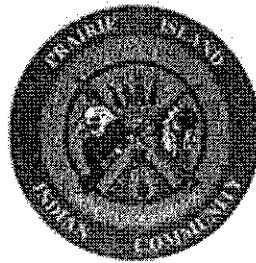


Audrey Bennett
President

Johnny Johnson
Secretary



Victoria Winfrey
Vice President

Alan Childs, II
Treasurer

Ronald Johnson
Assistant Secretary/Treasurer

May 30, 2006

Prairie Island Indian Community Members

SUBJECT: WOLFCHILD v. UNITED STATES (U.S. Court of Federal Claims)

Dear Community Members:

Many of you recently received correspondence from the law firm of Mohrman & Kaardal, P.A., enclosing a Legal Notice regarding the *Sheldon Peters Wolfchild, et al. v. United States* lawsuit. Many of you also received letters that were addressed to deceased family members. Because we cannot prevent Mohrman & Kaardal, P.A. from contacting Community Members to provide the Legal Notice, their decision to send letters to deceased family members was unfortunately beyond our control. It appears that in their zeal to find more plaintiffs to join this case, no one thought to consider the effect such letters would have on families of deceased Community Members.

Because we have received numerous calls from Community Members regarding what this latest correspondence means for the Prairie Island Indian Community, we wanted to address some of the concerns raised and clarify some important points about this case -- points often misinterpreted in the media:

- The *Wolfchild* litigation is between the named individual plaintiffs and the United States. *The Community is not a party to the suit and will not be bound by any judgment* in the suit.
- The *Wolfchild* Complaint *does not ask for any relief from the Community*; it only asks for money damages from the United States.
- The United States Court of Federal Claims has jurisdiction only to consider actions for *money damages against the United States* based on the government's breach of the Constitution, Executive Order, agency regulation, statute, or contract.
- The United States Court of Federal Claims *does not* have jurisdiction to award money damages against the Community.

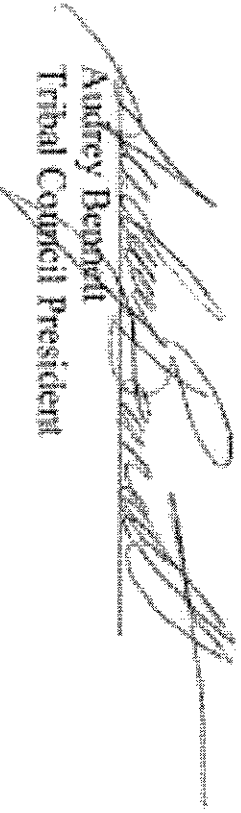
- The United States Court of Federal Claims *does not* have jurisdiction to determine membership disputes of the Sioux Communities. The *Wolfchild* Complaint does not ask for such a determination. Membership in the Communities is determined exclusively by the Community Constitutions and Community laws.
- The United States Court of Federal Claims *does not* have jurisdiction to transfer ownership of lands involved in the lawsuit. The *Wolfchild* Complaint does not ask for a transfer of title to the involved lands.
- The United States Court of Federal Claims *does not* have jurisdiction to recognize groups of Indians as new tribes. The *Wolfchild* Complaint does not ask for such recognition.
- The *Wolfchild* Complaint *does* allege that the United States had an obligation to "ensure that the uses and benefits of the 1886 Lands would accrue to the beneficiaries [Plaintiffs] alone, and no others. (Complaint, Paragraph 25). The "1886 Lands" are lands that were purchased by federal appropriations in 1888, 1889, and 1890 for "loyal Mdewakantons", meaning those Mdewakantons who did not participate in the 1862 Dakota Conflict and who subsequently "severed" their tribal relations.
- It is difficult to define specifically who those "loyal Mdewakantons" might be, since the Sioux reservations were extinguished by President Lincoln following the Conflict and many Mdewakantons and other Sioux Communities fled the area and ended up scattered throughout Minnesota, South and North Dakota, Montana and into Canada. Nevertheless, there was a roll of such persons taken on May 20, 1886.
- Approximately 120 acres of 1886 lands were purchased in Goodhue County from Andrew and Anna Johnson on May 30, 1889; 572 acres of such lands were purchased in Redwood County; and approximately 258 acres were purchased in Scott County. The *Wolfchild* lawsuit is about how those lands were managed.
- Treasure Island Resort & Casino is not built on 1886 lands, and the acquired lands were used principally as agricultural lands until very recently. Indian land certificates were issued to qualified descendants from the 1886 rolls until 1980, when Congress passed Public Law 96-557, which transferred beneficial title to the lands to the Community for the benefit of all of the Community Members. Since casino profits do not derive from 1886 lands, the lawsuit will not result in damages that are the equivalent of Prairie Island casino profits. If damages ultimately are awarded, they should relate only to the past use of the actual 1886 lands, for example the agricultural rentals that would have been received on 120 acres in Goodhue County over time. Once again, any damages would be paid by the United States, not the Community.
- The *Wolfchild* lawsuit is *far* from finished. The United States is still considering appeal options (of which there are a number). Further, an "accounting" has yet to be done by the United States to determine how the 1886 lands were managed in the past, what profits

- were earned, to whom the profits were distributed, and whether more should have been earned.
- Even without appeals, much time will pass before there is even a trial court determination on all of the issues in the suit.
 - Despite the fact that the Court of Federal Claims *does not* have jurisdiction to award money damages against the Community and *does not* have jurisdiction to determine membership issues, the Lower Sioux Indian Community Tribal Council passed a resolution in January 2006 seeking to:
 - move the Court to have the Prairie Island Indian Community and the Shakopee Mdewakanton Sioux (Dakota) Community appear as a Defendants-Intervenor in the case;
 - authorize further legal proceedings to seek an injunction giving the Lower Sioux Indian Community responsibility for the collection and disbursement of all net gaming and other revenues from the Lower Sioux Indian Community, the Prairie Island Indian Community, and the Shakopee Mdewakanton Sioux (Dakota) Community; and
 - give the Lower Sioux Indian Community power to revoke, alter, and amend the constitution and by-laws of the Lower Sioux Indian Community, the Prairie Island Indian Community, and the Shakopee Mdewakanton Sioux (Dakota) Community.
 - *The Lower Sioux Indian Community has no legal right to our Community's gaming revenue, no right to control the collection and disbursement of our Community's revenue, and no right to revoke, alter, or amend our Community's Constitution and By-Laws.* Not surprisingly, therefore, the Lower Sioux Indian Community has not pursued the threatened legal action during the past 5 months. In any event, we would vigorously oppose any such legal action, and pursue sanctions against any attorney, person or entity who pursued such frivolous legal action.
 - In January 2006, it was also reported in various news accounts that the Lower Sioux Indian Community would extend membership to 2,000 "lineal descendants." Other news accounts place the total number of "lineal descendants" at 3,000. Perhaps recognizing that such an action could increase tribal membership by nearly ten times the current enrollment, to the best of our knowledge, no such action has been taken in the last five months.
 - While the claimed benefits of participation in the litigation are greatly exaggerated and beyond the jurisdiction of the United States Court of Federal Claims - and certainly don't compare to the benefits we receive as Members of the Prairie Island Indian Community - potential "lineal descendants" who request to join as a plaintiff and be represented by

Mohammad & Kawdal, P.A. are guaranteed one thing: "You may be liable for your pro rata share of the costs and expenses of the litigation."

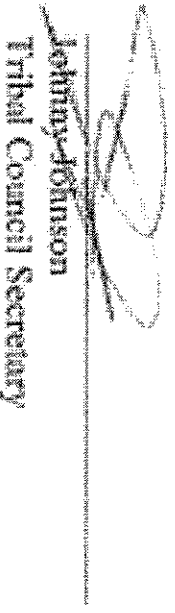
We hope this is helpful to you. We will continue to closely monitor the litigation and report back to you on any significant developments. If you have any further questions, please do not hesitate to contact us or the legal department and we will try to provide answers to those questions.

Sincerely,

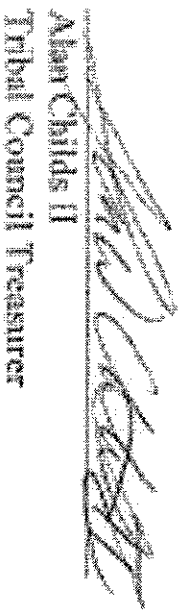


Audrey Bennett
Tribal Council President

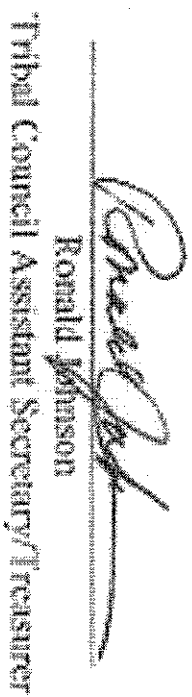
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