

CHEROKEE NATION ENTERTAINMENT

WHERE THE CASINO MONEY GOES

OPPPPC VA DAA Dhbo

HAPPY, HEALTHY PEOPLE

THE MONEY IS AT WORK ALL AROUND YOU.

It is in the confident smile of Ken Holloway, whose kitchen job has evolved into a fast-paced, fulfilling career. It is in the everyday Cherokee conversations of our children, as they play, laugh and learn from their relative caregivers. It is in the faces of our elders, who see their communities coming together in new ways they never imagined. The truth is, money can't buy happiness. But when we use it to create meaningful jobs for our citizens who can then support their families and communities, we generate opportunities for a happy, healthy life. This is where the casino money goes.

WHERE THE CASINO MONEY GOES

Payloli —		\$137.2 Hillion
For employees, most of w	vhom are Cherokees	
Operating Expenses		\$204.1 million
With a preference given and -staffed businesses	to Cherokee-owned	
State Gaming Comp	act Fees —————	\$26.1 million
Earmarked for public edu horse racing industry	ucation and jobs in the	
Jobs for Cherokees -		\$61.7 million
Created and sustained ir expansion and improven		
Services and Program	ms for Cherokees —	\$26.4 million
Health services, education services in local commun		
Creating a Happy, H	ealthy Cherokee Nation ———	\$455.6 million
19%	Profit - \$88.1 million	
30%	Payroll - \$137.2 million	
5%	Operating Expenses - \$204.1 millio	on
6%	State Education & Horse Racing Industry - \$26.1 million	

Jhaoalna JOBS



CNE's Workforce - 3,368

Cherokee Citizens 58.7%

Other Tribal Citizens 10.6%

Non-Native Americans 30.6%

CNE's Top Leaders

Cherokee Citizens 63.4%
Other Tribal Citizens 7.1%
Non-Native Americans 29.5%

WE'RE CREATING CAREER PATHS.

Ken Holloway knows that a job is the best service the Cherokee Nation can provide its citizens. In 1993, he was a typical young person trying to find a job to make ends meet. Now, he's doing much more.

Holloway began his career as a cook at the Roland Bingo Outpost. Today, he's senior security manager for Cherokee Nation Entertainment (CNE).

"I'm from the small community of Blackgum," Holloway said. "I never thought I'd be where I am today. Now, I take every opportunity to help others the way I was helped." Holloway, a Cherokee citizen, has been around for most of the company's growth, which, he said, is indicative of the career growth citizens have when working for CNE.

"I feel a sense of pride every day," Holloway said, "because I know my efforts are helping the tribe become more self-sufficient and providing for future generations all the opportunities I've been afforded." In 2009, CNE invested \$137.2 million in payroll and benefits for its employees like Holloway.

WE'RE FORTIFYING OUR FOUNDATION.

Belinda Sinor, a Cherokee citizen, began her CNE career at Cherokee Casino West Siloam Springs as a human resources generalist. Thanks, in part, to the addition of a seven-story hotel, Sinor was promoted to a recruiting position.

"Since I've been here, we've been growing constantly." Sinor said. And the jobs aren't just linear occupations, she

added. They provide long-term career growth. Sinor said, "CNE gives you that chance to move around and find your niche."

"I'm nine months short of my bachelor's degree at Northeastern State University," Sinor said. "I wanted to complete my degree but still continue my career. I'm extremely proud to be a part of a company that let me do both."

In 2009, CNE devoted \$61.7 million to strategic initiatives like the hotel, which opened in May 2010. These investments fortify the company's entertainment businesses and stabilize jobs for Cherokee citizens long term.



WE'RE SUSTAINING OUR LAND—AND PEOPLE.

When Cherokee Nation Entertainment was ready to "go green," the company called on Cherokee Recycling to help make the change toward long-term sustainability.

Only two years old, the company began in Catoosa with curbside pick-up for people in the community. Owners Bobi and Joe Deere worked with Cherokee Nation Career Services Group to hire employees and provide on-the-job training. That led to the expansion of becoming CNE's only recycling partner.

"The thing about CNE is that they're way beyond anybody else," Bobi said. "CNE is not only taking the basic step of recycling paper, which is the easiest step, but also recycling glass and plastic as well."

Each month, CNE recycles more than four tons of glass, 12 tons of paper and nearly a ton each of plastic and steel. "Compared to other states, Oklahoma is behind," Bobi said, "but in the last five years, things have changed a lot. We're becoming so much better. It does not surprise me that Cherokee people have led the way."

CNE works with more than a hundred Indian-owned businesses, such as Cherokee Recycling, providing indirect employment for Cherokees and other American Indian people.





Technologically advanced and forward-thinking are two of the best ways to describe Cherokee Services Group (CSG) and Cherokee Nation Technologies (CNT), two companies started in 2009 largely due to Cherokee casino funding.

"Through the diversification strategy of the Cherokee Nation and Cherokee Nation Entertainment, we identified information technology (IT) as one of our primary objectives and then built around that," said Steven Bilby, a Cherokee citizen and president and CEO of both companies.

Both CSG and CNT deliver a full spectrum of information technology and related solutions to their respective

clients. CNT serves commercial organizations, and CSG provides services to the federal government primarily within civilian departments and agencies.

In less than a year, Bilby has seen the companies grow. When CNE acquired ITX, an IT company based in Fort Collins, Colo., before converting it to Cherokee-based CSG, ITX had about \$15 million in revenue and 150 employees. In fiscal year 2010, Bilby expects revenue to grow to about \$24 million with 250 employees.

"The goal is to win the work outside of the 14 counties, expand the business scope, and find a way to centralize it back into the Cherokee Nation," Bilby said. "It's something on which we work daily."



SULARI LANGUAGE

WE'RE PRESERVING OUR CULTURE.

Laurie Hand knows that preservation of the Cherokee language is vital to maintaining Cherokee communities and culture.

"We want the Cherokee language to not only survive, but thrive," said Hand, director of childcare and development at the Cherokee Nation. "So we're focusing on children. If children can learn the language at a young age, we're going to have better success in achieving that goal."

From speaking Cherokee during everyday activities to attending "play and learn" groups, children experience hearing the language both inside and outside the home. "It encourages them to know

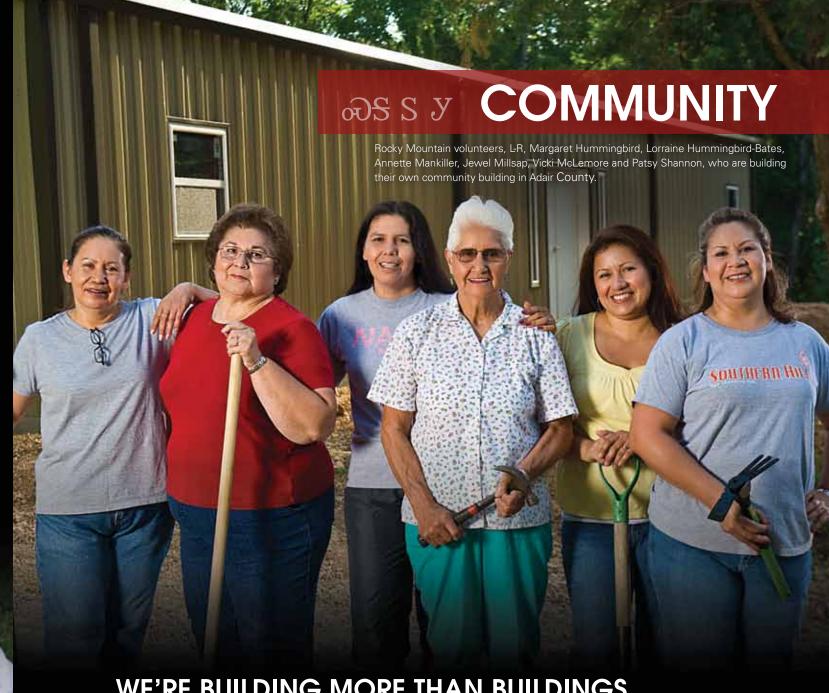
speaking Cherokee is something of which to be proud," said Phyllis Yargee, manager of the childcare resource center. "The children sing songs, say greetings, do activities, all while using the Cherokee language."

"Our success as Cherokees allows us to institute programs such as these and continue our proud traditions," Yargee said. "And it just warms your heart to hear the children speaking the language."

In 2009, more than \$5.8 million in casino funds went to support Cherokee Nation's education programs designed, in part, to preserve the Cherokee language.

Cherokee citizen and educator, Amy Thilges (center), with a community play and learn group.





WE'RE BUILDING MORE THAN BUILDINGS.

The Rocky Mountain Cherokee Community Organization wanted to build a community center, but members weren't sure where to start. Ryan Smith, community works supervisor at Cherokee Nation, walked them through the steps needed to make their dream come true.

"They were awarded a grant to build a center to help foster a sense of community in their rural area," Smith said. The grant was furnished by the Cherokee Nation general fund, of which \$3.2 million in community services projects were financed by gaming profits in 2009.

"Our goal is to help people," Smith said. "The community center will do that. I suggest ways to incorporate community volunteers. There's often a network of people right there in the community who assist with things from cleaning up trash to doing skilled labor."

The Rocky Mountain community center project isn't the only project Smith and his team have on their plate. Smith travels throughout the 14 counties assisting with projects ranging from baseball fields and gardens to walking trails and stomp ground expansions.

"I have the best job in the world," Smith said. "Helping people and reaching back into the community is a blessing."



The people who live in Greasy, Okla. are known for helping one another.

The citizens of the small area in southern Adair County also know they can count on the Community Organization Training and Technical Assistance (COTTA) group to help them organize a community group, get it off the ground, develop streams of revenue and becomeand stay–self sustaining.

In 2009, CNE's casinos provided more than \$3 million for services and programs like COTTA to strengthen and stabilize local communities across the Cherokee Nation's 14 counties.

"We offer assistance," said Rick Gassaway, the Cherokee Nation's manager of community and volunteer organizing. "But we want the organizations to take it and run with it. That's their goal and ours."

Research indicates communities that sustain social organizations like the ones COTTA assists are less susceptible to problems like crime, drugs and truancy. Gassaway said COTTA is the resource communities can use to help maintain a high standard of well being.

"Our entire team does such a great job. We all know how truly blessed we are to help our Cherokee communities," Gassaway said.

WE'RE CREATING JOBS FOR CHEROKEE CITIZENS IN THE ENTERTAINMENT INDUSTRY.

Cherokee Nation Entertainment's 2009 businesses include:

CHEROKEE CASINO FORT GIBSON

Cherokee Outpost Convenience Store Cherokee Outpost Gas Station

CHEROKEE CASINO ROLAND

Buck's Grill

Cherokee Inn, Roland

Cherokee Smoke Shop

Cherokee Travel Plaza

Subway Restaurant*

CHEROKEE CASINO SALLISAW

Back 40 Bar and Grill

CHEROKEE CASINO TAHLEQUAH

River City Cafe

CHEROKEE CASINO WEST SILOAM SPRINGS

Cherokee Smoke Shop

Flint Creek Steakhouse

Flint Creek Steakhouse Lounge

River Cane Buffet

Seven

CHEROKEE NATION CULTURAL TOURISM

Cherokee Gallery at Hard Rock Hotel & Casino

Cherokee Heritage Center Gift Shop

Cherokee Nation Gift Shop

CHEROKEE INN, TULSA

CHEROKEE OUTPOST CONVENIENCE STORE, TAHLEQUAH

CHEROKEE OUTPOST GAS STATION, TAHLEQUAH

CHEROKEE TRAILS GOLF COURSE, TAHLEQUAH

HARD ROCK HOTEL & CASINO TULSA

Ante Pasta Italian Express

C: Note Piano Lounge

Cabin Creek

Center Bar

Champions Grill

Cherokee Hills Golf Club

Convention Center

Friction

Hard Rock Store

Margarita Bay

McGill's on 19 Steakhouse

Meigs Jewelry*

Sidewalk Cafe

Smoke Shop

Toby Keith's I Love This Bar & Grill*

Wild Potato Buffet

^{*}Businesses not owned by CNE but located in CNE casinos.

CHEROKEE NATION ENTERTAINMENT'S LEADERS PROVIDE RESOLUTE DIRECTION, USING TRUTH AND VIGILANCE TO MAKE DECISIONS AND LEAD THE ORGANIZATION.

Cherokee Nation Entertainment is wholly owned by the Cherokee Nation and managed by a board of directors and an executive management team. This business model allows the company's operations and decision making to be free of political pressure and influence. Cherokee citizens compose the majority of positions on the board.



JAY HANNAH is a Cherokee citizen and board chairman. He is the executive vice president of financial services at BancFirst in Oklahoma City and on the board of directors of Cherokee Nation Businesses.



B.J. DUMOND is a Cherokee citizen. Born and raised in Tahlequah, he owns Simple Simon's Pizza, B&B Real Estate, LLC, and has an interest in Tulsa 5-Star, which owns two Music-Go-Round retail franchises.



DENNIS DOWELL is a Cherokee citizen. He has served as a director of non-profit, federally funded programs within the state of Oklahoma.



PHILLIP MITCHELL ADWON is a Cherokee citizen. He is the president of Adwon Properties, Inc., a commercial real estate business, and manages other commercial real contacts inventments.



M.A. LECHTENBERGER is a Cherokee citizen. He is a retired petroleum professional who spent 20 years with Exxon and 13 years with CITGO Petroleum Corporation, one of the world's largest oil companies.



DAVE TIPPECONNIC is the former chief executive officer of CNE and has been fundamental in CNE's growth. He spent 39 years in the petroleum industry and was the president and CEO of CITGO Petroleum Corporation.



MICHAEL "MICK" WEBBER is a Cherokee citizen. He is the president and CEO of HydroHoist Inc. International, based in his hometown of Claremore, Okla.

OPPORTUNITY KNOCKED, AND WE PULLED THE DOORS WIDE OPEN.



In recent memory, can you recall a single, more exciting year for the Cherokee Nation and CNE? Our Tulsa casino became aligned with one of the world's most recognizable brands—Hard Rock Hotel & Casino—giving us a distinct competitive identity and the ability to

draw in guests from a wider geographic area for a world-class entertainment experience. We added 30,000 square feet of gaming, plus a 19-story hotel tower, convention center, new restaurants, clubs and retail shops.

Our new West Siloam Springs casino has become the preeminent gaming, dining and entertainment destination in its region. All the while, each of our seven casino properties maintained strong, stable revenues in light of the economic slowdown across the U.S. and, particularly, the gaming industry.

Our strategic investments and the introduction of our Cherokee Star Rewards guest loyalty program allowed us to sustain jobs across the region. All told, CNE now employs more than 3,300 people in northeastern Oklahoma. Most are Cherokee citizens who are solidifying their careers and taking on new challenges they never dreamed possible.

We are proud of these employees who create the exceptional entertainment experience our patrons have grown accustomed to. We are thankful for the loyalty of our guests who have chosen Cherokee Casinos and Hard Rock Hotel & Casino Tulsa as their top entertainment destinations.

As we look back on 2009, I see a great company where people come together with a purpose in common—building a strong future for Cherokee people. In defining that purpose, we are bound together. I'm so inspired by the great things we've accomplished and so excited about the many opportunities that still lie ahead. Sincerely,



David Stewart, Cherokee Citizen
Chief Executive Officer, Cherokee Nation Entertainment

David Stewart is a Cherokee citizen. He began his career with the Cherokee Nation in 2001 as chief executive officer for Cherokee Nation Industries, Inc., and joined CNE as president and CEO in 2002. Mr. Stewart serves on the board of directors of The Oklahoma Academy for State Goals and the Metropolitan Tulsa Chamber of Commerce.



Cherokee Tribal Council, front row, LR: Julia Coates, Janelle Lattimore Fullbright, Cara Cowan-Watts, Tina Glory-Jordan, Meredith Frailey and Jodie Fishinghawk. Back row, LR: Curtis G. Snell, Bill John Baker, Don Garvin, Buel Anglen, Bradley Cobb, Harley Buzzard, Chris Soap, Jack Baker, S. Joe Crittenden, David Thornton, Sr. and Chuck Hoskin, Jr.

Dear Cherokee Citizens,

Our vision for the Cherokee Nation is to become a happy and healthy people. Achieving happiness and good health can take time, but Cherokee people have a long history and a bright future. One key to that future is creating jobs and a strong economy so Cherokee citizens can help themselves, their families and their communities.

In the past decade, we have used funds from our gaming operations to create more than 5,000 stable jobs—in health services, education, safety and security, information technology hospitality, gaming and tourism. Every job we create pays competitive wages and includes benefits like health care and retirement. These jobs mean that Cherokee families are not dependent on someone else for their livelihood but are able to take care of themselves and each other.

We also use money from our gaming operations to create a happy and healthy future by investing in education and health care. We have touched the lives of our young people through Sequoyah schools, the immersion school, higher education scholarships and Talking Leaves Job Corps.

We operate a network of eight health centers and one hospital. From 2002 to 2009, Cherokee Nation Health Services performed more than 2.5 million outpatient visits, including more than 634,000 in 2009. We also serve citizens with programs to promote healthy eating and wellness, combat tobacco use and end drug abuse.

Recently, the Cherokee Nation received the Oklahoma Healthy Business Award—an affirmation that we are effectively re-investing our Nation's wealth in the health and happiness of our people.

A healthy balance sheet is a good thing. Creating jobs that lead to a happy, healthy, balanced Nation is a much greater thing. Thank you for helping us get there.

Sincerely,



Chad Smith

Principal Chief



Joe Grayson Jr Deputy Chief



Principal Chief Chad Smith



Deputy Chief Joe Grayson Jr.

