

156/

STATE OF MINNESOTA
COUNTY OF RAMSEY

FILED

DEC 18 2003

COURT ADMINISTRATOR

By Deputy

DISTRICT COURT
SECOND JUDICIAL DISTRICT

FILE NO. C5-58-302795

In the Matter of the Trust Created by
Article VII of the Last Will and Testament of
CHARLES K. BLANDIN,

STIPULATION & ORDER

Deceased.

This Stipulation is made and entered into by and among the following parties and
Objectors:

1. Julie L. Krieger, on behalf of Wells Fargo Bank Minnesota, N.A., and Bruce W. Stender, Co-Trustees of the Residuary Trust created under Article VII of the Last Will and Testament of Charles K. Blandin (Residuary Trust), and A. Eugene Radecki, President of the Charles K. Blandin Foundation (Foundation), on behalf of the Foundation Board of Trustees; represented by Terence N. Doyle, Neal T. Buethe and Darlene M. Cobian, Briggs and Morgan, P.A.;
2. Solicitor General Lori Swanson, Assistant Attorney General Ann Bloodhart, and Assistant Attorney General Tricia Matzek, on behalf of the State of Minnesota; and
3. Kent Harbison and Keith Libbey, representing Citizens for Blandin, and various other persons and organizations residing and located in the Grand Rapids, Minnesota vicinity (Objectors).

RECITALS

1. Wells Fargo Bank Minnesota, N.A., formerly known as Norwest Bank Minnesota, N.A. and Bruce W. Stender filed with this Court their Petition for Allowance of Accounts and Other Relief for the period January 1, 2000 through December 31, 2002, said Petition dated June 3, 2003 (Petition).

2. Hearing on that Petition, scheduled on September 3, 2003, was continued upon the filing of Objections to Petition by Kent Harbison and Keith Libbey on behalf of various citizens of Grand Rapids.

3. On October 29, 2003, the Court heard arguments relating to the Objectors' participation in this Trust proceeding and offered to conduct mediation with the parties and the Objectors.

4. As a result of mediation conducted by Judge Margaret Marrinan on December 5, 2003, the parties and Objectors agree to the following Stipulation and Order.

NOW, THEREFORE, in consideration of these representations, agreements and mutual promises and covenants herein, it is agreed as follows:

I. Objectors agree to withdraw all Objections and Motions filed with this Court and further agree that the Court may grant the relief requested in the Petition for Allowance of Trustees' Accounts for the period January 1, 2000 through December 31, 2002.

II. The Attorney General has received a copy of the Petition for Allowance of Trustees' Accounts for the period of January 1, 2000 through December 31, 2002. The Attorney General's Office does not oppose the relief requested in that petition, with the exception of the request for attorneys' fees for which the Attorney General's Office has not received any documentation and therefore has not formed an opinion as to their reasonableness.

III. In keeping with the intent of Charles K. Blandin and the Court's December 21, 2000 Order, the Blandin Foundation's perpetual and primary responsibility is to distribute its funds to meet the reasonable needs of the Grand Rapids area. The parties and Objectors agree that the Foundation shall satisfy its "perpetual and primary responsibility ... to distribute its funds to meet the reasonable needs of the Grand Rapids area" by meeting the following criteria:

- (a) The Grand Rapids area shall mean the area contained on the attached map and so labeled. The area on the map is Itasca County, Minnesota, and Hill City, Remer, Blackduck, and Northome, Minnesota.
- (b) The Foundation shall distribute an average of at least fifty-five (55) percent of all grants to benefit the Grand Rapids area during rolling six year periods. The first rolling six year period begins January 1, 2003 and continues until December 31, 2008, the second begins January 1, 2004 and continues until December 31, 2009, and so on.
- (c) For purposes of this Stipulation and Order, the grants shall be accounted for on a cash basis.
- (d) Grants mean all distributions to persons and entities for the benefit of the Grand Rapids area, including scholarships to students who have graduated from schools within the Grand Rapids area.
- (e) Nothing herein shall prohibit the Foundation from making additional distributions or spending additional funds within the Grand Rapids area.

The Court reserves the right to review whether the Foundation is still fulfilling its perpetual and primary responsibility to meet the reasonable needs of the Grand Rapids area under this Paragraph if there are significant changes to the Foundation's grantmaking and charitable distribution practices in the future.

IV. The parties agree that representatives of the Foundation shall meet annually with members of the Attorney General's Office to discuss the Foundation's compliance with Paragraph III of this Stipulation and Order.

V. The Foundation does not object to, and the Attorney General's Office recommends, that the Court appoint a special master, pursuant to Minn. R. Civ. P. 53.01, whose reasonable fees will be paid by the Residuary Trust, to monitor compliance with Paragraph III of this Stipulation and Order and any other resulting Orders. The role and responsibility of any special master, who shall have access to the Foundation's books, records and employees for the purpose of carrying out his or her duties, shall be defined by the Court in a supplemental order.

VI. The Court did not rule on the standing of the Objectors to participate in this proceeding and nothing that has occurred in these proceedings has established Objectors' standing as parties herein.

VII. The parties agree to present this Stipulation to the Court at a time set by the Court and request that the Court enter an Order approving and incorporating the terms of the foregoing Stipulation, and the parties and Objectors agree this shall be effected without further notice of hearing.

This Stipulation and Order may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

Dated:

12/17/03

MIKE HATCH
Attorney General
State of Minnesota



LORI R. SWANSON

Solicitor General

Atty. Reg. No. 0254812

ANN K. BLOODHART

Assistant Attorney General

Atty. Reg. No. 248393

TRICIA L. MATZEK

Assistant Attorney General

Atty. Reg. No. 0292837

Suite 1400, NCL Tower

445 Minnesota Street

St. Paul, Minnesota 55101-2131

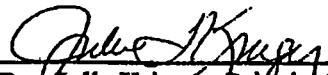
(651) 205-4786 (Voice)

(651) 297-7206 (TTY)

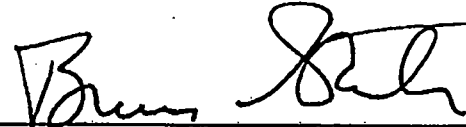
ATTORNEYS FOR STATE OF MINNESOTA

Dated: 12/17/03

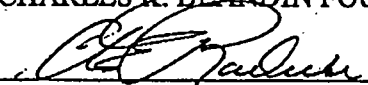
WELLS FARGO BANK, N.A.


By Julie Krieger, Principal, Lowry Hill
Co-Trustee of the Residuary Trust of
Charles K. Blandin

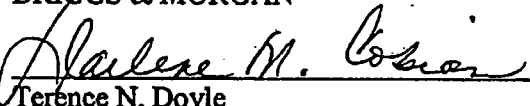
Dated: 12/17/03


Bruce W. Stender
Co-Trustee of the Residuary Trust of
Charles K. Blandin

Dated: 12/17/03

CHARLES K. BLANDIN FOUNDATION

A. Eugene Radecki, President

Dated: 12/17/03

BRIGGS & MORGAN

Terence N. Doyle
Neal T. Bueth
Darlene M. Cobian

ATTORNEYS FOR CO-TRUSTEES OF THE
RESIDUARY TRUST OF CHARLES K.
BLANDIN AND CHARLES K. BLANDIN
FOUNDATION

Dated: 12.17.03

FREDERICKSON & BYRON

Keith Libbey
Kent Harbison
Keith Libbey

ATTORNEYS FOR CITIZENS FOR
BLANDIN AND OTHER VARIOUS
PERSONS AND INDIVIDUALS RESIDING
IN GRAND RAPIDS, MN, VICINITY

Based on the foregoing Stipulation, IT IS SO ORDERED:

Dated: 17 December 2003

BY THE COURT

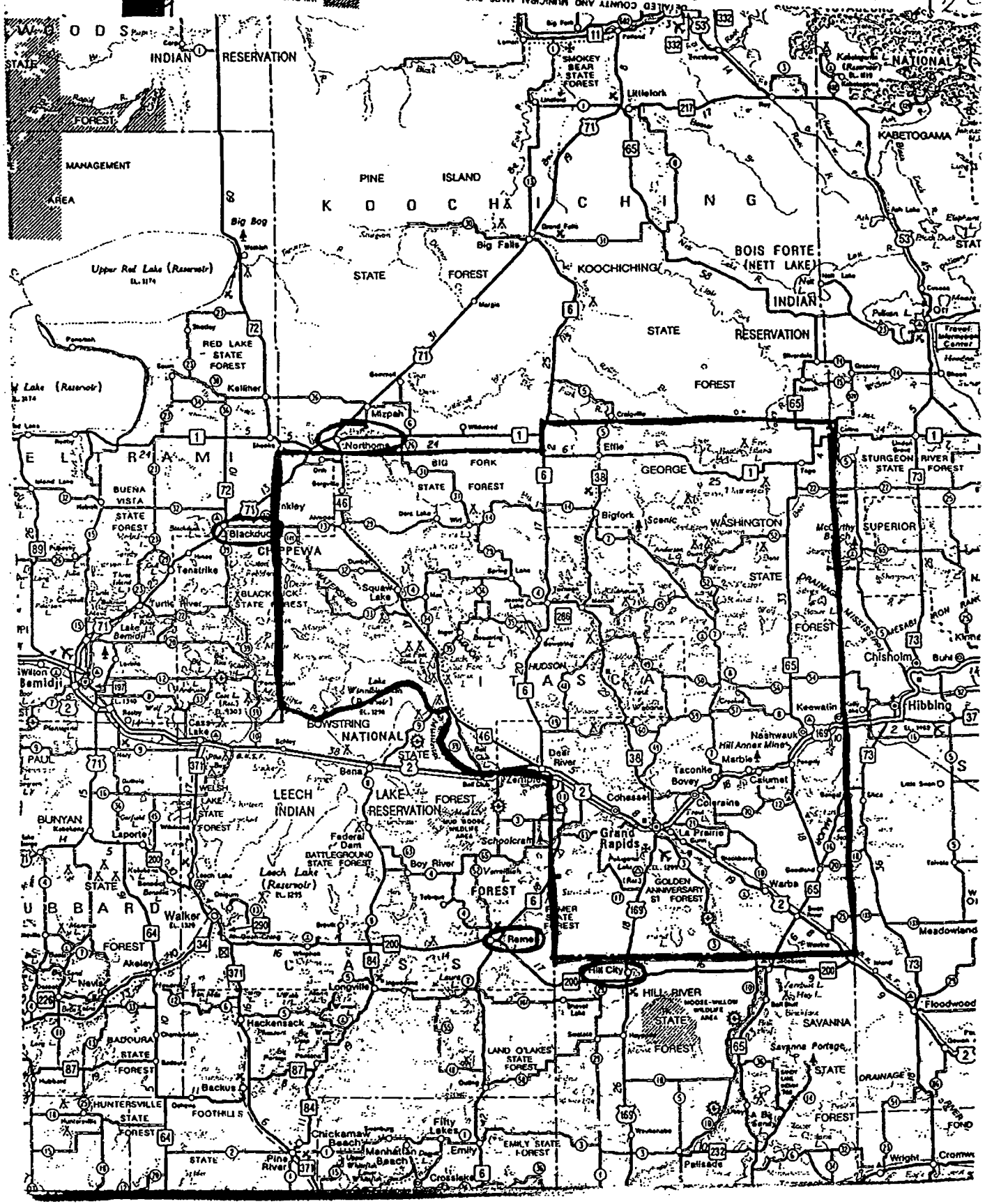
Margaret M. Marrinan
Honorable Margaret M. Marrinan
Judge of District Court

AG: #959520-v1

STATE OF MINNESOTA RAMSEY COUNTY
Certified to be a true and correct copy of the
original document(s) consisting of 8 pages
on file and of record in my office.

Dated 12-18-03
COURT ADMINISTRATOR

By Patricia M. Olson
Deputy





[Foundation letter to the community published in Grand Rapids Herald Review]

To the community:

On behalf of Blandin Foundation I am honored to announce that we have selected Jim Hoolihan as the Foundation's new president. This is a major step for the Foundation and the community; that is why we're using this space to communicate with you directly.

As many of you know Jim is a native of Grand Rapids, and owner of a successful family business based here. But, most of you will remember and know him as mayor from 1990 to 1995 and as a deeply engaged citizen for which he was honored as Citizen of the Year in 2002 by *the Grand Rapids Herald Review*.

Moreover he is intimately familiar with the Foundation and its work, having served on the Foundation's board for a decade and as board chair from 1996 through 1999.

Even so, the selection wasn't easy because we were committed to select the best possible candidate. Jim emerged from a rigorous three-month national search conducted with the assistance of an executive search firm experienced in recruiting non-profit and foundation executives. In the process we reviewed more than 100 resumes and interviewed numerous candidates, several of whom were from the Grand Rapids area. To them we extend special appreciation.

In the end, Jim's long-time leadership in this community as mayor and citizen, his depth of knowledge about the foundation, and his success in running a family-owned Grand Rapids-based company were decisive. But, more, Jim brings a steady hand, heart and an open manner to these turbulent and uncertain times.

Improved communications is a major part of our effort – and the first step for good communications is listening. That's what Jim and the board will be doing in the coming days and months. As part of our "listening" we will host a Community Conversation in conjunction with the June board meeting in Grand Rapids. We will be providing you details in early June.

In closing, I want to reaffirm our commitment to our strategy and to the programs that serve our goal for community and economic health here and throughout rural Minnesota. And I want to express our gratitude to Gene Radecki for serving as interim president and his role in reaffirming our bond to the community and securing our mission to rural Minnesota. We are grateful that Gene will continue to serve on the board.

Please join me in welcoming Jim aboard. He and we are committed to this community; we welcome your engagement and commitment to strengthening our community and rural communities throughout Minnesota.

Sincerely,

Ken Lundgren
Chairman of the Board of Trustees