

~~COMPARED~~

KIDDOO TRUST

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TRUST AGREEMENTMICHELLE UTSLER  
RECORDER  
MADISON COUNTY, IOWA  
Fee \$75.00

RAYMOND F. KIDDOO and BETTY JEAN KIDDOO, (hereinafter referred to as Settlers) and JEFF KIDDOO and PATRICIA KIDDOO and RAYMOND F. KIDDOO (hereinafter referred to as Trustee or Trustees) enter into this Trust Agreement to form the KIDDOO TRUST.

## ARTICLE I

## Trust Property

A. Original Trust Property. Settlers have transferred or have authorized transfer of the property listed in attached "Schedule A" to Trustees. this property, along with other property subsequently transferred to Trustees or purchased by Trustees, shall constitute the Trust property and shall be held, administered and distributed as provided in this Trust Agreement.

B. Additions to Trust Property. If any person or persons at any time is or are disposed to make gifts to the Trust, power and authority is hereby conferred upon the Trustees to receive such gifts and bequests and to apply the principal and income pursuant to the terms, powers, authorities and discretions contained in this Trust Agreement, provided that such gifts or bequests are not made upon any terms or conditions that would conflict with the uses, purposes and provisions of this trust and the administration thereof by the Trustees. Additionally, Trust property may be augmented by assets purchased by Trustee pursuant to the terms of this Trust Agreement.

## ARTICLE II

Trust Income and Principal

The Trust income and Trust principal, which includes Trust property and accumulated income, shall be distributed or accumulated by the Trustees under the following provisions.:

A. The costs and expenses of administering the Trust shall be paid by the Trustees prior to the distribution of income to the Trust beneficiaries. The Trustees' fee (reasonable) shall be considered as a cost or expense of the Trust. Income, which remains after the payment of the trust's costs and expenses, will be referred to as net income.

B. The net income may be paid in the discretion of the Trustees, to JEFF KIDDOO and PATRICIA KIDDOO and RAYMOND F KIDDOO. If one or more of the income beneficiaries is deceased, then his share of income may be distributed to his descendants, per stirpes, if any or if none, to the descendants of Settlor, per stirpes.

C. After the Trust has been in existence for 30 years, the accumulated income, if any, and principal shall be distributed to the descendants of Trustees, per stirpes if the Trust is still in existence. If the Trust is too small to economically manage or if the Trust, in the opinion of all Trustee, is not operating efficiently and profitably, then the Trustees, in their absolute discretion, may terminate the Trust and distribute the Trust assets to the Trustees. This Trust shall also terminate upon the death of the last of Settlers, and the Trust assets shall be distributed to Trustees'

D. Except as otherwise specifically provided in the Trust, if any share becomes distributable to a beneficiary who has not attained the age of twenty-one (21) years, the Trustees shall retain possession of such share for the period that beneficiary is under the age of twenty-one (21) years. The Trustees shall pay to him or her such sums from the net income or Trust

principal of that share as the Trustees deem advisable to provide for his or her care, support, maintenance, general welfare and education. Any net income not distributed shall be added to Trust principal. When the beneficiary attains the age of twenty-one (21) years, the balance of his or her share shall be distributed per stirpes to his or her descendants, if any or if none, to descendants of the beneficiary's parents, if any, or if none, to the descendants of JEFF KIDDOO, per stirpes; however, any portion distributable to a beneficiary for whom a share of the Trust is being held shall be distributed to the Trustees of that share and become a part thereof.

E. Spendthrift. No person (beneficiary) shall have the power to sell, assign, transfer, encumber, alienate, pledge or in any manner to anticipate or dispose of any interest created by this Article. The right to Trust principal and net income created by this Article shall not be reached in any manner by the creditors of, or judgement holders against, any person who has a beneficial interest in the Trust.

### ARTICLE III

#### Powers and Duties of Trustee

The Trustees and his or her successor(s) in office shall have the following powers with regard to Trust property and rights under his power and control in addition to statutory and common law powers, rights and restrictions:

1. To sell, exchange, borrow, mortgage, lease, or otherwise dispose of any asset for terms within or extending beyond the term of any trust, subject to the provisions of paragraph 6 below.

2. To determine what is principal and what is income of any trust and in his discretion to allocate or apportion receipts and disbursements between

principal and income, except that all dividends paid in stock shall be considered principal.

3. To delegate any of the powers granted in this Trust Agreement, except those relating to discretionary distribution of income or principal, without liability for such delegation, and to employ agents.

4. To hold assets of separate trusts or shares as a single fund for management without the need of physical segregation, dividing the income proportionately. Segregation of the various trusts or shares need only be made on the books of the Trustees for accounting purposes.

5. To accept assignment of life insurance policies and to purchase or retain and pay premiums on life insurance policies on the life of a beneficiary and to exercise all incidents of ownership, except no life insurance premiums shall be paid from the income of the Trust.

6. To sell farm land owned by the trust, except the farm land shall first be offered to the income beneficiaries, who are children of the Settlers, to purchase at fair market value. If the income beneficiaries, who are children of the Settlers, fail to purchase said land within 120 days after notice or are deceased, then the Trustees may sell the farm land at its fair market value to grandchildren of the Settlers, or if they fail to purchase said farm land, then the land may be sold to outsiders. If the buyer(s) of said farm land is a child (children) or grandchild (grandchildren) of Settlers, the remaining purchase price, after life insurance proceeds are applied to the purchase price, shall be paid in equal annual installments over a 20 year period with interest at a rate required by the Internal Revenue code of 1986, as amended, or regulations thereunder.

7. To keep on hand and uninvested such monies as the Trustees may deem proper and for such period as the Trustees may find expedient.

8. To compromise, settle, or arbitrate any claim or demand in favor of or against the Trust.

9. To make division or distribution of the Trust Principal, either in cash or in kind, or partly in cash and partly in kind, as the Trustees shall deem most expedient, and in making any division or distribution in kind the Trustees may allot any specific security or property or any undivided interest therein to any one or more of such shares, and to that end may appraise any or all of the property so to be allotted and the Trustees' judgment as to the propriety of such allotment and as to the relative value for purposes of distribution of the securities or property so allotted shall be final and conclusive upon all persons interested in this Trust or in the division or distribution thereof.

10. To lend money to any person in the Trustees' sole discretion which shall be unanimous, provided that any loan is adequately secured and shall bear a reasonable interest rate, and contain commercially reasonable terms.

11. To exercise all powers and authority including any discretion conferred upon the Trustees after the termination of the Trust until the Trust Principal is fully distributed.

12. To execute and deliver agreements, assignments, bills of sale, contracts, deeds, notes, powers of attorney, receipts, and other instruments in writing which in his or her judgment are necessary or desirable for the proper or advantageous management, investment and discharge of such Trust or the exercise of any power or authority conferred upon him hereunder.

Each and every power and right granted to the Trustees may be exercised without any order of any court and without any order of any court and without any notice to or consent of anyone. No powers of the Trustees enumerated herein or, now or hereafter, conferred upon the Trustees generally shall be construed to enable the Trustees' or any other person to purchase, exchange, or otherwise deal with or dispose of all or any part of the corpus or income of the Trust for less than an adequate consideration in money or money's worth. No person, other than the Trustees', shall have or exercise the power

to vote or direct the voting of any shares or other securities of the Trust, to control the investment of the Trust either by directing investments or reinvestments or by vetoing proposed investments or reinvestments, or to reacquire or exchange any property of the Trust by substituting other property of an equivalent value.

In the exercise of each power, whether specific or general, the Trustees shall be required to use the degree of judgment and care which a prudent man would use if he were the owner of the assets, having due regard for the preservation of the assets and the value thereof and the amount of income to be derived therefrom. Within the scope of the discretion allowed to the Trustees, their judgment as to the advisability and mode of exercising any such power shall be final and conclusive upon all persons interested or who may become interested in the Trust created hereunder. However, in the exercise of powers or discretion, the Trustees must act unanimously.

The Trustees are authorized and empowered to receive and accept property by gift or will or otherwise from any person or persons as additions to the Trust created by this Agreement and to hold this additional property in this Trust and to administer the property under the provisions of this Agreement.

The Trustees shall render an accounting, from time to time, with the first accounting due on or before the first March 31 after the date of this Trust Agreement and subsequent accountings not less frequently than every year after any prior accounting, regarding the transactions of the Trust(s) created in this instrument. Accounting shall also be rendered by any Trustees within sixty (60) days after his resignation, disqualification or removal by a court of competent jurisdiction. The books of the Trust shall be kept on a calendar year basis. Accountings shall be made by delivering a written accounting to the income beneficiaries. No accounting is required to be made to the court. If any person entitled to receive an accounting is a minor or is under a disability, the accounting shall be delivered to his parents or the

guardian or conservator of his person if he is a minor or to the guardian or conservator of his person if he is under any other disability. Unless any beneficiary, including parents, guardians, or conservators of beneficiaries, shall deliver a written objection to the Trustees within sixty (60) days after receipt of the Trustees' accounting, the accounting shall be final and conclusive in respect to transactions disclosed in the accounting as to all beneficiaries. After settlement of the account by agreement of the parties objecting to it, or by expiration of the sixty (60) day period, the Trustee shall no longer be liable to any beneficiary of the Trust, including unborn and unascertained beneficiaries, in respect to transactions disclosed in the account, except for the Trustees' intentional wrongdoing or fraud. Approval of the majority of the Trustees is required for action by the Trustees.

#### ARTICLE IV

##### Power to Require Distribution

Notwithstanding any of the dispositive provisions in preceding Articles, JEFF KIDDOO and PATRICIA KIDDOO, (for purposes of this paragraph collectively referred to as contribution beneficiaries), if living, shall each have the power to require distribution by the Trustee to pay them his or her shares pro rata of each addition or contribution to Trust principal including the initial contribution of property by Settlor or others to the Trust; however, the total amount which may be withdrawn shall not exceed the lesser of (i) the maximum amount over which a contribution beneficiary may have a power of withdrawal without its lapse in such year being a release of such power under Section 2514(e) of the Internal Revenue Code of 1986, as subsequently amended (hereinafter Code), or (ii) the maximum amount excludible from a donor's taxable gifts for such year in respect of gifts to any donee under Code

Section 2503(b). If the value of the property added to the trust in any calendar year exceeds the amount withdrawable by all contribution beneficiaries under the preceding sentence then, subject to the following sentence, each contribution beneficiary shall have the power to withdraw from the principal of the trust, property not exceeding such excess divided by the number of contribution beneficiaries. The amount over which a contribution beneficiary has a power under the preceding sentence shall be the excess of (a) the maximum amount excludible from a donor's taxable gifts for such year in respect of gifts to any donee under Code Section 2503(b) (including Code Section 2513 over (b) the amount withdrawable described in the second preceding sentence.

The power(s) to require distribution of a contribution beneficiary shall be cumulative, provided that on December 31 of each year, the total amount which may be withdrawn by a contribution beneficiary shall be reduced by the greater of \$5,000 or 5 percent of the trust principal on such date.

The Trustee shall notify, in writing, each contribution beneficiary or his or her guardian or conservator (other than Settlor of the donor of the additional funds), within seven (7) days after an addition or contribution to the Trust, that an addition or contribution has been received by the Trust and the contribution beneficiary has an unrestricted right subject to the provisions of the preceding paragraphs of this Article to require the Trustee to distribute the contribution beneficiary's share of the addition or contribution to the Trust. If a contribution beneficiary exercises his or her power to require distribution, then the Trustee shall immediately distribute to the contribution beneficiaries or her share of the addition or contribution to the Trust, subject to the limitations contained in this Article.

The exercise of the power to require distribution shall be effective only if the exercise is in written form, signed by the contribution beneficiary requesting distribution or by his or her guardian or conservator (who is not



the Settlor or the donor of the funds), and is delivered to the Trustee before the lapse of the power. If any of the contribution beneficiaries are minors, then this Article shall be interpreted to allow a guardian or conservator (other than Settlor or the donor of the funds) of such minor to be appointed to exercise the request on the minor's behalf. The Trustees shall segregate each addition and contribution to the Trust and the addition or contribution shall not be commingled with other Trust property until the time to require distribution has expired. Unless otherwise specified by the Trustee, the distribution of funds from the Trust to a contribution beneficiary will be made first from the addition or contribution (including life insurance policies or cash surrender value) until it is exhausted, and then from the income which has been accumulated during the existence of the Trust.

#### ARTICLE V

##### Acceptance

The Trustees accept transfer of the Trust property and assignment to themselves as Trustees, and undertakes to hold, manage, and dispose of the Trust property in accordance with the provisions of this Agreement.

#### ARTICLE VI

##### Miscellaneous

A. Successor Trustee. Upon the death, resignation, disability, or disqualification of JEFF KIDDOO and/or PATRICIA KIDDOO and/or RAYMOND F KIDDOO as Trustee, then shall serve as Trustee of the Trust. In the event there are no Trustees to serve or continue to serve, then SHELLY KIDDOO shall serve

as a Trustee or Co-Trustee of said Trust. No bond shall be required of any Trustee appointed pursuant to this Trust Agreement. A successor Trustee under this Agreement, upon signing this Trust Agreement, shall have the sole rights, duties and powers under this Agreement as Trustee. The terms, Trustee and Successor Trustee, may be used interchangeably in the Trust Agreement. A Trustee shall receive reasonable compensation for his, her, or its services.

B. Severability. If any provision in this Trust Agreement is held to be illegal or unenforceable, then the illegal or unenforceable provision will have no force or effect and the remaining provisions shall be treated as in full force and effect. The illegality or unenforceability of any provision shall not affect or impair the other provisions of this Trust Agreement.

C. Rule Against Perpetuities. This Trust shall terminate five (5) years after the death of the last surviving settlor living at the time of the execution of this Trust Agreement. On such termination, the Trust property held in this Trust shall be distributed in the proportions and to the persons then entitled to the income or then entitled to have the income accumulated for their benefit. The only exceptions will be as follows:

DEBRA WALTZ of RR 4 Box 17, city of Winterset, County of Madison, State of Iowa, shall receive the piano from the trust estate.

RALPH STEVEN KIDDOO OF RR 3 City of Winterset, County of Madison, State of, Iowa, shall receive the house and building site of approximately 2 acres in Lincoln Township, Madison Co.

D. Situs. This Trust Agreement and the Trust shall be administered, interpreted and distributed according to the laws of the State of Iowa, as they now exist or are subsequently amended or modified.

E. Name. The Trust created in this Agreement shall be referred to as the KIDDOO TRUST and each separate trust created in this instrument may be referred to by adding the name of the beneficiary.

F. Interpretation. Words which are used in the singular shall include

the plural and words denoting a gender shall include the other gender or neuter, except where such construction would be unreasonable. Wherever used in this Trust Agreement, the word "issue" includes not only persons who are descendants by blood but also persons who have been adopted according to law and the issue of any such person so adopted.

G. Amendment, Modification, or Revocation. The Trust shall not be subject to any power to alter, amend, modify, or revoke by anyone. This Trust shall be irrevocable.

H. Binding Nature of Trust Agreement. This Trust Agreement shall extend to and be binding upon the respective executors, administrators, successors, and assigns of the Settlers and the Trustee.

Dated as of this 2 day of March, 1992, in Union County, Iowa.

Raymond F Kiddoo

Betty Jean Kiddoo

Witnesses to Signature of

Settlers:

Bed Willets

Witness

May K Lutz

Witness

Melissa Melville

Witness

STATE OF IOWA            )  
  )ss.  
COUNTY OF UNION        )

On this 2 day of 3, 1992, before me, the undersigned, a Notary Public in and for said County, personally appeared Betty J. \* and Raymond F. Kiddoo, known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Kristine A. Willets



Notary Public in and for  
the State of Iowa

## SCHEDULE of TRUST ESTATE ASSETS

## ATTACHMENT "A"

1. Quit Claim Deed to the following described real estate, to-wit:  
South Half of Southeast Quarter of Section 2 and the West 8.75  
acres of the Northwest Quarter of Northeast Quarter of Northeast  
Quarter of Sec. 11, all in Twp. 74, Range 29, Madison Co. Iowa
2. Quit Claim Deed to the following described real estate, to-wit:  
The South Half (S1/2) of the South Half (S1/2) of the Northeast  
Quarter (NE1/4) and the Southeast Quarter (SE1/4), except the  
South 330 feet of the east 223 feet thereof, of Section  
Twenty-eight (28) in Township Seventy-five (75) North, Range  
Twenty-eight (28) West of the 5th P.M.
3. Quit Claim Deed to the following described real estate, to-wit:  
Northeast Quarter of the Northwest Quarter of Section  
Eleven (11), Township Seventy-four (74), North of Range  
Twenty-nine (29) West of the Fifth P.M., Madison County, Iowa and  
The Northwest Fractional Quarter of section 1, Township 74 North,  
Range 29, West of the 5th P.M. in Madison County, Iowa, and  
The Northwest Quarter of the Northeast Quarter (NW 1/4 NE 1/4)  
of Section 11, Township 74 North, Range 29, West of the 5th P. M.  
in Madison County, Iowa.
4. 1979 1486 IH Tractor.
5. 1980 IH 490 Disc 25'
6. 1990 John Deere 535 Baler.
7. 1987 John Deere 332 Lawn Tractor.
8. 1987 John Deere 1508 Mower.

SCHEDULE of TRUST ESTATE ASSETS con't

9. IH Hay Rake.
10. Farmall H Tractor.
11. Walsh Spray Tanks.
12. 2 Grain Wagons.
13. 2 Hay Racks.
14. Keewanee auger.
15. 1987 Suzuki Four Wheeler.
16. 5 Wheeler.
17. 1989 Ford Pickup.
18. 1982 Buick Skylark.
19. 1980 Buick Skylark.
20. All other miscellaneous farm machinery and livestock equipment.
21. All Grain Bins and Equipment located on the real estate described in  
1,2,and 3 above.
22. 73 Cows.
23. 73 Calves.
24. 5 Bulls.
25. All Household goods owned by Raymond F. and Betty Jean Kiddoo.
26. 1981 1486 IH Tractor

## BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that WE Raymond F. Kiddoo and Betty Jean Kiddoo of Winterset, Madison, Iowa herein called Settlers, do give, grant, bargain, sell and convey to Kiddoo Trust, of Winterset, Madison, Iowa, herein called Trust, all right title and interest in and to the following tangible personal property:

All tangible property normally kept at residence of Settlers including, but not limited to, furniture, furnishing, dishes and china, tableware, sporting goods boats, trailers, guns, books, paintings, jewelry, and collections of personal property, lawn furniture, tools, machinery and maintenance equipment, and items attached to the residence but not considered real estate; all insurance policies on the said tangible personal property and the proceeds from said policies resulting from claims therein.

and the following additional tangible personal property:

1979 1486 IH Tractor.  
 1981 1486 IH Tractor  
 1980 IH 490 Disc 25'  
 1990 John Deere 535 Baler.  
 1987 John Deere 332 Lawn Tractor.  
 1987 John Deere 1508 Mower.  
 IH Hay Rake.  
 Farmall H Tractor.  
 Walsh Spray Tanks.  
 2 Grain Wagons.  
 2 Hay Racks.  
 Keewanee auger.  
 1987 Suzuki Four Wheeler.  
 5 Wheeler.  
 All other miscellaneous farm machinery and livestock equipment.  
 All Grain Bins and Equipment located on the real estate described in 1,2,and 3 above.  
 73 Cows.  
 73 Calves.  
 5 Bulls.

Settlers warrant that all said tangible personal property is owned by the Settlers and all claims or liens on all said tangible personal property will be transferred by the settlers.

Dated:

3-2-1992

Settlers

Raymond F Kiddoo  
Betty Jean Kiddoo

The under signed Trustees acknowledge receipt of said tangible personal property.

Dated:

3/2/92

Trustees

Raymond F Kiddoo  
Betty Jean Kiddoo