

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

*A resolution entitled: "Approval of Limited Waiver of Sovereign Immunity for Lease of Gaming Machines from Hansen Distributing Co., a Minnesota corporation"*

**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, amendments to which were approved by the Department of Interior on November 26, 1999; and

**WHEREAS,** On October 14, 1992, the Tribal Business Council enacted a Class III Gaming Ordinance, which has been approved by the National Indian Gaming Commission; and was last amended on May 11, 2000, 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 purchasing 16 Aristocrat video slot machines from Hanson Distributing Company is in the best interests of the 4 Bears Casino and Lodge and placement of these machines at the Casino is likely to draw additional gaming patrons to the Casino; and

**WHEREAS,** The Tribal Business Council desires that the Three Affiliated Tribes enter into an Agreement for the purchase of the above machines, a facsimile copy of which is attached hereto, with Hanson Distributing Company (hereinafter "Hanson") for the purchase of 16 slot machines, for a total cost not to exceed \$146,000, which includes bases, machines, bill validators, CDS system hardware, tracking devices and appropriate EPROM chips, which contract includes a limited waiver of sovereign immunity;

**WHEREAS,** The Agreement with Hanson requires a limited waiver of sovereign immunity, with such waiver of sovereign immunity limited to enforcement of the terms of the Agreement and with the agreement to be interpreted under the Uniform Commercial Code, unless contrary to Tribal law, and with any dispute to be heard first in the Fort

# PURCHASE AGREEMENT

Dated 23-September-2002

This is a binding agreement made between Hanson Distributing Company, a Minnesota corporation ("Hanson"), a wholly owned subsidiary of Aristocrat Technologies, Inc., a Nevada corporation ("ATI"), and the Mandan, Hidatsa & Arikara Tribes, d.b.a. the Four Bears Casino (Customer), residing in McKenzie County, North Dakota for the sale and purchase of equipment manufactured by ATI as follow:

## QTY DESCRIPTION:

- 16 Aristocrat Model MAV 500 MKVI Video Slot Machines  
(Programs, denominations and payout percentages to be determined and do not affect pricing.)  
Included with machines at no additional charge:
- |  |                            |
|--|----------------------------|
| Embedded Bill Validator (JCM)                            | Tokenization               |
| Hopper Payout  | Touchscreen Monitor        |
| Embedded Player Tracking Face Plate (CDS-S)              | Chrome or Stealth Trim     |
| Condor or Coin Mechanisms Coin Acceptor                  | Thermal Printer Capability |
| Choice of Cabinet Style (Casino Top, Chop Top or Lowboy) |                            |
- 16 Standard Machine Bases (22" high x 28" wide x 21" deep (w/o bullnose))

## **SUMMARY OF CHARGES**

	<u>Unit</u>	<u>Price</u>
16 Model MAV 500 MKVI Video Machines	\$10,495.00	\$167,920.00
16 Standard Slot Stands	\$170.00	\$2,720.00
16 Factory Freight	\$100.00	\$1,600.00
16 CDS System Hardware; Installed	\$995.00	<u>\$15,920.00</u>

## **TOTAL PURCHASE PRICE**

**\$188,160.00**

(16) Less Trade In: CDS Bandit Video Slot Machine      (\$2,695.00)      (\$43,120.00)

## **TOTAL AMOUNT DUE**

**\$145,040.00**

*(Prices quoted are valid 30 days from the date of this agreement.)*

**SPECIAL OFFER:** If this Agreement is signed and received by Hanson on or before October 31, 2002, Hanson shall provide up to one (1) free MK5 kit for each game purchased on this Agreement.

### **Accepted:**

**Hanson Distributing Company, a wholly owned subsidiary of ATI**

**Mandan, Hidatsa & Arikara Tribes, d/b/a Four Bears Casino**

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Authorized Signature

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

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

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

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

## 1.0 PAYMENT TERMS, CONDITION SUBSEQUENT, AND TAXES

1.1 Customer shall pay One Hundred Eighty Eight Thousand One Hundred Sixty U.S. Dollars and no cents (\$188,160.00) as full payment. A trade-in credit of \$43,120.00 for 16 used CDS Bandit Slot Machines shall be applied as a partial down payment. An additional down payment of \$24,165.00 shall be due upon execution of this agreement. The balance of \$120,875.00 shall be due in five (5) equal monthly payments of \$24,175.00, the first of which shall be due within 60 days from delivery date and each 30 days thereafter until the entire balance is paid, per the attached payment schedule below. Interest, at the rate of 1% per month of the unpaid balance, shall be added to the amount payable at the end of each month, if payment is not received within 10 days of the due date. Customer may prepay the balance at any time without any penalties. The equipment being traded shall be picked up at the time of delivery of the equipment being purchased.

<b>Total Purchase Price</b>	<b>\$188,160.00</b>
Downpayment	\$24,165.00
Trades	\$43,120.00
Balance Due	<b>\$120,875.00</b>
Due 60 days from delivery date	\$24,175.00
90	\$24,175.00
120	\$24,175.00
150	\$24,175.00
180	\$24,175.00
	<b>\$120,875.00</b>

1.2 Customer agrees to pay applicable tax (except personal property or tax based on net income) on the license, service or equipment on, or measured by, the prices, other charges or use, however designated, levied or based, whenever Hanson must collect and/or pay such taxes from or on behalf of, Customer according to the applicable law, as finally determined by the appropriate authorities.

## 2.0 INSTALLATION

2.1 Hanson shall provide equipment training for Customer and or Customer's employees at Customer's site upon delivery of equipment from Hanson, and shall provide installation assistance if requested by Customer.

2.2 Customer shall be solely responsible for preparing Customer's site to meet the manufacturer's specifications. Customer shall be responsible for installing locks and slot management system hardware in equipment.

## 3.0 DESTINATION AREA TRANSPORTATION

Hanson shall pay transportation and drayage charges for delivery to the installation site from Hanson's warehouse. Customer shall be responsible for any transportation charges listed in the Summary of Charges on page one (1) of this Agreement.

#### **4.0 RISK OF LOSS OR DAMAGE**

Customer shall assume full risk of loss or damage to the equipment immediately upon acceptance of its delivery at Customer's location. Hanson shall bear full risk of loss to the equipment prior to delivery and acceptance by Customer.

#### **5.0 WARRANTIES**

5.1 For a period of 90 days following delivery, Hanson warrants the equipment against failure from manufacturing defects with the exception of expendables such as fuses, lamps, coils, etc. and any other components damaged by incorrect use or repair of such components.

5.2 Hanson warrants that the equipment as delivered shall meet the requirements and standards of the *TRIBAL-STATE COMPACT FOR CONTROL OF CLASS III VIDEO GAMES OF CHANCE ON THE FORT BERTHOLD INDIAN RESERVATION IN NORTH DAKOTA* ("*the Compact*"). Hanson will reimburse Customer for any expenses or charges incurred by Customer in connection with examination of the equipment by a recognized gaming test laboratory (the "Test Laboratory"), and will cooperate with the Test Laboratory as specified in the Compact to permit the Test Laboratory to conduct such testing.

#### **6.0 CUSTOMER WARRANTIES**

6.1 Customer warrants that its intended use of the equipment purchased hereunder shall be confined to Indian lands approved for the conduct of Class III gaming as defined in the Indian Gaming Regulatory Act P.L. 100-497.

6.2 As evidence of intended lawful usage of the equipment described herein, Customer warrants that it will provide a fully executed copy of the above referenced "Compact" to Hanson on or before delivery of the equipment.

6.3 Pursuant to the Compact, Customer warrants that, if required, the Mandan, Hidatsa & Arikara Tribes shall license Hanson as a distributor of equipment so long as Hanson complies with the requirements for licensing specified in the Compact or other applicable law.

6.4 Pursuant to the Compact, Customer warrants that the Mandan, Hidatsa & Arikara Tribes will select a Test Laboratory to certify that the equipment purchased hereunder are in compliance with the Compact. Customer also warrants that said Test Laboratory has been agreed to and designated in writing by the appropriate state authorities as competent and qualified to conduct scientific tests and evaluations of games of chance and related equipment.

## **7.0 RESPONSIBILITY TO THE CUSTOMER**

7.1 After acceptance of delivery, Customer shall be exclusively responsible for the supervision, management and control of its use of the Software Products, Customer Software, and Hardware comprising the equipment, including but not limited to:

- (1) assuring proper equipment configuration, hardware maintenance, slot management system installation, audit controls and operating methods,
- (2) establishing adequate backup plans, including, for example, alternate procedures and access to qualified technical personnel to aid in diagnosis and to assist in repair of defects in the event of error, failure, or malfunction and,
- (3) for security and accuracy of input or outputs as well as restart and recovery in the event of a malfunction.

## **8.0 LIMITATION OF LIABILITY**

8.1 Lost Profits. Both parties acknowledge the tremendous cash flow generated by the gaming equipment, and the Parties agree that under no circumstances will Hanson be liable for damages in the event of breach for lost profits or similar claims, even if Hanson has been advised of the possibility of such claim.

8.2 Damages in General. In no event shall Hanson be liable to Customer for any loss or damage not caused by the negligence of Hanson, including but not limited to direct damages, loss of profit, indirect, special or consequential damages. Hanson shall not be liable for consequential damages caused by defective or non-performing equipment, but shall promptly repair or replace defective non-performing equipment at its own cost and expense.

8.3 Return of Purchase Price. Except where Hanson has engaged in a willful breach of this Agreement in bad faith, any damages to be recovered by Customer for breach of this Agreement or resulting from the obligations of Hanson under this Agreement, shall be expressly limited to the refund of any amounts paid to Hanson for the Equipment.

## **9.0 TERMINATION**

9.1 If Customer fails to make any payment within fifteen (15) days of its due date, or fails to perform any other obligations hereunder upon thirty (30) days written notice, or should Customer be or become insolvent or a party to any bankruptcy or receivership proceeding or any similar action the affairs or property of Customer prior to payment in full, Hanson may, with or without demand or notice to Customer, declare the entire amount unpaid on all equipment previously delivered and accepted immediately due and payable.

9.2 The parties acknowledge and agree to comply with applicable federal law, including the terms and conditions of the Indian Gaming Regulatory Act ("IGRA") P.L. 100-497.

## **10.0 FORCE MAJEURE**

10.1 Force Majeure shall mean any event or condition, not existing as of the date of signature of this Agreement, nor reasonably foreseeable as of such date and not reasonably within the control of Hanson, which prevent in whole or in material part of the performance by Hanson of its obligations hereunder or which render the performance of such obligations so difficult or costly as to make such performance commercially unreasonable. Without limiting the foregoing, the following shall constitute events or conditions of Force Majeure: acts of State or governmental actions, riots, disturbances, war, strikes, lockouts, slowdowns, prolonged shortage of energy supplies, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion.

10.2 If Hanson's performance is affected by an event of Force Majeure, Hanson shall give prompt notice thereof to the other party. Such notice shall include a description of the nature of the event of Force Majeure and its cause and possible consequences.

10.3 Upon giving notice to Customer, Hanson shall be released without any liability on its part from the performance of its obligations under this Agreement, but only to the extent and only for the period that its performance of such obligations is precluded by the event of Force Majeure.

#### **11.0 REMEDIES AND NON-WAIVER**

11.1 The remedies provided for in this Agreement shall be cumulative and shall be in addition to all other remedies provided by law or equity.

11.2 The failure of either party to enforce at any time or for any period of time the provisions of this Agreement shall not be construed as a waiver of such provisions or a waiver of the right of such party thereafter to enforce each and every such provision.

#### **12.0 ASSIGNMENT**

Neither party may assign this Agreement without written consent of the other party.

#### **13.0 GOVERNING LAW AND CONSENT TO JURISDICTION**

The parties hereby consent to suit in the Fort Berthold District Court of the Three Affiliated Tribes for disputes arising from a breach of this Agreement. The parties agree that this Agreement shall be interpreted pursuant to the Uniform Commercial Code (UCC), if the same has been adopted by the Three Affiliated Tribes, or if not, under the UCC as it is presently codified under the North Dakota law, except where such application of the UCC would directly ~~contrary~~ *contradict* to the laws of the Three Affiliated Tribes, or in cases where the Tribal Court makes express findings as to why the UCC should not apply, and that otherwise, the laws of the Three Affiliated Tribes shall apply. In the event that either party is not satisfied with the final results of a proceeding brought before the Fort Berthold District Court, either party may initiate suit in the Federal District Court of North Dakota, but only after such cause has been heard and finally decided upon in the Fort Berthold District Court. Both Parties agree that in the event such a suit is entered into in the Federal District Court, the action may be appealed to the U.S. Court of Appeals for the Eighth Circuit and ultimately the U.S. Supreme Court.

**SOVEREIGN IMMUNITY:** The Three Affiliated Tribes have agreed to the jurisdiction of the Fort Berthold District Court and the Federal Court system if applicable, to settle any disputes which may arise under this contract. This waiver of the sovereign immunity of the Tribe shall be limited to the above named jurisdictions and to the resolutions of disputes as outlined in this agreement. No other waiver either direct or implied is to be inferred from any aspect of this agreement. The Three Affiliated Tribes agree to be bound by the judgment of the Tribal Court and/or Federal District Court, however such judgment shall not exceed the value of the contract herein (\$95,100.00).

#### **14.0 SEVERABILITY AND HEADINGS**

14.1 In the event any provision of this Agreement is held to be invalid and/or unenforceable, that finding shall not affect the validity or enforceability of the remaining provisions of this Agreement.

14.2 The headings of each provision of this Agreement are for reference purposes only, and only the text of each provision shall be construed to be the terms and conditions of this Agreement.

#### **15.0 MODIFICATION**

This Agreement may not be modified unless the modifications is mutually agreed upon in writing and, in the case of Hanson, signed by an officer of Hanson.

#### **16.0 ENTIRE AGREEMENT**

This Agreement is complete and constitutes the entire Agreement between Hanson and Customer. Any and all written or oral agreements, representations, or understandings of any kind that may have been made prior to the date thereof shall be null and void, except as otherwise expressly provided for in this Agreement. If there is any apparent inconsistency between this Agreement and the appended exhibits, the Agreement shall take precedence unless the matter set forth in the exhibit shall explicitly provide otherwise.

**Accepted:**

**Hanson Distributing Company, a wholly  
Owned subsidiary of ATI**

**Mandan, Hidatsa & Arikara Tribes, d/b/a  
Four Bears Casino**

**By:** \_\_\_\_\_  
Authorized Signature

**By:** \_\_\_\_\_  
Authorized Signature

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

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

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

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



Berthold District Court; and

**WHEREAS,** The Three Affiliated Tribes has previously entered into an Agreement with Hanson for the purchase of gaming machines with terms relating to the limited waiver of sovereign immunity being virtually identical to those terms contained in this Agreement herein;

**WHEREAS,** The Tribal Business Council has determined that purchasing the gaming machines from Hanson described in the Agreement is the 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 Tribe expressly consents to a limited waiver of sovereign immunity as to any dispute arising under said Agreement with Hanson Distributing Company as stated in the attached Agreement, it being understood that disputes will first be heard in the Fort Berthold District Court, and that such waiver is in the best interests of the Tribe and its members; and

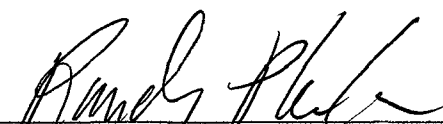
**THEREFORE BE IT FURTHER RESOLVED,** that the Chairman of the Three Affiliated Tribes is hereby authorized and directed to execute and deliver, on behalf of the Tribe, such Agreement and any other documents necessary to execute the attached Agreement for the purchase from Hanson Distributing Company of the 16 gaming machines and accompanying hardware as mentioned in the attached agreement.

### CERTIFICATION

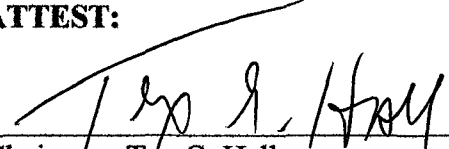
I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 8<sup>th</sup> day of January, 2003; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 5 members, 0 members opposed, 0 members abstained, 1 members not voting, and that said Resolution has not been rescinded or amended in any way.

\_\_\_\_\_ Chairman  Voting.  Not Voting.

Dated this 8<sup>th</sup> day of January, 2003.

  
Secretary, Randy Phelan  
Tribal Business Council

ATTEST:

  
Chairman, Tex G. Hall  
Tribal Business Council