

LEGISLATIVE SUMMARY SHEET

Tracking No. 0105-22

DATE: June 23, 2022

TITLE OF RESOLUTION: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT; APPROVING THE ASSIGNMENT OF BUSINESS SITE LEASE NO. FD-01-202 FROM DOUG ADAMS DBA SANDIA OIL COMPANY, INC., TO ALBERTA MASON DBA MEDICINECHILD, LLC, TO CONTINUE THE OPERATION OF THE CHI'HOOTSO INDIAN MARKETPLACE IN WINDOW ROCK, NAVAJO NATION (ARIZONA)

PURPOSE: The purpose of the resolution is to approve the assignment of Lease No. FD-01-202 from Doug Adams, dba, Sandia Oil Company, Inc, to Alberta Mason, dba, MedicineChild LLC.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: 7:01pm; 06-23-22
Posting End Date: 06-28-22
Eligible for Action: 06-29-22

PROPOSED STANDING COMMITTEE RESOLUTION
24th NAVAJO NATION COUNCIL – Fourth Year, 2022

INTRODUCED BY


(Prime Sponsor)

TRACKING NO. 0105-22

AN ACTION
RELATING TO RESOURCES AND DEVELOPMENT; APPROVING THE
ASSIGNMENT OF BUSINESS SITE LEASE NO. FD-01-202 FROM DOUG ADAMS
DBA SANDIA OIL COMPANY, INC., TO ALBERTA MASON DBA
MEDICINECHILD, LLC, TO CONTINUE THE OPERATION OF THE
CHI'HOOTSO INDIAN MARKETPLACE IN WINDOW ROCK, NAVAJO NATION
(ARIZONA)

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. Pursuant to 2 N.N.C. § 500, the Resources and Development Committee is hereby established as a standing committee of the Navajo Nation Council.
- B. Pursuant to 2 N.N.C. Section §501 (B)(2), The Resources and Development Committee of the Navajo Nation Council has the authority to grant final approval for all land withdrawals, non-mineral leases, permits, licenses, rights-of-way, surface easements and bonding requirements on Navajo Nation lands and unrestricted (fee) land. This authority shall include subleases, modifications, assignments, leasehold encumbrances, transfers, renewals, and terminations.

SECTION TWO. FINDINGS

- 1 A. The Fort Defiance Regional Business Development Office, Executive Summary, states:
2 “Doug Adams, dba, Sandia Oil Company, Inc, (Seller) is making a request for a Lease
3 Assignment to Alberta Mason, dba, MedicineChild, [LLC]. to continue the operation the
4 Chi'hootso Indian Marketplace in Window Rock, Arizona. The business is located in the
5 northwest corner of junction State Route #264 and N12. The acreage being used is 6.19
6 acres. ... Currently, there is a Gas Station, a Marketplace, a Flea Market, and a Car Wash
7 business operation on the premises of the Chi'hootso Indian Marketplace. The reason for
8 the Lease Assignment is that Mr. Adams expressed his wish to retire as the President of
9 the Sandia Oil Company, Inc. By letter dated March 31, 2022, the Asset Purchase and
10 Sale Agreement has been executed between the parties and are seeking Lease Assignment
11 approval from the Navajo Nation, Lessor, and U.S. Department of Interior, Bureau of
12 Indian Affairs. ...” The Executive Summary and the Letter of Intent to Purchase dated
13 January 28, 2022 are attached as **Exhibit 2**,
- 14 B. Lease Number FD-01-202, LEASE made and entered into between the Navajo Nation
15 and Sandia Oil Company, Inc., dated May 25, 2001 is attached hereto as **Exhibit 3**.
- 16 C. The Navajo Nation Corporation Code, Certificate of Good Standing for Sandia Oil
17 Company, Inc., and MedicineChild, LLC and State of Arizona and State of New Mexico
18 incorporation documents are attached as **Exhibit 4**.
- 19 D. The Fort Defiance Regional Business Development Office letter to the Resources and
20 Development Committee dated June 21, 2022 is attached as **Exhibit 5**. The letter states
21 “Time is of the essence due to the fact that the financial transaction between the
22 businesses is due July 01, 2022; therefore our office is requesting expeditiously address
23 and approve the transfer of the lease without delay.”
- 24 E. The Executive Official Review Document No. 018509 is attached as **Exhibit 6**.
- 25 F. The Assignment of Lease No. FD-01-202 from Doug Adams, dba, Sandia Oil Company,
26 Inc, to Alberta Mason, dba, MedicineChild, LLC attached hereto as **Exhibit 1**.

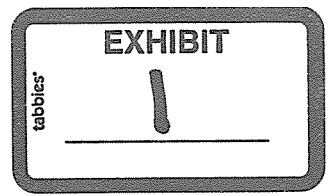
27 28 **SECTION THREE. APPROVAL OF ASSIGNMENT**

- 29 A. The Resources and Development Committee of the Navajo Nation Council hereby
30 approves the assignment of Lease No. FD-01-202 from Doug Adams, dba, Sandia Oil

1 Company, Inc, to Alberta Mason, dba, MedicineChild LLC. The Assignment of Lease
2 Number FD-01-202 is attached hereto as **Exhibit 1**.

- 3 B. The Resources and Development Committee of the Navajo Nation Council hereby
4 authorizes the President of the Navajo Nation to execute any and all documents necessary
5 to affect the intent and purpose of this resolution.
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

ASSIGNMENT OF BUSINESS SITE LEASE
NAVAJO NATION



KNOW ALL MEN BY THESE PRESENTS, that we, the Assignee and named below, in consideration of \$ 275,000.00, to us in hand paid by the Assignee below, hereby assign to the said Assignee that certain Navajo Nation Business Site Lease described below TO HAVE AND TO HOLD the same unto the Assignee from and after the date of approval of this Assignment by the President of the Navajo Nation for the unexpired portion of the term mentioned in said lease, together with all the rights therein granted. It is understood and agreed that this assignment shall be null and void if disapproved by the President of the Navajo Nation.

DATED this 7th day of April 2022.

Signature of Assignors

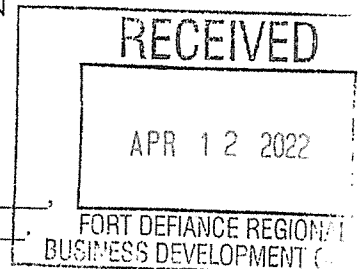
NOTE: IF ASSIGNOR IS MARRIED, BOTH HUSBAND AND WIFE SHOULD SIGN

STATE OF New Mexico)
COUNTY OF Bernalillo)

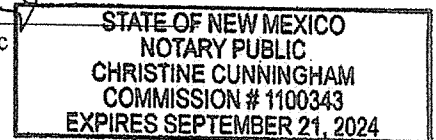
ss:

This instrument was acknowledged before me this 7 day of April
2022, by Doug Adams

In witness whereof I have hereunto set my hand and seal.



MY COMMISSION EXPIRES: 9/21/2024

Notary Public

ASSUMPTION OF LEASE

I, the Assignee named below, for in consideration of the approval of the above Assignment by the Navajo Nation, Lessor, acting by and through its duly authorized agents, hereby assume and agree to pay and be bound by all the rents, covenants, terms and conditions of that certain Navajo Nation Business Site Lease described below, to the same extent as if I were the Lessee originally named therein. I understand and agree that this assumption shall be null and void if the above Assignment is disapproved by the President of the Navajo Nation, but otherwise shall be of full force and effect and irrevocable by me.

DATED this 12 day of April, 2022

Assignee

STATE OF New Mexico)
COUNTY OF McKinley)

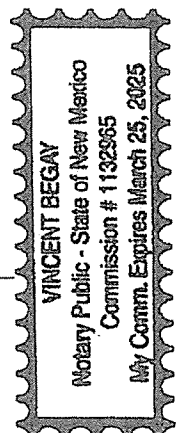
ss:

This instrument was acknowledged before me this 12th day of April
2022, by Alberta J. Mason

In witness whereof I have hereunto set my hand and seal.

Notary Public

MY COMMISSION EXPIRES: 03/25/2025



Name of Assignor(s):

Doug Adams

Address of Assignor(s):

1016 Eubank Blvd. NE

Albuquerque, New Mexico 87112

Name of Assignee(s):

Alberta Mason

Address of Assignee(s):

P.O. Box 2932

Window Rock, Arizona 86515

Date of Lease being assigned: 05-25-01

DESCRIPTION OF PREMISES

(Must agree exactly with description appearing in Lease)

For and in consideration of the rents, covenants, agreements, terms, and conditions contained herein, Lessor hereby leases to the Lessee the following described premises:

A tract of land located in the Southwest Quarter (SW 1/4) of Section 8, Township 26 North, Range 31 East, Gila and Salt River Meridian, in Window Rock, Apache County, Arizona and being more particularly described as follows:

Commencing at the Point of Beginning a point on the northerly Right of Way line of State Route #264 (a found Brass Cap) which bears North 63° 08' 56" West, a distance of 687.63 feet from the South 1/4 corner of said Section 8, said Point of Beginning also being on a curve to the left of State Route #264;

Thence along northerly Right of Way line of said State Route #264 on a curve to the left having a central angle of 7° 01' 27" with a radius of 3343.16 feet and a Chord Bearing and Chord Distance of South 80° 08' 36" West, a distance of 409.59 feet;

Thence South 76° 35' 53" West along said northerly Right of Way line a distance of 311.15;

Thence North 23° 11' 50" East, a distance of 312.12 feet;

Thence North 23° 02' 22" East, a distance of 289.05 feet to the Southwesterly corner of Mary S. Stoner's Homesite Lease;

Thence South 66° 40' 57" East, along the southerly line of Mary S. Stoner's Homesite, a distance of 174.24 feet;

Thence North 13° 26' 13" West along the easterly line of said Mary S. Stoner's Homesite, a distance of 160.09 feet to the southwest corner of the DNA Sublease Tract;

Thence North 76° 29' 57" East along the south line of said DNA's Sublease Tract, a distance of 221.57 feet to the westerly Right of Way line of Navajo Route #12;

Thence South 13° 30' 28" East along said westerly Right of Way line, a distance of 564.74 feet to the Point of Beginning and containing a 6.19 Acres more or less in area.

TOGETHER with a ten (10) feet Utility and Access easement along the most northerly line of above describe tract being more particularly described as follows:

The Northerly line is described as follows:

Beginning at a common point between the above described tract and the southeast corner of the DNA Sublease tract;

Thence; South 76° 29' 57" West, a distance of 221.57 feet.

All of the above land is located in St. Michaels Chapter of the Navajo Nation, County of Apache, State of Arizona, subject only to any prior, valid, existing rights-of-way and easements of record. There is hereby reserved and excepted from the leased premises existing rights-of-way of record for utilities constructed by or on authority of the Lessor.

The above assignment and assumption are hereby approved.

NAVAJO NATION, LESSOR

By: _____
President, Navajo Nation

Date: _____

APPROVED: _____
Pursuant to Secretarial Redelelegation Order
209 DM, 230 DM 1 and 3 IAM 4

Regional Director, Navajo Region
Bureau of Indian Affairs

Southwest Quarter (SW1/4), Section 8
Township 20 North, Range 31 East
Gila and Salt River Meridian,
Window Rock, Apache County, ARIZONA

NAVJO ROUTE #12

CHI-HOOTSO INDIAN
MARKETPLACE
6.19± AC.

STATE ROUTE #264

DETAIL A

DETAIL B

DETAIL C

1" = 60'

[illegible]

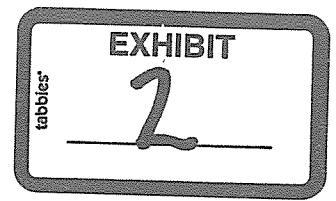
As to certify that this plot was prepared from field notes of actual survey made under my supervision, this survey complies with the minimum standards of property surveys in Arizona and the Nojoqui Arido Real Estate Services Survey Requirements and is accurately represented on this plot.

REFERENCES:

- 1) Record of Survey of the Fico Market by Ralph E. Wollon A.P.S. #32278 dated 11/1/54
- 2) A Recovery of the Thomas Alveston Business Tract by G. F. Ryan A.P.E. #8057
- 3) A Homeless Lease for Mary E. Steiner dated 1981 by A.P.L.S. #2615
- 4) A survey of the Fico Market Tract by Tommy R. Colley A.P.L.S. #7687 dated 11/1/54
- 5) Various Records obtained from Winston Road at Township 26 North Range 31 East
- 6) A Survey Plot for DMA Tract as Surveyed by George Wolters L.S. #11893

RVS#01-27

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----



EXECUTIVE SUMMARY

ASSIGNMENT OF BUSINESS SITE LEASE

Sandia Oil Company, Inc.

Lease No. FD-01-202

Window Rock, Arizona

Doug Adams, dba, Sandia Oil Company, Inc, (Seller) is making a request for a Lease Assignment to **Alberta Mason, dba, MedicineChild, Inc.** to continue the operation the **Chi'hootso Indian Marketplace** in Window Rock, Arizona.

The business is located in the northwest corner of junction State Route #264 and N12. The acreage being used is 6.19 acres.

Lease No. FD-01-202 was approved for 25 years with the option to renew for another 25 years on May 25, 2001 by the U.S. Department of Interior, Bureau of Indian Affairs for the purpose of; General Merchandise, Quick Lube, Gasoline and Oil, Fast Food, Restaurant, Car Wash, RV Park, and renting Vendor Market Spaces (Indian Marketplace). The Lease will expire on May 25, 2026.

Currently, there is a Gas Station, a Marketplace, a Flea Market, and a Car Wash business operations on the premises of the Chi'hootso Indian Marketplace.

The reason for the Lease Assignment is that Mr. Adams expressed his wish to retire as the President of the Sandia Oil Company, Inc. By letter dated March 31, 2022, the Asset Purchase and Sale Agreement has been executed between the parties and are seeking Lease Assignment approval from the Navajo Nation, Lessor, and U.S. Department of Interior, Bureau of Indian Affairs.

All necessary requirements for a Lease Assignment are attached. The Fort Defiance Regional Business Development Office is recommending approval for the Lease Assignment from Doug Adams to Alberta Mason. Thank you.

State of AZ/Navajo Nation

LETTER OF INTENT TO PURCHASE

January 28, 2022

Seller(s)
Doug Adams, Sandia Oil Company, Inc.
1016 Eubank Blvd. Verde NE
Albuquerque, NM 87112

Dear Mr. Adams.

This Letter of Intent (this "Letter") sets forth the mutual interest:

Buyer(s): Alberta Mason, MedicineChild, LLC (collectively "Buyer"), and

Seller(s): Doug Adams, Sandia Oil Company (collectively "Seller")

regarding the possible purchase by Buyer (the "Transaction") of the following property owned by Seller (the "Property"): Junction of Rte. 12 and Hwy. 264 NW Corner, Window Rock, AZ 86515 (Gas Station, Marketplace, Flea Market, Car Wash]. This Letter sets forth certain terms and conditions to be included in a future definitive purchase agreement (the "Purchase Agreement") with such other representations, warranties, conditions, covenants, indemnities and other terms as the parties may agree upon. The parties agree that their goal and interest herein is to bring about the Transaction, and thus, promise to negotiate the Purchase Agreement in good faith for the period set forth below.

1. Purchase Price. (Check one)

☐ NO purchase price for the Transaction is listed at this time, pending completion of due diligence. *am*
Plus inventories at

☒ The purchase price for the Transaction shall be \$ 275,000 (the "Purchase Price"). The Purchase Price shall be payable by Buyer as follows: (Fill if applicable) *am*
cost at closing

(A). \$ 5,000.00 due upon the signing of this Letter. and \$270,000 plus inventories in cash at closing. *am*

(B). \$ _____ due upon the signing of the Purchase Agreement.

(C). \$ _____ due upon Buyer's acceptance of the Property.

2. Conditions. The Transaction shall be subject to the satisfaction of the following conditions: (Check all that apply)

☒ Buyer securing financing in an amount necessary to finance the Transaction.

☒ Buyer's inspection of the Property.

☒ ~~Other. Seller to upgrade gas pumps up to \$100,000.00.~~ *am*

3. Exclusivity. Seller agrees that it will not negotiate directly or indirectly with any other party concerning the sale of the Property (Check one) ☒ for a period of 60 days after the date of this Letter

☐ while this Letter is effective.

4. **Confidentiality.** The parties agree to apply strict confidentiality to the existence and the contents of this Letter, including any information shared or obtained in accordance with this Letter.

5. **Termination.** This Letter will automatically terminate upon the earliest of:

(x). the execution of the Purchase Agreement by the Parties

(B). the mutual written agreement of Buyer and Seller

(C). _____, 20____

60 *AM*

(D). Other: or after ~~90~~ days from date of LOI.

6. **Governing Law.** This Letter and all matters thereto shall be governed by and construed in accordance with the laws of the State of AZ/Navajo Nation, without giving effect to its conflict of laws principles.

7. **Non-binding.** This Letter is intended only as a reflection of the intention of the parties, and neither this Letter nor its acceptance shall constitute or create any legally binding or enforceable obligation on any party, except with regards to Exclusivity, Confidentiality, Termination, and Governing Law.

8. **Miscellaneous.** This Letter contains the entire understanding between the parties and supersedes all previous agreements, if any, between the parties concerning the same or substantially similar subject matter. This Letter may be amended, supplemented, or otherwise modified only in a writing signed by duly authorized representatives of each party. This Letter may be executed in counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document. The section headings are for reference purposes only and shall not otherwise affect the meaning, construction, or interpretation of any provision in this Letter.

9. **Other.** Installation of pumps will be separate agreement, or purchaser will install themselves. *AM*

If the foregoing terms and conditions are acceptable, please sign and return this Letter to the undersigned.

Best regards,

Alberta Mason

Alberta Mason, Member, MedicineChild,
LLC

Buyer Full Name

Buyer Full Name

Buyer Full Name

Agreed to and accepted by:



Date: 2-21-22

Seller Signature

Sandia Oil Company, Inc.
Doug Adams, President

Seller Full Name

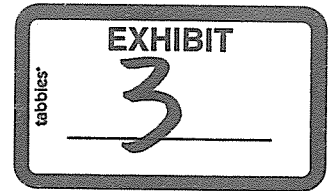
Seller Signature

Seller Full Name

Seller Signature

Seller Full Name

MedicineChild, LLC
Alberta Mason, Owner
PO Box 132
Window Rock, AZ 86515
928-514-0648



L E A S E

THIS LEASE, in sextuplicate, is made and entered into this 22nd day of March 20 01, by and between THE NAVAJO NATION, hereinafter called Lessor, whose address is Post Office Box 9000, Window Rock, Navajo Nation (Arizona) 86515, and, Sandia Oil Company, Inc., hereinafter called the Lessee, whose address is P.O. Box 13630, Albuquerque, New Mexico 87192, in accordance with the provisions of 25 U.S.C. §§ 415 and 635, as implemented by the regulations contained in 25 C.F.R. Part 162; and any amendments thereto relative to business leases on restricted lands which by this reference are made a part hereto.

1. DEFINITIONS

- A. "Approved Encumbrance" means an encumbrance approved in writing by the Lessor, the Secretary and sureties, if any, in accordance with the terms and conditions of this Lease.
- B. "CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601 et seq.
- C. "Encumbrancer" means the owner and holder of an Approved Encumbrance, including all successors and assigns.
- D. "RCRA" means the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.
- E. "Regulated Substance" is as defined at 42 U.S.C. 6991(2), which is any substance defined in Section 101(4) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (42 U.S.C. 9601(14) (but not including any substances regulated as a hazardous waste under Subtitle C of the Resource Conservation and Recovery Act (42 U.S.C. 6921 et seq.) and petroleum).
- F. "Secretary" means the Secretary of the Interior or his authorized representative, delegate, or successor.

representations as to the condition of the leased premises have been made by Lessor, any agent of Lessor or the United States prior to or at the time of execution of this Lease. Lessee warrants that it has not relied on any warranty or representation made by or on behalf of Lessor or the United States, but solely upon Lessee's independent investigation.

- B. The independent investigation shall include an environmental site assessment which provides the Lessee with knowledge of the environmental status of the leased premises, including the status of the storage tanks and/or other regulated substances. In lieu of conducting this environmental site assessment, Lessee may elect to rely upon the Phase 1 Environmental Audit of the property dated October 2000.

6. RENTAL

- A. The Lessee, in consideration of the foregoing, covenants and agrees to pay in lawful money of the United States of America to the Controller of the Navajo Nation, for the use and benefit of the Lessor, the greater of either (1) or (2) below as rental:

- (1) A percentage of gross receipts of business as specified below, whether such businesses are operated Lessee, Sublessee, Assignee or operated under a management agreement:

Years 1 to 2:

The lease rental shall be waived for the first two of the development period.

Years 3 to 25:

Gasoline & Oil Sales, General
Merchandise, RV park, Fast
Food/Restaurant: 1.5% of gross sales

Car Wash, Quik Lube: 2.5% of gross
sales;

Vendor Marketplace: 0% of gross sales

(2) The sum of \$28,000 as a Guaranteed Minimum Annual Rental (GMAR) hereunder. Guaranteed Minimum Annual Rental shall be waived for the first two years of the development period.

All rental shall be deposited into the Business and Industrial Development Fund account of the Navajo Nation.

- B. It is acknowledged and agreed that Lessee's rental obligation hereunder is an obligation to pay either the percentage rental amounts or specifically defined in Section 6A. (1) above or the guaranteed minimum annual rent (GMAR) as more specifically set forth in Section 6A. (2) above, whichever amount is greater.
- C. The Lessee must make monthly rental payments in advance equal to at least one-twelfth of the aforementioned minimum annual rental not later than the tenth (10th) day after the first day of the month for which the rental is due. Lessee may elect to pay monthly rental in an amount based on the percentage rental rate on the month's gross receipts; however, no payment shall be less than one-twelfth of the minimum rental. Monthly payments based on the percentage rental rate on gross receipts shall be paid not later than the tenth (10th) day after the end of the month for which rental is due. All rental shall be deposited with the Controller of the Navajo Nation. When the annual accounting required by Section 7 of this Lease is completed, the Lessee shall pay any balance due on any percentage rental, or if there is an overpayment, the overpayment shall be credited toward future rents.
- D. At its option, and with advance notice to, and the approval of, the Lessor, Lessee may make all payments required under this lease by wire transfer to Norwest Bank, or its successors, in Window Rock, Navajo Nation (Arizona) for the credit of the Navajo Nation, Account No. 400901560, Bank Routing No. 091000019.
- E. Rental unpaid ten (10) days after the due date shall bear interest at eighteen percent (18%) per annum, from the date it becomes due until paid, but this provision

G. "Storage Tank" is any tank which is defined by either of the following subsections.

(1) An underground storage tank as defined at 42 U.S.C. 6991 (1), or any storage tank, regardless of the percentage of such tank which is located above or below ground, which is not excluded under 42 U.S.C 6991 (1) and which is used for the storage of regulated substances, or;

(2) Any above ground storage tank as defined in the proposed Navajo Nation Above Ground Storage Tank Act or underground storage tank as defined in the proposed Navajo Nation Underground Storage Tank Act upon passage of each respective proposed Act.

2. LAND DESCRIPTION

A. For and in consideration of the rents, covenants, agreements, terms and conditions contained herein, Lessor hereby leases to the Lessee the following described premises:

A tract of land located in the Southwest Quarter (SW1/4) of Section 8, Township 26 North, Range 31 East, Gila and Salt River Meridian, in Window Rock, Apache County, Arizona and being more particularly described as follows:

Commencing at the Point of Beginning a point on the northerly Right of Way line of State Route #264 (a found Brass Cap) which bears North 63°08'56" West, a distance of 687.63 feet from the South 1/4 corner of said Section 8, said Point of Beginning also being on a curve to the left of State Route #264;

Thence along said northerly Right of Way line of said State Route #264 on a curve to the left having a central angle of 7°01'27" with a radius of 3343.16 feet and a Chord Bearing and Chord Distance of South 80°08'36" West, a distance of 409.59 feet;
Thence South 76°35'53" West along said northerly Right of Way line a distance of 311.15 feet;

Thence North 23°11'50" East, a distance of 312.12 feet;
Thence North 23°02'22" East, a distance of 289.05 feet
to the Southwesterly corner of Mary S. Stoner's
Homesite Lease;
Thence South 66°40'57" East along the southerly line of
said Mary S. Stoner's Homesite, a distance of
174.24 feet;
Thence North 13°26'13" West along the easterly line of
said Mary S. Stoner's Homesite, a distance of
160.09 feet to the southwest corner of the DNA
Sublease Tract;
Thence North 76°29'57" East along the south line of
said DNA's Sublease Tract, a distance of 221.57
feet to the westerly Right of Way line of Navajo
Route #12;
Thence South 13°30'28" East along said westerly Right
of Way line, a distance of 564.74 feet to the Point
of Beginning and containing 6.19 Acres more or less
in area.

TOGETHER with a ten (10) feet Utility and Access
easement along the most northerly line of above
described tract being more particularly described as
follows:

The Northerly line is described as follows:
Beginning at a common point between the above described
tract and the southeast corner of the DNA Sublease
tract;

Thence; South 76°29'57" West, a distance of 221.57
feet.

- B. All of the above land is located in St. Michaels
Chapter of the Navajo Nation, County of Apache, State
of Arizona, subject only to any prior, valid, existing
rights-of-way and easements of record. There is hereby
reserved and excepted from the leased premises existing
rights-of-way of record for utilities constructed by or
on authority of the Lessor.

3. PURPOSE, UNLAWFUL USES

- A. Lessee shall develop, use and operate the leased premises for the following purposes:

General Merchandise, Quick Lube, Gasoline and Oil, Fast Food, Restaurant, Car Wash, RV Park, renting vendor market spaces (Indian Marketplace), and any other lawful uses.

- B. The leased premises shall not be used by Lessee, Sublessee(s) or Assignee(s), for any purpose or purposes other than those set out above, except with the prior written consent of Lessor and the Secretary. Consent may be withheld, granted, or granted upon conditions, in the sole discretion of Lessor and the Secretary.

- C. Lessee agrees that it will not use or cause to be used any part of the leased premises for any unlawful conduct or purpose.

4. TERM

The term of this Lease shall be twenty-five (25) years, beginning on the date this Lease is approved by the Secretary.

This lease may be renewed on the same terms and conditions for an additional term of twenty-five (25) years, provided that this Lease is in good standing. Lessee shall give written notice of its intent to renew this Lease to the Executive Director of the Division of Economic Development, or his successor, at least ninety (90) days, but no more than six (6) months, prior to the expiration date of this Lease. Renewal of this Lease is subject to the approval of Lessor and the Secretary and to applicable provisions of Navajo Nation law and the regulations contained in 25 C.F.R. Part 162, including all amendments and successors thereto.

5. CONDITION OF LEASED PREMISES

- A. Lessee has examined and knows the leased premises and improvements thereon and accepts the same as-is. No

shall not be construed to relieve the Lessee from any default in making any rental payment at that time and in the manner herein specified. The rents called for hereunder shall be paid without prior notice or demand.

F. While the leased premises are in trust or restricted status, the Secretary may in his discretion suspend the direct rental payment provisions of this Lease, in which event the rental shall be paid to the Secretary or his authorized representative.

G. In the event a sublease, assignment, management agreement or transfer of this Lease, or any right to or interest in this Lease, or any improvements are made to the leased premises, the rent and other terms of this Lease shall be subject to renegotiation.

7. ACCOUNTING

When an accounting of Gross Receipts is required under the Lease in order to determine a percentage rent, the Lessee shall, not later than April 15, of each successive calendar year or fraction thereof following the date the term of this Lease begins, submit to Lessor and the Secretary individually, certified statements of gross receipts. Failure to submit aforementioned statements on a timely basis shall be considered a breach of the Lease and the Lease may be subject to cancellation. With said statements, Lessee shall tender payment of any balance due for the preceding calendar year under the percentage rental fee as set forth in Section 6 above. Said statement shall be prepared by a Certified Public Accountant, licensed in the State of Arizona, New Mexico or Utah, in conformity with standard accounting procedures. Any duly authorized representative of the United States Government, or any qualified accounting agent or agents appointed by the Lessor, shall have access to and the right to examine and audit any pertinent books, documents, papers, and records of Lessee's tenants, if any, relating to this Lease during the normal business hours of any working day. Lessee shall insert a similar provision in all subleases and shall make available to said representative, agent, or agents, all books and records of Lessee's tenants which may be requested or may be necessary for completion of a full audit of all

business conducted on the leased premises. The acceptance by the Lessor or the Secretary of any monies paid to Lessor or the Secretary by Lessee as percentage rental for the leased premises as shown by any statement furnished by Lessee shall not be an admission of the accuracy of said statement, or of the sufficiency of the amount of said percentage rental payment, but the Lessor or the Secretary shall be entitled at any time within four (4) years after receipt of any such percentage rental payment to question the sufficiency of the amount thereof and/or the accuracy of the statements furnished by Lessee to justify the same and shall have the right to examine and/or audit as hereinbefore described. Therefore, Lessee shall for said period of four (4) years after submission to the Lessor or the Secretary of any such statement keep safe and intact all of Lessee's records, books, accounts, and other data which in any way bears upon or are required to justify in detail any such statement, and Lessee shall insert a provision in all subleases requiring similar retention of records.

8. IMPROVEMENTS

- A. The Lessee, in consideration for the granting of this Lease, covenants and agrees that Lessee will construct the facilities to house a convenience store/general merchandise, restaurant(s), gasoline station, car wash, at a cost of and having a reasonable value of \$750,000 or more.
- B. Except as otherwise provided in this Lease, all buildings and improvements, excluding removable personal property and trade fixtures, on the leased property shall remain on said property after termination of this Lease and shall thereupon become the property of Lessor. Lessor may require Lessee, at Lessee's expense, to remove improvements and restore the premises to the state it was in at the time of the completion of the approved construction plans required by paragraph 9 of this lease, reasonable wear and tear excepted. The term "removable personal property" as used in this Section shall not include property which normally would be attached or affixed to the buildings, improvements or land in such a way that it would become a part of the realty, regardless of whether such

property is in fact so placed in or on or affixed to the buildings, improvements or land in such a way as to legally retain the characteristics of personal property. Lessee shall remove all removable personal property and trade fixtures prior to of this Lease. Should Lessee fail to remove said personal property and trade fixtures prior to termination of this Lease, said property shall thereupon become property of Lessor, and may be disposed of in any manner by Lessor.

- C. Notwithstanding any provision of this Lease, the terms of this and the immediately following paragraphs govern ownership and removal responsibility for any regulated substances or petroleum product manufacturing, processing, storage, or conveyance facilities placed in or on leased land. Any such facilities must comply with applicable federal, state, Navajo Nation and local law including, in the case of storage tanks, requirements for corrosion protection, spill and overfill protection and leak detection. Any repairs made to such facilities must comply with applicable law. Lessee shall provide the Navajo Nation Regional Business Development Ft. Defiance Office or its successor with complete and legible copies of all documents establishing Lessee's ownership of, lease of, or acquisition of any other use interest in any storage tanks installed on the leased premises.
- D. Unless otherwise notified by the Lessor, regulated substances and storage tanks are the property of the Lessee who placed them on the property and do not become the property of the Lessor for RCRA liability purposes or otherwise upon the expiration of the Lease. Lessee is the owner for RCRA, 42 U.S.C. 6991 (3), purposes of any storage tanks placed on the leased premises. At the expiration of this lease Petroleum manufacturing, processing, storage, storage tanks, or conveyance facilities shall be removed by Lessee unless notified by Lessor in writing not to remove all or part of such property. Whatever property remains on the leased premises shall become the property of Lessor upon termination of the Lease.

E. Prior to termination of the Lease and prior to vacancy of the property the Lessee shall remove any of the improvements subject to removal as described above, and below, assess the site for potential contamination, remediate any contamination discovered, and satisfy or actively and in good faith seek resolution of any third party damages which may have occurred. Should any of the above activities extend past the termination date of the Lease, the Lease shall be extended pursuant to Section 33 and the Lessee shall remain financially responsible for completing these activities but no rent shall be paid by Lessee during this extension period. The bond or insurance required to be posted under Section 23 of this Lease shall not be released or terminated until these activities are completed.

9. **PLANS AND DESIGNS**

Within one hundred eighty (180) days from the date this Lease is approved by the Secretary, Lessee shall submit to Lessor for approval, a general plan and architect's design for the complete development of the entire leased premises, together with a phased program, by specific areas, of the developments included as a part of the general plan. Approval or disapproval of the general plan, architect's design or phased development programs shall be within the reasonable discretion of Lessor. If Lessor does not approve or disapprove the general plan within sixty days of the plans submittal to Lessor, Lessor will be deemed to have approved the general plan as submitted. Lessor's review of all plans or specifications pursuant to this Section is solely to protect the interests of the Lessor in the leased premises and the Lessor shall not be the guarantor of, nor be responsible for, the accuracy or correctness of any such plans. No material change will be made in the general plan, architect's design, plots, surveys, or specifications without the consent of Lessor which will not be unreasonably withheld. Unless otherwise stated by Lessor in writing, approval of the general plan, architect's design, and/or a phased program of development shall in no way be deemed a waiver of the requirements of applicable Tribal law and Lessee shall comply with all applicable Tribal laws and regulations. Upon completion of the proposed improvements

the Lessee shall provide the Lessor "as built" drawings depicting the improvements as a completed structure.

10. COMPLETION OF DEVELOPMENT

- A. The Lessee shall complete the first phase of improvements and development of the leased premises in accordance with the general plan and architect's design, submitted in accordance with Section 9 above, within 24 months from the date which the Navajo Nation approves the plans and designs described in that Section. If Lessee fails to complete the first phase of development within such period, such failure shall constitute a breach of the terms of this Lease and shall be cause for cancellation if the breach is not cured.
- B. Whenever under this Lease a time is stated within which or by which original construction, repairs, or reconstruction of improvements shall be made and during such period a general or sympathetic strike or lock out occurs, war or rebellion ensues, or some event beyond Lessee's power to control, the period of delay so caused shall be added to the period provided herein for the completion of such work.

11. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

All improvements placed on the leased premises shall be constructed in a good and workmanlike manner and in compliance with applicable laws and building codes. All parts of building visible to the public or from adjacent properties shall present a pleasant appearance and all service areas shall be screened from public view. Lessee shall, at all times during the term of this Lease and at Lessee's sole cost and expense, maintain the premises and all improvements thereon and any alterations, additions, or appurtenances thereto, in good order and repair and in a safe, sanitary, neat and attractive condition, and shall otherwise comply with all laws, ordinances and regulations applicable to said premises. Lessee shall have the right during the term of this Lease to make limited alterations, additions or repairs to improvements on the premises in an amount not to exceed \$100,000 per year. Alterations,

additions or repairs in excess of the above amount or any demolition of an improvement with a value in excess of \$100,000 shall not be made without the prior written approval of Lessor. Lessee shall indemnify and hold harmless the Lessor and the United States Government against liability for all claims arising from Lessee's failure to maintain said premises and the improvements thereon as herein above provided, or from Lessee's non-observance of any law, ordinance or regulation applicable thereto.

12. UTILITY SERVICE LINE AGREEMENTS

- A. Lessee specifically is authorized to enter into appropriate service line agreements with utility companies for the provision of utility services to the leased premises, including gas, water, sewer, electricity, telephone, television and other utilities, without further consent by Lessor, on the condition that:
- (1) such agreements are for the sole purpose of supplying utility services to the leased premises; and
 - (2) such agreements authorize utility service lines only within the leased premises; and
 - (3) such agreements do not extend beyond the term of this Lease, including any extensions thereof; and
 - (4) executed copies of such agreements, together with plats or diagrams showing with particularity the location, size and extent of such service lines, are filed by the utility companies with Lessor and with the Secretary within thirty (30) days of their execution; and
 - (5) such agreements are otherwise in accordance with the provisions of 25 C.F.R. § 169.22, including any amendments or successors thereto.
- B. Nothing contained herein shall be construed to limit the right of Lessor to enter into service line agreements with utility companies for service lines across the leased premises, provided that such service

lines do not unreasonably interfere with Lessee's use of the leased premises, nor otherwise to affect the rights-of-way reserved to Lessor in Section 2 of this Lease.

13. RENTAL AND PERFORMANCE BOND

- A. Upon approval of this Lease by the Lessor, Lessee agrees to post a corporate surety bond or other security acceptable to Lessor and the Secretary in a sum of \$30,000, which bond shall be deposited with the Secretary and shall remain in force for the full term of this Lease, at the discretion of Lessor and the Secretary. From time to time the amount of such bond may be increased or decreased by the Lessor, at the Lessor's and the Secretary's reasonable discretion, to more accurately reflect the actual damage which would be suffered by the Lessor in the event of a default in any performance required of the Lessee, but in no event shall the required amount of the bond exceed the total amount of one year rental due under this lease.
- B. It is understood and agreed that bond or security will guarantee performance of the contractual obligations under this Lease, and that a corporate surety bond may be furnished annually or may be continued from year to year by a certificate of renewal, a copy of which certificate shall be furnished the Secretary by Lessee. If U.S. Treasury Bonds are provided, Lessee agrees to make up any deficiency in the value of the bonds. Interest on said U.S. Treasury Bonds shall be paid to Lessee. Should waiver of bond or security be granted during the term of this Lease, and Lessee be in default of any lease provision, Lessor and the Secretary may request that Lessee furnish bond or security at a later date and Lessee hereby agrees to comply with said request.

14. CONSTRUCTION BOND

- A. At Lessor's option, prior to the commencement of construction of any improvement on the leasehold premises, the Lessee will cause his construction contractor to post a construction bond in favor of

Lessor and Lessee. If the construction contractor cannot post such a bond, the Lessee shall post the construction bond. The purpose of the construction bond is to guarantee the completion of the improvements and payment in full of valid claims of all persons for work performed in or materials furnished for construction of the improvements. The construction contractor or the Lessee may provide security by either.

- (1) Posting a corporate surety bond in an amount equal to the cost of each improvement, said bond to be deposited with the Lessor and to remain in effect until the improvement is satisfactorily completed. Said bond shall be conditioned upon faithful performance by Lessee or his construction contractor and shall give all claimants a right of action to recover upon said bond in any suit brought to foreclose on any mechanic's or materialmen's liens against the property. If United States Treasury Bonds are provided, Lessee or his construction contractor agrees to make up any deficiency in the value deposited that might occur due to a decrease in the value of the bonds. Interest on said bonds shall be paid to Lessee.
- (2) Depositing in escrow with the Lessor or an institution acceptable to the Lessor, negotiable United States Treasury Bonds, or cash, or furnishing a non-revocable letter of credit satisfactory to Lessor in an amount sufficient to pay the entire cost of construction of each building or other improvement then to be erected on the premises. If United States Treasury Bonds are provided, Lessee or his construction contractor shall make up any deficiency of the value deposited that might occur due to a decrease in the value of said bonds. Interest on said bonds shall be paid to Lessee or his construction contractor. The funds so deposited may then be used, at the option of Lessor, to discharge any valid mechanic's or materialmen's liens; if no such liens exist, the withheld funds shall be disbursed to Lessee or his construction contractor.

- B. If Lessee enters into a construction loan agreement with a financial institution, said loan agreement shall be subject to the approval of Lessor and the Secretary. If approval is not received from Lessor and the Secretary within ninety days following Lessee's submission of the agreement for approval, then the two year rent free period provided in paragraph 6 shall be increased by one day for each day in excess of ninety days that it takes Lessor and the Secretary to approve the loan agreement. Prior to such approval, Lessee shall perform all conditions precedent to the assumption of obligations under the agreement by the financial institution.

15. SUBLEASE, ASSIGNMENT, MANAGEMENT AGREEMENT, TRANSFER

- A. Except as permitted in Subsection 15(D), Lessee shall not sublease, assign, place under a management agreement, or in any manner whatsoever transfer this Lease or any right to or interest in this Lease or any of the improvements on the leased premises, or sell, assign or transfer more than forty-nine percent (49%) of the corporate stock of any corporation named as Lessee without the written approval of Lessor, the Secretary and sureties, if any, and no such sublease, assignment, sale, amendment or transfer shall be valid or binding without such approval, and then only upon the condition that the Sublessee, Assignee or other successor in interest, excepting an approved encumbrancer(s), shall agree in writing to be bound by each and all of the covenants and conditions of this Lease. Should Lessee attempt to make any such sublease, assignment, sale, amendment, or transfer, except as aforesaid, such action shall be deemed a breach of this Lease, excepting that an encumbrancer, as herein set forth, may enforce his rights in the manner hereinafter provided. Approval of one sublease, assignment, sale, amendment or transfer shall not validate a subsequent sublease, assignment, sale, amendment or transfer, and the restrictions of this Section shall apply to each successive sublease, assignment, sale, amendment or transfer hereunder and shall be severally binding upon each and every

Sublessee, Assignee, Transferee and other successor in interest of the Lessee, excepting an encumbrancer.

- B. For purposes of this Section, the creation of a partnership, corporation, joint venture, management agreement or any other arrangement under which any person or entity, other than Lessee is entitled to share in profits derived directly from the leased premises or activities carried out thereon, shall be considered a sublease or assignment of this Lease, and therefore shall require the approval of Lessor and the Secretary, except as permitted in subsection 15(D).
- C. Approval or disapproval of any sublease, assignment, management agreement, or transfer, for any purpose whatsoever, by the Lessee shall be within the sole discretion of Lessor. Except as permitted in subsection 15(D), approval of any sublease, assignment, management agreement, or transfer is subject to the approval of the Lessor, which approval shall not be unreasonably withheld.
- D. Lessee may enter into permits for vendor market spaces (Indian Marketplace). Such permits shall not require submission to nor the approval of Lessor or the Secretary. Fast food and other restaurant operations will require a sublease.

16. ENCUMBRANCE

- A. This Lease, or any right to or interest in this Lease or any of the improvements on the leased premises, may not be encumbered without the written approval of the Lessor, the Secretary and sureties and no such encumbrance shall be valid without said approval. The Lessor shall not unreasonably withhold its approval to an encumbrance.
- B. An encumbrance must be confined to the leasehold interest of the Lessee or the subleasehold interest of a Sublessee and shall not jeopardize in any way Lessor's interest in the land. Lessee agrees to furnish as requested any financial statements or analysis pertinent to the encumbrance that the Lessor

and the Secretary may deem necessary to justify the amount, purpose and terms of said encumbrance.

- C. An encumbrancer of any Sublease, in the event of default by Sublessee of the terms of an approved encumbrance, may exercise any rights provided in such approved encumbrance, provided that before any sale of subleasehold, whether under power of sale or foreclosure, the encumbrancer shall give to Lessor, the Secretary, and Lessee hereunder notice of the same character and duration as is required to be given to the Sublessee by the encumbrancer and/or by applicable law.

If notice of such sale shall be given and the defaults of any of them upon which such notice of sale is based shall then continue, Lessor, if Lessee fails to act, shall have the following rights which may be exercised at any time prior to the completion of sale proceedings.

- (1) To pay the encumbrancer the full unpaid principal amount of the approved encumbrance, plus unpaid interest accrued to the date of such payment, plus foreclosure or sale costs incurred to the date of such payment.
- (2) To execute in favor of the encumbrancer a promissory note and a new encumbrance, which new encumbrance must be approved by the Secretary, for the full unpaid principal amount of the approved encumbrance, plus unpaid interest accrued to the date of such execution plus sale expenses incurred to the date of such execution, upon the same terms and conditions as originally provided by the approved encumbrance, and delivering to the encumbrancer a policy of title insurance in the face amount of such promissory note issued by a reputable title insurance company, and insuring that the new encumbrance is a first lien upon the subleasehold described in said sublease subject only to current taxes and to conditions, restrictions, and reservations of record at the time of recording the approved encumbrance.

- D. If Lessee or Lessor exercises either of the above rights, all of the rights, title, and interest of the Sublessee in the Sublease shall automatically terminate on the same date the right is exercised and the Lessor or Lessee shall, on the same date, acquire the subleasehold; however, the acquisition of the subleasehold by Lessee or Lessor under these circumstances shall not serve to extinguish the sublease by merger with the Lease or otherwise.
- E. In the event Lessor or Lessee does not avail itself of the above rights and any sale under the approved encumbrance occurs, whether by power of sale or foreclosure, the purchaser at such sale shall succeed to all of the rights, title, and interest of the Sublessee in the subleasehold covered by said encumbrance. It is further agreed that if the purchaser at such a sale is the encumbrancer, the encumbrancer may sell and assign the subleasehold without any further consent, provided that the Assignee shall agree in writing to be bound by all the terms and conditions of the Sublease. If the encumbrancer is the purchaser, it shall be required to perform the Sublease only so long as it retains title thereto. If a sale under the approved encumbrance occurs and the purchaser is a party other than the encumbrancer, approval by Lessor and the Secretary of any assignment will be required and said purchaser, as successor in interest to the Sublessee, shall be bound by all the terms and conditions of the sublease and will assume in writing all the obligations thereunder.
- F. In the event of default by the Lessee of the terms of an approved encumbrance, the encumbrancer may exercise any rights provided in such approved encumbrance, provided that before any sale of the leasehold, whether under power of sale or foreclosure, the encumbrancer shall give to Lessor and the Secretary notice of the same character and duration as is required to be given Lessee by such encumbrance and/or by applicable law. If notice of such sale be given, and the default of any of them upon which notice of sale is based shall then continue, Lessor shall have the following rights which

may be exercised at any time prior to the completion of sale proceedings:

- (a) To pay to the encumbrancer the full unpaid principal amount of the approved encumbrance plus unpaid interest accrued to the date of such payment, plus sale costs incurred to the date of such payment.
 - (b) To execute in favor of the encumbrancer a promissory note and a new encumbrance, which new encumbrance must be approved by the Secretary, for the full unpaid principal amount of the approved encumbrance, plus unpaid interest accrued to the date of such execution, plus sale expenses incurred to the date of such execution, upon the same terms and conditions as originally provided by the approved encumbrance, and delivering to the encumbrancer a policy of title insurance in the face amount of such promissory note, issued by a reputable title insurance company, and insuring that the new encumbrance is a first lien upon the property described in this Lease subject only to current taxes and to conditions, restrictions and reservations of record at the time of recording the new encumbrance.
- G. If Lessor exercises either of the above rights, all rights, title and interest of Lessee in the Lease shall terminate and Lessor shall acquire the Lease; provided, however, that such termination shall not relieve the Lessee from any obligation or liability which had accrued prior to the date of termination. Acquisition of the Lease by Lessor under these circumstances shall not serve to extinguish the Lease by merger or otherwise.
- H. In the event Lessor does not avail itself of the rights set forth in this Section and any sale under the approved encumbrance occurs, whether by power of sale or foreclosure, the purchaser at such sale shall succeed to all of the rights, title, and interest of

the Lessee in the leasehold estate covered by said approved encumbrance. It is further agreed that if the purchaser at such sale is the encumbrancer, the encumbrancer may sell and assign the leasehold interest without any further consent, provided that the Assignee shall agree in writing to be bound by all the terms and conditions of this Lease. If the encumbrancer is the purchaser, it shall be required to perform this Lease only so long as it retains title thereto. If a sale under the approved encumbrance occurs and the purchaser is a party other than the encumbrancer, approval by Lessor and the Secretary of any assignment will be required and said purchaser, as successor in interest to the Lessee, shall be bound by all the terms and conditions of this Lease and will assume in writing all the obligations thereunder.

17. LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES

Lessee shall not permit to be enforced against the leased premises or any part thereof, any liens arising from any work performed, materials furnished, or obligations incurred by Lessee. Lessee shall discharge all such liens before any action is brought to enforce same; further, Lessee shall pay before becoming delinquent, all taxes, assessments, licenses, fees, and other like charges levied during the term of this Lease upon or against the leased land and all interests therein and property thereon, for which either Lessee or Lessor may become liable. Upon request Lessee shall furnish Lessor and the Secretary written evidence duly certified that any and all taxes required to be paid by Lessee have been paid, satisfied, or otherwise discharged. Lessee shall have the right to contest any claim, asserted tax, or assessment against the property, by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless Lessor, Secretary and the leased premises and all interest therein and improvements thereon from any and all claims, taxes, assessments, and like charges and from any lien therefor, or sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any appropriate documents with reference to real estate tax exemption of the land when requested by Lessee. In addition to the rents, taxes and other charges herein

described, Lessee shall pay charges for water, sewage, gas, electricity, telephone, and other utility services supplied to said premises.

18. LESSOR'S PAYING CLAIMS

Lessor shall have the option to pay any lien or charge payable by Lessee under this Lease, or settle any action therefor, if the Lessee after written notice from the Lessor or Secretary fails to pay or to post bond against enforcement. All costs and other expenses incurred by Lessor in so doing shall be paid to Lessor by Lessee on demand, with interest at the rate of eighteen percent (18%) per annum from the date of Lessor's payment until repayment is made. Failure to make such repayment on demand shall constitute a breach of this Lease.

19. SANITATION

- A. Lessee hereby agrees to comply with all applicable sanitation codes, requirements, or laws which may be related to the purpose of this document as set forth in Section 3 herein above. Such compliance shall specifically include, but not be limited to, the sanitary regulations of the U.S. Public Health Service. Lessee further agrees to at all times maintain the entire premises in a safe, sanitary condition, presenting a good appearance both inside and out in all buildings operated on the leased premises.
- B. Lessee further agrees to comply with applicable Federal, State, Navajo Nation or local laws, statutes, ordinances or regulations, court or administrative orders or decrees pertaining to all environmental matters including but not limited to the storage and disposal of regulated substances. Lessee further agrees that all solid waste generated by the Lessee or by any Sublessee shall be disposed of only at a state or tribally permitted public or private landfill, and shall maintain records to demonstrate compliance with this requirement.
- C. Lessee agrees to maintain all records required by applicable law and regulations and to make such records

available to appropriate officials of the Navajo Nation or federal government.

20. HAZARDOUS AND REGULATED SUBSTANCES

- A. Lessee shall not cause or permit any hazardous substance (as defined by RCRA, 42 U.S.C. §§ 6901 et seq., CERCLA, 42 U.S.C. §§ 9601 et seq. or other federal laws and regulations) to be used, stored, generated or disposed of on or in the premises except in accordance with applicable law. If hazardous or regulated substances (as defined above) are used, stored, generated or disposed of on or in the premises, or if the premises become contaminated in any manner for which Lessee or a Sublessee is legally liable, Lessee shall indemnify and hold harmless the Lessor and the United States from any and all reasonable claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the premises, damages due to loss or restriction of rentable or usable space, or any damages due to adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the Lease term and arising as a result of such contamination by tenant. This indemnification includes, without limitation, any and all reasonable costs incurred due to any investigation of the site or any cleanup, removal or restoration mandated by the federal government or Navajo Nation pursuant to applicable law. Without limitation of the foregoing, if Lessee causes or permits the presence of any hazardous or regulated substance on the premises and such results in any contamination of the leased premises including, but not limited to the improvements, soil, surface water or groundwater, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the premises to the condition existing prior to the contamination presence by any such hazardous or regulated substance on the premises. Lessee shall first obtain Lessor's approval for any such remedial action other than any action taken on an emergency basis.

B. Lessee shall provide the Navajo Environmental Protection Agency and the Risk Management Department of the Navajo Nation with a clear and legible copy of all notices or reports concerning storage tank installation, testing, leakage, or remediation at the premises subject to this Lease which Lessee is required by applicable law, or regulation, to provide to the United States Environmental Protection Agency or which Lessee otherwise provides to the United States Environmental Protection Agency. Service of documents as required by this Lease upon the Navajo Environmental Protection Agency shall be by first class mail to:

UST-AST Program
Navajo Environmental Protection Agency
Post Office Box 339
Window Rock, Navajo Nation (Arizona) 86515

and,

Risk Management Department
Post Office Box 1690
Window Rock, Navajo Nation (Arizona) 86515

or their respective institutional successors.

21. PUBLIC LIABILITY INSURANCE

At all times during the term of this Lease, Lessee shall carry a public liability insurance policy in the amount of at least \$1,000,000 for personal injury to one person, at least \$3,000,000 aggregate coverage in any year for all occurrences, and \$1,000,000 for property damage. Said policy shall be obtained from a reliable insurance company licensed to do business in the State in which the leased premises are located and shall be written jointly to protect Lessee, Lessor and the United States of America and shall provide for notification to Lessor prior to any cancellation or non-renewal of said policy for any reason including non-payment of premiums. A copy of said policy shall be furnished to Lessor and the Secretary upon their written request. There shall be a periodic review, at not less than five (5) year intervals, of all insurance policies and coverage amounts held under this Lease. The review shall

give consideration to the economic conditions at the time and may result in adjustment of the type of insurance coverage or the amounts of any coverage whenever such adjustment is necessary for the protection of Lessor or the United States. Neither Lessor nor the United States Government, nor their officers, agents or employees, shall be liable for any loss, damage, death or injury of any kind whatsoever to the person or property of Lessee or any other person whomsoever, caused by any use of the leased premises, or by any defect in any structure existing or erected thereon, or arising from any accident, fire, or from any other casualty on said premises or from any other cause whatsoever and Lessee, as a material part of the consideration for this Lease, hereby waives on Lessee's behalf all claims against Lessor and the United States Government and agrees to hold Lessor and the United States Government free and harmless from liability for all claims for any loss, damage, injury or death arising from the condition of the premises or use of the premises by Lessee, together with all costs and expenses in connection therewith unless such loss, damage, injury or death is caused, in whole or in part, by the negligence of Lessor, its employees or agents.

22. FIRE AND CASUALTY INSURANCE

- A. Lessee, shall, from the date of approval of this Lease, carry fire and casualty insurance with extended coverage endorsement, covering not less than full insurable value of all improvements on the leased premises. Said policy shall be obtained from a reliable insurance company licensed to do business in the State in which the leased premises are located and shall be written jointly to protect Lessee, Lessor and the United States of America and shall provide for notification to the Lessor and the Secretary prior to any change in said policy or any cancellation or non-renewal of said policy for any reason, including non payment of premiums. A copy of said policy shall be sent to Lessor and the Secretary upon their written request. In the event of damage to any improvement on the leased premises, Lessee shall rebuild, repair or otherwise reinstate the damaged improvement or building in a good and substantial manner according to the plan

and elevation of the improvement or building so destroyed or damaged or in accordance with any modified plan approved in writing by the Lessor prior to commencement of repair or reconstruction. Repair or reconstruction shall commence as soon as possible and, in any event, within one (1) year after the damage occurs and shall be pursued diligently. Insurance proceeds shall be deposited in an escrow account with an institution approved by Lessor and the Secretary. Lessee shall also deposit in said escrow account all additional funds required to reconstruct the damaged improvement. Escrow instructions shall include provisions that all funds so deposited shall be used to reconstruct the damaged improvements and that funds shall be disbursed during the progress of reconstruction on proper architect's, engineer's, or contractor's certificates. All money in escrow after reconstruction has been completed shall be paid to Lessee.

- B. In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all improvements on the leased premises during the last five (5) years of the term of this Lease, Lessee shall have the option to reconstruct said improvements. Lessee shall provide Lessor with a written notice of the exercise of Lessee's reconstruction option within ninety (90) days of the event of damage giving rise to Lessee's reconstruction option. Should Lessee exercise its option to reconstruct, Lessee shall commence reconstruction of the damaged improvements within nine months of Lessee's exercise of its reconstruction option and shall diligently pursue the reconstruction to completion. Should Lessee not exercise its option to reconstruct, this Lease shall terminate one hundred and twenty (120) days after the event of damage giving rise to Lessee's reconstruction option. The leased premises shall be cleared of debris at Lessee's expense prior to termination of the Lease. Lessee shall not be charged rent during the period of debris removal unless Lessee occupies the leased premises beyond the Lease termination date, after which the Lessee will be charged hold over rental as provided in Section 33. In the event Lessee does not reconstruct, all insurance

proceeds attributable to the loss of improvements shall be paid to Lessor.

- C. Any encumbrancer shall be named as a beneficiary under all insurance policies required by this paragraph and in the event of loss or damage to the buildings on the leased property while an approved encumbrance remains unpaid, the amount of such loss or damage (but not exceeding the remaining balance of the approved encumbrance) shall be paid to the encumbrancer on the condition that the encumbrancer agrees to comply with the reconstruction obligations set forth herein. If such amount paid to the encumbrancer is sufficient to repair the loss or damage with respect to which it was paid, or if Lessor or Lessee shall within three (3) months after such payment by the insurer to the encumbrancer deposit with the encumbrancer enough money to completely repair the loss or damage, when added to the amount paid by the insurer to the encumbrancer, the encumbrancer shall, upon written order of Lessor or Lessee, pay such monies for such repair, and it shall not be deemed a payment or credit on the encumbrance; but otherwise, at the expiration of such three (3) months said sum so paid by the insurer to the encumbrancer shall be applied and credited upon the approved encumbrance. It is understood and agreed that nothing stated herein shall relieve Lessee of its obligation to repair and/or replace the damaged improvement to a condition as good or better than before the damage occurred.

23. INDEMNIFY, DEFEND AND HOLD HARMLESS

Except for Lessor's Negligence, Lessee shall indemnify, protect, defend and hold harmless the Lessor and the United States from and against any and all claims, loss of rents and/or damages, costs, liens, judgments, penalties, permits, attorney's or consultant's fees, expenses and/or liabilities arising out of, involving, or dealing with, the occupancy of the Premises by Lessee, the conduct of the Lessee's business, any act, omission or neglect of Lessee, its agents, contractors, employees or invitees, and out of any Default or Breach by Lessee in the performance in a timely manner of any obligation on the Lessee's part to be

performed under this Lease. The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not litigated and/or reduced to judgment, and whether well-founded or not. In case any action or proceeding be brought against Lessor or the United States by reason of any of the foregoing matters, Lessee, upon notice from any Lessor or the United States, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and the United States, and the Lessor and the United States shall cooperate with Lessee in such defense.

24. FINANCIAL RESPONSIBILITY FOR STORAGE TANKS

If Lessee or Sublessee installs or operates storage tanks on the leased property, the Lessee or Sublessee shall post a bond, obtain insurance or provide such other evidence of financial responsibility that meets all the requirements of 40 C.F.R. Part 280, Subpart H regardless of whether the storage tank in question is an above-ground or underground storage tank. Lessee shall provide proof of this bond, insurance, or other qualifying financial responsibility mechanism to the Risk Management Department of the Navajo Nation contemporaneous with Lessee's submission of proof of other bonds or insurance to the Secretary. This bond or insurance shall remain in effect for the term of the base lease or sublease, and any renewals thereof, and shall not be released or terminated until such time as the Risk Management Department of the Navajo Nation certifies that the facility is in compliance with all applicable law and regulations, or that the tanks have been removed and the site has been remediated, or that the base lease or sublease has been transferred and the new operator has provided proof of an adequate bond, insurance or otherwise satisfied the 40 C.F.R. Part 280, Subpart H financial responsibility requirements. It shall be the responsibility of the Lessee and the Sublessee to provide the Risk Management Department of the Navajo Nation with all proof required for release of bond or termination of insurance coverage, following which the Risk Management Department of the Navajo Nation shall have ninety days to make the certifications required by this paragraph. If the Risk Management Department of the Navajo Nation fails to act within ninety days, the bond or insurance shall be released.

25. EMINENT DOMAIN

If, at any time during the term of this Lease, the leased premises or any part thereof is taken or condemned under the laws of eminent domain, then and in every such case, the leasehold estate and interest of the Lessee in said premises or part thereof taken shall forthwith cease and terminate. All compensation awarded by reason of any takings of the leased land and any taking of or injury to the buildings or improvements located thereon shall be awarded to the Lessee and the Lessor as their interests appear at the time of such taking provided that Lessee's right to such awards shall be subject to the rights of an encumbrancer to receive such awards as set out in an approved encumbrance. The rental thereafter payable hereunder to the remainder of the terms of this Lease shall be reduced in the proportion that the value of the entire premises is reduced by such taking or condemnation or, at Lessee's option, this Lease shall terminate.

26. DEFAULT

A. Time is declared to be of the essence of this Lease. Should Lessee default in any payment of monies when due, fail to post bond or be in violation of any other provision of this Lease, said violation may be acted upon by the Secretary in accordance with Title 25, Chapter 1, Part 162 of the Code of Federal Regulations or any amendments thereto if the violation is not cured within thirty (30) days of Lessee's receipt of written notice of the violation, or if a cure is not initiated within thirty (30) days and diligently prosecuted to completion. In addition to the rights and remedies provided by the aforementioned regulations, Lessor or the Secretary, under applicable law, may exercise the following options upon Lessee's uncured default as authorized by applicable laws:

- (1) Collect, by suit or otherwise, all monies as they become due hereunder, or enforce, by suit or otherwise, Lessee's compliance with all terms of this Lease; or

- (2) Re-enter the premises if the lessee has abandoned premises or has failed to conduct business for an extended period of time without notice, and remove all persons and property therefrom, excluding the property belonging to authorized Sublessees, and re-let the premises without terminating this Lease as the agent and for the account of Lessee, but without prejudice to the right to terminate the Lease thereafter, and without invalidating any right of Lessor and the Secretary or any obligations of Lessee hereunder. The terms and conditions of such re-letting shall be in the reasonable discretion of Lessor who shall have the right to alter and repair the premises and to re-let with or without any equipment or fixtures situated thereon. Rents from any such re-letting shall be applied first to the reasonable expense of re-letting, collection, altering, and repairing, including attorney's fees, insurance, taxes and assessments and thereafter toward payment to liquidate the total liability of Lessee. Lessee shall pay to Lessor monthly when due, any deficiency and Lessor or the Secretary may sue thereafter as each monthly deficiency shall arise; or
- (3) Take any other action deemed necessary to protect any interest of Lessor.
- B. No waiver of a breach of any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant of this Lease.
- C. Exercise of any of the remedies outlined in this Lease shall not exclude recourse to any other remedies, by suit or otherwise, which may be exercised by either party or the Secretary or any other rights or remedies now held or which may be held in the future.
- D. If any approved encumbrancer shall give Lessor, before any default shall have occurred in this Lease, a written notice containing the name and address and the interest in the premises of such encumbrancer, Lessor

shall thereafter give to such encumbrancer a copy of each notice of default by Lessee at the same time as such notice of default shall be given by Lessor to Lessee. Lessor shall accept such encumbrancer's performance of any of Lessee's covenants or other obligations under this Lease, with the same force and effect as though performed by Lessee. Upon providing such written notice, the encumbrancer shall have standing to pursue any appeals permitted by applicable federal statutes and regulations that Lessee would be entitled to pursue. Further, Lessor shall not terminate the Lease if an encumbrancer has commenced and is diligently pursuing a foreclosure action to terminate Lessee's interest in said Lease and has cured or is taking action to cure the breach that is the cause of the termination.

27. ATTORNEY'S FEES

Each party will pay and discharge its own attorney's fees and expenses that it may incur in enforcing provisions of this Lease.

28. NO PARTNERSHIP

No term of this agreement shall be so construed as to provide that a partnership exists between Lessor and Lessee; the only relationship between the parties being that of Landlord and Tenant.

29. TERMINATION OF FEDERAL TRUST

Nothing contained in this Lease shall operate to delay or prevent a termination of Federal Trust responsibilities with respect to the land by the issuance of a fee patent or otherwise during the term of this Lease; however, such termination shall not serve to abrogate the Lease. The owners of the land and Lessee and their surety or sureties shall be notified of any such change in the status of the land.

30. OBLIGATIONS OF LESSEE

While the leased premises are in trust or restricted status, all of Lessee's obligations under this Lease, and the obligations of their sureties, are to the United States as well as to the Lessor.

31. STATUS OF SUBLEASES

Termination of this Lease, by cancellation or otherwise, shall not serve to cancel approved subleases and/or subtenancies, but shall operate as an assignment to Lessor, without merger of the Lease and sublease or subtenancy, of any and all such subleases and/or subtenancies.

32. NOTICES AND DEMANDS

- A. All notices, demands, requests or other communications to or upon either party provided for in this Lease, or given or made in connection with this Lease, shall be in writing and shall be addressed as follows:

To or upon Lessor:

President
The Navajo Nation
Post Office Box 9000
Window Rock, Navajo Nation (Arizona) 86515

Telefax: 1-520-871-4025

To or upon Lessee:

Sandia Oil Company, Inc.
Attn: Doug Adams
P.O. Box 13630
Albuquerque, New Mexico 87192

Telefax: 1-505-294-4821

Copy to:

Telefax: 1-505-722-9490

Copies to:

Executive Director
Division of Economic Development
Post Office Box 663
Window Rock, Navajo Nation (Arizona) 86515

Telefax: 1-520-871-7381

- B. Notices shall be effective and shall be deemed delivered when dispatched and may be delivered by personal delivery, registered or certified mail, or by facsimile transmission followed by surface mail.
- C. Copies of all notices shall be sent to the Secretary or his authorized representative at:

Regional Director
Navajo Region
Bureau of Indian Affairs
P.O. Box 1060
Gallup, New Mexico 87305-1060

- D. Lessor and Lessee may at any time change its address for purposes of this Section by notice.

33. INSPECTION

The Secretary and Lessor and their authorized representatives shall have the right, at any reasonable time during normal business hours and during the term of this Lease, to enter upon the leased premises, or any part thereof, to inspect the same and all buildings and other improvements erected and placed thereon for purposes, including, but not limited to, conditions affecting the health, safety and welfare of those entering the premises, the protection of the leased premises, any improvements thereto or any adjoining property or uses, or compliance with applicable environmental health or safety laws and regulations. No showing of probable cause shall be required for such entry and inspection. If testing for environmental

contamination reveals environmental contamination in violation of applicable law, Lessee shall pay the costs of such testing. Nothing in this paragraph shall limit Lessee's obligation under applicable law or this Lease to perform testing or remediation or otherwise limit Lessee's liability.

34. HOLDING OVER AND LEASE EXTENSION FOR REMEDIATION

- A. Holding over by the Lessee after the termination of this Lease shall not constitute a renewal or extension thereof or give the Lessee any rights hereunder in or to the leased premises. Lessee agrees to pay as hold over rental a daily rental computed at the rate of the daily rental charged during the year immediately preceding termination of the Lease from the day following the termination date of the Lease until the Lessee vacates the premises.
- B. If at the expiration of the term of the Lease, or the expiration of any extension of the term of the Lease, Lessee has not completed all removal and remediation required by this Lease and applicable law, the term of this Lease shall automatically be extended until the Phase Two audit required by this Lease to be performed during the last year of the term of this Lease under Paragraph 34(B), and any required removal and remediation is completed. Extension of the Lease pursuant to this paragraph does not extend Lessee's right to occupy the premises for purposes of conducting the business activities, described in the provision entitled "Purpose, Unlawful Uses" of the Lease. Rather, extension of the Lease pursuant to this paragraph gives the Lessee or Lessee's agents the right to occupy the leased premises solely for the purposes of performing any necessary environmental audit(s) and any necessary remediation. During any extension of the Lease term pursuant to this paragraph Lessee shall pay rent at the rate at which rent obligations accrued during the last twelve months of the Lease's term. Lessor may, at its discretion, cancel the Lease extension set forth in this section with or without cause.

35. ENVIRONMENTAL AUDITS AND COMPLIANCE DOCUMENTS

- A. Entry Audit: If storage tanks are located at the Lease site, the Lessee will supply the Navajo Nation Environmental Protection Agency, the Division of Economic Development and the Risk Management Department of the Navajo Nation with a complete copy of the report and underlying data generated in preparation of a Phase Two environmental audit before Lessee places any regulated substance in the storage tanks or releases any regulated substances from the storage tanks. Lessee shall notify the Navajo Nation Environmental Protection Agency and Risk Management Department at the addresses provided in Section 20 and shall notify the Division of Economic Development at the Regional Business Development Office responsible for supervision of the leased premises.

The Lessee shall notify the Risk Management Department of the Navajo Nation, or any institutional successor, of the firm chosen to perform the Phase Two Environmental audit prior to the performance of such audit. Lessor may accept or decline the choice of environmental auditor within twenty (20) days of written notice by Lessee. If Lessor does not respond within twenty days of the Lessee's written notice, the environmental auditor is deemed accepted. If, however, the most recent prior tenant of the premises of the Navajo Nation has performed a Phase Two environmental audit on the premises at or after the termination of the prior tenancy, Lessee is not required to perform a Phase Two environmental audit if Lessee agrees to be conclusively legally bound by the findings of the above referenced Phase Two environmental audit.

- B. Environmental Audit(s): Lessee shall pay to the Navajo Nation the amount of \$15,000 which will be held by the Navajo Nation during the term of the Lease. One year after Lessee's rental obligation commences Lessee shall pay \$5,000 toward payment of the \$15,000 and shall pay \$5,000 at the end of second and third years of Lessee's rent payment obligation.

This sum is in addition to any other rental obligations of Lessee. This sum shall be used to pay for a Phase Two environmental audit to be performed during the last year of the Lease and any other environmental audit(s) during the term of the Lease which Lessor determines, based on probable cause, to be reasonably necessary to ascertain whether environmental contamination by regulated substances has occurred. The Risk Management Department of the Navajo Nation shall determine whether an audit shall be performed.

If Lessor determines an environmental audit should be performed at the leased premises prior to the Lessee's deposit of the entire \$15,000 deposit and the amount deposited is insufficient to pay for the environmental audit, and the environmental audit determines regulated substances are unlawfully present, Lessee shall, upon written demand by Lessor, promptly deposit with Lessor an amount sufficient to pay for the environmental audit or to bring Lessee's deposit to \$15,000, whichever is less. If Lessor performs an environmental audit pursuant to this article during the term of the Lease which finds regulated substances unlawfully present and which is financed by all or part of the above referenced sum, Lessee shall, at the end of the year in which the audit is completed, deposit funds with the Navajo Nation sufficient to re-establish the amount deposited prior to the audit and to reimburse the Navajo Nation for any amount the Navajo Nation spent on the environmental audit in excess of the \$15,000 deposit.

The deposit shall be kept in an interest bearing account by the Division of Finance on behalf of the Lessee to meet the expenses of the obligations stated above. At the termination of the Lease and upon completion of all environmental audits, removal and remediation to be performed on the premises, the Navajo Nation shall return any of the money deposited to the Lessee which was not spent to conduct environmental audits of the leased premises or to remediate or remove regulated substances which were released on the leased premises.

Nothing stated herein shall be construed to limit Lessee's liability for costs associated with investigation, or remediation, of regulated substances located on the leased premises including Lessee's liability for litigation costs and attorneys fees.

36. LEASE REQUIREMENTS NOT EXCLUSIVE

Nothing in this Lease shall be construed to relieve Lessee of any obligations pursuant to any Federal or Navajo Nation law for the protection of the environment or the public health, safety, or general welfare which is currently enacted or which may be enacted at a later date.

37. DELIVERY OF PREMISES

At the termination of this Lease, Lessee will peaceably and without legal process deliver up the possession of the leased premises, in good condition, usual wear and tear excepted.

38. NAVAJO PREFERENCE

Unless prohibited by applicable law, in connection with all employment and contracting opportunities on the leased premises Lessee shall give preference in employment and contracting to Navajo individuals and certified contractors in compliance with the Navajo Preference in Employment Act, 15 N.N.C. §§ 601 et seq. ("NPEA"), and the Navajo Nation Business Preference Law, 5 N.N.C. §§ 201 et seq. ("NNBPL"). The terms and provisions of the NPEA and NNBPL are specifically incorporated in and become a part of this Lease. Violation of such laws by the Lessee shall constitute a breach of this Lease and provide grounds for suspension or termination of the Lease unless cured by Lessee, or any other remedy prescribed by the NPEA and NNBPL.

39. MINERALS

All minerals, including sand and gravel, contained in or on the lease premises are reserved for the use of Lessor. Lessor also reserves the right to enter upon the leased premises and search for and remove minerals located thereon, paying just compensation for any damage or injury caused to

Lessee's business operations, personal property or improvements constructed by Lessee.

40. SUCCESSORS AND ASSIGNS

The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, employees and agents, including all contractors and subcontractors, of the parties. Except as the context otherwise requires, the term "Lessee," as used in this Lease, shall be deemed to include all of Lessee's successors, heirs, assigns, executors, administrators, employees and agents.

41. INTEREST OF MEMBER OF CONGRESS

No member of, or delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise herefrom, but this provision shall not be construed to extend to this Lease if made with a corporation or company for its general benefit.

42. USE OF NAVAJO PRODUCED GOODS AND SERVICES

Unless prohibited by applicable law, Lessee agrees to make all purchases of materials, equipment, goods, services and transportation from Navajo-owned businesses listed as entitled to preference by the Navajo Nation Division of Economic Development Business Regulatory Department, whenever such purchase is economically feasible, as required by Navajo law.

43. AGREEMENT TO ABIDE BY NAVAJO AND FEDERAL LAWS

The Lessee and the Lessee's employees, agents, and sublessees and their employees and agents agree to abide by all laws, regulations, and ordinances of the Navajo Nation, and all applicable laws, regulations and ordinances of the United States, now in force and effect or as may be hereafter in force and effect.

44. GOVERNING LAW AND CHOICE OF FORUM

Except as may be prohibited by applicable federal law, the laws of the Navajo Nation shall govern the construction, performance and enforcement of this Lease. Any action or proceeding brought by Lessee against the Navajo Nation in connection with or arising out of the terms and conditions of this Lease shall be brought only in the Courts of the Navajo Nation, and no action or proceeding shall be brought by Lessee against the Navajo Nation in any court or administrative body of any state.

45. CONSENT TO JURISDICTION

The parties hereby consents to the legislative, executive and judicial jurisdiction of the Navajo Nation in connection with all activities conducted by the parties under this Lease and within the Navajo Nation.

46. COVENANT NOT TO CONTEST JURISDICTION

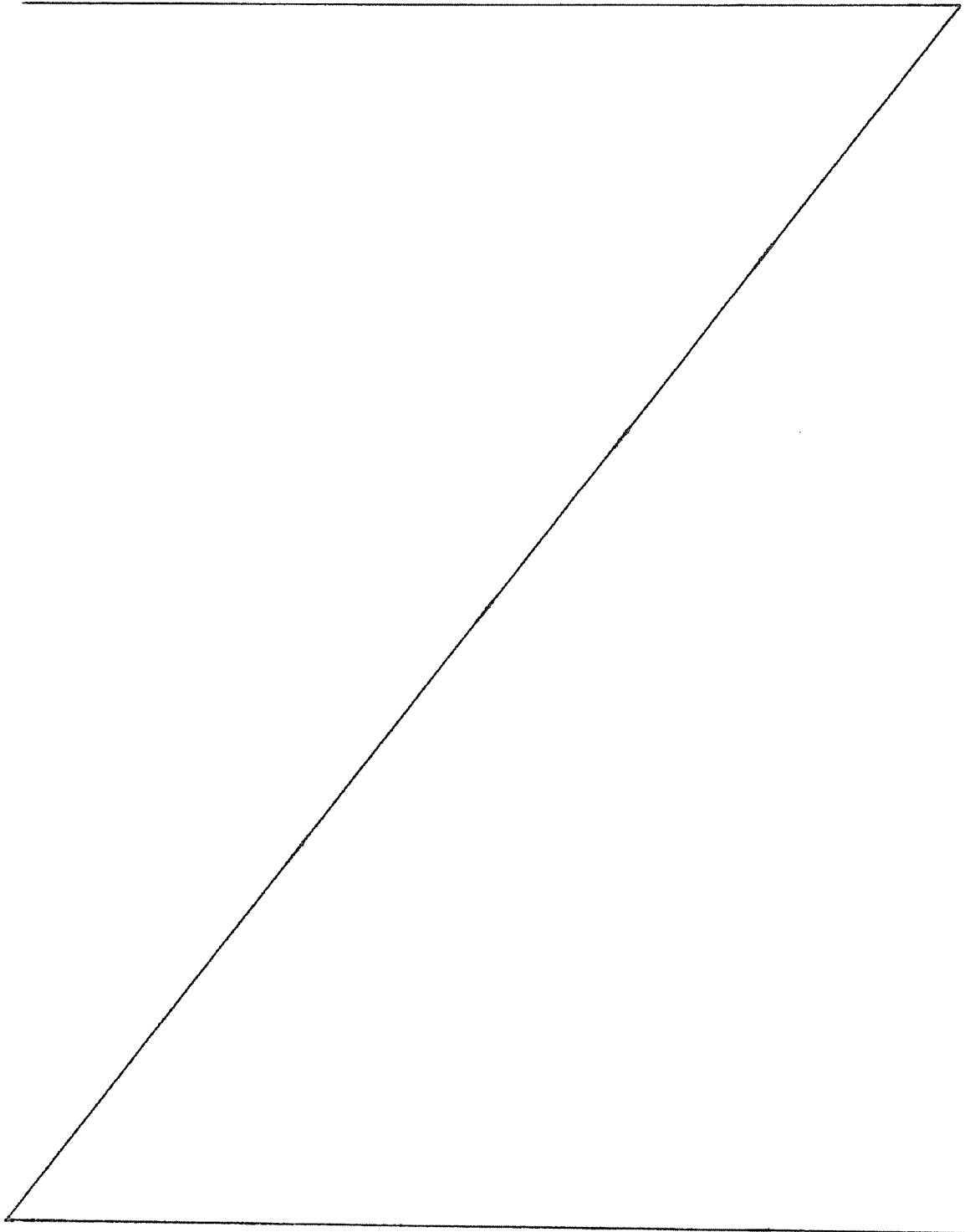
Lessee hereby covenants and agrees that in connection with this Lease, it will never contest or challenge the legislative, executive or judicial jurisdiction of the Navajo Nation on the basis that such jurisdiction is inconsistent with the status of the Navajo Nation as an Indian nation, or that the Navajo Nation government is not a government of general jurisdiction, or that the Navajo Nation government does not possess full police power (i.e., the power to legislate and regulate for the general health and welfare) over all lands, persons and activities within its territorial boundaries, or on any other basis not generally applicable to similar challenges to the jurisdiction of a state government. Nothing in this Section shall be construed to negate or impair federal responsibilities with respect to the Leased Premises or to the Navajo Nation.

47. NO WAIVER OF SOVEREIGN IMMUNITY

Nothing in this Lease shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.


48. VALIDITY

This Lease, and any modification of or amendment to this Lease, shall not be valid or binding upon either party hereto until approved by the Secretary.



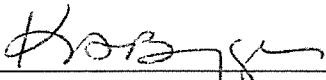
IN WITNESS WHEREOF, the parties hereto have set their hands.

SANDIA OIL COMPANY, INC., LESSEE

By: 
Its President

Date: 1-10-2001

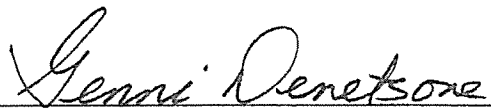
THE NAVAJO NATION, LESSOR

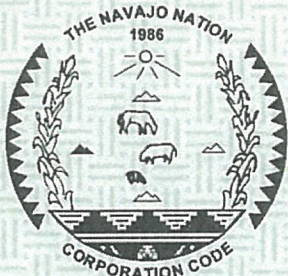
By: 
President, Navajo Nation

Date: 3-22-01

APPROVED: MAY 25 2001

Pursuant to Secretarial Redlegation Order
209 DM 8, 230 DM 1 and 3 IAM 4


ACTING Regional Director, Navajo Region
BUREAU OF INDIAN AFFAIRS



NAVAJO NATION CORPORATION CODE

CERTIFICATE OF GOOD STANDING

To all to Whom these Presents Shall Come, Greetings:

I, the Director of the Business Regulatory Department, DO HEREBY CERTIFY
that

MEDICINECHILD, LLC

File Number: 102816

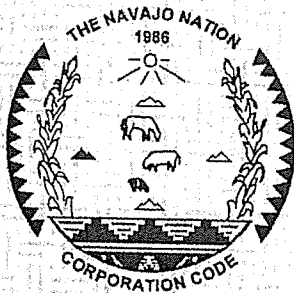
a Corporation organized under the laws of the Navajo Nation Corporation Act, did
incorporate on May 23rd, 2022.

I FURTHER CERTIFY that this corporation has filed all affidavits and annual
reports and has paid all annual filing fees required to date and, therefore, is in good
standing within the Navajo Nation.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the official seal of the
Navajo Nation Corporation Code. Done at
Window Rock, Arizona, the Capital of the
Navajo Nation, this 7th
day of June, 2022 A.D.

Director, Business Regulatory
Division of Economic Development
Notah C. Silversmith



NAVAJO NATION LIMITED LIABILITY COMPANY ACT

CERTIFICATE OF AUTHORITY

To all to Whom these Presents Shall Come, Greeting:

I, the Manager of the Business Regulatory Department, DO HEREBY CERTIFY
that

MEDICINECHILD, LLC

File Number: 102816

a Limited Liability Company organized under the laws of the STATE OF
ARIZONA was on the 23rd day of
May, 2022, authorized to transact business with the Navajo
Nation as a FOREIGN Limited Liability Company.

I FURTHER CERTIFY that this Limited Liability Company has filed all affidavits
and required documents and paid all filing fees required and, therefore, is registered as a
Foreign Limited Liability Company with the Navajo Nation.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the official seal of the
Navajo Nation Limited Liability Company Act
at Window Rock, Arizona, this 7th

day of June, 2022 A.D.

Notah C. Silversmith

Manager, Business Regulatory Department
Notah C. Silversmith

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

Medicinechild, LLC

ACC file number: 23328029

was incorporated under the laws of the State of Arizona on 02/01/2022, and that, according to the records of the Arizona Corporation Commission, said limited liability company is in good standing in the State of Arizona as of the date this Certificate is issued.

This Certificate relates only to the legal existence of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: 05/26/2022



A handwritten signature in black ink, reading "Matthew Neubert", written over a horizontal line.

Matthew Neubert, Executive Director

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

The Executive Director of the Arizona Corporation Commission does hereby certify that the attached copy of the following document:

ARTICLES OF ORGANIZATION, 02/01/2022

consisting of 1 pages, is a true and complete copy of the original of said document on file with this office for:

MEDICINECHILD, LLC
ACC file number: 23328029

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed the official seal of the Arizona
Corporation Commission on this 20 Day of May,
2022 A.D.



Matthew Neubert

Matthew Neubert, Executive Director

By:

Deasha Jackson
DEASHA JACKSON

ARTICLES OF ORGANIZATION OF LIMITED LIABILITY COMPANY

ENTITY INFORMATION

ENTITY NAME: MEDICINECHILD, LLC
ENTITY ID: 23328029
ENTITY TYPE: Domestic LLC
EFFECTIVE DATE: 02/01/2022
CHARACTER OF BUSINESS: retail
MANAGEMENT STRUCTURE: Manager-Managed
PERIOD OF DURATION: Perpetual
PROFESSIONAL SERVICES: N/A

STATUTORY AGENT INFORMATION

STATUTORY AGENT NAME: Mangum, Wall, Stoops & Warden, PLLC
PHYSICAL ADDRESS: 112 N. Elden, FLAGSTAFF, AZ 86001
MAILING ADDRESS: 112 N. Elden, FLAGSTAFF, AZ 86001

PRINCIPAL ADDRESS

112 N. Elden, FLAGSTAFF, AZ 86001

PRINCIPALS

Manager: Carlotta Willeto - P.O. Box 2932, WINDOW ROCK, AZ, 86515, USA - - Date of Taking Office:
Member: Alberta Mason - P.O. Box 2932, WINDOW ROCK, AZ, 86515, USA - - Date of Taking Office:

ORGANIZERS

Carlotta Willeto

SIGNATURES

Organizer: Carlotta Willeto - 02/01/2022

Arizona Corporation Commission Corporations Division

Website Entity Detail. <http://ecorp.azcc.gov/>

Entity Details

Entity Name:	MEDICINECHILD, LLC	Entity ID: 23328029
Entity Type:	Domestic LLC	Entity Status: Active
Formation Date:	2/1/2022	Reason for Status: <u>In Good Standing</u>
Approval Date:	2/1/2022	Status Date:
Original Incorporation Date:	2/1/2022	Life Period: Perpetual
Business Type:	retail	Last Annual Report Filed:
Domicile State:	Arizona	Annual Report Due Date:
Years Due:		

Statutory Agent Information

Name:	Mangum, Wall, Stoops & Warden, PLLC	Appointed Status: Active 2/1/2022
Attention:		
Address:	112 N. Elden, FLAGSTAFF, AZ 86001, USA	Agent Last Updated: 2/1/2022
Attention:		Mailing Address: 112 N. Elden, FLAGSTAFF, AZ 86001, USA
E-mail:	bkavanagh@mwsowlaw.com	County: Coconino

Principal Information

Title	Name	Address	Date of Taking Office	Last Updated
Manager	Carlotta Willetto	P.O. Box 2932, WINDOW ROCK, AZ, 86515, Apache County, USA		2/1/2022
Member	Alberta Mason	P.O. Box 2932, WINDOW ROCK, AZ, 86515, Apache County, USA		2/1/2022

Entity Known Place of Business

Arizona Corporation Commission Corporations Division
Website Entity Detail. <http://ecorp.azcc.gov/>

Address:	112 N. Elden, FLAGSTAFF, AZ, 86001, USA	County:	Coconino	Last Updated:	2/1/2022
----------	--	---------	----------	---------------	----------

Entity Principal Office Address

Address:	County:	Last Updated:
----------	---------	---------------

MEDICINECHILD, LLC 05/22
DBA NAATSEDLOZII ONE STOP
ROUTE 12/HWY 264
WINDOW ROCK, AZ 86515

1003

31-297/1240 2741

DATE May 23, 2022

PAY TO THE
ORDER OF Navajo Nation Division of Economic Development \$ 10.00

Ten dollars and 00/100

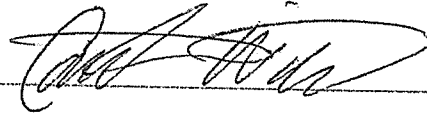
DOLLARS

 Security
Features
Details on
Back.



Wells Fargo Bank, N.A.
Utah
wellsfargo.com

FOR Registration of Foreign LLC w/ NN



MP

⑈0000001003⑈ ⑆12400297⑆ 9021372272⑈

5/17/2022

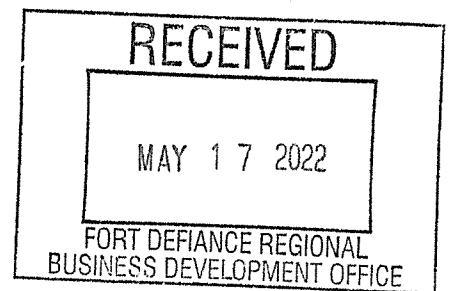
To Whom It May Concern,

I, Alberta Mason, am authorized to sign on behalf of MedicineChild, LLC.

Respectfully,

A handwritten signature in cursive script that reads "Alberta Mason".

Alberta Mason
Owner, MedicineChild, LLC





NAVAJO NATION CORPORATION CODE

CERTIFICATE OF GOOD STANDING

To all to Whom these Presents Shall Come, Greetings:

I, the Director of the Business Regulatory Department, DO HEREBY CERTIFY
that

SANDIA OIL COMPANY, INC.

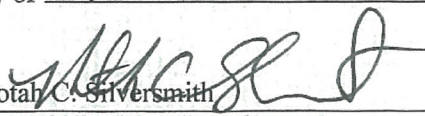
File Number: 100009

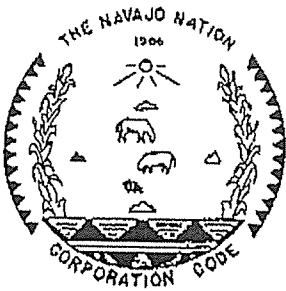
a Corporation organized under the laws of the Navajo Nation Corporation Act, did
incorporate on January 30, 1987

I FURTHER CERTIFY that this corporation has filed all affidavits and annual
reports and has paid all annual filing fees required to date and, therefore, is in good
standing within the Navajo Nation.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the official seal of the
Navajo Nation Corporation Code. Done at
Window Rock, Arizona, the Capital of the
Navajo Nation, this 24th
day of September, 2021 A.D.


Notah C. Silversmith
Director, Business Regulatory
Division of Economic Development



NAVAJO NATION CORPORATION CODE

CERTIFICATE OF AUTHORITY

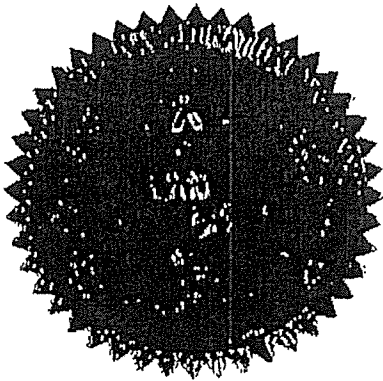
To all to Whom these Presents Shall Come, Greeting:

I, the Director of the Business Regulatory Department, DO HEREBY CERTIFY that

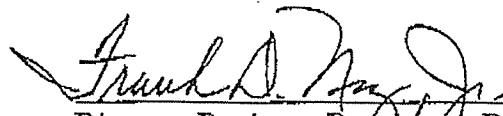
SANDIA OIL COMPANY, INC.

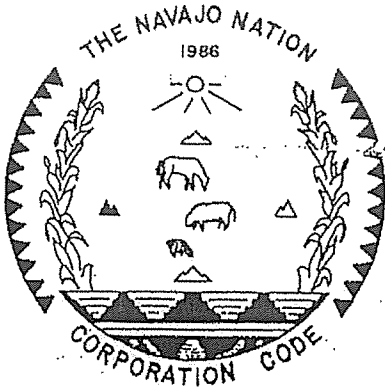
a CORPORATION organized under the laws of the STATE OF _____
New Mexico was on the _____ 14th _____ day of
September _____, 2000, authorized to transact business within
the Navajo Nation as FOREIGN CORPORATION.

I FURTHER CERTIFY that this corporation has filed all affidavits and annual reports and paid all annual filing fees required to date and, therefore, is in good standing within the Navajo Nation.



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed the official seal
of the Navajo Nation Corporation Code.
Done at Window Rock, the Capital of the
the Navajo Nation, this _____ 14th _____
day of _____ September _____ 2000 A.D.


Director, Business Regulatory Department
Division of Economic Development



NAVAJO NATION CORPORATION CODE

CERTIFICATE OF AMENDMENT

To all to Whom these Presents Shall Come, Greetings

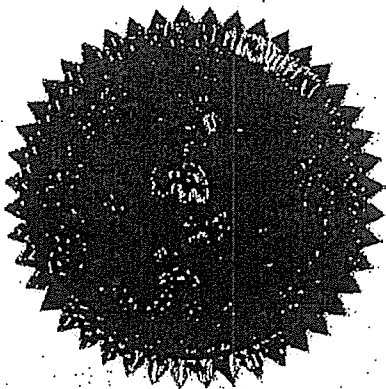
I, Director of the Business Regulatory Department, DO HEREBY CERTIFY that

SANDIA OIL COMPANY, INC.

File Number 100009

a Foreign Profit Corporation organized under the laws of the jurisdiction of the Navajo Nation, was issued a Certificate of Authority and was authorized to transact business within the Navajo Nation on 30th day of January, 1987.

I FURTHER CERTIFY THAT this corporation has filed an AMENDMENT to the ARTICLES OF INCORPORATION to reflect changes on ownership and new corporate board members on this 13th day of September, 2000.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Navajo Nation Corporation Code at Window Rock, Arizona, this

14th day of September

A.D. 2000

Director, Commerce Department

FILED

SEP 14 2000

SANDIA ACQUISITION COMPANY, INC.
CORPORATE RESOLUTION

Handwritten signature
Secretary
Department Director

Authorizing Sandia Acquisition Company to change its legal name to Sandia Oil Company, Inc.

WHEREAS:

1. Sandia Oil Company desires to sell its assets to Sandia Acquisition Company, and
2. Sandia Acquisition Company will keep all the employees of Sandia Oil Company and continue to operate the company in the same manner,
3. Sandia Oil Company has agreed to sell Sandia Acquisition Company, Inc. the name Sandia Oil Company, Inc.; therefore,

UPON MOTION DULY MADE AND SECONDED, IT WAS UNANIMOUSLY
RESOLVED THAT:

1. The Board of Directors of Sandia Oil Company hereby authorizes Sandia Acquisition Company to amend its articles of Incorporation to change its name to Sandia Oil Company, Inc.

CERTIFICATION

The following resolution was passed at a meeting of the Board of Directors of Sandia Oil Company. The meeting was held in its office located at 1016 Eubank Blvd. N.E. in Albuquerque, New Mexico at 2 p.m. on the 20th day of May 1999, with the following members (which constituted a quorum) present:

Doug Adams
Steve Beddingfield

May 20, 1999

Handwritten signature of Steve Beddingfield
Steve Beddingfield
Secretary

FILED

SEP 14 2000

SANDIA OIL COMPANY, INC.
CORPORATE RESOLUTION

MANUEL N. NICHOLSON, JR.
Secretary
Department of Energy

Authorizing Sandia Acquisition Company to change its legal name to Sandia Oil Company, Inc.

WHEREAS:

1. Sandia Oil Company desires to sell its assets to Sandia Acquisition Company, and
2. Sandia Acquisition Company will keep all the employees of Sandia Oil Company and continue to operate the company in the same manner, therefore

UPON MOTION DULY MADE AND SECONDED, IT WAS UNANIMOUSLY RESOLVED THAT:

1. The Board of Directors of Sandia Oil Company hereby authorizes Sandia Acquisition Company to amend its articles of Incorporation to change its name to Sandia Oil Company, Inc.

CERTIFICATION

The following resolution was passed at a meeting of the Board of Directors of Sandia Oil Company. The meeting was held in its office located at 1016 Eubank Blvd. N.E. in Albuquerque, New Mexico at 2 p.m. on the 19th day of May, 1999, with the following members (which constituted a quorum) present:

Elton Poor
Tony Bernitsky
Beverly Bernitsky
Joyce Poor

May 19, 1999

Beverly J. Bernitsky
Beverly Bernitsky
Secretary



FILED

SEP 14 2000

Frank D. Nye, Jr.
Secretary

OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF AMENDMENT

OF

SANDIA OIL COMPANY, INC.

3182953

The Public Regulation Commission certifies that duplicate originals of the Articles of Amendment attached hereto, duly signed and verified pursuant to the provisions of the BUSINESS CORPORATION ACT (53-11-1 to 53-18-12 NMSA 1978) have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate of Amendment and attaches hereto a duplicate original of the Articles of Amendment.

Dated: JUNE 11, 1999

In testimony whereof, the State Public Regulation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe

Linda M. Louie
Chairman

Willie M. Martinez
for Bureau Chief

STATE OF NEW MEXICO



FILED

SEP 14 2000

New Mexico Corporation Act
Frank A. Diaz
Department Director

OFFICE OF
THE STATE CORPORATION COMMISSION

CERTIFICATE OF INCORPORATION

OF

SANDIA ACQUISITION COMPANY, INC.

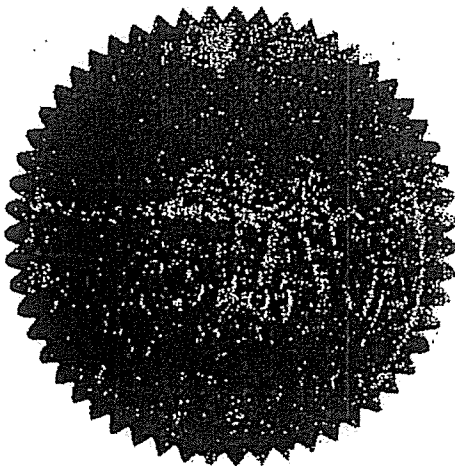
1966050

The State Corporation Commission certifies that duplicate originals of the Articles of Incorporation attached hereto, duly signed and verified pursuant to the provisions of the BUSINESS CORPORATION ACT (53-11-1 to 53-18-12 NMSA 1978) have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the State Corporation Commission issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

Dated: OCTOBER 16, 1998

In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the Seal of said Commission to be affixed at the City of Santa Fe

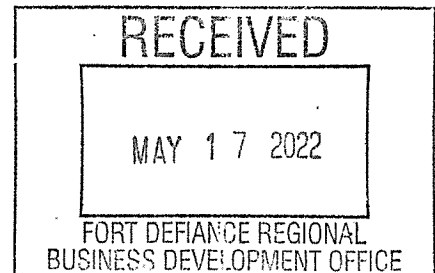


William D. Block
Chairman
[Signature]
Director



May 17, 2022

Mr. Mike Etsitty
Ft. Defiance RBDDO
P. O. Box 663
Window Rock, AZ 86515



Dear Mr. Etsitty:

I, Doug Adams, am the President and owner of Sandia Oil Company, Inc..

I am authorized to sign on behalf of Sandia Oil Company, Inc..

Thank you for your assistance, and if you need anything else, please ask.

Sincerely,

A handwritten signature in dark ink, appearing to read "Doug Adams".
Doug Adams
President

STATE OF NEW MEXICO



OFFICE OF
THE STATE CORPORATION COMMISSION

CERTIFICATE OF INCORPORATION

OF

SANDIA ACQUISITION COMPANY, INC.

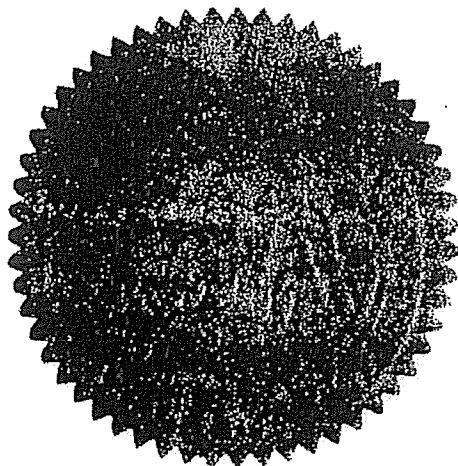
1966050



The State Corporation Commission certifies that duplicate originals of the Articles of Incorporation attached hereto, duly signed and verified pursuant to the provisions of the BUSINESS CORPORATION ACT (53-11-1 to 53-18-12 NMSA 1978) have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the State Corporation Commission issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

Dated: OCTOBER 16, 1998

In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the Seal of said Commission to be affixed at the City of Santa Fe




Chairman

Director

ARTICLES OF INCORPORATION
OF
SANDIA ACQUISITION COMPANY, INC.
A NEW MEXICO CORPORATION

OCT 6 1998

The undersigned, for the purpose of organizing a corporation under the Business Corporation Act of the State of New Mexico, does hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I

NAME

The name of the Corporation shall be Sandia Acquisition Company, Inc.

ARTICLE II

REGISTERED OFFICE AND AGENT

The initial registered office of said Corporation shall be 6400 Uptown Blvd. NE, Suite 600-West, Albuquerque, New Mexico 87110. The registered agent at that address is John N. Lieuwen.

ARTICLE III

DURATION

The Corporation shall have perpetual existence.

ARTICLE IV

PURPOSES

The Corporation is organized to engage in the establishment of and to maintain and operate grocery stores, convenience stores and stores of every kind and description; to sell gasoline, lubricating oil, automotive accessories and convenience store items, and to engage in any other business not prohibited by the laws of this state from being conducted by a corporation.

ARTICLE V

AUTHORIZED SHARES

The total authorized capital stock of the Corporation shall be One Hundred Thousand (100,000) shares without a par value, all of said shares being common stock, to be one class only and each shall carry full voting power and be unrestricted as to ownership, but subject to any limitations upon transfer set forth in the bylaws.

ARTICLE VI

PREEMPTIVE RIGHTS PROHIBITED

Preemptive rights shall not apply to the shareholders of this Corporation, except as the bylaws may otherwise provide.

ARTICLE VII

INDEMNIFICATION

Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the corporation or while a director of the corporation is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other incorporated or unincorporated enterprise, including service with respect to employee benefit plans or trusts, whether the basis of such proceeding is alleged action or inaction in an official capacity as a director, officer, partner, trustee, employee or agent or in any other capacity while serving as a director, officer, partner, trustee, employee or agent shall be indemnified and held harmless by the corporation to the fullest extent authorized by the New Mexico Business Corporation Act as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment), against all expense, liability and loss

(including attorneys' fees, judgments, fines, taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in this Article, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or a part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the New Mexico Business Corporation Act requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer of the corporation (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to employee benefit plans or trusts) in advance of the final disposition of a proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Article or otherwise. The corporation may, by action of its Board of Directors, provide indemnification and advance expenses to employees and agents of the corporation and others permitted to be indemnified by the New Mexico Business Corporation Act with the same scope and effect as the foregoing indemnification and advancement of expenses of directors and officers.

If a valid claim pursuant to the above provisions of this Article is not paid in full by the corporation within ninety (90) days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the New Mexico

Business Corporation Act for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the New Mexico Business Corporation Act, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the corporation's Articles of Incorporation, bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

The corporation may maintain insurance, at its expense, or provide alternative financial arrangements including but not limited to providing a trust, letter of credit or self-insurance to protect itself and any director, officer, partner, trustee, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other incorporated or unincorporated enterprise (including an employee benefit plan or trust) against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the New Mexico Business Corporation Act.

ARTICLE VIII

DIRECTORS

The Directors to serve until the first annual meeting shall not be less than two (2) in number and the names and mailing addresses of said first Directors, who shall hold office until their successors are chosen or appointed are:

Doug Adams

1016 Eubank Blvd. NE
Albuquerque, New Mexico 87112

Steve Beddingfield

1016 Eubank Blvd. NE
Albuquerque, New Mexico 87112

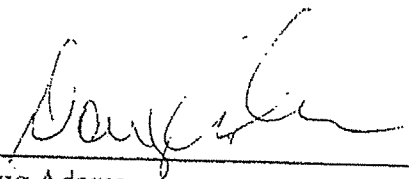
Cumulative voting for the election of Directors is permitted.

ARTICLE IX

INCORPORATOR

The incorporator is Doug Adams, whose address is: 1016 Eubank Blvd. NE, Albuquerque, New Mexico 87112.

IN WITNESS WHEREOF, the Articles of Incorporation have been signed by the incorporator
on the 14th day of October, 1998.



Doug Adams

VERIFICATION

STATE OF NEW MEXICO

)

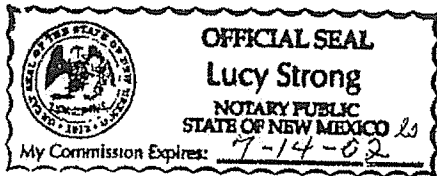
) ss.

COUNTY OF BERNALILLO

)

Doug Adams, being first duly sworn, states and verifies as follows:

That I am the sole incorporator who signed the foregoing Articles of Incorporation; that I have read the foregoing Articles of Incorporation; and that the statements contained therein are true and correct.



Doug Adams
Doug Adams

SUBSCRIBED AND SWORN to before me this 14th day of October, 1998.

My Commission Expires:

July 14, 2002

Lucy Strong
NOTARY PUBLIC

AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT

OCT 16 1998

To the State Corporation Commission, State of New Mexico

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

)
) ss.
)

On this 14th day of October, 1998, before me, a Notary Public in and for the State and County aforesaid, personally appeared John N. Lieuwen, who is to me known to be the person and who, being by me duly sworn, acknowledged to me that he does hereby accept appointment as the initial Registered Agent of Sandia Acquisition Company, Inc., the Corporation which is named in the annexed Articles of Incorporation, and which is applying for a Certificate of Incorporation pursuant to the provisions of the Business Corporation Act of the State of New Mexico.

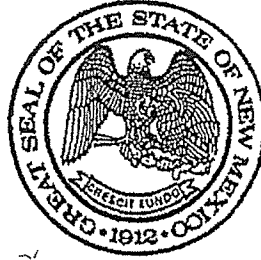
John N. Lieuwen
John N. Lieuwen

Subscribed and sworn to before me on the 14th day of October, 1998,
by John N. Lieuwen.

My Commission Expires:
6-23-2001

Kathleen C Maldonado
NOTARY PUBLIC

N:\LIEUWENS\SANDIA\SALE\AOI.WPD



OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF AMENDMENT

OF

SANDIA OIL COMPANY, INC.

3182953

The Public Regulation Commission certifies that duplicate originals of the Articles of Amendment attached hereto, duly signed and verified pursuant to the provisions of the BUSINESS CORPORATION ACT (53-11-1 to 53-18-12 NMSA 1978) have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate of Amendment and attaches hereto a duplicate original of the Articles of Amendment.

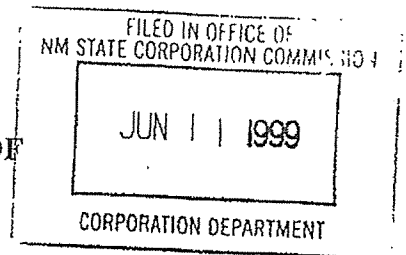
Dated: JUNE 11, 1999

In testimony whereof, the State Public Regulation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe

Linda M. Lomigay
Chairman

Willie M. Marten
for Bureau Chief

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION OF
SANDIA ACQUISITION COMPANY, INC.



Pursuant to Section 53-13-4 of the New Mexico Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to the Articles of Incorporation.

FIRST: The name of the Corporation is Sandia Acquisition Company, Inc.

SECOND: The following amendments to the Articles of Incorporation were adopted by shareholders of the corporation on June 5, 1999 in the manner prescribed by the New Mexico Business Corporation Act:

ARTICLE I is amended and shall read as follows:

"The name of the Corporation will be SANDIA OIL COMPANY, INC."

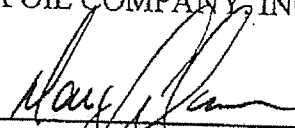
THIRD: The number of shares of the corporation outstanding at the time of such adoption was One Thousand (1000) and the number of shares entitled to vote thereon was One Thousand (1000).

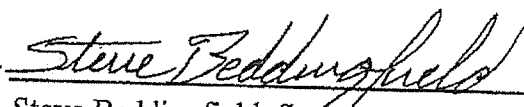
FOURTH: The number of shares voting for such amendment was One Thousand (1000), and the number of shares voting against such amendment was zero.

FIFTH: No exchange, reclassification, or cancellation of issued shares is provided for in the amendment.

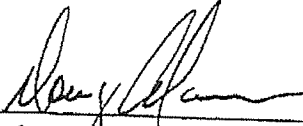
Dated: 6-5-99

SANDIA OIL COMPANY, INC.

By 
Doug Adams, President

By 
Steve Beddingfield, Secretary

The undersigned does hereby certify that he is one of the corporate officers who executed the foregoing document on behalf of the corporation, and that the statements contained therein are true and correct to the best of his knowledge.



Doug Adams, President

N:\LIEUWEN\SANDIA\ACQUISIAO\1.WPD

THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



June 21, 2022

Navajo Nation Resources & Development Committee:

Rickie Nez, Chairperson
Thomas Walker, Vice-Chairperson
Mark Freeland, Member
Wilson C. Stewart Jr, Member
Kee Allen Begay, Member
Herman M. Daniels, Member

RE: LEASE ASSIGNMENT BETWEEN SANDIA OIL COMPANY, INC. TO MEDICINECHILD, LLC.

Dear Committee,

The Fort Defiance Regional Business Development Office hereby respectfully submitting the attached requirements necessary for the approval of a Lease Assignment between Sandia Oil Company, Inc. to the MedicineChild, LCC.

Lease No. FD-01-202 was approved for twenty-five (25) years with the option to renew for another twenty-five (25) years on May 25, 2001 by the U.S. Department of Interior, Bureau of Indian Affairs for the purpose of General Merchandise, Quick Lube, Gasoline and Oil, Fast Food, Restaurant, Car Wash, RV Park, and Renting Vendor Spaces. The Lease expires on May 25, 2026.

The reason for this Lease Assignment is that Mr. Doug Adams (Non-Navajo) has expressed his wish to retire as the President of the Sandia Oil Company, Inc. and Alberta Mason (Navajo) will be assuming the Lease to continue the Gas Station, Market Place, Flea Market, and the Car Wash business operations at the Chi'hootso Indian Marketplace.

Time is of an essence due to the fact that the financial transaction between the businesses is due July 01, 2022; therefore, our office is requesting to expeditiously address and approve the transfer of the Lease without delay. Should you have any questions, please don't hesitate to call me at (928) 871-6546.

Respectfully,

A handwritten signature in black ink that reads 'L. Valteau'.

Libby Valteau, Program Manager
Fort Defiance Regional Business Development Office

ATTACHMENTS:

1. Executive Summary
2. Certificate of Good Standing (2)
3. Letter of Intent
4. Lease No. FD-01-202

FORT DEFIANCE REGIONAL BUSINESS DEVELOPMENT OFFICE

Post Office Box 663 • Window Rock, Navajo Nation (Arizona) 86515 • (928) 871-6486 • (928) 871-6476

Document No. 018509

Date Issued: 04/15/2022

EXECUTIVE OFFICIAL REVIEW

Title of Document: Assignment of Lease- Sandia Oil Company

Contact Name: ETSITTY, MIKE K

Program/Division: DIV. OF ECONOMIC DEVELOPMENT

Email: mketsitty@navajo-nsn.gov

Phone Number: 928-871-6486

☒ **Business Site Lease**

			Sufficient	Insufficient
1. Division:	<u>4/15/22</u>	Date: <u>4/18/2022</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Office of the Controller:	<u>4/25/22</u>	Date: <u>4/27/22</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review)				
3. Office of the Attorney General:		Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions**

1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Fund Management Plan, Expenditure Plans, Carry Over Requests, Budget Modifications**

1. Office of Management and Budget:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Navajo Housing Authority Request for Release of Funds**

1. NNEPA:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Lease Purchase Agreements**

1. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
(recommendation only)				
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Grant Applications**

1. Office of Management and Budget:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Five Management Plan of the Local Governance Act, Delegation of an Approving Authority from a Standing Committee, Local Ordinances (Local Government Units), or Plans of Operation/Division Policies Requiring Committee Approval**

1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Relinquishment of Navajo Membership**

1. Land Department:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Elections:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Land Withdrawal or Relinquishment for Commercial Purposes**

Sufficient Insufficient

1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Land Withdrawals for Non-Commercial Purposes, General Land Leases and Resource Leases**

1. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. DNR	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. DOJ	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Rights of Way**

1. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. OPVP	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Oil and Gas Prospecting Permits, Drilling and Exploration Permits, Mining Permit, Mining Lease**

1. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. OPVP	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Assignment of Mineral Lease**

1. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. DNR	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. DOJ	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **ROW (where there has been no delegation of authority to the Navajo Land Department to grant the Nation's consent to a ROW)**

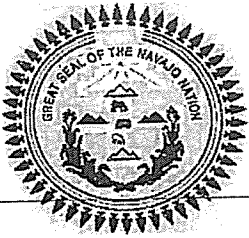
1. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. DNR	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. DOJ	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
8. OPVP	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **OTHER:**

1.	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2.	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3.	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4.	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5.	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

COPY

NAVAJO NATION DEPARTMENT OF JUSTICE



DOCUMENT REVIEW REQUEST FORM

☐ RESUBMITTAL



DOJ	
4/27/22 @ 3:52pm	
DATE / TIME	
<input type="checkbox"/> 7 Day Deadline	
DOC #:	18509
SAS #:	
UNIT:	ECOM

*** FOR NNDJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. ***

CLIENT TO COMPLETE

DATE OF REQUEST:	4/27/2022	DIVISION:	Of Economic Development
CONTACT NAME:	Mike Etsitty	DEPARTMENT:	Ft Defiance RBDO
PHONE NUMBER:	928-871-6840	E-MAIL:	mketsitty@navajo-nsn.gov
TITLE OF DOCUMENT: 164 # 18509- Assignment of Lease- Sandia Oil Company; Note: Tax Comm PC still pending.			

DOJ SECRETARY TO COMPLETE

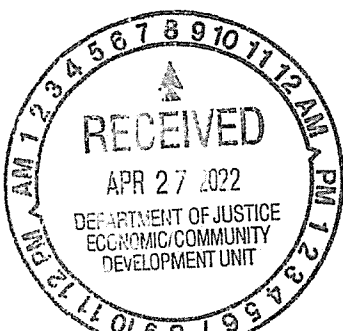
DATE/TIME IN UNIT:	4/27/2022 4:45 pm	REVIEWING ATTORNEY/ADVOCATE:	Frances Sjoberg
DATE TIME OUT OF UNIT:			

DOJ ATTORNEY / ADVOCATE COMMENTS

Legally Sufficient

REVIEWED BY: (Print)	Date / Time	SURNAMED BY: (Print)	Date / Time
Frances Sjoberg 161	6/11/2022 2:43pm	Katherine Belzowski 161	6/13/2022 11:19 AM
Email			
DOJ Secretary Called: Mike Etsitty for Document Pick Up on 6/13/2022 at 4:15pm By: W			
PICKED UP BY: (Print)		DATE / TIME:	

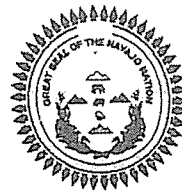
NNDJ/DRRF-July 2013



SCANNED
4/27/2022 FS

THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



CHECKLIST Business Site Lease Approving Committee DIVISION OF ECONOMIC DEVELOPMENT

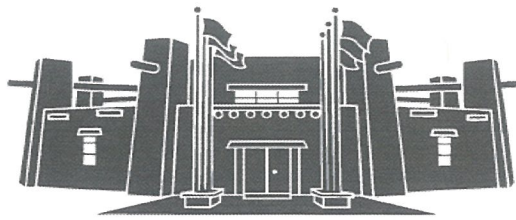
Requirements for Proposed Resolutions to be considered by the Committee

1. ☒ Proposed Resolution
2. ☒ Executive Summary (Lessee, Purpose, Location, Acreage, Rent)
3. ☒ Business Site Lease (Part I only); except when notations are outlined in "EXCEPTIONS TO STANDARD TERMS AND CONDITIONS." Attach the appropriate pages from Part II of the Business Site Lease and cite the sections.
4. ☒ Survey Plat
5. ☒ Certificate of Good Standing or Certificate of Incorporation (up-to-date)
6. Procurement Clearances (up-to-date):
 - a. ☒ Accounts Receivable, Office of the Controller
 - b. ☒ Credit Services Department, Office of the Controller
 - c. ☒ Support Services Department, Division of Economic Development
 - d. ☒ Navajo Office of Tax Commission
 - e. ☒ Navajo Nation Shopping Centers, Inc.
7. ☒ Environmental Summary
8. ☒ Market Data Research or Appraisal (Summary Only)
9. ☒ Correspondences (exchanged during the Administrative Review Process)
10. ☒ Administrative Review Form (signed sufficient by all reviewing offices)

The Business Site Lease Approving Committee, Division of Economic Development, will no longer accept incomplete Proposed Resolution packages. Incomplete packages will be returned to the Sponsor without action.

SUBMITTAL DEADLINE; Proposed Resolutions for consideration by the Approving Committee is 12 noon, the Wednesday before the meeting date.

AGENDA ISSUANCE; The Proposed Agenda is issued one day before the meeting date, Friday at 12 noon.



MEMORANDUM

TO: Honorable Wilson Stewart, Jr.
Crystal, Fort Defiance, Red Lake, Sawmill Chapters

FROM: Mariana Kahn
Mariana Kahn, Attorney
Office of Legislative Counsel

DATE: June 23, 2022

SUBJECT: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT; APPROVING THE ASSIGNMENT OF BUSINESS SITE LEASE NO. FD-01-202 FROM DOUG ADAMS DBA SANDIA OIL COMPANY, INC., TO ALBERTA MASON DBA MEDICINECHILD, LLC, TO CONTINUE THE OPERATION OF THE CHI'HOOTSO INDIAN MARKETPLACE IN WINDOW ROCK, NAVAJO NATION (ARIZONA)

I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting. Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge.

The Office of Legislative Counsel confirms the appropriate standing committee(s) based on the standing committees' powers outlined in 2 N.N.C. §§301, 401, 501, 601 and 701. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. §164(A)(5).

Please ensure that his particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction. If the proposed resolution is unacceptable to you, please contact me at the Office of Legislative Counsel and advise me of the changes you would like made to the proposed resolution.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0105-22_

SPONSOR: Wilson C. Stewart, Jr.

TITLE: An Action Relating to Resources and Development; Approving the Assignment of Business Site Lease No. FD-01-202 from Doug Adams DBA Sandia Oil Company, Inc., Alberta Mason DBA MedicineChild, LLC, to Continue the Operation of the Chi'hootso Indian Marketplace in Window Rock, Navajo Nation (Arizona)

Date posted: June 23, 2022 at 7:01PM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

**Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7586**

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

**THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY**

LEGISLATION NO.: 0105-22

SPONSOR: Honorable Wilson C. Stewart, Jr.

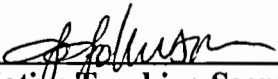
TITLE: An Action Relating to Resources and Development; Approving the Assignment of Business Site Lease No. FD-01-202 from Doug Adams DBA Sandia Oil Company, Inc., Alberta Mason DBA MedicineChild, LLC, to Continue the Operation of the Chi'hootso Indian Marketplace in Window Rock, Navajo Nation (Arizona)

Posted: June 23, 2022 at 7:01 PM

5 DAY Comment Period Ended: June 28, 2022

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Comments/Recommendations	<i>None</i>


**Legislative Tracking Secretary
Office of Legislative Services**

June 29, 2022; 8:15 AM
Date/Time