

## **THE NEWGOV TRUST**

THIS TRUST AGREEMENT, made and entered into \_\_\_\_\_, 2013, by and between the NewGov Foundation Inc., an Iowa Company (“Grantor”), and \_\_\_\_\_ of \_\_\_\_\_ (said individual and his successors are hereinafter referred to as the “Trustees”).

WITNESSETH THAT:

WHEREAS, Grantor desires to make an initial contribution of the property described in Schedule A attached hereto, to be held by the Trustees for the purposes hereinafter described; and

WHEREAS, Grantor desires to create a charitable trust on such terms and conditions that the charitable trust will qualify as a not-for-profit organization;

NOW, THEREFORE, the initial Trustee hereby acknowledges that he has received this day the sum of \$1.00, and he agrees to hold and manage the same, and any additions to it, IN TRUST, upon the following terms and conditions:

1. Name of Trust.

This trust shall be called “The NewGov Trust”.

2. Trust Fund.

The Trustees are explicitly prohibited from receiving or accepting donations by way of gift, bequest or devise from Grantor or from any other source in cash or in other property. The trust corpus shall consist of i) \$1.00, ii) an agreement with a domain name provider and iii) an agreement with an Internet Service Provider.

3. Purposes of Trust.

This trust is created and shall be operated exclusively for the following purposes: to promote and support the creation and promulgation of universally available mechanisms for the discussion and collaboration, over the Internet or its successor(s), by any interested party, to propose improvements in how government employees and politicians pass laws and their behaviors in light of those laws. The beneficiaries of the trust are the members of any Internet sites for which the trust has a relationship with a domain name provider and an Internet Service Provider.

4. Payment of Income and Principal of Trust.

5. Payments Directed by Trustees. There shall be no funds held by the trust. The Trustees shall create no mechanisms for the trust to hold tangible assets.

6. Duration of Trust.

(a) Irrevocability and Termination. This trust shall be irrevocable, and may not be terminated at the direction of the Trustees.

(b) Power to Organize Corporation. The Trustees shall have no power or authority to form and organize a not-for-profit corporation or other appropriate corporate entity limited to the uses and purposes provided for in this trust agreement.

7. Administrative and Investment Powers of Trustees.

In the administration of this trust and of the trust fund, the Trustees shall have the following powers and authority; provided that no power or authority shall be exercised by the Trustees in any manner or for any purpose whatsoever which may not be exercised by a not-for-profit organization under the laws of the State of Iowa:

(a) Power to Carry Out Trust Purposes. The Trustees may make contracts for services and intangible property rights, but shall incur no liabilities for those services or intangible rights. The Trustees may do any and all things and take any and all actions (not contrary to law) deemed reasonably necessary by the Trustees, in their discretion, to carry out the objects and purposes of this trust. However, the Trustees may take no action which has the purpose of obligating the trust to pay for the services or intangible property rights needed to carry out the purposes of the trust.

(b) Investment Powers. Since the trust is not authorized to hold tangible property, the Trustees have no authority to hold, invest or transfer funds.

(c) No Sale Power. The Trustees may not sell any property held by the trust.

(d) No Power to Borrow Money. The Trustees may not borrow money for or mortgage or pledge any property acquired or held by this trust.

(e) Power to Execute Contracts. The Trustees may execute contracts to acquire intangible property rights in the form of services or intangible property rights, but may not deliver assignments, transfers, pledges, covenants, contracts, promissory notes, releases and other instruments, sealed or unsealed, incident to any transaction in which they engage. If the trust's contracts are not funded by external parties, the Trustees may take no action to prevent the loss of the trust's property rights.

(f) Exercise of Rights as Shareholder. The Trustees may not vote, give proxies nor participate in nor consent to (i) any plan of reorganization, merger, consolidation, combination, dissolution, recapitalization, liquidation or similar plan of any entity, nor (ii) any sale, lease, disposition or distribution of assets of any entity. They may not join with other

security holders in acting through a committee, depositary, voting trustees or otherwise, nor in this connection may delegate authority to such committee, depositary or trustees and deposit securities with them or transfer securities to them; and may not pay assessments levied on securities or exercise subscription rights in respect of securities.

(g) No Power to Sell Securities. The Trustees may not acquire, hold, sell, exchange and dispose of any securities or other property in the trust fund.

(h) No Use of Nominee Ownership. The Trustees may not cause the contract rights which from time to time comprise the trust fund, or any part thereof, to be registered in the name of a registered nominee.

(i) No Payment of Expenses. The Trustees may hold no funds nor make payments for any expenses and charges in the administration of their duties as Trustees. All payments for intangible assets of the trust will be permitted to lapse if external parties do not satisfy the requirements of the parties providing services or property rights to the trust.

(j) No Employment of Experts. The Trustees may not engage, nor pay for the services of advisors.

(k) Powers Exercisable Only in Fiduciary Capacity. All powers of the Trustees are exercisable by them only in the fiduciary capacity consistent with and in furtherance of the purposes of this trust as specified in Section 3 hereof.

#### 8. General Administrative Provisions.

(a) Successor Trustees. In the event of the death, resignation, or the failure or incapacity of any Trustee, the persons designated pursuant to Sections 8(b) and 8(c) hereof shall serve as Trustees. Any individual Trustee may resign at any time without any court order by

giving written notice to the other Trustees or to his or her successor Trustee, if there is no other Trustee then serving. In the event of the death or resignation of all of the individual Trustees, including any designated hereunder, or their failure or incapacity to act, then \_\_\_\_\_ shall act as Trustee hereunder.

(b) Appointment of Additional Trustee to Fill Vacancy. An individual Trustee then serving may appoint one or more qualified individuals or a qualified corporation as successor or additional Trustee. Appointments shall be made by the individual Trustees then in office by written instrument signed and acknowledged. Such additional Trustees shall have the same powers, rights and duties as the then serving Trustees.

(c) Appointment or Removal of Corporate Trustee. The individual Trustees then serving, by majority vote, may at any time appoint or remove a corporate Trustee, or any successor corporate Trustee, upon written notice thereof delivered to the Corporate Trustee.

(d) Definition of Terms. The terms “qualified individual” and “qualified corporation” as used in this Section 8 shall mean, respectively, an individual who is legally competent to act as trustee and a corporation, bank or trust company with power to act as trustee managing trust assets and located within the United States. The term “Trustees”, wherever used herein, shall be deemed to include all the Trustees, individual and corporate, of any gender at any time serving as such in respect of the trust estate.

(e) Waiver of Audits. No successor Trustee hereunder shall be required to audit the accounts of any predecessor Trustee, nor be liable for any act or omission of any predecessor Trustee.

(f) Waiver of Bonds. No Trustee hereunder shall be required to post bond or other security for the performance of his, her or its services as such.

(g) Majority of Trustees to Act. The majority of the Trustees serving from time to time with respect to the trust shall have the power to make any decision, undertake any action or execute any instrument required or permitted hereunder to be made, undertaken or executed by the Trustees, and any such decision, action or instrument shall be valid, conclusive and binding upon all persons whomsoever; provided that the nonassenting Trustee shall not be liable for any action taken by a majority.

9. No Compensation of Trustees.

No individual Trustee may receive compensation for his or her services hereunder.

10. Trustees: No Power to Amend Trust.

This trust agreement may not be amended, altered or modified by the Grantor or the Trustees at any time.

(a) “Trustees” and “Incapacity”. As used herein, “Trustees” shall mean the one or more trustees, whether original or successor, in office at the time. Incapacity of any Trustee shall mean inability to conduct business affairs and shall be deemed to exist or to terminate when so certified in writing by a physician in good standing in the community then attending the person to whom such certification applies.

(b) Headings. The section headings contained herein are provided for convenience and reference use only and shall not affect in any way the meaning or interpretation of any provision of this trust agreement.

11. Invalidity of the Provisions of Trust Agreement.

In case any provision of this trust agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this trust agreement, and this trust agreement shall be construed and enforced as if said illegal and invalid provisions had never been inserted herein.

12. Governing Law.

This trust agreement is to be governed in all respects by the laws of the State of Iowa.

IN WITNESS WHEREOF, this trust agreement has been executed by Grantor and the initial Trustee the day and year first above written.

The NewGov Foundation Inc., Grantor

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\_\_\_\_\_, as Trustee