



THE MILLE LACS BAND OF
OJIBWE INDIANS

Legislative Branch of Tribal Government

RESOLUTION 08-01-91-98

A RESOLUTION SUPERSEDING RESOLUTION 08-01-68-98 EXECUTING A STOCK VOTING TRUST AGREEMENT APPOINTING CERTAIN INDIVIDUALS AS VOTING TRUSTEES OF THE SHARES OF STOCK IN MILLE LACS BANCORPORATION, INC., A BANK HOLDING COMPANY WHOLLY OWNED BY THE MILLE LACS BAND OF OJIBWE INDIANS.

WHEREAS, the Mille Lacs Band Assembly is the duly-elected governing body of the Mille Lacs Band of Ojibwe, a federally-recognized Indian Tribe; and,

WHEREAS, the Band is the sole owner of the shares of the Mille Lacs Bancorporation which wholly owns the Woodlands National Bank in Onamia, Minnesota, a national banking association organized under the laws of the United States of America; and,

WHEREAS, the Band desires to provide an effective and efficient mechanism to allow it to enjoy its privileges and fulfill its obligations as the sole shareholder of the Mille Lacs Bancorporation Inc.; and,

WHEREAS, the Band desires to have an effective and efficient mechanism for voting the shares of the Mille Lacs Bancorporation; and,

NOW, THEREFORE, BE IT RESOLVED, that the Mille Lacs Band Assembly hereby approves the Agreement and Declaration of Trust (the "Agreement") by and between the Mille Lacs Band of Ojibwe Indians (the "Band"), as Beneficiary, Commissioner of Corporate Affairs, Commissioner of Finance and Robert Wayne Johnson, Jr., who serves as a Mille Lacs Band member and who are hereby appointed as Trustee(s) under the Agreement. The agreement is as follows:

**MILLE LACS BANCORPORATION, INC.
VOTING TRUST AGREEMENT**

This agreement and Declaration of Trust is made by and between the Mille Lacs Band of Ojibwe Indians (the "Band"), as Beneficiary, and Robert W. Johnson Jr., Caroline A. Kornmann, and Kenneth W. Mimmack, who are hereby appointed as Trustee(s) hereunder.

Whereas, the Mille Lacs Band of Ojibwe is the sole owner of the shares of the Mille Lacs Bancorporation which wholly owns the Woodlands National Bank in Onamia Minnesota, a national banking association organized under the laws of the United States of America;

DISTRICT I

HCR 67, Box 194 • Onamia, MN 56359
(320) 532-4181 • Fax (320) 532-4209

DISTRICT II

Route 2 • Box 58 • McGregor, MN 55760
(218) 768-3311 • Fax (218) 768-3903

DISTRICT III

Route 2 • Box 233-N • Sandstone, MN 55072
(320) 384-6240 • Fax (320) 384-6190

Whereas, the Band desires to provide an effective and efficient mechanism to allow it to enjoy its privileges and fulfill its obligations as the sole shareholder of the Mille Lacs Bancorporation;

Whereas, the Band desires to have an effective and efficient mechanism for voting the shares of the Mille Lacs Bancorporation, Inc;

Now, therefore, the Trustee and the Band hereby enter into this Agreement and Declaration of Trust (the "Agreement") as follows:

Section 1. Definitions. Unless otherwise stated in the Agreement:

(1) "Association" means the Mille Lacs Bancorporation, Inc. a bank holding company organized under the laws of the United States of America, and shall include any and all successors to all or substantially all of the assets and business of the Mille Lacs Bancorporation, Inc.

(2) "Beneficiary" means the Mille Lacs Band of Ojibwe acting in a joint session as specified in 3 MLBSA § 24.

(3) "Parties to this agreement" means any party hereto or a successor in interest of such party, as successors in interest are limited by this Agreement.

(4) "Stock" or "Shares" refers to all voting stock of the Association, and includes all shares or other securities that may at any time be exchanged for shares of the common stock of the Association pursuant to a merger, consolidation or other reorganization.

(5) "Trustee(s)" means Robert W. Johnson Jr., Caroline A. Kornmann and Kenneth W. Mimmack, and any individual replacing a Trustee as provided in section 6 of this Agreement.

(6) "Voting Trust Certificate" means the document given by the Trustee(s) to the Beneficiary to evidence deposit of stock with the Trustee by the Beneficiary in the form specified in Exhibit "A" hereto.

Section 2. Creation and Termination of the Trust. The effective date of this Agreement is February 11, 1998, and the Agreement shall be run for a period of time, subject to the terms contained herein, until February 11, 2003.

At any time within two years prior to the time of expiration of the Agreement as originally fixed or last extended, the Beneficiary, pursuant to a properly enacted resolution may, by written agreement and with the written consent of the Trustee(s), extend the duration of this Agreement for an additional period not exceeding four years from the expiration date of the trust as originally fixed or last extended; provided that (1) the total of the original term of the trust and all extensions shall not exceed fifteen years.

Notwithstanding any provision of this Agreement to the contrary, the Beneficiary may, by properly adopted resolution, terminate this Agreement at any time. Such termination shall be effective upon delivery of a copy of the resolution to the Association.

Section 3. Delivery of Shares into Trust, Issuance and Delivery of Voting Trust Certificates: Redelivery of Stock upon Termination of Trust. The Beneficiary agrees to deliver to the Trustee(s) the certificates of all Stock of the Association owned by the Band, and all Stock of the Association acquired after the effective date of this Agreement and before the termination of this Agreement, duly endorsed for transfer, together with such sums, if any, as are necessary to pay any taxes imposed on the transfer of such shares. The Trustee(s) agrees that they will cause the shares of Stock to be transferred on the books of the Corporation to the Trustee(s) in their capacity as Trustee(s). The Trustee(s) agree(s) to issue and deliver to the Beneficiary a Voting Trust Certificate evidencing receipt by the Trustee(s) of Stock subject to the terms of this Agreement. The Voting Trust Certificate shall be in the form of Exhibit "A" attached hereto. Within ten days after the termination of this Agreement, the Trustee(s) shall redeliver to the holder of record of the Voting Trust Certificate, the stock certificates representing the number of shares of Stock or the net proceeds thereof for which the Voting Trust Certificate was issued; provided that the hold of record of the Voting Trust Certificate surrenders the Voting Trust Certificate properly

endorsed and accompanied by payment of sums sufficient if any to cover any stamp tax or governmental charge attributable to the transfer of or redelivery of the stock certificates.

Section 4. Powers and Rights Granted to the Trustee(s).

(1) **Powers.** *The Beneficiary, in conveying legal title to its stock to the Trustee(s), agrees that by virtue of their control of the Stock during the term of and pursuant to this Agreement the Trustee(s) shall be the sole possessor(s) of the following Stockholder's rights in that stock:*

(a) *the right to vote the stock in person or by nominee, agent, attorney-in-fact or proxy at all meetings of Stockholders;*

(b) *the right to participate in, consent to, or ratify any corporate or Stockholders' action; and*

(c) *the right to receive all dividends and distributions in cash, kind, or in any other property, and, as provided in section 5 of this Agreement, make prompt payment of such sums and convey such property to the Beneficiary.*

(2) **Duties.** *It shall be the duty of the Trustee(s), and he/she/they shall have full power and authority and is hereby fully empowered and authorized, to represent the holders of such trust certificates and the Stock transferred to the Trustee(s) as aforesaid, and to vote upon the said stock, as in the judgment of the Trustee(s), may be for the best interest of the Association, at all meetings of the Stockholders of the Association, in the election of Directors and upon any and all matters and questions which may be brought before such meetings, as fully as any Stockholder might do if personally present; provided, however, that the Trustee(s) shall vote on the following matters only as directed by the Beneficiary:*

(a) *proposals to dissolve the Association, or to merge or consolidate it with another association, corporation, partnership, firm or other entity;*

(b) *proposals to amend the Articles of Association or Bylaws of the Association;*

(c) *proposals to sell substantially all the assets of the Association;*

(d) *proposals which will have the effect, directly or indirectly, of reducing substantially the voting power, right to dividends, or rights to the assets of the Association upon liquidation, of the shares of Stock subject to the trust; and*

(3) **Reporting.** *The Trustee(s) shall keep the Beneficiary apprised of the current financial and business condition and outlook of the Association by making periodic reports to the Beneficiary in the form and manner specified by the beneficiary and shall seek direction from the Beneficiary, where such direction is required by this Agreement, in a timely manner. The Trustee(s) shall promptly send to the Beneficiary copies of communications of any kind obtained from the Association, including but not limited to any and all reports of Corporate performance. The Beneficiary may call a meeting with the Trustee(s) concerning the Association at any time that is reasonably convenient to the Beneficiary and the Trustee(s).*

(4) **Limitation of Liability.** *The Trustee(s) in accepting legal title to the Stock deposited pursuant to this Agreement agree to exercise their best judgment in the interest of the Association to assure proper, stable, and continuous management of the affairs of the Association, but the Trustee(s) is/are not responsible for the acts of Directors and Officers of the Corporation whether or not taken pursuant to the vote or consent of the Trustee(s) as Stockholder, or whether ratified afterwards by the Trustee(s) as Stockholder or Director. The Trustee shall not be liable for any error of judgment or mistake of law or other mistake, or for any other act of failure to act, save only the Trustee's(s') willing misconduct or gross negligence.*

(5) **Indemnification.** *The Trustee(s) shall be entitled to be fully indemnified by the Beneficiary against all costs, charges, expenses, and other liabilities properly incurred by him/her/them in the exercise of any power conferred upon his/her/them by this Agreement.*

(6) Meetings. Either the Trustee(s), by a majority vote thereof or the Beneficiary may, in their discretion, notice and call a meeting to discuss issues with respect to the voting of the Stock on any particular question due to be considered at a Stockholders' meeting. If a consensus on how to vote on any matter, other than the matter listed in paragraph (b) of this section for which prior Beneficiary approval is required prior to a Trustee vote, is manifest by the Beneficiary participating in a meeting with the Trustee(s) such vote shall be binding on the Trustee(s) in their voting on the matter for which the vote was taken.

(7) Sales of Stock Restricted. The Trustee(s) do not have the right or authority to sell or otherwise dispose of any of the Stock deposited in Trust except as expressly provided by this Agreement

(8) Trustee(s) to Serve as Director(s). The Trustee(s) shall, serve as a Director(s) of the Association at all times during the term of this Agreement and elect additional Shareholders in the manner provided by the Articles of Association.

Section 5. Dividends and Other Distributions: Sale of Shares Free of Trust.

(1) Payment to Band. The Trustee(s) shall pay or convey to the Beneficiary all dividends and other distributions of cash or property received by the Trustee(s) on account of the Stock held in this Trust pursuant to this Agreement as evidenced by Voting Trust Certificates. All dividends and other cash distributions shall be deposited in an account in the General Fund of the Band. All such deposits shall be accompanied by a full accounting. All distributions of property, other than Stock in the Association, shall be conveyed to the Beneficiary in the manner specified by the Beneficiary and shall be accompanied by a full inventory and accounting.

(2) Additional Stock as Dividend or Distribution. If the Trustee(s) receives, as a dividend or distribution on account of stock held in this Trust, any additional shares of the stock of the Corporation, the Trustee(s) shall hold such additional shares in trust subject to all the terms and conditions of this Agreement. Any such dividend or distribution of stock shall be held for the benefit of the Beneficiary, and the Trustee(s) shall issue to the Beneficiary additional Voting Trust Certificates (in the form of Exhibit "A"), evidencing retention by the Trustee(s) of such stock dividends or distributions subject to this Trust.

(3) Additional Offerings: Stock Options: Purchase and Sale Agreement. If any securities of the Association shall be offered for subscription to the holders of Stock held by the Trustee(s) pursuant to this Agreement the Trustee(s) shall mail to the Beneficiary a copy of the Beneficiary directing the Trustee(s) to subscribe to a offering of securities, purchase stock pursuant to any purchase or sale agreement, or exercise the option granted by any stock option Agreement, the Trustee(s) shall make such subscriptions or purchase or exercise such option and shall make payment on behalf of the Beneficiary provided that such instructions is/are received by the Trustee(s) at least five days prior to the last date fixed by the Association for subscription, purchase or exercise and payment, and provided further that such resolution is accompanied by the sum of money required to be paid for the securities to be purchased. Upon receiving from the Association the certificates for voting securities so purchased, the Trustee(s) shall retain such voting securities and issue to the Beneficiary a Voting Trust Certificate evidencing retention by the Trustee(s) of such voting securities subject to this Agreement. Upon receiving from the Association the certificates for nonvoting securities so purchased, the Trustee(s) shall deliver such nonvoting securities to the Beneficiary.

(4) Sale of Stock Free of Trust. Upon the direction of the Beneficiary, the Trustee(s) shall, sell free of this Agreement any or all Shares, the beneficial ownership of which is evidenced by a Voting Trust Certificate registered in the name of the Beneficiary on the records of the Trustee(s). All transfer taxes or other expenses, if any, incident to any such sale shall be paid by the Beneficiary. Such sale shall be on such terms as are contained in the authorizing resolution of the Beneficiary.

Section 6. Removal, Resignation, Incapacity: Replacement of Trustee(s).

(1) Removal. The Beneficiary, by a properly enacted resolution, may, with or without cause, remove a Trustee at any time. The Beneficiary shall promptly notice the Trustee of his/her removal as provided herein. Any Trustee who has

been so removed shall promptly turn over to the Beneficiary any and all property they have been holding in their capacity as a Trustee under this Agreement.

(2) Resignation. A Trustee may, due to incapacity, or any other reason resign at anytime by providing written notice of the resignation to the Beneficiary as provided herein. Any Trustee who has been so resigned shall promptly turn over to the Beneficiary any and all property they have been holding in their capacity as a Trustee under this Agreement.

(3) Replacement. Whenever a Trustee is removed or resigns the Trustee should be replaced as soon as is practical. The replacement Trustee shall be one who is nominated by the Chief Executive and ratified by the Band Assembly. A new Trustee's service shall become effective upon the nomination by the Chief Executive, ratification by the Band Assembly and their becoming a signatory to this Agreement, wherein all terms and conditions hereof shall become fully applicable to that individual.

(4) Interim. Upon the removal or resignation of a Trustee, and until the appointment of a successor as provided herein, the remaining voting Trustees shall fully and completely continue to execute their duties and obligations as Trustees voting in equally proportionate parts, those shares previously voted by the removal or resigning Trustee.

Section 7. Administration of Trust Agreement: Miscellaneous.

(1) Notices. The Trustee(s) shall give any required notice to the Beneficiary by mailing it, postage prepaid, or hand delivering it to, the Mille Lacs Band of Ojibwe Indians, HCR 67 Box 194, Onamia, MN, 56359, Attn: Marge Anderson, Chief Executive. Any notice required to be given the Trustee(s) shall be mailed, postage prepaid, or hand delivered to Ken Mimmack, Mille Lacs Band of Ojibwe Indians, HCR 67, Box 194, Onamia, MN 56359. The Trustee(s) shall give to registered holders of Voting Trust Certificates notice of any change of their address. Any notice to the Association by any party hereto must be mailed, postage prepaid, to the Officers of the Association at its principal place of business, in Onamia, MN 56359, or such other location to which the principal place of business of the Association is hereafter removed.

(2) Governing Law. This Agreement is to be governed by the laws of the Mille Lacs Band of Ojibwe Indians and federal laws concerning banking and securities that are applicable. The Trustee(s) is/are authorized to construe this Agreement and his/her/their reasonable construction made in good faith shall be conclusive and binding upon the Beneficiary or any party claiming any right under this Agreement. The Trustee(s) may seek the advice of legal counsel, which counsel may also be counsel for the Association, and any action taken in good faith in accordance with the opinion of such counsel shall be conclusive upon the parties to this Agreement and the Trustee(s) shall not be liable to the parties to this Agreement on account of such action.

(3) Security. The Beneficiary may require the Trustee(s) to give any bond or other security for the discharge of his/her/their duties under this Agreement. The Trustee(s) shall be entitled to reasonable compensation for her services as Trustee(s), and to reimbursement for reasonable expenses and charges incurred in the administration of the Agreement. Subject to the prior approval of the Beneficiary, the Trustee(s) is/are authorized to incur and pay those reasonable expenses and charges which she deems necessary to the administration of this Agreement, including, but not limited to, necessary fees and charges for the services of legal counsel. Any reimbursement or compensation described in this paragraph shall be paid by the Beneficiary.

(4) Paragraph Headings. Titles of the paragraphs and subparagraphs are placed herein for convenient reference only and shall not to any extent have the effect of modifying, amending or changing the express terms and provisions of this Agreement.

(5) Construction. As used herein, unless the context clearly indicates the contrary, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

(6) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be taken to be an original.

(7) Severability. In the event any parts of this Agreement are found to be void, the remaining provisions of this Agreement shall nevertheless be binding in the same effect as though the void parts were deleted.

(8) Waivers. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the person or party against whom charged.

(9) Assignments. There shall be no assignment by either party of the Agreement without the express written consent of the other party. If there is a successful assignment of this Agreement such assignment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and assigns.

(10) Amendments. This Agreement may be amended or terminated at any time by the Beneficiary through a properly enacted resolution.

Dated: _____, 1998

Caroline A. Kornmann, Commissioner of Finance
Trustee

Robert W. Johnson, Jr., Member At Large
Trustee


Kenneth W. Mimmack, Commissioner of Corporate Affairs
Trustee

Dated: _____, 1998

Marge Anderson, Chief Executive
Mille lacs Band of Ojibwe

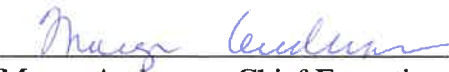
WE DO HEREBY CERTIFY, that the foregoing resolution was duly concurred with and adopted at a regular session of the Band Assembly in Legislative Council assembled, a quorum of legislators being present held on the 16 day of April 1998 at Vineland, Minnesota by a vote of 3 FOR, 0 AGAINST, 0 SILENT.

IN WITNESS WHEREOF, we, the Band Assembly hereunto cause to have set the signature of the Speaker of the Assembly to be affixed to this resolution and forwarded to the Chief Executive for Concurrence.



David Matrious, Speaker of the Assembly

IN CONCURRENCE, with the action of the Speaker of the Assembly, I, set my hand to this resolution.



Marge Anderson, Chief Executive

OFFICIAL SEAL OF THE BAND