably may be not exceeding Six Million Dollars of the corpus of this trust in establishing at a location to be selected by them within the State of North Carolina an institution of learning to be known as Duke University, for such purpose to acquire such lands and erect and equip thereon such buildings according to such plans as the trustees may in their judgment deem necessary and adopt and approve for the purpose, to cause to be formed under the laws of such state as the trustees may select for the purpose a corporation adequately empowered to own and operate such properties under the name Duke University as an institution of learning according to the true intent hereof, and to convey to such corporation when formed the said lands, buildings and equipment upon such terms and conditions as that such corporation may use the same only for such purposes of such university and upon the same ceasing to be so used then the same shall forthwith revert and belong to the trustees of this trust as and become a part of the corpus of this trust for all of the purposes thereof.

However, should the name of Trinity College, located at Durham, North Carolina, a body politic and incorporate, within three months from the date hereof (or such further time as the trustees hereof may allow) be changed to Duke University, then, in lieu of the foregoing provisions of this division "FOURTH" of this Indenture, as a memorial to his father, Washington Duke, who spent his life in Durham and whose gifts, together with those of Benjamin N. Duke, the brother of the party of the first part, and of other members of the Duke family, have so largely contributed toward making possible Trinity College at that place, he directs that the trustees shall expend of the corpus of this trust as soon as reasonably may be a sum not exceeding Six Million Dollars in expanding and extending said University, acquiring and improving such lands and erecting, removing, remodeling and equipping such buildings, according to such plans, as the trustees may adopt and approve for such purpose to the end that said Duke University may eventually include Trinity College as its undergraduate department for men, a School of Religious Training, a School for Training Teachers, a School of Chemistry, a Law School, a Co-ordinate College for Women, a School of Business Administration, a Graduate School of Arts and Sciences, a Medical School and an Engineering School, as and when funds are available.

FIFTH.

The trustees hereof shall pay, apply, divide and distribute the net amount of said incomes, revenues and profits each calendar year as follows, to wit:

Twenty per cent of said net amount shall be retained by said trustees and added to the corpus of this trust as a part thereof for the purpose of increasing the principal of the trust estate until the total aggregate of such additions to the corpus of the trust shall be as much as Forty Million Dollars.

Thirty-two per cent of said net amount not retained as aforesaid for addition to the corpus of this trust shall be paid to that Duke University for which expenditures of the corpus of the trust shall have been made by the trustees under the "FOURTH" division of this Indenture so long as its name shall be Duke University and it shall not be operated for private gain, to be utilized by its Board of Trustees in defraying its administration and operating expenses, increasing and improving its facilities and equipment, the erection and enlargement of buildings and the acquisition of additional acreage for it, adding to its endowment, or in such other manner for it as the Board of Trustees of said institution may from time to time deem to be to its best interests, provided that in case such institution shall incur any expense or liability beyond provision already in sight to meet same, or in the judgment of the trustees under this Indenture be not operated in a manner calculated to achieve the results intended hereby, the trustees under this Indenture may withhold the whole or any part of such percentage from said institution so long as such character of expense or liabilities or operations shall continue, such amounts so withheld to be in whole or in part either accumulated and applied to the purposes of such University in any future year or years, or utilized for the other objects of this Indenture, or added to the corpus of this trust for the purpose of increasing the principal of the trust estate, as the trustees may determine.

Thirty-two per cent of said net amount not retained as aforesaid for addition to the corpus of this trust shall be utilized for maintaining and securing such hospitals, not operated for

private gain, as the said trustees, in their uncontrolled discretion, may from time to time select for the purpose and are located within the States of North Carolina and/or South Carolina, such utilization to be exercised in the following manner, namely: (a) By paying to each and every such hospital, whether for whites or **people of color**, and not operated for private gain, such sum (not exceeding One Dollar) per free bed per day for each and every day that said free bed may have been occupied during the period covered by such payment free of charge by patients unable to pay as the amount available for this purpose hereunder will pay on a pro rata basis; and (b) in the event that said amount in any year shall be more than sufficient for the foregoing purpose, the whole or any part of the residue thereof may be expended by said trustees in assisting in the erection and/or equipment within either or both of said States of any such hospital not operated for private gain, payment for this purpose in each case to be in such amount and on such terms and conditions as the trustees hereof may determine. In the event that said amount in any year be more than sufficient for both of the aforesaid purposes, the trustees in their uncontrolled discretion may pay and expend the whole or any part of the residue thereof in like manner for maintaining and securing hospitals not operated for private gain in any other State or States, giving preference, however, to those States contiguous to the States of North Carolina and South Carolina. And said trustees as respects any year may exclude from participation hereunder any hospital or hospitals which the trustees in their uncontrolled discretion may think so financed as not to need, or so maintained and operated as not to deserve, inclusion hereunder.

Five per cent of said net amount not retained as aforesaid for addition to the corpus of the trust shall be paid to Davidson College (by whatever name it may be known) now located at Davidson, in the State of North Carolina, so long as it shall not be operated for private gain, to be utilized by said institution for any and all of the purposes thereof.

Five per cent of said net amount not retained as aforesaid for addition to the corpus of the trust shall be paid to Furman University (by whatever name it may be known) now located at Greenville, in the State of South Carolina, so long as it shall not be operated for private gain, to be utilized by said institution for any and all of the purposes thereof.

Four per cent of said net amount not retained as aforesaid for addition to the corpus of the trust shall be paid to the Johnson C. Smith University (by whatever name it may be known), **a historically black college and university**, now located in Charlotte, in said State of North Carolina, so long as it shall not be operated for private gain, to be utilized by said institution for any and all of the purposes thereof.

Ten per cent of said net amount not retained as aforesaid for addition to the corpus of this trust shall be paid and distributed to and among such of those organizations, institutions, agencies and/or societies, whether public or private, by whatsoever name they may be known, not operated for private gain, which during such year in the judgment of said trustees have been properly operated as organizations, institutions, agencies and/or societies for the benefit of whole or half orphans **regardless of race** within the States of North Carolina and/or South Carolina, and in such amounts as between and among such organizations, institutions, agencies and/or societies as may be selected and determined as respects each year by said trustees in their uncontrolled discretion, all such payments and distributions to be used by such organizations, institutions, agencies and/or societies exclusively for the benefit of such orphans.

Two per cent of said net amount not retained as aforesaid for addition to the corpus of the trust shall be paid and expended by the trustees for the care and maintenance of needy and deserving superannuated preachers and needy and deserving widows and orphans of deceased preachers who shall have served in a Conference of the Methodist Episcopal Church, South (by whatever name it may be known) located in the State of North Carolina.

Six per cent of said net amount not retained as aforesaid for addition to the corpus of the trust shall be paid and expended by the trustees in assisting (that is, in giving or lending in no case more than fifty per cent of what may be required for the purpose) to build Methodist churches under and connected with a Conference of the Methodist Episcopal Church, South (by whatever name it may be known) located in the State of North Carolina, but only those churches located in the sparsely settled rural districts of the State of North Carolina, and not in any city, town or hamlet, incorporated or unincorporated, having a population in excess of fifteen hundred people according to the then last Federal census.

Four per cent of said net amount not retained as aforesaid for addition to the corpus of the trust shall be paid and expended by the trustees in assisting (that is, in giving or lending in no case more than fifty per cent of what may be required for the purpose) to maintain and operate the Methodist churches of such a Conference which are located within the sparsely settled rural districts of the State of North Carolina, and not in any city, town or hamlet, incorporated or unincorporated, having a population in excess of fifteen hundred people according to the then last Federal census.

Expenditures and payments made hereunder for maintaining such superannuated preachers, and such widows and orphans, as well as for assisting to build, maintain and operate such Methodist churches, shall be in the uncontrolled discretion of the trustees as respects the time, terms, place, amounts and beneficiaries thereof and therefor; and he suggests that such expenditures and payments be made through the use of said Duke University as an agency for that purpose so long as such method is satisfactory to the trustees hereof.

SIXTH.

Subject to the other provisions of this Indenture, said trustees may pay, apply, divide and distribute such incomes, revenues and profits at such time or times as may in their discretion be found best suited to the due administration and management of this trust, but only for the purposes allowed by this Indenture.

In the event that any stock dividend or rights shall be declared upon any of the stock held under this instrument, the said stock and rights distributed pursuant thereto shall for all purposes be treated and deemed to be principal even though the said stock dividend and/or rights shall represent earnings.

No trustee hereby appointed and no trustee selected in pursuance of any powers herein contained shall be required to give any bond or other security for the performance of his, her or its duties as such trustee, nor shall any trustee be required to reserve any part of the income of any investment or security for the purpose of creating a sinking fund to retire or absorb the premium in the case of bonds or any other securities whatever taken over, purchased or acquired by the trustees at a premium.

The term “subsidiary” as herein used shall mean any company at least fifty-one per cent of the voting share capital of which is owned by said Duke Power Company.

The party of the first part hereby expressly reserves the right to add to the corpus of the trust hereby established by way of last will and testament and/or otherwise, and in making such additions to stipulate and declare that such additions and the incomes, revenues and profits accruing from such additions shall be used and disposed of by the trustees for any of the foregoing and/or any other charitable purposes, with like effect as if said additions, as well as the terms concerning same and the incomes, revenues and profits thereof, had been originally incorporated herein. In the absence of any such stipulation or declaration each and every such addition shall constitute a part of the corpus of this trust for all of the purposes of this Indenture.

SEVENTH.

The party of the first part hereby declares for the guidance of the trustees hereunder:

For many years I have been engaged in the development of water powers in certain sections of the States of North Carolina and South Carolina. In my study of this subject I have observed how such utilization of a natural resource, which otherwise would run in waste to the sea and not remain and increase as a forest, both gives impetus to industrial life and provides a safe and enduring investment for capital. My ambition is that the revenues of such developments shall administer to the social welfare, as the operation of such developments is administering to the economic welfare, of the communities which they serve. With these views in mind I recommend the securities of the Southern Power System (the Duke Power Company and its subsidiary companies) as the prime investment for the funds of this trust; and I advise the trustees that they do not change any such investment except in response to the most urgent and extraordinary necessity; and I request the trustees to see to it that at all times these companies be managed and operated by the men best qualified for such a service.

I have selected Duke University as one of the principal objects of this trust because I recognize that education, when conducted along sane and practical, as opposed to dogmatic and theoretical, lines, is, next to religion, the greatest civilizing influence. I request that this institution secure for its officers, trustees and faculty men of such outstanding character, ability and vision as will insure its attaining and maintaining a place of real leadership in the educational world, and that great care and discrimination be exercised in admitting as students only those whose previous record shows a character, determination and application evincing a wholesome and real ambition for life. And I advise that the courses at this institution be arranged, first, with special reference to the training of preachers, teachers, lawyers and physicians, because these are most in the public eye, and by precept and example can do most to uplift mankind, and, second, to instruction in chemistry, economics and history, especially the lives of the great of earth, because I believe that such subjects will most help to develop our resources, increase our wisdom and promote human happiness.

I have selected hospitals as another of the principal objects of this trust because I recognize that they have become indispensable institutions, not only by way of ministering to the comfort of the sick but in increasing the efficiency of mankind and prolonging human life. The advance in the science of medicine growing out of discoveries, such as in the field of bacteriology, chemistry and physics, and growing out of inventions such as the X-ray apparatus, make hospital facilities essential for obtaining the best results in the practice of medicine and surgery. So worthy do I deem the cause and so great do I deem the need that I very much hope that the people will see to it that adequate and convenient hospitals are assured in their respective communities, with especial reference to those who are unable to defray such expenses of their own.

I have included orphans in an effort to help those who are most unable to help themselves, a worthy cause, productive of truly beneficial results in which all good citizens should have an abiding interest. While in my opinion nothing can take the place of a home and its influences, every effort should be made to safeguard and develop these wards of society.

And, lastly, I have made provision for what I consider a very fertile and much neglected field for useful help in religious life, namely, assisting by way of support and maintenance in those cases where the head of the family through devoting his life to the religious service of his fellow men has been unable to accumulate for his declining years and for his widow and children, and assisting in the building and maintenance of churches in rural districts where the people are not able to do this properly for themselves, believing that such a pension system is a just call which will secure a better grade of service and that the men and women of these rural districts will amply respond to such assistance to them, not to mention our own Christian duty regardless of such results. Indeed, my observation and the broad expanse of our territory make me believe it is to these rural districts that we are to look in large measure for the bone and sinew of our country.

From the foregoing it will be seen that I have endeavored to make provision in some measure for the needs of mankind along physical, mental and spiritual lines, largely confining the benefactions to those sections served by these water power developments. I might have extended this aid to other charitable objects and to other sections, but my opinion is that so doing probably would be productive of less good by reason of attempting too much. I therefore urge the trustees to seek to administer well the trust hereby committed to them within the limits set, and to this end that at least at one meeting each year this Indenture be read to the assembled trustees.

EIGHTH.

This Indenture is executed by a resident of the State of New Jersey in said State, is intended to be made, administered and given effect under and in accordance with the present existing laws and statutes of said State, notwithstanding it may be administered and the beneficiaries hereof may be located in whole or in part in other states, and the validity and construction thereof shall be determined and governed in all respects by such laws and statutes.

It being the purpose and intention of this Indenture that no part of the corpus or income of the trust estate hereby created shall ever for any cause revert to the party of the first part, or to his heirs, personal representatives or assigns, it is hereby declared that: (a) Each object and purpose of this trust shall be deemed and treated as separate and distinct from each and every other object and purpose thereof to the end that no provision of this trust shall be deemed or declared illegal, invalid or unenforceable by reason of any other provision or provisions of this trust being adjudged or declared illegal, invalid or unenforceable; and that in the event of any one or more of the provisions of this trust being declared or adjudged illegal, invalid or unenforceable that each and every other provision of this trust shall take effect as if the provision or provisions so declared or adjudged to be illegal, invalid or unenforceable had never been contained in this Indenture; and any and all properties and funds which would have been utilized under and pursuant to any provision so declared or adjudged illegal, invalid or unenforceable shall be utilized under and in accordance with the other provisions of this Indenture which shall not be declared or adjudged illegal, invalid or unenforceable; and (b) in the event any beneficiary for which provision is herein made shall cease to exist for any cause whatever, then so much of the funds and properties of this trust as otherwise would be utilized for the same shall be thereafter utilized for the remaining objects and purposes of this trust.

NINTH.

The trustees shall distribute each year for the charitable purposes expressed in this Indenture not less than the amount required to be distributed so as not to subject the trust to tax under section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws; and the trustees shall not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws; nor retain any excess business holdings as defined in section 4943(c) thereof, or corresponding provisions; nor make any investments in such manner as to incur tax liability under section 4944 thereof, or corresponding provisions; nor make any taxable expenditures as defined in section 4945(d) thereof, or corresponding provisions.

In Witness Whereof, the said James B. Duke, at his residence at Duke Farms in the State of New Jersey, has subscribed his name and affixed his seal to this Indenture, consisting with this page and the preceding and following pages of twenty-one pages, each page of which, except the following page, he has identified by signing his name on the margin thereof, all on the day and year first above written.

James B. Duke (L.S.)

Witnesses:

Clarence E. Case

Forrest Hyde

Clarence E. Mapes

State Of New Jersey County Of Somerset ss.:

Be It Remembered, that on this 11th day of December, 1924, before me, a Notary Public of New Jersey, personally appeared James B. Duke, who, I am satisfied, is the grantor named in the within Indenture and Deed of Trust dated December 11th, 1924, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

*Wm. R. Sutphen,
Notary Public of N.J.*

We, the undersigned, being the persons designated in the within and foregoing Indenture as the trustees of the trust thereby created, do hereby accept said trust and undertake to act as trustees of the same as in said Indenture set forth.

Nanaline H. Duke

George G. Allen

William R. Perkins

William B. Bell

Anthony J. Drexel Biddle, Jr.

Walter C. Parker

Alex. H. Sands, Jr.

William S. Lee

Charles I. Burkholder

Norman A. Cocke

Edward C. Marshall

Bennette E. Geer

dukeendowment.org

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