

STATE OF OKLAHOMA  
TOURISM AND RECREATION DEPARTMENT  
SUBLEASE

W I T N E S E T H:

WHEREAS, THE Oklahoma Tourism and Recreation Commission is duly authorized and empowered to own, operate and maintain park and recreational properties, and to make improvements thereon, for the benefit of the people of the State of Oklahoma, and to lease a property which said Commission shall determine advisable to more fully carry into effect the duties and powers of said Oklahoma Tourism and Recreation Department, as authorized under [Title 74 O.S. Section 2212].

LEASE AGREEMENT

THIS LEASE AGREEMENT is being entered into by the OKLAHOMA TOURISM AND RECREATION DEPARTMENT (hereinafter referred to as the "Tourism") and CHEROKEE NATION ENTERTAINMENT, LLC ("CNE") a wholly owned tribal limited liability company, hereinafter referred to as CNE. State acts as lessee with the Oklahoma Department of Transportation (hereinafter referred to as "Transportation"), for the property described below. State wishes to sublease the operation of the portion of Transportation lease that is known as the Catoosa Tourism Welcome Center - Catoosa, Oklahoma.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

1. GRANT AND DESCRIPTION OF PREMISES. Tourism, pursuant to statutory authority, and for and in consideration of the agreements hereinafter stated, sublets and leases to CNE as Sub lessee certain premises, properties and improvements thereon, situated in the County of Rogers, State of Oklahoma, known and described as follows:

The area known as the Catoosa Tourism Welcome Center - Catoosa (the "Center"). Located in Rogers County, north of I-44, east of Tulsa at interchange #238. The specific site is between the north service road and I-44 west of 163<sup>rd</sup> East Avenue. The general description of the land upon which the Center is located is as

follows: A portion of the SW/4 SW/4 SW/4 of Section 35, Township 20 North, Range 14 East I.M. in Rogers County, State of Oklahoma.

2. TERM. The term shall commence on the 17th day of January, 2011, and end on the 31st day of December, 2012, both dates inclusive. The terms of this lease may be further extended at the discretion of the Tourism and Recreation Commission and the CNE at the end of the lease. CNE shall, within thirty (30) days of expiration of the lease, remove from said premises or otherwise dispose of all property belonging to CNE located on said premises. Should CNE fail to remove or dispose of CNE's property, State may consider such property abandoned and may dispose of same. At the expiration or termination of this agreement, CNE shall quit and surrender the premises leaving any real property improvements or other property in a good state of repair, damage by matters over which CNE has no control excepted, provided that such exculpatory provision shall not extend to any risk against which CNE is required to insure. CNE may terminate this Lease Agreement, with or without cause, by giving sixty (60) days' prior written notice to State.

3. CONDITIONS OF PREMISES. The taking of possession of the subject premises by CNE, shall, in itself, constitute acknowledgement that subject premises are in good and tenable condition. CNE agrees to accept said premises in their presently existing condition, "as is", and the State shall not be obligated to make any alterations, additions or betterment thereto, except for major structural repairs, which Lessor lease obligations shall pass through for the benefit of CNE.

4. CONSIDERATION. Since the State is desirous of ceasing operation of the Catoosa Tourism Welcome Center and the CNE seeks to develop and maintain the Center, and rename it the Cherokee Nation Welcome Center as part of its larger development plans, this acts as consideration.

5. USE OF PREMISES. CNE shall use the premises hereby let to provide the following services: Tourism Information Center with office space, providing tourism literature and services for cultural and tourism enhancement as stated in the lease between Tourism and Transportation of August 7, 1997, which states "9. The Center shall be available for advertising purposes to all

persons, firms, corporations, partnerships and associations at a rental rate and upon terms and conditions set by Tourism in accordance with State law." The CNE shall not use or permit the premises to be used for any other purpose without written permission from the State.

CNE agrees to maintain and operate such premises and areas adjacent to such premises to a distance of not less than fifty (50) feet, in a clean, safe, wholesome and sanitary condition, free of trash, garbage or other obstructions, and in compliance with any and all state and federal laws, general rules or regulations of any government authority. CNE shall provide the services in a manner comparable with like businesses and with prices comparable to other comparable businesses providing similar services, during the entire term of this Agreement as agreed to by Tourism.

6. UTILITIES. CNE shall be responsible for the payment of all utility charges, including all necessary refuse and garbage containers and remove and dispose of all rubbish, refuse, and garbage resulting from business operations.

7. PERSONAL PROPERTY. State agrees to lease to CNE all equipment and furniture on attached Inventory Sheet, Attachment "A". CNE agrees to maintain all equipment and furniture in good working order, less wear and tear, and to insure items against loss. CNE acknowledges and agrees that all moveable fixtures placed in the Center shall remain the property of the State and surplus fixtures will be removed by the State prior to use.

8. IMPROVEMENTS AND MAINTENANCE.

(a) Title to Improvements. CNE hereby acknowledges the Tourism and Transportation as the owners of the premises described in this Agreement, including real property improvements existing or erected thereon, and agrees to cooperate and protect said improvements from damage, in accordance with the provisions set forth herein.

(b) Maintenance of Improvements. CNE agrees to maintain the leased facilities in good order and repair during the entire term of this agreement. CNE shall, at CNE's own expense, perform any required routine daily maintenance and repairs to keep the facilities in good working order, but shall not be responsible for repairs that extend the useful life of the building (i.e. roof,

structural, exterior, pipes). Tourism shall pass through to CNE any Transportation lease obligations for Tourism or Transportation, as Lessor, to pay the costs for and maintain exterior lighting, parking surfaces, driveways, and ingress and egress points of the Premises, including mowing of appropriate portions of adjacent land. ODOT will replace all highway signage, at the State's expense, to provide the name "Cherokee Nation Welcome Center".

9. PERFORMANCE OF CONTRACT:

(a) Performance of Contract. Any violation by CNE of the terms of this Agreement shall be grounds for termination of this Agreement by Tourism. Notice of the violation shall be provided to CNE thirty days' prior to termination of the lease, along with a time period within which CNE shall remedy the violation. If the violation is not cured, the lease may be terminated by the State provided that thirty (30) days written notice of termination is given to the CNE.

(b) Buy-Out. In the event that Tourism wishes to discontinue a compliant lease operation prior to the expiration of the term of the Lease Agreement, the shall give 30 days notice and allow CNE to remove any personal property on the premises during that 30 days.

10. INVENTORY. An inventory list of existing facilities, equipment, tools, and/or utensils, will be provided by the State, with all such inventory in working condition. Any replacement of the inventoried items during the period of the lease will be the responsibility of the CNE. CNE will provide a current inventory of equipment, tools, and/or utensils in working condition, and replace any shortage. If those items are not available equivalent merchandise will be replaced to the satisfaction of the Tourism. CNE will maintain and repair all equipment during the term of the lease. CNE seeks to leave the equipment which is included in the consideration clause of this contract. CNE will maintain the equipment in good working order and will not dispose of the equipment.

11. LIABILITY AND PROPERTY AND CASUALTY INSURANCE.

CNE shall maintain public liability insurance. Tourism shall be an additional insured under the liability policy. The policy shall be from a duly licensed insurance company within the State of Oklahoma, acceptable to the State, providing for minimum limits of:

\$ 300,000 each person  
\$ 300,000 property damage  
\$ 300,000 each accident

A certificate of insurance shall be furnished the State prior to the commencement of any operations.

In addition, CNE agrees to indemnify and hold harmless State from all loss or damage to any person, or to the property of any person including Tourism and Transportation, arising in connection with the negligent operation of the business. CNE further agrees to pay any costs and attorney fees incurred by the State, its department or agents in defense of any such actions.

12. INSPECTION OF PREMISES. State hereby reserves the right to enter upon the premises occupied by CNE, at any reasonable time, to inspect the same.

13. APPLICABLE LAWS. CNE shall comply with all state, local and federal laws and regulations and with all other applicable laws, ordinances, and regulations of the county and municipality where the leased premises are located, with regard to construction, sanitation, licenses, permits and all other matters.

14. NON-DISCRIMINATION. CNE shall comply with all applicable portions of Title VII of the Civil Rights Act.

15. ASSIGNMENTS AND SUBLEASES. CNE must obtain written authorization from the Oklahoma Tourism and Recreation Executive Director before he/she assigns, subleases or conveys any interest granted by this Agreement. CNE must be the operator of the facility. CNE's interest hereunder shall not be assignable in bankruptcy nor by operation of law. Any document by which an interest is granted shall indicate that the person acquiring the interest takes subject to the terms of this Agreement. The State may prescribe the conditions of assignment.

16. TIME OF ESSENCE. Time shall be of the essence in the performance of this contract.

17. TAXES. CNE agrees to pay all lawful taxes, assignment or charges which, at any time, may be levied by the State, County and Municipality, or any tax or assessment

levied upon any interest in this Agreement or any possessory right which CNE may have in or to the premises covered hereby or the improvements thereon, by reason of its use or occupancy thereof, or otherwise. CNE also agrees to pay all lawful taxes on goods, merchandise, fixtures, appliances, equipment and property owned by it in or about said premises.

19. APPROVAL OF CONTRACT. It is understood that CNE is subject to all terms and conditions thereof between the Tourism and Transportation in any area owned by Transportation and leased by Tourism. This Agreement shall not become effective unless it is approved and signed by the Executive Director of the Oklahoma Tourism and Recreation Department.

20. PROFESSIONAL CONDUCT. CNE will conduct the business in a professional manner at all times, and his employees are expected to do likewise. Any incident of an unprofessional nature that could jeopardize the image or reflect adversely on the State or its holdings, may be grounds for termination upon the State giving thirty (30) days notice in accordance with paragraph 9 (a) of this lease.

21. HANDICAPPED ACCESSIBILITY. Prior to executing this lease, the State may inspect the premises to ensure that any new construction is constructed in a manner which reasonably accommodates accessibility for handicapped individuals.

22. FACILITY CONSTRUCTION AND IMPROVEMENT PLAN REVIEW. All modifications to existing facilities or new construction associated with the lease shall be reviewed by the State for sensitivity of design as relates to the Tourism's desire to develop a theme or appearance at the respective park/resort. CNE shall prepare and submit all plans and specification for major construction or improvements to be reviewed by the State for compliance with federal, state, and local codes and requirements.

23. MODIFICATIONS. This lease contains the entire agreement between Tourism and CNE and no modification of this agreement, or waiver, or consent hereunder shall be valid unless the same is in writing, signed by the State and CNE or by duly authorized representative; and this provision



*David Stewart*  
CNE, Representative

STATE OF Oklahoma )  
COUNTY OF Rogers ) ss.

On this 17<sup>th</sup> day of January,  
2011, before me, the undersigned, a Notary Public in and  
for said County and State, personally appeared David Stewart  
, Representative of CNE, known to me to  
be the person who executed the foregoing instrument and  
acknowledged to me that he executed the same as his free and  
voluntary act and deed, for the uses and purposes therein  
set forth.

WITNESS, my hand and seal the date last above written.

7/13/11  
Commission # and expiration

*Shelley Graham*  
Notary Public