

**RESOLUTION OF THE GOVERNING BODY OF  
THE THREE AFFILIATED TRIBES OF THE  
FORT BERTHOLD RESERVATION**

- WHEREAS,** This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and
- WHEREAS,** The Constitution of the Three Affiliated Tribes generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and
- WHEREAS,** On October 7, 1992, the Tribe signed a Tribal-State Class III Gaming Compact, between itself and the State of North Dakota pursuant to the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. Sections 2701 et seq., which was approved by the Department of the Interior on December 11, 1992; and
- WHEREAS,** On October 14, 1992, the Tribal Business Council enacted a Class III Gaming Ordinance, last amended on March 8, 1995, which has been approved by the National Indian Gaming Commission; and
- WHEREAS,** The IGRA permits tribes to engage in Class III gaming activities, provided certain conditions are met; and
- WHEREAS,** The Tribe has taken all steps necessary to meet the requirements of IGRA; and
- WHEREAS,** Management of the 4 Bears Casino and Lodge has determined that an additional 8 video poker slot machines manufactured by Casino Data Systems, a Nevada based slot machine manufacturer, are likely to draw additional gaming patrons to the 4 Bears Casino and Lodge; and
- WHEREAS,** The Tribal Council desires the Three Affiliated Tribes enter into a Sales and Security Agreement, attached hereto, with Casino Data Systems, a Nevada Corporation, for the purchase of 10 video bingo machines, with a total purchase price of \$126,051.05, to be paid by through casino revenues in accordance with the Agreement, which will more fully develop the Tribe's Class III gaming enterprise as a means of economic self-sufficiency and to increase employment for tribal members; and

**WHEREAS,** The Sales and Security Agreement requires a limited waiver of sovereign immunity, with such waiver of sovereign immunity limited to enforcement of the terms of the Agreement; and with disputes under the Agreement to be resolved through an arbitration procedure, the results of which are to be enforced first in Tribal Court; and

**WHEREAS,** The Tribal Business Council has determined that obtaining the gaming machines from Casino Data Systems described in the Sales and Security Agreement is in the best interests of the Three Affiliated Tribes and its members; and

**WHEREAS,** The Tribal Business Council has determined that the accompanying limited waiver of sovereign immunity is in the best interests of the Tribe and its members, and in the best interests of the 4 Bears Casino and Lodge;

**NOW, THEREFORE, BE IT RESOLVED,** That the Chairman or Vice Chairman, along with the Treasurer of the Three Affiliated Tribes Tribal Council be, and hereby is authorized and directed to execute and deliver, on behalf of the Tribe, such Documents, Sales Orders, and Agreements as may be necessary to execute the attached Sales and Security Agreement of the 10 gaming machines for a total purchase price of \$126,051.05, to be paid for from casino revenues; and

**THEREFORE BE IT FURTHER RESOLVED,** That the Tribe expressly consents to an irrevocable limited waiver of sovereign immunity as to any actions or arbitration from any dispute arising under said Agreement with Casino Data Systems, it being understood that any disputes relating to said Agreement will be settled through an arbitration process, the results of which are to be first enforced in Tribal Court pursuant to the terms of the Agreement, and it being understood that such waiver is in the best interests of the Tribe and its members; and

**THEREFORE BE IT FURTHER RESOLVED,** That the Chairman or Vice Chairman and the Treasurer of the Tribal Business Council of the Tribe be, and hereby are authorized and directed to take such other action necessary, required, and appropriate to carry out the purposes of this Resolution; and

**THEREFORE BE IT FINALLY RESOLVED,** That the Tribal Chairman or Vice Chairman and the Tribal Treasurer of the Tribal Business Council of the Tribe are authorized to take the above-described actions pursuant to the powers granted and specified in the Constitution and Bylaws of the Three Affiliated Tribe of Indians, adopted March 11, 1936, as amended, at Article VI, Sections 3, 5(a) and 5(c), and the Tribal Gaming Ordinance, Section 3.4, enacted October 14, 1992, as amended.



**CASINO DATA SYSTEMS  
CONFIDENTIAL SALES  
& SECURITY AGREEMENT**

No. 1783-MS  
Direct

January 13, 2000

CASINO DATA SYSTEMS ("CDS") is pleased to offer and **Four Bears Casino** ("Buyer") located at HC3 Box 2A New Town, ND 58763, agrees to accept this Confidential Sales and Security Agreement ("Agreement") for the sale and purchase of the gaming equipment set forth on the attached **Exhibit "A"** incorporated herein by this reference (the "Equipment") under the following terms and conditions:

**THIS QUOTE VALID 60 DAYS**

**PAYMENT TERMS**

**12 Month Financing** Buyer shall pay the total purchase price in installments listed on "Exhibit "B". The first installment shall begin upon delivery of the Equipment to Buyer's location, with each monthly installment due on the first day of each consecutive month thereafter, until fully paid.

**Late Charge.** - A late charge will apply to any amounts invoiced by CDS where payment is not received by CDS within 30 days of the later of the invoice date or the expiration of any applicable "cash discount" period. The late charge will be calculated at a rate of 1.5% of the unpaid amount per month (18% per annum) and will be considered due and payable immediately upon invoice by CDS.

**Cash Discounts.** - Buyer understands and agrees that any applicable "cash discount" period begins on the date of invoice for a given item. Cash discounts are given on machines only and based on machine price, less all other applicable discounts.

**Taxes.** - Buyer understands that all applicable taxes are the responsibility of Buyer and to the extent that CDS is required to collect such taxes, it will be in addition to the total shown above.

**DELIVERY**

Confirmation of delivery date to be determined upon acceptance of this agreement by both parties.

**SOFTWARE**

Subject to the terms of this Agreement, CDS grants Buyers a non-exclusive license with limited rights of transfer to use the software installed in each gaming machine that comprises the Equipment purchased and paid for by Buyer in object code form only, solely in connection with the use of the Equipment in Buyer's gaming facility. Buyer is granted no right in the software or its source code other than those rights expressly set forth in this Section. Without limitation, Buyer is prohibited from copying, distributing, reverse engineering, reverse compiling, disassembling the software or any portion thereof and from facilitating, allowing or encouraging such acts by any third party. Buyer acknowledges and agrees that Buyer has no proprietary rights in the software or any of CDS' trademarks, tradenames or product names of CDS, or in any materials received from CDS and Buyer does not acquire any proprietary right by virtue of this Agreement, except those contractual rights that are expressly granted herein. CDS and/or its licensors retain any and all rights, title, and interest in and to the software and trademarks and any other copyright, patent, trade secret, invention or other intellectual property rights. Buyer may transfer the software provided it remains in the Equipment and in transferred in connection with a transfer of the Equipment. All transfers shall be subject to the limitations of this Agreement.

**SECURITY**

If Buyer finances the Equipment through CDS, CDS hereby retains and Buyer hereby grants to CDS a purchase money security interest in the Equipment, together with all attachments, substitutions, renewals, increases, additions, and replacements thereof, and all accessions thereto and products or proceeds thereof (collectively, the "Collateral") to secure the prompt and timely payment by Buyer of all sums required pursuant to this

Agreement, and the complete performance by Buyer of all of the obligations set forth herein, when due. The grant of the security interest, and all other terms and conditions of this Agreement as set forth herein, shall terminate upon the full payment by Buyer of the purchase price. Upon the occurrence of any default hereunder, CDS shall have the rights provided to CDS in the Uniform Commercial Code in the state where the Equipment is located and all other rights and remedies available under law. Buyer agrees to execute additional and further documentation, for Seller to secure its interest in the Equipment.

**REPRESENTATIONS, WARRANTIES, AND COVENANTS OF BUYER**

Buyer represents, warrants and covenants that: (1) Buyer is an entity duly organized, validly existing and in good standing under the laws of the state of its formation; (2) Buyer has, or will where necessary have, all the requisite authority and license(s) to sell the Equipment to it pursuant to this Agreement in accordance with applicable laws; (3) the making, execution and performance by Buyer of this Agreement have been duly authorized by all necessary actions and are not in conflict with Buyer's governing documents; and (4) Buyer shall not resell or otherwise transfer any of the Equipment sold hereunder to a jurisdiction anywhere in the United States of America or the world, where the sale or transfer of such Equipment is not legally authorized by statute, regulation or order of applicable gaming authorities

CDS represents, warrants and covenants that: (1) CDS is an entity duly organized, validly existing and in good standing under the laws of the state of its formation; (2) CDS has or will where necessary have all the requisite authority and license(s) to operate the Equipment conveyed to it pursuant to this Agreement in accordance with applicable laws; and (3) the making, execution and performance by CDS of this Agreement have been duly authorized by all necessary actions and are not in conflict with CDS' governing documents.

**FINANCING**

To the extent, if any, that the Equipment is financed, this Agreement is subject to, and contingent upon, the approval by CDS of all of Buyer's financial data (if requested by CDS), UCC-1 forms to be signed by Buyer and delivered to CDS prior to delivery of the Equipment, and the covenant and commitment by and of Buyer to execute and deliver all other further documents as requested by CDS to assist in the financing of this Equipment sale. Buyer is and shall be responsible for the payment of any and all sales, use, excise, or similar tax or duty relative to the Equipment. Buyer acknowledges and agrees that it shall insure and keep insured the Equipment (at all times against loss by fire and/or other hazards in amounts sufficient to protect CDS against any and all loss or damage to the Equipment. Buyer shall keep the Collateral in good condition and repair.

**STORAGE FEES**

Should Buyer not accept delivery on the agreed upon date, Buyer understands and agrees that, should it be necessary for CDS to store Buyer's Equipment at a CDS facility prior to installation at Buyer's specified location, then a storage fee may apply. Such storage fee would be identified by CDS when and if it becomes applicable.

**RESTOCKING CHARGES**

Subject to the trial period on gaming machines provided on page 1, if any, CDS considers all sales to be final and returns are not permitted. However, should Buyer request to return (prior to installation) a portion of the Equipment ordered and if CDS agrees to accept said return, a restocking fee may apply. Such restocking fee will be identified by CDS when and if it becomes applicable. The foregoing is subject to the Limited Warranty paragraph.

**FREIGHT CHARGES**

Buyer understands and agrees that all Equipment will be shipped FOB Las Vegas, Nevada, unless otherwise specified herein. Outside of Nevada, shipment will be FOB CDS' place of business in Las Vegas, Nevada.

**TRADE- IN MACHINES**

Buyer understands and agrees that all machines accepted by CDS as trade-in machines are to be immediately transferred to CDS free and clear of any liens or encumbrances, are in good working order and in aesthetically good condition. Risk of loss shall stay with Buyer until said trade-in machines are received at CDS' designated facility.

**PURCHASE ORDER**

The terms and conditions in this Agreement shall prevail over any conflict in terms and conditions of any Purchase Order submitted by Buyer.

**APPLICABLE LAW / VENUE**

The construction of this Agreement, and the rights and liability of the parties hereto, shall be governed by the laws of the state of Nevada, and Buyer consents and agrees that any action or proceeding which is brought under or pursuant to this Agreement may only be properly filed in Las Vegas, Clark County, Nevada. In the event of any litigation concerning this Agreement, the prevailing party therein shall be entitled to recover its reasonable attorney's fees and costs.

**LIMITED WARRANTY**

CDS warrants to the Buyer only, that the Equipment is Y2K compliant for a period of 90 days following installation, CDS Equipment installed hereunder will be free from defects in material and workmanship which materially and adversely affect the performance of the Equipment. Minor deviations from any specifications or standards which do not so affect the performance of the Equipment are not considered to be defects in materials or workmanship during the warranty period. This warranty is limited to the repair or replacement of defective parts, at the sole discretion of CDS. Glass, fuses, lamps and all optional peripheral equipment and parts which are not included in the standard machine configuration are excluded from coverage under this warranty. This warranty is valid under all normal use and service of the product, but is void if the product is misused or not operated and maintained in accordance with the CDS product literature and manuals.

EXCEPT AS SPECIFICALLY SET FORTH HEREIN, ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ARE EXCLUDED FROM THIS AGREEMENT, INCLUDING WARRANTIES OF FITNESS FOR A PARTICULAR USE AND MERCHANTABILITY, AS WELL AS THOSE WHICH MAY ARISE UNDER USAGE OF TRADE, COURSE OF DEALING, OR COURSE OF PERFORMANCE. THE HOLD PERCENTAGES, HIT FREQUENCIES AND HIT

PERCENTAGES REPRESENT ONLY LONG-TERM STATISTICAL PROBABILITIES OF GAME PLAY AND GAME OUTCOMES. CDS DOES NOT REPRESENT OR WARRANT THAT ITS GAMES WILL ACHIEVE THESE OR ANY OTHER PERCENTAGES OR FREQUENCIES OVER ANY PARTICULAR TIME INTERVAL.

The liability of CDS and the manufacturer of the bill acceptor which may be included in the machines and/or equipment sold and installed hereunder, whether in contract, in tort, under warranty, in negligence or otherwise, shall not exceed the fair market value of the bill acceptor and under no circumstances shall CDS or the manufacturer of the bill acceptor be liable in any respect for the acceptance of counterfeits and /or fraudulent materials. Any unauthorized modification, alteration or revision of all or any portion of the CDS Equipment shall cause the warranty described in this Agreement to be null and void. CDS, its affiliates, subsidiaries, representatives and agents make no other warranty, express or implied

Some states do not allow limitations on how long an implied warranty lasts, and some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation and exclusion may not apply. This warranty grants specific legal rights, but original customer may also have other rights which vary from state to state.

**LIMITED LIABILITY**

Notwithstanding anything to the contrary in this Agreement, in no event shall CDS' liability for any claim, demand, action or damage, exceed the purchase price of the Equipment sold pursuant to this Agreement.

**ARBITRATION**

CDS and Buyer agree that any dispute, controversy or claim arising out of or relating to this Agreement or other obligation between the parties that cannot be resolved through the negotiations shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date the demand for arbitration is made, and the Federal Arbitration Act. The parties agree that binding arbitration shall be the sole remedy as to all disputes arising of this Agreement. The arbitration shall take place in North Dakota, or such other place as the parties may agree. The law to be applied in said arbitration shall be the law of the State of North Dakota, including the Uniform Commercial Code, without reference to any choice of law provisions. There shall be one arbitrator, an attorney who is knowledgeable in gaming and contract law. The arbitration decision shall be final and binding upon CDS and Buyer, unless CDS and Buyer have met and arrived at a different settlement of the dispute. Any review of the arbitration decision and award shall be limited to the decision and award and the finding of the arbitrator shall not be re-litigated. The costs of the arbitration shall be borne equally by the parties, unless the arbitrator(s) rule otherwise. In rendering its decision and award, if any, the arbitration panel shall not alter or otherwise modify the provisions of this Agreement. Enforcement of the arbitration award will be in the Fort Berthold District Court, the Tribal Court for the Three Affiliated Tribes. If the award is not enforced by the Tribal Court, either party may seek relief in any other court of competent jurisdiction. It is agreed that Buyer waives its sovereign immunity limited to the extent necessary to enforce the terms of the contract

Signature below will constitute acceptance of the Equipment purchase and all other terms and conditions of this Agreement.

**BUYER: Four Bears Casino**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CASINO DATA SYSTEMS,**  
a Nevada corporation

By: \_\_\_\_\_

Print Name: Larry McCoy

Title: Director of Sales

**EXHIBIT "A"**  
No. 1783

**EQUIPMENT**

<u>Qty</u>	<u>Denomination</u>	<u>Description</u>	<u>List Price</u>	<u>Unit Cost</u>	<u>Total Cost</u>
10	0.05	Bandit	\$ 12,995.00	\$ 12,995.00	\$ 129,950.00
		Less 3% No Trial Discount			\$ (3,898.50)
		<b>Subtotal</b>			<b>\$ 126,051.50</b>
		<b>Grand Total</b>			<b><u>\$ 126,051.50</u></b>

**BUYER: Four Bears Casino**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CASINO DATA SYSTEMS,**  
a Nevada corporation

By: \_\_\_\_\_

Print Name: Larry McCoy

Title: Director of Sales

Date: \_\_\_\_\_

**EXHIBIT "B"**

No. 1783

February 1, 2000	\$5,252.15
March 1, 2000	\$5,252.15
April 1, 2000	\$5,252.15
May 1, 2000	\$15,756.43
June 1, 2000	\$15,756.43
July 1, 2000	\$15,756.43
August 1, 2000	\$10,504.29
September 1, 2000	\$10,504.29
October 1, 2000	\$10,504.29
November 1, 2000	\$10,504.29
December 1, 2000	\$10,504.29
January 1, 2001	<u>\$10,504.31</u>
<b>TOTAL</b>	<b>\$126,051.50</b>

CERTIFICATION

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 6 were present at a Special Meeting thereof duly called, noticed, convened, and held on the 17<sup>th</sup> day of January, 2000; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Dated this 17<sup>th</sup> day of January, 2000.

Daylon Spotted Bear  
Daylon Spotted Bear  
Secretary, Tribal Business Council

ATTEST:

Tex G. Hall  
Tex G. Hall  
Chairman, Tribal Business Council