

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this "Agreement") is made and entered into effective as of the 8th day of JUNE, 2012, by and among the State of Oklahoma ("State") and the United Keetoowah Band of Cherokee Indians in Oklahoma ("Keetoowah Cherokee"). The foregoing are sometimes collectively referred to herein as the "Parties."

RECITALS:

WHEREAS, the Keetoowah Cherokee currently operate, and have operated since 1986, a gaming facility in Tahlequah, Oklahoma at 2450 South Muskogee Avenue ("Gaming Facility");

WHEREAS, a dispute exists between the Parties with respect to the Keetoowah Cherokee's operation the Gaming Facility (the "Dispute");

WHEREAS, the Keetoowah Cherokee sought and obtained an order in the District Court of Cherokee County, Oklahoma, temporarily enjoining the State and local law enforcement officers and officials from taking any action to enforce gaming law violations and prohibit the operation of the Gaming Facility (the "Temporary Injunction"), and thereafter the case was removed to this Court, where the Temporary Injunction has remained in place.

WHEREAS, on remand from the United States District Court for the Eastern District of Oklahoma, the National Indian Gaming Commission, on July 21, 2011, determined that the United Keetoowah Cherokee Casino, located at 2450 South Muskogee Avenue in Tahlequah, Oklahoma, (the "Land"), is not located on lands that presently qualify as "Indian lands," under the Indian Gaming Regulatory Act, and the United States Office of the Solicitor of the Interior Department concurred in that decision;

WHEREAS, on or about August 15, 2011, the Keetoowah Cherokee submitted an Amended Application for the Secretary of the Department of the Interior to Accept 2.03 Acres of Land Located in Cherokee County, Oklahoma in Trust for the Benefit of the United Keetoowah Band of Cherokee Indians in Oklahoma for the Purpose of Conducting Indian Gaming in an Existing Gaming Facility ("Amended Trust Application"), which is pending approval;

WHEREAS, the Parties, after consulting with their respective legal counsel and after negotiations, desire to enter into this Agreement in order to provide for the complete settlement of all claims between and among the Parties with respect to the Dispute on the terms and conditions set forth herein;

NOW, THEREFORE in consideration of the premises and mutual covenants contained herein, agree as follows:

1. Payment to the State. The Keetoowah Cherokee will pay a total sum of \$2,000,000.00 to the State, in the care of the Attorney General, as follows:

a. An initial lump-sum payment in the amount of \$100,000.00 on or before June 8, 2012, and

b. Sixty (60) monthly payments of \$33,720.00, which shall begin on July 8, 2012 and shall continue thereafter on the same day of each following month.

These payments are in addition to any payments that may become due the State under any future Class III Gaming Compact with the State.

2. Contingency of Payment Obligation. The obligation of the Keetoowah Cherokee to make any of the payments described in Paragraph 1 is contingent upon the ongoing and continued operation of the Gaming Facility. In the event the Keetoowah Cherokee is required to discontinue operation of the Gaming Facility, all obligation to make any further payments which would otherwise be due under the terms of this Agreement shall be suspended until such time, if ever, that the Keetoowah Cherokee again conducts Class II or Class III Gaming under the Indian Gaming Regulatory Act at any location in Oklahoma.

3. Temporary Injunction to be Lifted. The parties will file a joint motion in the United States District Court for the Eastern District of Oklahoma, Case No. CIV-04-340-WH indicating that a settlement has been reached between the State of Oklahoma and the Keetoowah Cherokee and that under that Agreement the parties have agreed to the entry of an order lifting the Temporary Injunction effective July 30, 2012 and ordering the Keetoowah Cherokee to cease all gaming activities at the Gaming Facility as of that date, until such time, if ever, that the federal authorities issue a Decision on the Keetoowah Cherokee's August 15, 2011 Amended Trust Application to accept the Land into trust, at which time gaming operations may be conducted subject to the limitation in paragraph 4 below.

4. Operation of Gaming Facility. Upon the issuance of a decision to accept the land on which the Gaming Facility is located (the "Land") into trust, the Keetoowah Cherokee may conduct gaming operations at the Gaming Facility. If, however, the decision to accept the Land into trust is later withdrawn, reversed on appeal, or if for any reason the Land is not actually held in trust by the United States one year after the decision to accept the Land into trust was issued, the Keetoowah Cherokees agree to and must cease gaming operations at the Gaming Facility until such time, if ever, that the Land is actually taken into trust by the United States, at which time the Keetoowah Cherokee may resume gaming operations at the Gaming Facility for as long as the Land actually remains in trust and the NIGC permits gaming on the Land.

5. Compromise of Disputed Claims. The Parties agree that they are entering into this Agreement as a compromise of disputed claims, to avoid the cost and expense of litigation. By entering into this Agreement, neither party admits any wrongdoing, liability or obligation whatsoever. By entering into this Agreement, Attorney General Pruitt takes no position on whether land within the boundaries of the former Cherokee tribal lands should be taken into trust for the Keetoowah Cherokee.

6. Limited Waiver of Sovereign Immunity. Subject to the express limitations stated in this Paragraph, the Keetoowah Cherokee expressly waives for the State of Oklahoma, in a limited manner, the Keetoowah Cherokee's immunity from suit for the sole purpose of enforcement of this Agreement.

(a) The Keetoowah Cherokee's waiver of sovereign immunity is expressly limited to the following actions and remedies, all as arising from the Agreement: (1) an award of money damages against the Keetoowah Cherokee for any unpaid amounts owing to the State pursuant to this Agreement; (2) relief to mandate the performance of obligations, including the obligations to cease gaming operations, under this Agreement; (3) declaratory relief; and (4) actions to collect on any judgment arising from the State's enforcement of this Agreement.

(b) The Keetoowah Cherokee Council shall adopt and provide to the State a certified Resolution approving this Agreement and the limited waiver of sovereign immunity expressed herein.

(c) Outside legal counsel for the Keetoowah Cherokee, James C. McMillin, shall provide a written letter of opinion to the State opining that all procedures required by Tribal and federal law necessary for the Keetoowah Cherokee to enter into a binding contract and necessary to binding and enforceable waivers of immunity under Tribal and federal law were taken by the parties authorized and required to so act under Tribal and federal law.

7. Choice of Law/Venue. The laws of the State of Oklahoma apply to the interpretation and enforcement of the Agreement and, any action to enforce the Agreement may and shall be brought in Oklahoma state courts.

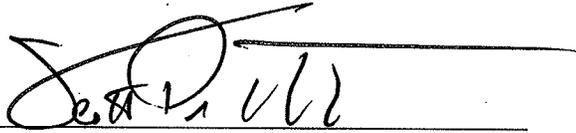
8. Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original and all such counterparts together shall constitute but one and the same instrument.

*****Remainder Intentionally Blank*****

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

THE STATE OF OKLAHOMA

By: _____



UNITED KEETOOWAH BAND OF CHEROKEE INDIANS IN OKLAHOMA

By: _____



Chief George Wickliffe