

REC \$ 50⁰⁰
AUD \$
R.M.F. \$ 1⁰⁰

FILED NO. 3728
BOOK 2003 PAGE 3728

2003 JUN 26 PM 1:11

Return to: Steve & Vanna Shaw
✓ 14300 N.E. 234th
Luther, OK 73054

COMPUTER	✓
RECORDED	✓
COMPARED	✓

MICKI UTSLER
RECORDER
MADISON COUNTY, IOWA

MEMORANDUM OF TRUST AGREEMENT

This Memorandum of Trust Agreement made this 23rd day of June, 2003, between STEVEN C. SHAW AND VANNA S. SHAW, husband and wife, of 14300 N.E. 234th, Luther, OK 73054, hereinafter called the "Grantor" or the "Grantors" or the "Settlor" or the "Settlors" and STEVEN C. SHAW AND VANNA S. SHAW, CO-TRUSTEES OF THE STEVEN C. SHAW AND VANNA S. SHAW REVOCABLE TRUST DATED THE 23rd DAY OF June, 2003, of 14300 N.E. 234th, Luther, OK 73054 hereinafter called the "Trustee" or the "Trustees".

For the purpose of evidencing of record the existence of "THE STEVEN C. SHAW AND VANNA S. SHAW REVOCABLE TRUST DATED THE 23rd DAY OF June, 2003", creating "THE SHAW FAMILY TRUST", the powers of the Trustee to hold and deal with assets of said trusts, and the names of the Trustee and any Successor Trustees, this instrument is executed and recorded pursuant to the intent of the original trust agreement as designated hereinabove, in which trust instrument appear the following, among other provisions:

ARTICLE VI

Trustees

A. The original Co-Trustees under this Trust shall be STEVEN C. SHAW, and VANNA S. SHAW, and they shall serve with all of the obligations, powers, and authority contained within this Trust Instrument.

B. In the event of the death of STEVEN C. SHAW or if for any reason whatsoever he ceases to serve as Co-Trustee hereunder, the Settlers nominate and appoint VANNA S. SHAW, to serve as Trustee hereunder without the approval of any Court.

C. In the event of the death of VANNA S. SHAW or if for any reason whatsoever she ceases to serve as Co-Trustee hereunder, the Settlers nominate and appoint STEVEN C. SHAW, to serve as Trustee hereunder without the approval of any Court.

D. In the event of the deaths of both original Co-Trustees or if for any reason whatsoever both cease to serve as Trustee hereunder, the Settlers nominate and appoint DAVID W. DRAKE to serve as Trustee hereunder without the approval of any Court.

E. In the event of the deaths of both original Co-Trustees or if for any reason whatsoever both cease to serve as Trustee hereunder and in the event of the death of DAVID W. DRAKE or if for any reason whatsoever he is unwilling or unable to serve, the Settlers nominate and appoint CHRIS STANLEY AND JACE SHAW to serve as Co-Trustee hereunder without the approval of any Court.

F. In the event of the death of CHRIS STANLEY or JACE SHAW or if for any reason whatsoever one of them is unwilling or unable to serve as Co-Trustee, the Settlers nominate and appoint the remaining to serve as Trustee hereunder without the approval of any Court.

G. If at any time there is no acting Trustee, then the beneficiaries hereunder may appoint a successor Trustee. The appointment shall be effective upon the execution of a writing designating the successor Trustee signed by the beneficiaries of the Trust who are entitled to appoint and by the person or authorized officer of the entity accepting the appointment as successor trustee.

H. If at any time there is no acting Trustee, then the beneficiaries hereunder may appoint a successor Trustee. The appointment shall be effective upon the execution of a writing designating the successor Trustee signed by the beneficiaries of the Trust who are entitled to appoint and by the person or authorized officer of the entity accepting the appointment as successor trustee.

I. In the administration of this Revocable Trust or the Irrevocable Trust herein created, any Trustee, in addition to, and not by limitation of the powers provided by law, shall have the following powers and duties to be exercised in the Trustee's absolute discretion:

1. To open checking and/or savings accounts and/or safe deposit boxes with any institution(s) empowered to accept the same, including any which may be a Trustee hereunder, and/or cash and margin accounts with any brokerage firm(s), either in their names and on their signatures alone (with or without disclosing fiduciary capacity) or in the name of such trust (where an account is in the name of a trust) checks on that account and authorized signatures need not disclose the fiduciary nature of the account or refer to any trust or Trustee or in the name of its nominee, depositing therein any part of all of the funds of such trust and making withdrawals therefrom and having access thereto on the signature of any one or more of them with the right and power to authorize withdrawals and/or access of any agent or agents designated in writing by such Trustee;

2. To retain and operate for any period of time without limitation, and without liability for loss or depreciation in value, any business or other property transferred to the Trustee, including but not limited to a sole proprietorship, an interest in a partnership (whether general, special, or limited) or stock in a closely held corporation, even though the Trustee could not properly purchase the business or property as a trust investment and though its retention might violate principals of investment diversification;

3. To invest in bonds, common or preferred stocks, notes, real estate mortgages, common trust funds, shares of regulated investment companies, partnership interests (whether general, special or limited), or other securities or property, real or personal, including partial interests, such as life estates, term or remainder interests, without being limited by any statute or rule of law governing investments by Trustee; in addition, at all times during Settlor's lifetime, whether or not Settlor is then incapacitated, any then Trustee of the Trust hereunder is authorized, in such Trustee's sole and absolute discretion, acting alone, to: Purchase and retain as assets of such Trust United States of America Treasury Bonds which may be redeemed at par in payment of federal estate tax.

4. To make allocations, divisions, and distributions of trust property in cash or in kind, or partly in each; to allocate different kinds or disproportionate shares of property or undivided interests in property among the beneficiaries or separate trusts, without liability for, or obligation to make compensating adjustments by reason of, disproportionate allocations of unrealized gain for federal income tax purposes; and to determine the value of any property so allocated, divided, or distributed;

5. To exercise in person or by general or limited proxy all voting and other rights, powers, and privileges and to take all steps to realize all benefits with respect to stocks or other securities; and to enter into or oppose, alone or with others, voting trusts, mergers, consolidations, foreclosures, liquidations, reorganizations, or other changes in the financial structure of any corporation;

6. To cause any security or other property to be held, without disclosure of any fiduciary relationship, in the name of the Trustee individually, in the name of a nominee, or in unregistered form;

7. To pay all expenses incurred in the administration of the trust, including reasonable compensation to any Trustee, and to employ or appoint and pay reasonable compensation to accountants, depositaries, investment counsel, attorneys, attorneys-in-fact, and agents (with or without discretionary powers);

8. To deal with the fiduciary or fiduciaries of any other trust or estate, even though the Trustee is also the fiduciary or one of the fiduciaries of the other trust or estate;

9. To compromise, contest, prosecute or abandon any claim in favor of or against the trust;

10. To lend money to the personal representative of either Settlor's estate, or to any beneficiary, or to any trust for the benefit of any beneficiary hereunder and to purchase property from the personal representative of either estate and retain it for any period of time without limitation, and without liability for loss or depreciation in value, notwithstanding any risk, unproductivity, or lack of diversification;

11. Unless inconsistent with the other provisions of this Trust Agreement, to commingle for investment purposes the property of the trust with the property of any other trust held hereunder, allocating to each trust an undivided interest in the commingled property;

12. To merge and consolidate at any time after the death of Settlor all the trust property with the trust property of any trust created by Settlor during his or her life or by will and held by the same Trustee for the benefit of the same persons who are beneficiaries hereunder, upon substantially the same terms and conditions as those set forth herein, and thereafter to administer the trust property as a single trust;

13. To receive any property, real or personal, to be added to the trust, from either Settlor in any event (and, if Trustee consents in writing, from any other person) by lifetime or testamentary transfer or otherwise;

14. To execute instruments of any kind, including instruments containing covenants and warranties binding upon and creating a charge against the trust property and containing provisions excluding personal liability;

15. If the principal of any trust created hereunder should include lands or mineral interests therein, the Trustee is hereby authorized to enter into agreements unitizing any part or all of such lands or mineral interests with adjacent lands so that the entire unitized tract may be developed and operated as a unit for the production of oil and gas, or either of them. The Trustee may sell, convey, contract, lease or otherwise deal with any oil and gas or other mineral interests, or any part thereof, and in connection with such sale, conveyance, contract or lease may enter into transactions and execute all instruments necessary or advantageous in the operation or development of any oil, gas or other mineral interest, including but not limited to joint operating agreements, unitization agreements, gas sales contracts, repressuring agreements, water flooding agreements or other instruments of any kind which may be desirable or necessary in the conduct of any ongoing oil and gas business transactions. Such sales need not be made for cash, but may include sales made in consideration of a drilling obligation, oil payment, overriding royalty, exchange of oil and gas and mineral leaseholds, or such other consideration as the Trustee, in its discretion, shall deem to be for the best interest of the trust estate. The Trustee may not become the operator of any oil and gas leasehold unless the assumption of such capacity by the Trustee is, in its discretion, necessary to prevent a material impairment of Trust assets;

16. To allocate capital gain to either income or corpus in its sole discretion and to allocate and apportion between the Trust and the beneficiaries of the current trust income, all appropriate tax deductions for depreciation, depletion, and any other deductions in such manner as the Trustee shall determine;

17. To make lifetime gifts to charitable or other entities without limitation during Settlor's life, and after the death of Settlor if concurred in by the beneficiary of the trust from which such gift would be made. The Trustee may modify gifts that were to take place upon death of Settlor into pledges or lifetime transfers. All such transfers or modifications shall be deemed to have been made by Settlor;

18. The Trustee shall reimburse any beneficiary of the trust for any expenditure incurred by such beneficiary attributable to any illness of Settlor, including but not limited to expenses for hospitalization, medicine, drugs, doctors, and nurses;

19. To make transfers in support of any person whom the Settlor is obligated to support; or to make distributions to or pay the tuition and medical care of Settlor or his or her children or members of the children's family;

20. To make any of the purchases or exchanges of assets authorized above at other than fair market value, if the Trustee deems it appropriate;

21. To make any gifts or gratuitous transfers to minimize estate and gift taxes through changes in the law subsequent to the creation of this document, including minority discounts, annual exclusions, the exemption equivalent, etc.; and

22. To perform all other acts necessary for the proper management, investment, and distribution of the trust property.

23. To sell and convey any of the trust assets or any interest therein, including homestead property, or to exchange the same for other property, for such price or prices and upon such terms as the Trustee in the Trustee's discretion may deem advisable for the best interest of the trusts and the beneficiaries hereunder, and to execute and deliver any deeds, receipts, releases, contracts or other instruments necessary in connection therewith.

24. To lend money to any person or persons including partnerships, fiduciaries and corporations, upon such terms and with such security as the Trustee in the Trustee's discretion may deem advisable for the best interest of the trusts and the beneficiaries hereunder. After the death of the Settlor and the Settlor's spouse, all of the then living beneficiaries of the trust must agree before the Trustee may loan any trust funds.

25. To borrow money from others or from a Trustee of the Trust and to mortgage or pledge any of the trust assets for that purpose even though the term of the loan may extend beyond the duration of the trust. To renew loans or refinance debts. Provided that after the death of both of the Settlers, all of the then living beneficiaries of the trust must agree before the Trustee may loan any trust funds.

26. To sell to self as Trustee of another Trust any Trust assets for adequate consideration in money or money's worth. Provided that after the death of both of the Settlers, all of the then living beneficiaries of the trust must agree before the Trustee may sell any trust assets to himself as Trustee of another trust.

27. To retain any property transferred, devised or bequeathed to Trustee, or any undivided interest therein, regardless of the character of such property or whether it leaves a disproportionately large part of the Trust invested in one type of property, for such time as the Trustee shall deem best, and to dispose of such property by sale, exchange, or otherwise, as and when my Trustee shall deem advisable and in the best interest of Settlers.

28. To hold, manage, lease, care for, and protect the Trust property and collect the income therefrom, all in accordance with Trustee's best judgment and discretion, being fully authorized to cause any securities or other property, real or personal, belonging to the Trust to be held or registered in the name of the Trustee or in such other form as the Trustee deems best, without disclosing the Trust relationship.

29. To carry insurance against hazards, including public liability, and in such amounts in either stock companies or mutual companies as the Trustee shall seem advisable and in the best interest of Settlers.

H. Trustee may execute and deliver any written instruments which Trustee may deem advisable to carry out the powers granted to Trustee. All persons shall be fully protected in relying upon the power of the Trustee to execute every such instrument and no one shall be obligated to see to the application by Trustee of any money or property received by Trustee pursuant to the execution and delivery of any such instrument.

K. Any power and right granted to Trustee may be exercised by Trustee without posting any bond, without obtaining any order from, or approval of any Court, without any notice to, or consent of anyone, and Trustee shall not be required to make any report to any Court at any time for any purpose.

L. Trustee shall render, either directly or through his appointed agent, to the Settlor, statements of account of receipts and disbursements at least annually.

M. The Trustee shall have the right and authority to invest and reinvest the Trust property in any investments authorized by the Trust Laws of the State of Oklahoma and to furnish to Settlor a full accounting of all income and expenses of the Trust, or otherwise, and as frequently as directed by any beneficiary.

N. In the event either of the Settlers becomes incapacitated, the Trustee is authorized to exercise control over any incapacitated Settlor to the same extent as if the Trustee was Guardian or Conservator of the person and estate of the Settlor, including the payment of nursing care or medical expenses. Such amounts may be paid by the Trustee in such of the following ways he deems best:

- (1) directly to the beneficiary;
- (2) to the legally appointed guardian or conservator of such beneficiary; or
- (3) by Trustee using such amounts directly for the benefit of such beneficiary.

O. Trustee shall be reimbursed for all reasonable expenses incurred, but will serve as Trustee without fee for services.

ARTICLE VII

This Trust, its validity, construction and all rights thereunder, including but not limited to the powers of the Trustee, shall be governed by the Laws of the State of Oklahoma.

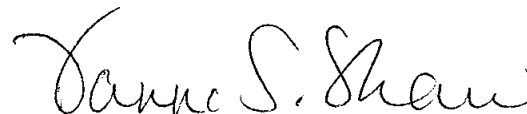
IN WITNESS WHEREOF, the SETTLORS and the Trustees have hereunder set their hands on the day and year first above written.

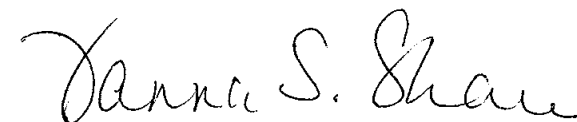
SETTLORS:

TRUSTEES:


STEVEN C. SHAW


STEVEN C. SHAW


VANNA S. SHAW


VANNA S. SHAW

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public in and for said County and State, on this 23rd day of June, 2003, personally appeared STEVEN C. SHAW AND VANNA S. SHAW, to me known to be the identical persons who executed the within and foregoing Memorandum of Trust Agreement as SETTLORS and Trustees and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:

4-18-2004



Robert D. Craig
NOTARY PUBLIC
4941

ADDENDUM TO MEMORANDUM OF TRUST MADE THE
23rd DAY OF June, 2003 BETWEEN
STEVEN C. SHAW AND VANNA S. SHAW, SETTLORS, AND
STEVEN C. SHAW AND VANNA S. SHAW, CO-TRUSTEES OF THE
STEVEN C. SHAW AND VANNA S. SHAW REVOCABLE TRUST DATED
THE 23rd DAY OF June, 2003.

REAL PROPERTY

1. Beginning at the midway point of the South boundary of the N/2 of the NW/4 of Section 11, Township 14 North, Range 1 West of the Indian Meridian, Thence West 327.73 feet; Thence North 420.00 feet; Thence East 327.73 feet; Thence South 420.00 feet to the point of beginning, comprising 3.16 acres, more or less, Oklahoma County, Oklahoma.
2. The East Half (E/2) of the North Half (N/2) of the Northwest Quarter (NW/4) of Section Eleven (11), Township Fourteen (14) North, Range One (1) West of the Indian Meridian, Oklahoma County, Oklahoma.
3. SPACES 1, 2, AND 3, LOT NUMBER 3, IN THE 1962 ADDITION TO THE WINTERSET CEMETERY, SOMETIMES KNOWN AS ROCK CITY CEMETERY, OF WINTERSET, IOWA, A PLAT OF WHICH IS MAINTAINED AS A PART OF THE RECORDS OF THE WINTERSET CEMETERY IMPROVEMENT ASSOCIATION IN THE OFFICE OF IT'S SECRETARY IN WINTERSET, MADISON COUNTY, IOWA.

PERSONAL PROPERTY

All of the personal effects of STEVEN C. SHAW AND VANNA S. SHAW, husband and wife, including but not limited to clothing and jewelry.

All of the household furniture, furnishings, appliances, vehicles, machinery, equipment, animals and livestock of STEVEN C. SHAW AND VANNA S. SHAW, husband and wife.