

Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660
(231) 723-8288

Resolution No. #02-0306-15

**Authorizing the Tribal Ogema, or in the absence of, the
Tribal Council Speaker to Execute a Purchase Agreement
with Hanson Distributing Company and Consenting to Have Disputes
Arising Under That Agreement Resolved by Binding Arbitration in
Accordance with Section 13 to that Agreement**

WHEREAS, the Band's status as a federally-recognized Indian tribe was reaffirmed and restored by Congress pursuant to Public Law 103-324, 108 Stat. 2156 (25 U.S.C. §1300k et seq.)(hereinafter "Little River Act"); and

WHEREAS, the Band adopted a Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Band is entitled to the protections and benefits accorded federally-recognized Indian tribes under federal law, including those under the Indian Gaming Regulatory Act of 1988 (25 U.S.C. §2701 et seq.)(hereinafter "IGRA"), which permits Indian tribes to operate Class II gaming activities on lands held in trust for the Band; and

WHEREAS, the Tribal Council, pursuant to Article IV, Section 7 (b) of the Constitution, has the power to authorize and ratify agreements and contracts negotiated by the Tribal Ogema; and

WHEREAS, pursuant to Article IX, Section 1 of the Constitution provides that the Band "shall not waive or limit the right of the Little River Band to be immune from suit, except as authorized by tribal ordinance or resolution or in furtherance of tribal business enterprises"; and

WHEREAS, the Tribal Council has previously approved a Capital Budget for the Casino Resort Expansion Project, which includes estimated budget requirements for the FF&E required for the Casino Resort Expansion; and

WHEREAS, the Tribal Council has previously delegated to the Construction Management Team certain responsibilities regarding bidding and contracting for the FF&E portion of the Casino Resort Expansion Budget; and

WHEREAS, the Construction Management Team and Director of Gaming Operations for Little River Casino Resort have negotiated the purchase of certain slot machines and related equipment from Hanson Distributing Company and recommended approval of a Purchase Agreement with Hanson Distributing Company in a form approved by the Band's Legal Department; and

WHEREAS, Hanson Distributing Company has requested a limited waiver of sovereign immunity from the Band to allow disputes arising under the purchase agreement to be resolved through binding arbitration, enforceable in the Commercial Division of the Tribal Court, which agreement is reflected in Section 13 of the Agreement; and

WHEREAS, the Tribal Council has adopted the Arbitration Code, Ordinance #01-300-02, governing the approval of contracts which include arbitration provisions; and


WHEREAS, the Tribal Council has determined that the specific waiver of sovereign immunity requested by Hanson Distributing Company for the specific purpose of enforcement and/or interpretation of that agreement is in furtherance of important Tribal purposes and tribal business enterprises and that such waiver is authorized by and is consistent with Article XI, Section 1 of the Tribe's Constitution.

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby authorizes the Tribal Ogema, or in the absence of, the Tribal Council Speaker, to execute the Purchase Agreement with Hanson Distributing Company to purchase the slot machines and equipment described in that Agreement for the total purchase price of \$124,690.00.

IT IS FINALLY RESOLVED THAT the Tribal Council agrees to a limited waiver of sovereign immunity and consents to have disputes between the Tribe and Hanson Distributing Company, which arise under that agreement decided by arbitration, including the limitation on recourse provisions contained in Section 13.3 of that Agreement, which agreement to arbitrate would be enforceable in the Commercial Division of the Tribal Court in accordance with the Tribal Arbitration Code.

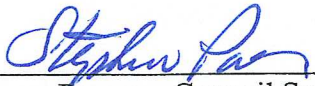
CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 5 FOR, 0 AGAINST, 3 ABSENT, and 1 ABSTAINING, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on March 6, 2002, at the Little River Band's Downtown Offices in Manistee, Michigan, with a quorum being present for such vote.



Janine M. Sam, Council Recorder

Attest:



Steven Parsons, Council Speaker

Distribution: Council Records
Tribal Ogema
Tribal Court
Legal Department
Hanson Distributing Company

PURCHASE AGREEMENT

DATED: 22-Feb-02

This is a binding agreement made between Hanson Distributing Company (Hanson), a Minnesota Corporation, and the Little River Band of Ottawa Indians, d/b/a Little River Casino Resort (Customer), residing in Manistee County, Michigan for the sale and purchase of equipment manufactured by Aristocrat Technologies, Inc., 3300 Birtcher Drive, Las Vegas, Nevada as described below:

QTY DESCRIPTION:

12 Aristocrat Model 540MK5 Video Slot Machines

(Programs, denominations and payout percentages to be determined and do not affect pricing)

Included with machines at no additional charge:

- Chrome Doors & Trim
- Touchscreen Monitors
- Hopper Payout
- Communications PCB – IGT
- Coin Mechanisms Coin Acceptors
- Casino Top Box Assy.
- Tokenization
- Embedded Player Tracking Face Plate – IGT-IGS
- Embedded JCM or GPT Bill Validators

10 Aristocrat 540MK5 Game Conversions

(Programs and payout percentages to be determined and do not affect pricing)

SUMMARY OF CHARGES	Price Per Unit	Extended Price
12 Model 540MK5 video slot machine	\$8,995.00	\$107,940.00
12 Harness; Comms Bd. - IGT Serial	\$50.00	\$600.00
12 Factory Freight on machines	\$100.00	\$1,200.00
10 Game Conversions	\$1,495.00	\$14,950.00
TOTAL PURCHASE PRICE		\$124,690.00

Prices quoted are valid for 30 days from the date of this Agreement.

Accepted

Hanson Distributing Company

By: T. Schiav

Authorized Signature

Title: Sales Coordinator

Date: 2/22/02

Little River Band of Ottawa Indians,
d/b/a Little River Casino

By: Robert Schmitt

Authorized Signature

Title: Owner

Date: 3/1/02

1.0 PAYMENT TERMS, CONDITION SUBSEQUENT, AND TAXES

1.1 Customer shall pay One Hundred Twenty Four Thousand, Six Hundred and Ninety U.S. Dollars and no cents (\$124,690.00) as full payment for the equipment including, freight charges listed in the Summary of Charges and installation assistance and training described in Section 2.0. A down-payment of \$31,172.50 shall be due upon execution of this Agreement. The balance of \$93,517.50 shall be due within 30 days from the date of the equipment being purchased is delivered to Customer site.

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

3.1 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.

3.2 Shipping Instructions/Delivery. Unless otherwise directed by the Customer's Purchasing Agent, the Equipment shall be shipped to the Customer's Casino Resort facilities located at 2700 Orchard Highway (U.S. 31 and M-22), Manistee, Michigan 49660 (hereinafter the Location). The Equipment shall be delivered to the Location, or other location specified by the Customer's Purchasing Agent on or before April 30, 2002 but no earlier than April 1, 2002. Prior to shipping the Equipment, Hanson (or the Hanson's Shipping Agent) shall contact the Customer's Purchasing Agent to receive shipping instructions. Hanson acknowledges and agrees that time is of the essence in the performance of this Sales Agreement. If delivery dates cannot be met, Hanson shall promptly notify the Customers of the earliest possible date for delivery. For purposes of this paragraph, the name, address and telephone number of the Customer's Purchasing Agent is:

Mike Dickson, Director of Gaming Operations
2700 Orchard Highway, Manistee, MI 49660
Telephone: (231) 723-1535

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 Compact between the Little River Band of Ottawa Indians and the State of Michigan providing for conduct of tribal Class III Gaming by the Little River Band of Ottawa Indians ("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.

5.3 Compliance with Governing Laws. Hanson represents that it has and will continue during the performance of this Agreement to comply with the provisions of all applicable Tribal, federal and state laws. Hanson must possess a current Gaming Vendors License issued by the Little River Band Gaming Commission. Failure to obtain or maintain any required Vendor License shall constitute a breach of this Agreement.

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 Little River Band of Ottawa Indians shall license Hanson as a distributor of equipment so long as Hanson meets all the requirements for licensing specified in the Compact or other applicable law.

6.4 Pursuant to the Compact, Customer warrants that, if necessary, the Little River Band of Ottawa Indians Reservation 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, and 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

13.1 Arbitration. "Hanson" and "Customer" agree that any dispute, controversy or claim arising out of or relating to this Agreement or other obligation between the parties 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. The parties agree that binding arbitration shall be the sole remedy as to all disputes arising out of this Agreement. The arbitration shall take place in Manistee County, Michigan or such other place as the parties may agree. Except as provided in Section 13.2, the law to be applied in said arbitration shall be: applicable federal and Tribal laws concerning gaming devised and gaming vendors and the law of the state of Michigan, including the Uniform Commercial Code, without reference to any choice of law provisions. Each party shall notify the other party of its nominee for an arbitrator. If "Hanson" and "Customer" can agree upon the nomination of a single arbitrator for the dispute, such person shall serve as sole arbitrator. If "Hanson" and "Customer" do not agree upon the nomination of a single arbitrator, each parties nominee shall serve as arbitrator upon a panel of three, and those two arbitrators shall select a third arbitrator to serve with them within two weeks. The arbitrator decision shall be final and binding upon "Hanson" and "Customer" unless, during or following completion of the arbitration proceedings, "Hanson" and "Customer" have met arrived at a different settlement of the dispute. In rendering its decision and award, if any, the arbitration panel shall not alter or otherwise modify the provisions of this Agreement, including the limitations on recourse defined in Section 13.3.

13.2 Waiver of Sovereign Immunity. The "Customer" expressly waives its sovereign immunity from for the purpose of permitting or compelling binding arbitration as provided in Section 13.1, or enforcing any such arbitration award, and consents to be sued, in accordance with this paragraph in the Commercial Division of the Little River Band Tribal Court and the Tribal Court of Appeals. By this agreement, the "Customer" does not waive, limit or modify its sovereign immunity from unconsented suit in any other court, including any state or federal court. The Customer's waiver of its sovereign immunity in this Agreement only extends to disputes of the specific written rights and duties of "Hanson" and "Customer" pursuant to this Agreement and the other agreements between the parties. The law to be applied in any proceeding to compel or enforce in accordance with this paragraph shall be the law of the State of Michigan and the Tribal Arbitration Code.

13.3 Property and Funds Pledged and Assigned to Satisfy Enforcement Proceedings. Damages awarded against the Customer in satisfaction of any enforcement proceedings under this Agreement shall be awarded only from the following: (i) financing provided to the Customer for the development of the Casino Project, as described in a Taxable Construction Loan Agreement between the Customer and Miller & Schroeder Investments Corporation and Comerica Bank and Other Lenders described therein; provided that Hansons right to recourse against financing proceeds under such Taxable Construction Loan Agreement shall be subject to any requirements under the terms of a Taxable Disbursing Agreement between the Customer, Miller Schroeder Investments Corporation, Comerica Bank and Commonwealth Land Title Insurance Company, as Disbursing Agent, date June 21, 2001, as amended from time to time; (ii) repossession of the equipment being sold under this Agreement; provided that any purchase money security interest retained by Hanson shall be immediately discharged upon receipt of the purchase price for goods and services under this Agreement; and (iii) net gaming revenues of the Customer distributed to the Customer under the terms of the Management Agreement between the Customer and Manistee Gaming, LLC, dated July 15, 1999, as amended from time to time; provided that the Hansons right to recourse against net gaming revenues shall not extend to net gaming revenues which have been transferred to either: (i) a Trust and Agency Fund of the Customer; or (ii) an Enterprise Fund of the Customer; or (c) except for the equipment being sold under this Agreement, to assets of the Customer purchased with net gaming revenues

distributed to the Customer Damages awarded against the "Customer" shall not constitute a lien upon or be collectable from any other income or assets of the "Customer", except with the "Customers" consent.

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

By: T. Scliat
Authorized Signature
Title: Sales Coordinator
Date: 2/22/02

Little River Band of Ottawa Indians, d/b/a Little River Casino

By: [Signature]
Authorized Signature
Title: OGema
Date: 3/1/02