



THE MILLE LACS BAND OF
OJIBWE INDIANS

Legislative Branch of Tribal Government

JOINT RESOLUTION 15-01-130-12

**A JOINT RESOLUTION APPROVING THE MILLE LACS BAND
OF OJIBWE INDIANS MINORS' TRUST AGREEMENT
DATED JUNE 14, 2012**

- 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 Mille Lacs Band Assembly acting pursuant to 3 MLBSA section 2 has the authority to enact laws and adopt resolutions which promote the general welfare of the Mille Lacs Band of Ojibwe; and
- WHEREAS, the Chief Executive has the authority to exercise the executive powers of Band government; and
- WHEREAS, pursuant to 25 U.S.C. sec. 2710 *et seq.*, Secretarial approval is required for the distribution of casino revenues to Band Members, including the Band's minor children; and
- WHEREAS, the Mille Lacs Band of Ojibwe adopted a Gaming Revenue Allocation Plan (RAP) on July 7, 2010, and this RAP was approved by the Secretary, U.S. Dept. of the Interior, Indian Affairs on September 1, 2010; and
- WHEREAS, the Band's Gaming Revenue Allocation Plan (RAP) provides that monies be set aside in a trust for the benefit of the Band's minor children in order to provide for their health, education and general welfare as well as to encourage minor children to pursue educational goals beyond high school; and
- WHEREAS, the Band Assembly and Chief Executive now feel it's necessary to adopt a Minor Trust Agreement to set out the duties and responsibilities of the Band's elected officials to its minor children; and
- WHEREAS, the Mille Lacs Band of Ojibwe Indians Minors' Trust Agreement dated June 14, 2012, is hereby approved and is attached hereto as Exhibit A.

NOW THEREFORE BE IT RESOLVED, that the Mille Lacs Band of Ojibwe Indians Minors' Trust Agreement dated June 14, 2012 is hereby approved.

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DISTRICT II

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DISTRICT IIA

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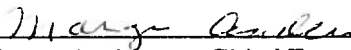
WE DO HEREBY CERTIFY, that the foregoing resolution was duly concurred with and adopted at a special session of the Band Assembly in Legislative Council assembled, a quorum of legislators being present held on the 14th day of June, 2012, at Hinckley, Minnesota by a vote of 3 FOR, 0 AGAINST, 0 SILENT.

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.



Curt Kalk, Speaker of the Assembly

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



Marge Anderson, Chief Executive

OFFICIAL SEAL OF THE BAND

MILLE LACS BAND OF OJIBWE INDIANS
MINORS' TRUST AGREEMENT

June 14, 2012

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MINORS' TRUST AGREEMENT

This Trust Agreement, made this 14th day of June, 2012, by and between the Mille Lacs Band of Ojibwe Indians (the "Band"), as **Grantor**, and the current members of the Band Assembly, in their official and not in their individual capacities, as **Trustee** of the Mille Lacs Band of Ojibwe Indians Minors' Trust.

WHEREAS, the Internal Revenue Service ("IRS") has provided safe harbor guidance in Revenue Procedure 2011-56, 2011-49 I.R.B. 834, which clarifies the federal income tax treatment of the establishment by an Indian Tribal government of a minors' trust to hold distributions of Tribal gaming revenue for the benefit of the Tribe's minor members; and

WHEREAS, the Band has determined that it is in the best interest of the Eligible Members to establish a minors' trust having terms substantially similar to those provided in the safe harbor described in Revenue Procedure 2011-56, 2011-49 I.R.B. 834 for the purpose of holding per capita distributions of net gaming revenues for the benefit of Eligible Members; and

WHEREAS, the Band wishes to establish a minors' trust (hereinafter referred to as the "Trust") and to contribute to the Trust such per capita distributions of net gaming revenues until paid to the Beneficiaries in such manner and at such times as specified in this Trust Agreement; and

WHEREAS, the Band has determined that it is in the best interest of any Eligible Member who is a Legally Incompetent person to have such member's per capita payments held in a separate trust for his or her benefit.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held, and disposed of as follows:

ARTICLE I **DEFINITIONS**

Whenever used in this Trust Agreement, the following words and phrases shall have the meanings set forth below, unless the context plainly requires a different meaning. Except as otherwise indicated by context, terms used in the singular may also include the plural, and terms used in the plural may also include the singular.

Section 1.1 **Account**. "Account" means the separate bookkeeping account established under the Trust pursuant to Section 4.4 of ARTICLE IV hereof on behalf of each Beneficiary to hold his or her share of the Trust Fund.

Section 1.2 **Band**. "Band" shall mean the Mille Lacs Band of Ojibwe Indians. It does not mean the individual members of the Band. With respect to the Band's duties and powers set forth in this Trust Agreement, the Chief Executive has the authority to act on behalf of the Band, except with respect to powers specifically reserved to the Band Assembly or the Band's general membership.

Section 1.3 **Band Assembly.** "Band Assembly" means the members duly elected to serve as the legislative body of the Band.

Section 1.4 **Band Member.** "Band Member" means an enrolled member of the Mille Lacs Band of Ojibwe.

Section 1.5 **Beneficiary.** "Beneficiary" means a member of the Band for whom an Account under Section 4.4 of ARTICLE IV hereof has been established.

Section 1.6 **Code.** "Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated and in effect thereunder.

Section 1.7 **Eligible Member.** "Eligible Member" means any enrolled Mille Lacs Band member who is a Minor.

Section 1.8 **Insolvency.** "Insolvency" means the Band is unable to pay its debts as they become due or the Band is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

Section 1.9 **Investment Policy.** "Investment Policy" means the policy adopted by the Band to provide guidance on and the minimum performance standards of the investment vehicles in which the Trust Fund may be invested.

Section 1.10 **Minor.** "Minor" means an enrolled Band member who has not yet reached the age of 18 years.

Section 1.11 **Legally Incompetent Person.** "Legally Incompetent Person" means an enrolled Band member who has been declared to be legally incompetent, other than being a Minor, by a court of competent jurisdiction, including a tribal justice system established by the Band.

Section 1.12 **Tribal Gaming Revenue Contributions.** "Tribal Gaming Revenue Contributions" means that portion of net revenues from tribal gaming activities distributed on a per capita basis for the benefit of minors and Legally Incompetent Persons pursuant to the Band's gaming revenue allocation plan or such other gaming revenue allocation plan as may be adopted by the Band in the future.

Section 1.13 **Trust.** "Trust" means the Mille Lacs Band of Ojibwe Indians Minors' Trust established to hold and invest contributions of tribal revenues and held, administered and distributed pursuant to the provisions of this Trust Agreement.

Section 1.14 **Trust Agreement.** "Trust Agreement" means the Mille Lacs Band of Ojibwe Indians Minors' Trust Agreement, as set forth herein and as may be amended from time to time.

Section 1.15 **Trust Fund.** "Trust Fund" means the contributions to the Trust as principal and the earnings thereon, until such amounts are distributed under ARTICLE V hereof.

Section 1.16 **Trustee.** "Trustee" means the individuals currently serving on the Band Assembly for so long as they remain in office, and their successors while they are in office.

ARTICLE II ESTABLISHMENT OF TRUST

Section 2.1 **Establishment and Purpose.** The Band hereby establishes the Trust, effective as of June ____, 2012, which shall be administered and disposed of by the Trustee as provided in this Trust Agreement. The purpose of the Trust is to hold Tribal Gaming Revenue Contributions distributed for the benefit of Minors on or after June __, 2012.

Section 2.2 **Irrevocable Grantor Trust.** The Trust is intended to be an irrevocable grantor trust, of which the Band is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Code, and shall be construed accordingly.

Section 2.3 **Band as Owner.** The Band shall be the owner of the principal of the Trust and any earnings thereon. The Trust Fund shall be held separate and apart from other funds of the Band and shall be used exclusively for the uses and purposes herein set forth. The Beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, the Trust Fund. Any rights created under this Trust Agreement shall be mere unsecured contractual rights of Beneficiaries against the Band.

Section 2.4 **Trust to Include Minors Trust Fund.** All funds currently held by the Band for minors (including those funds held for those who have attained age 18, but not yet distributed to them) will be placed into the Trust after an accounting is completed.

ARTICLE III BENEFICIARIES AND CONTRIBUTIONS

Section 3.1 **Beneficiaries.** Each Eligible Member shall be a Beneficiary under the Trust.

Section 3.2 **Contributions.** The amount of the Tribal Gaming Revenue Contribution for each Eligible Member shall be determined pursuant to the Band's gaming revenue allocation plan approved by the Secretary of the Interior. Such contributions shall be allocated to the Accounts of each such Beneficiary who is an Eligible Member on a per capita basis.

ARTICLE IV STATUS OF TRUST FUND

Section 4.1 **Property of the Band.** The Trust Fund shall remain solely the property of the Band until such amounts are used to make distributions in accordance with ARTICLE V hereof. A Beneficiary shall not, under any circumstances, acquire any property or beneficial interest in any investment asset of the Band by virtue of his or her participation in this Trust.

Section 4.2 **Investment of Trust Fund.** The Trustee may invest the Trust Fund in any type of property or permissible investments in accordance with a Band approved Investment

Policy, except to the extent otherwise provided by applicable law. The Band is not obligated to purchase any property or rights to support the promises made under this Trust Agreement to any Beneficiary.

Section 4.3 **Earnings and Losses.** Any earnings, losses, and changes in market value of the assets of the Trust shall be credited or debited, as the case may be, on a pro rata basis to each Beneficiary's Account on the last day of each calendar quarter in accordance with the ratio such Beneficiary's Account bears to the aggregate Account balances of all other Beneficiaries on such date. Such earnings shall be credited or debited, as the case may be, to each Beneficiary's Account on a quarterly basis until it is either distributed to the Beneficiary or placed into a separate account or trust.

Section 4.4 **Accounts.** The Trustee, assisted by the Band's Commissioner of Finance, shall establish a separate bookkeeping account on behalf of each Eligible Member under the Trust. Each Account shall be adjusted quarterly for the applicable Beneficiary's share of:

Section 4.4.1 The contributions received by the Trust under Section 3.2 of ARTICLE III hereof;

Section 4.4.2 Earnings, losses and changes in market value credited or debited, as the case may be, to the Trust Fund under Section 4.3 of this Article; and

Section 4.4.3 Distributions under ARTICLE V hereof.

Section 4.5 **Report of Account Balance.** The Commissioner of Finance shall advise the Trustee and the Band's Chief Executive of each Beneficiary's Account balance at least annually on a date determined by the Trustee. The Commissioner of Finance shall maintain records of such annual Account balances and shall make such information available to any Beneficiary (or the Beneficiary's parent or guardian) upon request.

Section 4.6 **Extent of Band's Liability.** The obligation of the Band to pay a Beneficiary the amounts contributed on his or her behalf as provided for in this Trust Agreement shall be limited to the Account balance for that Beneficiary, as determined from time to time in accordance with Section 4.4 above. The Band's obligation shall not be increased by the amount, if any, by which the Eligible Member's share of amounts contributed under Section 3.2 of ARTICLE III hereof may exceed the Beneficiary's Account balance, whether due to earnings, losses and changes in market value credited or debited, as the case may be, to the Trust Fund under Section 4.3 of this Article and/or distributions under Article V hereof.

ARTICLE V

PAYMENTS TO TRUST BENEFICIARIES

Section 5.1 **Disbursements Prior To Meeting Distribution Requirements.** Except as otherwise provided in this Trust Agreement, no disbursements from the Trust shall occur prior to the date on which an Eligible Member has qualified for distributions. No court order evidencing emancipation of an Eligible Member prior to qualifying for distributions shall be accepted or acted upon to authorize a disbursement from the Trust.

Section 5.2 **Disenrollment.**

Section 5.2.1 **Voluntary Disenrollment.** No distributions whatsoever from the Trust shall be made to any Beneficiary or, in the alternative, to any guardian or parent of a Beneficiary, when that Beneficiary, or that Beneficiary's guardian or parent, voluntarily chooses to renounce and abandon that Beneficiary's enrollment with the Band. In the event a Beneficiary's guardian or parent voluntarily chooses to renounce or abandon that Beneficiary's enrollment with the Band, any monies held for said Beneficiary prior to disenrollment shall revert to the general fund of the Band.

Section 5.2.2 **Involuntary Disenrollment.** Upon determination by the Band Assembly that a person for whom funds have been deposited in the Minors' Trust Fund is not or is no longer a qualified Band member, such funds shall revert to the general fund of the Band.

Section 5.3 **Distributions.**

Section 5.3.1 **Minors.** A Minor's right to receive a distribution of his or her Account balance shall vest when he or she qualifies for distributions under one of the distribution schedules set forth in the Band's approved Net Revenue Allocation Plan and as more specifically detailed herein:

5.3.1.1 **Five-Year Distribution Schedule.** An Eligible Member shall qualify to have his or her Account balance distributed in five annual distributions if he or she is eighteen (18) years of age and has graduated from high school or obtained an equivalent degree. The Eligible Member will receive an initial distribution of 20 percent of his or her Account balance upon qualifying for distributions under the Five-Year Distribution Schedule; a second distribution of 25 percent of his or her remaining Account balance one year after the initial distribution; a third distribution of 33 percent of his or her remaining Account balance two years after the initial distribution; a fourth distribution of 50 percent of his or her remaining Account balance three years after the initial distribution; and a final distribution of 100 percent of the remaining amount balance four years after the initial distribution.

5.3.1.1.1 **Increased Distribution for Receiving an Associate or Technical Degree.** An Eligible Member that receives an Associate or Technical Degree from an accredited institution of higher education while receiving distributions during the first four years under the Five-Year Distribution Schedule shall qualify for one increased distribution. The distribution following attainment of the degree shall include a distribution of the percent the Eligible Member would have received pursuant to the Five-Year Distribution Schedule plus an additional five percent of the remaining Account balance. The distributions subsequent to the increased distribution shall be consistent with the Five-Year Distribution Schedule.

5.3.1.1.2 **Accelerated Distribution Schedule for Receiving a Bachelor's Degree.** An Eligible Member that receives a Bachelors Degree from an accredited institution of higher education while receiving distributions under the Five Year Distribution Schedule shall qualify for an Accelerated Distribution. The distribution following attainment of the degree shall be 100 percent of the Eligible Member's remaining Account balance. After paying the accelerated distribution, there will be no further distributions under this provision of the Five-Year Distribution Schedule.

5.3.1.2 **Ten-Year Distribution Schedule.** If an Eligible Member does not qualify for distributions under the Five-Year Distribution Schedule by the close of the fiscal quarter in which he or she attained the age of 20 years, the Eligible Member shall receive distributions pursuant to this Ten-Year Distribution Schedule. Under the Ten-Year Distribution Schedule, an Eligible Member will receive an initial distribution of 10 percent of his or her Account balance upon reaching the age of 20 years; a second distribution of 11 percent of his or her remaining Account balance upon reaching the age of 21 years; a third distribution of 12 and one-half percent of his or her remaining Account balance upon reaching the age of 22 years; a fourth distribution of 14 percent of his or her remaining Account balance upon reaching the age of 23 years; a fifth distribution of 17 percent of his or her remaining Account balance upon reaching the age of 24 years; a sixth distribution of 20 percent of his or her remaining Account balance upon reaching the age of 26 years; a seventh distribution of 25 percent of his or her remaining Account balance upon reaching the age of 27 years; an eighth distribution of 33 percent of his or her remaining Account balance upon reaching the age of 28 years; a ninth distribution of 50 percent of his or her remaining Account balance upon reaching the age of 29; and a final distribution of 100 percent of the remaining amount balance upon reaching the age of 30 years.

5.3.1.2.1 **Modified Distribution Schedule for Obtaining a General Equivalency Diploma.** If an Eligible Member obtains a General Equivalency Diploma after he or she begins receiving distributions pursuant to the Ten-Year Distribution Schedule, starting with the next payment due, his or her remaining Account balance shall be paid out over a five year period in a manner consistent with the Five-Year Schedule set forth in Section 5.3.1.1 and Section 5.3.1.1.1.

Section 5.3.2 **Timing and Form.** Quarterly, on a date selected by the Trustee, the Trustee shall distribute the Account of each Beneficiary who is entitled to receive a distribution. Each such distribution shall be made by check in a lump sum payment to the Beneficiary, subject to any applicable income taxes being withheld from such distribution. With the exception of distributions made in accordance with Section 5.5 of this Article, distributions shall be made only to the Beneficiary, not to any other person or entity. Disbursements from the Trust shall only occur at regularly scheduled disbursement dates.

Section 5.4 **Distributions For Deceased Beneficiaries**. Any person for whose benefit funds are held in the Minors Trust Fund who dies shall have any funds held for their benefit disbursed according to State of Minnesota Probate law until such time that the Band adopts a Band Probate Code. Thereafter, any funds held in the Minors Trust Fund shall be disbursed according to the Band's Probate Code.

Section 5.4.1 In no event, shall any funds be distributed to any individual who is convicted of the wrongful death of a deceased Beneficiary.

Section 5.5 **Advance Distributions**. A parent or legal guardian of a Beneficiary may make a written request to the Trustee for an advance distribution of amounts from the Beneficiary's Account as described under this Section 5.5 for an unforeseeable emergency or other necessity involving the health, education or welfare of the Beneficiary. The written request must satisfy such rules and procedures as are adopted by the Trustee from time to time; provided that such rules are consistent with this Section 5.5. The Trustee, in its sole discretion, shall determine whether an advance distribution shall be made. If such application for an advance distribution is approved by the Trustee, the distribution shall be payable in a single payment as soon as administratively feasible after such approval. If an advance distribution is made, the Beneficiary's Account shall be thereby reduced by the amount of the advance distribution.

Section 5.5.1 **Advance Distributions for Education**. The Band recognizes that some Beneficiaries may have extraordinary or special educational needs that require funding prior to the regular disbursement of the Beneficiary's Account balance. In those situations, a parent or legal guardian may request an advance distribution to fund educational needs for primary or secondary school or post-secondary school that cannot be funded by other sources.

5.5.1.1 In general, an advance distribution for educational purposes shall be requested only for attendance at a primary or secondary school or post-secondary school. For purposes of this section, "secondary school" shall mean a private school or boarding school that is a member of the National Association of Independent Schools.

5.5.1.2 The parents and guardians of Minors with learning or other disabilities shall be eligible to request a distribution for special training or education in academic or non-academic programs or schools.

5.5.1.3 In order to request an advance distribution from the Trust for educational purposes, a written request must be submitted by the Beneficiary's parent or legal guardian to the Trustee.

5.5.1.4 If such a request is granted, the amount disbursed shall not exceed the remaining balance of the requesting Beneficiary's Account at the time of the request.

Section 5.5.2 **Advance Distributions for Health Care**. It is the policy of the Band to make funds in the Trust available for the benefit of the Beneficiaries' unmet health care needs. In the event of unmet health care needs, a parent or legal guardian may

request an advance distribution of the Beneficiary's share of the Trust to fund actions and services that fulfill urgent medical needs, but only when such needs cannot be met from other available personal, Band or other public sources.

5.5.2.1 In order to request an advance distribution for unmet health needs, a written request must be submitted by the Beneficiary's parent or legal guardian to the Trustee. The amount of funds requested may not exceed the aggregate cost of necessary medical or dental treatment that cannot be met from other available personal, Band or other public sources.

5.5.2.2 If such a request is granted, the amount disbursed shall not exceed the remaining balance of the requesting Beneficiary's Account at the time of the request.

Section 5.5.3 Advance Distributions for an Unforeseen Emergency.

Amounts held in trust for a Beneficiary who is 18 years or older and legally competent may be distributed to such Beneficiary in such amounts as the Band Assembly (in its capacity as Trustee) determines is necessary due to an "unforeseen emergency" involving the Beneficiary. A Beneficiary may apply to the Band Assembly for an advance distribution of amounts credited to the Beneficiary's Account before such amounts would otherwise become distributable in accordance with the distribution provisions in this Section. The application must be made on a form approved by the Band Assembly for such distributions. If such application is approved by the Band Assembly, the distribution shall be effective as of the later of (1) the date specified in the application, or (2) the date of approval by the Band Assembly, and payable in a single payment within 30 days of the effective date. The Band Assembly's determination will be made at its sole discretion and may not be appealed to any court or other body.

5.5.3.1 The term "unforeseen emergency" means a severe financial hardship to the Beneficiary resulting from a sudden and unexpected illness or accident of the Beneficiary or a dependent (as defined in Internal Revenue Code Section 152(a)) of the Beneficiary, loss of the Beneficiary's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Beneficiary. The circumstances that constitute an unforeseeable emergency will depend on the facts of each situation, but in any event payment may not be made to the extent that the hardship is, or may be relieved through reimbursement or compensation by insurance or otherwise.

5.5.3.2 In the event of an unforeseen emergency, the amount of the advance distribution shall be limited to the amount sufficient to meet the emergency plus the resulting taxes on the advance distribution, and in no event shall such amount exceed \$10,000. Notwithstanding any other provision of this Trust Agreement, if a Beneficiary receives an advance distribution pursuant to this Section 5.5.4, his or her Account balance shall be appropriately reduced to reflect the amount of the advance distribution.

Section 5.5.4 **Decision Process for Advance Distributions.** Any advance distributions shall be made only in the Trustee's sole discretion. The Trustee is authorized to establish a screening committee of health, education and finance professionals to review and make recommendations regarding advance distributions for health and education, or advance distributions for unforeseen emergencies. The committee is authorized to create policies and procedures by which to discharge its responsibilities. The policies and procedures must be approved by the Trustee before implementation.

Section 5.5.5 **Governing Law for Advance Distributions.** The Trust Agreement is intended to be consistent with the Band's revenue allocation plan. To the extent that any provision of this Section 5.5 is different from or inconsistent with the applicable provisions in the Band's gaming revenue allocation plan, then the provisions set forth in the Band's revenue allocation plan shall apply unless and until the Band amends the provision in the Band's gaming revenue allocation plan.

Section 5.6 **Effect of Final Distribution.** When the Trust makes a final distribution of the Account balance to a Beneficiary, the Trust, Trustee, Band Assembly, and Band shall be relieved of all liability to such Beneficiary under this Trust Agreement.

ARTICLE VI

DISTRIBUTIONS WHEN BAND IS INSOLVENT

Section 6.1 **No Distributions.** The Trustee shall cease all regular and advance distributions of Accounts to Beneficiaries if the Band becomes Insolvent.

Section 6.2 **Claims of Creditors.** At all times during the term of this Trust, the Trust Fund shall be subject to claims of general creditors of the Band under any applicable federal, state, or tribal law, as set forth below.

Section 6.2.1 The Commissioner of Finance shall have the duty to inform the Trustee in writing of the Band's impending Insolvency. If a person claiming to be a creditor of the Band alleges in writing to the Trustee that the Band has become Insolvent, the Trustee shall conduct an investigation to determine whether the Band is Insolvent and, pending such determination, the Trustee shall discontinue the distribution of any funds allocable to the Beneficiaries under the Trust.

Section 6.2.2 Unless the Trustee has actual knowledge of the Band's Insolvency, or have received notice from the Commissioner of Finance or a person claiming to be a creditor alleging that the Band is Insolvent, the Trustee shall have no duty to inquire whether the Band is Insolvent. The Trustee may in all events rely on such evidence concerning the Band's solvency as may be furnished to the Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Band's solvency.

Section 6.2.3 If at any time the Trustee has determined that the Band is Insolvent, the Trustee shall suspend payments to the Beneficiaries and shall hold the assets of the Trust for the benefit of the Band's general creditors, provided that such

creditors can demonstrate an express and unequivocal waiver by the Band of its sovereign immunity.

Section 6.2.4 Notwithstanding an express and unequivocal waiver by the Band of its sovereign immunity, a creditor who has specifically waived recourse against the Trust or the Trust Fund shall not be entitled to satisfy its claims from the Trust Fund.

Section 6.2.5 Nothing in this Trust Agreement shall in any way prevent the Band from satisfying creditor claims with assets other than those in the Trust Fund.

Section 6.2.6 If the Band becomes Insolvent, the Beneficiaries are authorized to pursue their contractual rights under this Trust Agreement as general creditors of the Band in the Court of Central Jurisdiction or other court of competent jurisdiction.

Section 6.2.7 The Trustee shall resume the regular payment of benefits to the Beneficiaries in accordance with ARTICLE V hereof only after the Trustee has determined that the Band is not Insolvent (or is no longer Insolvent).

Section 6.3 **Aggregate Distributions**. Provided that there are sufficient assets, if the Trustee suspends the payment of benefits from the Trust pursuant to Section 6.2 of this Article and subsequently resumes such payments under Section 6.2.7 of this Article, the first payment following such discontinuance shall include the aggregate amount of all payments due to the Beneficiaries under the terms of this Trust for the period of such discontinuance, less the aggregate amount of any payments made to the Beneficiaries by the Band in lieu of the payments provided for hereunder during any such period of discontinuance.

Section 6.4 **No Implied Waiver of Sovereign Immunity**. Nothing in this Trust Agreement or related trust documents shall be deemed to be a waiver of the Band's sovereign immunity for purpose of any access or recourse by the Band's general creditors to assets in the Trust Fund.

ARTICLE VII

PAYMENTS TO NONBENEFICIARIES

Section 7.1. Except as provided in Section 5.5 of ARTICLE V hereof and ARTICLE VI hereof, the Band shall have no right or power to direct the Trustee to divert to any person or entity who is not a Beneficiary any of the Trust Fund before all payments of benefits have been made to the Beneficiaries pursuant to the terms of this Trust.

Section 7.2. The prohibition of the payment of any funds to non-beneficiaries outlined in Section 7.1. above shall not include the ARTICLE XII allowance of the payment of reasonable administrative fees from the Minor Trust account.

ARTICLE VIII
AUTHORITY OF BAND

Section 8.1 **Grantor Trust.** During the term of this Trust, and so long as the Band has not relinquished any of the powers set forth in this Article, the trust established under this Trust Agreement is intended to be a "grantor trust" in its entirety, of which the Band shall be treated as the owner for federal income tax purposes within the meaning of Sections 671 through 679, inclusive, of the Code, and the provisions of this Trust Agreement shall be construed in accordance with that intention.

Section 8.2 **Powers of Band.** The Band as Grantor shall have the following powers with respect to the Trust Fund:

Section 8.2.1 The power exercisable by the Band or a nonadverse party, or both, to borrow the corpus or income of the Trust, directly or indirectly without adequate interest or security;

Section 8.2.2 The right, at any time and from time to time, in the Band's sole discretion and in a nonfiduciary capacity, to substitute assets or other property of an equivalent value for any asset held in the Trust Fund;

Section 8.2.3 The power to deal with the Trust Fund assets for less than adequate or full consideration;

Section 8.2.4 The power to vote directly or indirectly stock or other securities held by the Trust; and

Section 8.2.5 The power to control the investment and reinvestment of the Trust Funds, by veto or otherwise.

ARTICLE IX
DISPOSITION OF INCOME

During the term of this Trust and subject to the provisions of Section 4.4 of ARTICLE IV hereof, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

ARTICLE X
ACCOUNTING

The Trustee, with the assistance of the Commissioner of Finance and/or a third-party record-keeper, shall keep accurate and detailed records of all investments, receipts, disbursements and other transactions required to be made, including such specific records as shall be agreed upon in writing between the Band and the Trustee. The assistance of a third-party record-keeper shall only be obtained with the prior approval of the Band Assembly. Within a reasonable period of time following the close of each calendar year and within a reasonable period of time after the loss of elective seat, removal or resignation of any of the Trustee

members, the Trustee shall deliver to the Band's Chief Executive a written account of their administration of the Trust during such year or during the period from the close of the last preceding year to the date of such loss of elective seat, removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust Fund at the end of such year or as of the date of such loss of elective seat, removal or resignation, as the case may be.

ARTICLE XI **RESPONSIBILITY OF TRUSTEE**

Section 11.1 **Trustee as Fiduciary.** The Trustee shall act with the care, skill, prudence, and diligence that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Section 11.2 **Indemnification.** The Trustee and the Band's Commissioner of Finance shall be indemnified by the Band from and against any and all liabilities (including any settlements) arising by reason of any act or failure to act made in good faith in accordance with the provisions of the Trust. For this purpose, liabilities include expenses reasonably incurred in the defense of any claim relating to the Trust.

Section 11.3 **Use of Counsel.** The Trustee may consult with legal counsel (who also may be counsel for the Band) with respect to any of their duties or obligations hereunder.

Section 11.4 **Use of Agents.** The Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants, or other professionals to assist it in performing any of its duties or obligations hereunder.

Section 11.5 **Powers and Duties of Investment Advisor.** The powers of any investment advisor hired by the Trustee to manage the investments for all or a portion of the Trust Fund shall be deemed to be and exercised only as fiduciary powers, and in no event shall any such investment advisor have any power or authority to act in a non-fiduciary capacity. The fiduciary standard to which any such investment advisor will be held shall be the same as that contained in Section 11.1 of this Trust Agreement, provided, however, that no investment advisor shall incur any liability to any person for any action taken pursuant to a direction, request or approval given by the Trustee which is contemplated by, and in conformity with, the terms of this Trust and is given in writing by the Trustee.

Section 11.6 **Trustee's Powers.** The Trustee shall have, without exclusion, all rights, powers and duties with respect to the assets and liabilities of the Trust that are conferred on Trustee by the laws of the State of Minnesota, subject to all restrictions and limitations on such powers under the laws of the State of Minnesota, unless expressly provided otherwise herein; provided, however, that if an insurance policy is held as an asset of the Trust, the Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

Section 11.7 **Federal Tax Limitations.** Notwithstanding any powers granted to the Trustee pursuant to this Trust Agreement or applicable law, the Trustee shall not have any power (i) that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Code, or (ii) that could cause this Trust to be treated as an entity other than a grantor trust under applicable federal tax laws.

ARTICLE XII **COMPENSATION AND EXPENSES**

Section 12.1 **Trustee Compensation and Expenses.** The Band shall pay all administrative expenses and any other expenses incurred by the Trustee (including any agents hired by the Trustee). The Trustee will not receive compensation from or reimbursement of expenses from the Trust Funds.

Section 12.2 **Trust Administrative Expenses.** The Commissioner of Finance may deduct the cost of reasonable administrative fees from the Minor Trust account as he or she deems reasonable and necessary.

ARTICLE XIII **LOSS OF ELECTIVE OFFICE, RESIGNATION OR REMOVAL OF TRUSTEE**

Section 13.1 If the Trustee chooses to select an independent Trustee to administer the duties and responsibilities of the Trust as stated in this document, the Trustee may resign at any time by written notice to the Band. If such a decision is made by the Trustee, it shall not be effective until 30 days after receipt of such notice to the Band.

Section 13.2 If the Band Assembly remains as the Trustee, upon an individual Trustee member's loss of or removal or resignation from office, his or her successor on the Band Assembly will take on the responsibilities of a member Trustee upon being sworn into office. This Trust Agreement may then be amended to reflect the name of the new individual Trustee member.

Section 13.3 If the Chief Executive loses or is removed or resigns from his or her office, his or her successor as Chief Executive will take on the responsibilities to act on behalf of the Band as outlined in this Trust Agreement upon being sworn into office, except with respect to powers specifically reserved to the Band Assembly.

ARTICLE XIV **AMENDMENT OR TERMINATION**

Section 14.1 **Amendment.** This Trust Agreement may be amended by a written instrument executed by the Trustee and the Chief Executive of the Mille Lacs Band of Ojibwe Indians. Notwithstanding the foregoing, no such amendment shall make the Trust revocable.

Section 14.2 **Termination**. The Trust shall not terminate until the date on which all Beneficiaries are no longer entitled to benefits pursuant to the terms of this Trust Agreement. Upon termination of the Trust, any assets remaining in the Trust shall be returned to the Band.

Section 14.3 **Termination before Distribution of Benefits**. Upon written approval of the Beneficiaries, the Band may terminate this Trust prior to the time all benefit payments under the Trust have been made. All assets in the Trust at termination shall be returned to the Band.

ARTICLE XV **ADMINISTRATION AND FINANCES**

Section 15.1 **Administration**. This Trust shall be administered by the Trustee.

Section 15.2 **Administrative Powers of Trustee**. The Trustee shall have all powers necessary to administer the Trust, including, without limitation, the discretionary authority to interpret the provisions of the Trust, to decide all questions of eligibility, to establish rules and forms for the administration of the Trust, and to appoint individuals, committees, and entities to assist in the administration of the Trust and any other agents they deem advisable.

Section 15.3 **Actions of the Trustee**. All determinations, interpretations, rules, and decisions of the Trustee shall be conclusive and binding upon all persons having or claiming to have any interest or right under the Trust.

Section 15.4 **Delegation**. The Trustee shall have the power to delegate specific administrative duties and responsibilities to individual(s), committees, or entities. The Trustee may rescind any delegation at any time. Except as otherwise required by law, each person or entity to whom a duty or responsibility has been delegated shall be responsible for the exercise of such duty or responsibility and shall not be responsible for any act or failure to act of any other person or entity.

Section 15.4.1 **Delegation of Investment Management**. The Trustee may select an institutional investment manager, and such other advisors as they deem necessary, with suitable expertise and discretion to administer the Trust Fund. The Trust Fund shall be invested in a reasonable and prudent manner so as to protect the principal and seek a reasonable return.

ARTICLE XVI **MISCELLANEOUS**

Section 16.1 **Severability**. Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

Section 16.2 **Nonalienation**. The interest of any Beneficiary prior to the designated date of distribution under Section 5.3 of ARTICLE V hereof shall not be subject to the claims of any creditor, spouse (for alimony, support or otherwise), or others, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered, anticipated, assigned (either at law

or equity), pledged or subject to attachment, garnishment, levy, execution or other legal or equitable process. Additionally, the assets of this Trust shall not be considered the Beneficiary's assets in any way so as to preclude such Beneficiary from meeting the qualifications for eligibility to receive support from other sources in connection with the Beneficiary's financial hardship.

Section 16.3 **Dispute Resolution.**

Section 16.3.1 **Exclusive Forum.** The exclusive forum for the resolution of any dispute arising directly or indirectly under this Trust Agreement shall be the Band's Court of Central Jurisdiction. The decision of the Band's Court of Central Jurisdiction in any such dispute shall be final and binding on the parties and shall not be subject to appeal or review in any other Court, provided that a party may appeal a decision of the Court of Central Jurisdiction's Trial Court to the Court of Central Jurisdiction's Court of Appeals in accordance with applicable Band law.

Section 16.3.2 **Applicable Law.** This Trust Agreement shall be construed, and any dispute arising directly or indirectly under this Trust Agreement shall be resolved, in accordance with applicable law as set forth in the Mille Lacs Band Statutes Annotated, Title 24, Section 2007, as now in force or hereafter amended. However, notwithstanding any such applicable law or any other provision in this Trust Agreement: (a) the Band's Court of Central Jurisdiction shall have no authority to award punitive, special, exemplary, treble, or consequential damages, and any such award shall be null and void and of no effect; and (b) any monetary damages awarded in favor of or any amounts required to be paid in equity to a Beneficiary shall in no event exceed the amounts specified in Section 4.6 of this Trust Agreement.

Section 16.3.3 **Limited Waiver of Immunity.** Subject to the provisions of Sections 16.3.1 and 16.3.2 and this Section 16.3.3, the Band in its role as Grantor and the Band Assembly in its role as Trustee expressly waive their sovereign immunity (and any defense based thereon) from suits brought by a Beneficiary or by the Chief Executive on behalf of a Beneficiary that arise directly or indirectly under this Trust Agreement, including but not limited to suits relating to the validity or arising from the performance, breach, and/or termination of this Trust Agreement. This limited waiver of immunity does not extend to suits brought by any person or entity other than a Beneficiary or the Chief Executive on behalf of a Beneficiary, and does not extend to any suits brought by a Beneficiary or by the Chief Executive on behalf of a Beneficiary other than those expressly set forth in this Section. Further, this limited waiver of immunity does not extend to, and no party shall have recourse against, any property or funds of the Band held in trust by the United States of America for the benefit of the Band or any assets of the Band in its role as Grantor or the Band Assembly in its role as Trustee other than those specified in Section 16.3.2. By executing this Trust Agreement, including any amendments or addendum thereto, neither the Band nor the Band Assembly waives, limits or modifies its sovereign immunity from suit except as specifically provided in this Section.

Section 16.4 **Compliance with Internal Revenue Law**. In administering the Trust, the Trustee shall comply with all applicable Internal Revenue Code provisions and Internal Revenue Service regulations, revenue procedures, revenue rulings, or other guidance in force from time to time, to ensure that amounts contributed to and held in the Trust shall not be taxable to the individual Beneficiary until they are actually distributed (or made available for distribution) pursuant to this Trust Agreement to the Beneficiary. At such time as any such distributions are made, the Trustee or its delegate shall deduct and withhold federal income taxes as required under federal law, and shall issue any required reports and file any required information returns.

ARTICLE XVII
EFFECTIVE DATE

The effective date of this Trust Agreement shall be June 14, 2012.

IN WITNESS WHEREOF, the Band, through its duly-authorized Chief Executive, and the Trustees, not in their individual capacities, but as members of the Band Assembly, hereby execute the Mille Lacs Band of Ojibwe Indians Minors' Trust Agreement on this 14th day of June, 2012.

GRANTOR:

MILLE LACS BAND OF OJIBWE INDIANS

By: Marge Anderson
Marge A. Anderson, Chief Executive

TRUSTEES:

MILLE LACS BAND ASSEMBLY

By: Sandra L. Blake
Sandra L. Blake, District I Representative

Marvin Bruneau
Marvin Bruneau, District II Representative

Diane M. Gibbs
Diane Gibbs, District III Representative

Curt Kalk
Curt Kalk, Secretary/Treasurer

Attested By:

[Signature]
Commissioner of Finance