

# Osage Minerals Council Osage Nation

Joseph B. "Sonny" Abbott  
Curtis O. Bear  
Cynthia J. Boone  
Melvin Core



Galen Crum - Chairman  
Myron F. Red Eagle  
Dudley P. Whitehorn  
Andrew Yates

August 19, 2011

Dear Osage Headright Holder:

I am writing to you as Chairman of the Trust Team, elected by the Osage Minerals Council, the Osage Nation Congress, and the Principal Chief, to inform you of a proposed settlement of the litigation we have been authorized to manage and direct against the United States for its failure adequately to manage the Osage Mineral Estate and Osage Tribal Trust Account. These failures by the United States to comply with its trust duties have resulted in lower distributions to headright holders like you. The Trust Team has negotiated a proposed settlement that would result in a substantial distribution of funds by the United States to all headright holders.

We have included with this letter (1) a summary of the major terms of the agreement, and (2) an explanation of the outreach and consultation process the Trust Team has planned to obtain the views of Osage headright holders regarding the proposed settlement. Because the Trust Team greatly values the views of Osage headright holders in these matters, it is important to us that you read these materials carefully and that you make every effort to participate in the consultation process.

We think the proposed settlement is a better alternative than continued litigation. The litigation is currently pending in the U.S. Court of Federal Claims in Docket No. 99-550 (into which has been consolidated No. 00-169). This was initiated in 1999. Although significant progress has been made in the case, the litigation is far from finished. Unless the Trust Team enters into the proposed settlement agreement, the litigation will continue for several years before a final judgment and payment to headright holders might be made. The United States has aggressively defended its position in this and similar tribal trust cases from around the country, taking many aspects of these cases to the United States Supreme Court already, and may well do so here.

Because continued litigation would mean additional years of delay before any payment to headright holders would be made, and because the United States' determination to seek reversal of the trial court's rulings creates uncertainty and the prospect of protracted appeals, the Trust Team accepted the United States' invitation to begin settlement negotiations earlier this year. These negotiations have taken many months and have been difficult.

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After briefing and consideration, the Osage Minerals Council voted on Wednesday, August 17, 2011, to tentatively approve the proposed settlement, subject to final documentation on certain terms relating to improvements in the future management of the Osage Mineral Estate and Osage Tribal Trust Account. The Osage Minerals Council also voted to implement a process whereby all Osage headright holders (namely, those headright holders who are of Osage descent and who vote in elections for the Osage Minerals Council) are fully educated on the terms of the proposed settlement. Once fully briefed, you will be given an opportunity to express your views on the proposed settlement through a process that will canvass and tabulate the views of all Osage headright holders.

The terms of the proposed settlement are more fully described in the attached summary. Also enclosed is a summary of the outreach and consultation process approved by the Osage Minerals Council, which includes a series of meetings to brief Osage headright holders around the country. You are invited to attend one or more of these meetings, and the Trust Team encourages you to attend. Additional information about the settlement will be posted as it becomes available at [www.osagesettlement.com](http://www.osagesettlement.com), and can be accessed with the username "June281906Act" and the password "pL73867!" (without typing the quotation marks). The website login and password are case-sensitive. If you are not able to attend one of the scheduled meetings and do not see an answer to your question on the website, you can call the following number with any questions you may have: (918) 287-5433.

The settlement is not perfect and there are terms that the Trust Team ultimately had to accept in order to achieve a compromise. In particular, all of us would have preferred a settlement payment greater than \$380,000,000. However, in light of the prospect of expensive additional litigation, risky appeals, and a much delayed payment to Osage headright holders, we believe that this settlement is a fair compromise and one that we can support.

We look forward to meeting with you soon to discuss the settlement and answering any questions you may have about it.

Sincerely,



Dudley Whitehorn  
Chairman  
Osage Trust Team

