

RESOLUTION OF THE
RESOURCES AND DEVELOPMENT COMMITTEE
24th Navajo Nation Council --- Third Year, 2021

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT; APPROVING THE ASSIGNMENT
OF BUSINESS SITE LEASE NO. CH-00-117 FROM BASHAS' INC. TO
RALEY'S, ARIZONA LLC

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. § 501 (B)(2)(a), the Resources and Development Committee grants final approval for all non-mineral leases including modifications and assignments.

SECTION TWO. FINDINGS

- A. The Regional Business Development Office Executive Summary states that "[t]his Legislation is requesting Assignment of Business Site Lease No. CH-00-117 from BASHAS' INC., an Arizona Corporation to RALEY'S ARIZONA LLC, an Arizona limited liability company. Business Site Lease No. CH-00-117 was approved on April 10, 2000 by U.S. Department of the Interior, Bureau of Indian Affairs for a term of 35 years with no option to extend the term of this Lease. Lessee agrees to use the Leased premises for the purpose of conducting a General Food Market business. Said business is located in Pinon, Navajo Nation, Arizona. By letter dated November 1, 2021, the Purchase and Sale Agreement has been executed between the parties and [they] are seeking Lease Assignment approval from the Navajo Nation, Lessor and U.S. Department of Interior, Bureau of Indian Affairs. BASHAS INC., an Arizona Corporation is in compliance with the Navajo Nation Laws; therefore, the Navajo Nation recommends approval of the Lease Assignment of Business Site Lease No. CH-00-117 from Assignee, BASHAS' INC. to Assignor, RALEY'S ARIZONA LLC, an Arizona limited liability company." The Regional Business Development Office Executive Summary is attached as **Exhibit 2**.

- B. Memorandum dated November 1, 2021 from Bashas' Inc, regarding "Bashas' Inc.: Request for Department of Economic Development Assistance in processing Consent to Assignments" and BASHAS', INC, Navajo Nation Corporation Code Certificate of Good Standing are attached as **Exhibit 3**.
- C. Lease Number CH-00-117, "PINON SHOPPING CENTER LEASE, BASHAS' INC. LESSEE, NAVAJO NATION LESSOR, December 15, 1993-November 30, 2028" is attached hereto as **Exhibit 4**.
- D. The document ASSIGNMENT OF BUSINESS SITE LEASE NAVAJO NATION Lease Number CH-00-117 from BASHAS' INC., an Arizona Corporation, to RALEY'S, ARIZONA, LLC, an Arizona limited liability company is attached hereto as **Exhibit 1**.
- E. The Executive Official Review Document No. 017606 is attached as **Exhibit 5**. Executive Official Review Document No. 017606 includes reviews by the Division of Economic Development and the Office of the Attorney General dated November 8, 2021 and November 9, 2021, respectively, in which each office found the review "Sufficient."

SECTION THREE. APPROVAL OF ASSIGNMENT

- A. The Navajo Nation hereby approves ASSIGNMENT OF BUSINESS SITE LEASE NAVAJO NATION Lease Number CH-00-117 from BASHAS' INC., an Arizona Corporation, to RALEY'S, ARIZONA, LLC, an Arizona limited liability company. The ASSIGNMENT OF BUSINESS SITE LEASE NAVAJO NATION Lease Number CH-00-117 from BASHAS' INC., an Arizona Corporation, to RALEY'S, ARIZONA, LLC, an Arizona limited liability company is attached hereto as **Exhibit 1**.
- B. The Resources and Development Committee of the Navajo Nation Council hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to affect the intent and purpose of this resolution.

CERTIFICATION

I, hereby, certify that the following resolution was duly considered by the Resources and Development Committee of the 24th Navajo Nation Council at a duly called meeting held at Chinle Chapter House, Chinle, Arizona for which a quorum was present and that same was passed by a vote of 4 in favor, and 0 opposed, on this 8th day of December 2021.



Rickie Nez, Chairperson
Resources and Development Committee
of the 24th Navajo Nation Council

Motion: Honorable Thomas Walker, Jr.
Second: Honorable Kee Allen Begay, Jr.

Chairperson Rickie Nez not voting.

**ASSIGNMENT OF BUSINESS SITE LEASE
NAVAJO NATION
Lease Number CH-00-117**

KNOW ALL MEN BY THESE PRESENT, that we, the Assignors and named below, in consideration of \$10, to us in hand paid by the Assignee below, hereby assign to the said Assignee that certain Navajo Nation Business Site Lease describe 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 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 Navajo Nation or if the Assignee fails to close its acquisition of substantially all of Assignor's grocery business.

DATED as of the 4th day of November, 2021.

BASHAS' INC., an Arizona corporation

By: [Signature]

Its: V.P.
ASSIGNOR

STATE OF ARIZONA _____)
) ss.
COUNTY OF MARICOPA

This instrument was acknowledged before me this 4th day of November, 2021, by

Johnny Basha

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

MY COMMISSION EXPIRES:

December 26, 2023



VICKI S. HEMMING
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 574924
Expires December 26, 2023

[Signature]
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 or if the Assignee fails to close its acquisition of substantially all of Assignor's grocery business but otherwise shall be of full force and effect irrevocable by me.

DATED this 4th day of November, 2021.

RALEY'S ARIZONA LLC an Arizona
limited liability company

By: [Signature]

Its: CFO
ASSIGNEE

STATE OF ARIZONA _____)
) ss.
COUNTY OF MARICOPA

This instrument was acknowledged before me this 4th day of November, 2021, by
Ken Mueller, acting as Manager of Raley's Arizona LLC, an Arizona limited liability company.

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

MY COMMISSION EXPIRES:

December 26, 2023



VICKI S. HEMMING
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 574924
Expires December 26, 2023

[Signature]
Notary Public

Name of Assignor(s)

BASHAS' INC., an Arizona corporation

Address of Assignor(s):

22402 South Alma School Road

P.O. Box 488

Chandler, Arizona 85244

Name of Assignee(s):

RALEY'S ARIZONA LLC

Address of Assignee(s):

500 W. Capital Avenue

West Sacramento, California 95605

Date of Lease being Assigned: December 7, 2021

DESCRIPTION OF PREMISES

Lease Number CH-00-117

See attached legal survey, Exhibit "A".

The above assignment and assumption are hereby approved.

NAVAJO NATION, LESSOR

By: _____
President of the Navajo Nation

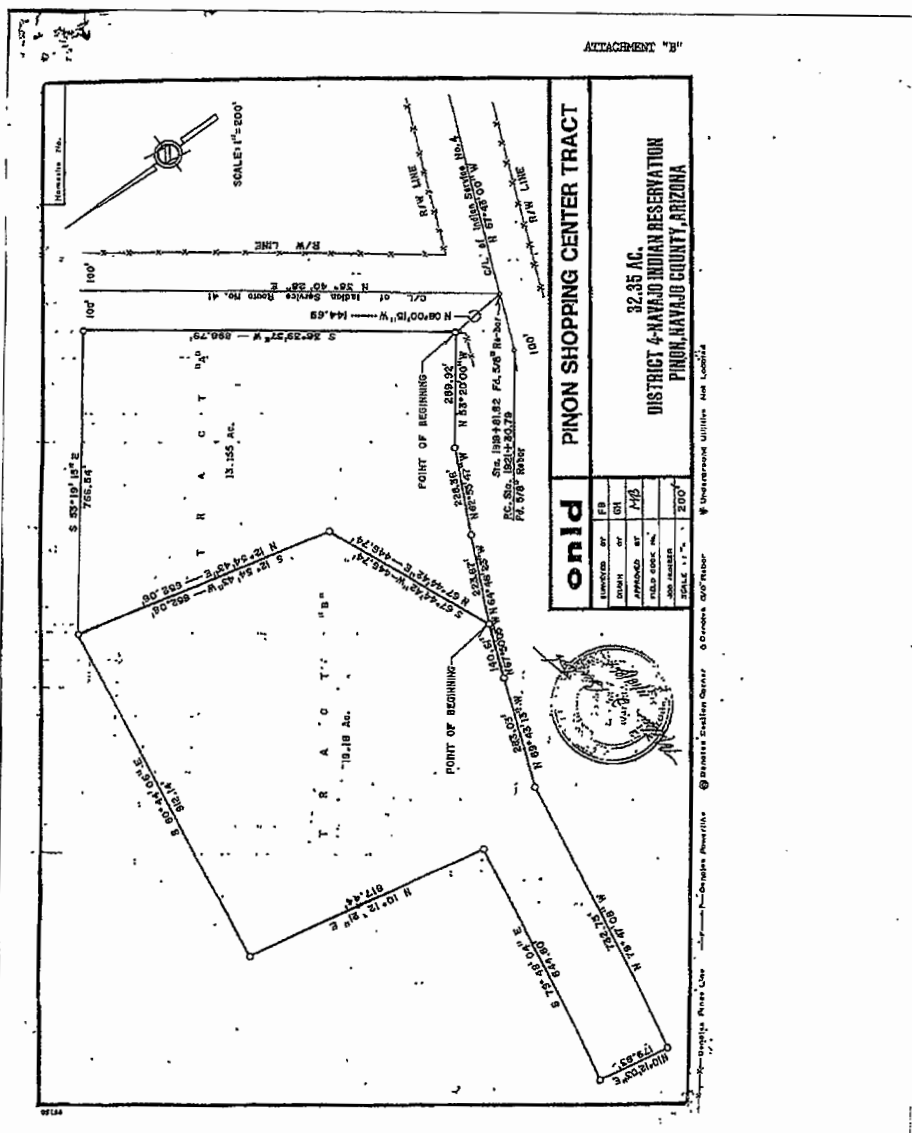
Date: _____

Date: _____
Approved Pursuant to Secretarial Redelelegation
Order 209 DM 8, Secretary's Order Nos. 3150
and 3177 and 10 BIAM Bulletin 13, as amended

By: _____

Regional Director, _____ Region
BUREAU OF INDIAN
AFFAIRS

Survey





EXECUTIVE SUMMARY

ASSIGNMENT OF LEASE

BASHAS' INC.

BSL No. CH-00-117

Pinon, Arizona – Chinle Agency

This Legislation is requesting Assignment of Business Site Lease No. CH-00-117 from BASHA'S INC., an Arizona Corporation to RALEY'S ARIZONA LLC, an Arizona limited liability company.

Business Site Lease No. CH-00-117 was approved on April 10, 2000 by U.S. Department of Interior, Bureau of Indian Affairs for a term of 35 years with no option to extend the term of this Lease. Lessee agrees to use the Leased premises for the purpose of conducting a General Food Market business. Said business is located in Pinon, Navajo Nation Arizona.

By letter dated November 1, 2021, the 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.

BASHAS' INC., an Arizona Corporation is in compliance with the Navajo Nation Laws; therefore, the Navajo Nation recommends approval of the Lease Assignment of Business Site Lease No. CH-00-117 from Assignee, BASHAS' INC. to Assignor, RALEY'S ARIZONA LLC, an Arizona limited liability company.



November 1, 2021

CERTIFIED MAIL –
RETURN RECEIPT REQUESTED
AND E-MAIL

Division of Economic Development
Attn: Director Willie
P.O. Box 663
Window Rock, AZ 86515
jtwillie@navajo-nsn.gov

**Re: Bashas' Inc.: Request for Department of Economic Development
Assistance in processing Consent to Assignments**

Dear Director Willie:

At the suggestion of Katherine Belzowski from the Navajo Nation Attorney General's office, I am writing you to request the assistance of the Navajo Nation Division of Economic Development in processing the assignment of the following Bashas' Inc. leases to Raley's Arizona, LLC.

Pinon	Lease Number CH-00-117, per Lease dated December 15, 1993 between the Navajo Nation and Bashas' Inc.
Dilkon	Lease Number FD-02-214, per Lease dated August 21, 2002 between the Navajo Nation and Bashas' Inc.
Window Rock	Lease Number FD-88-134, per Lease dated August 11, 1988 between the Navajo Nation and G.B. Investment Company (G.B. Investment Company thereafter being merged into Bashas' Inc.

PO Box 488 • Chandler, AZ 85244 • Phone: 480-895-9350

Crownpoint Lease Number EN-90-32, per Lease dated February 7, 1989 between the Navajo Nation and G.B. Investment Company (G.B. Investment Company thereafter being merged into Bashas' Inc. Note that, as discussed in more detail in our October 1 letter, the Crownpoint letter allows us to assign that lease as part of a chain sale without Landlord consent, so technically we do not need the Navajo Nation's consent for this Lease. However, we want to be fully transparent and above board in our discussions with you all, so we are including it in this letter as well.

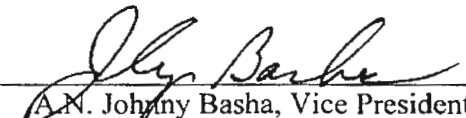
You should previously have received a copy of the request we sent to President Nez for Navajo Nation approval of the assignment of these leases per a letter from our attorney dated October 1, 2021. For your convenience, I am enclosing another copy of that letter

We would greatly appreciate any help you can give us to expedite the approval process, as we are hoping to be in a position to close the sale to Raley's by the end of this month..

If you have any further questions, or would like any further information regarding the proposed assignments of these leases to Raley's, please feel free to call me at ((480) 895-5288.

Very truly yours:

BASHAS' INC. an Arizona corporation

By: 
A.N. Johnny Basha, Vice President

COPIES BY EMAIL AND CERTIFIED MAIL TO:
Office of President and Vice President
Attn: President Jonathan Nez
Post Office Box 7440
Window Rock, AZ 86515

Katherine Belzowski, Acting Assistant Attorney General
Economic/Community Development Unit
Navajo Nation Department of Justice
P.O. Box 2010
Window Rock,
Navajo Nation (AZ) 86515
kbelzowski@nndoj.org

Director Willie
November 1, 2021
Page 3

Copies to:

Shawn Tobin
Edward N. Basha III



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

BASHAS, INC

File Number: 100475

a Corporation organized under the laws of the Navajo Nation Corporation Act, did
incorporate on October 26th, 1999.

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 18th
day of February, 2021 A.D.

Alvin H. Wauneka

Alvin H. Wauneka
Director, Business Regulatory
Division of Economic Development

TOBIN & CONNEALY, P.L.C.
A PROFESSIONAL LIMITED LIABILITY COMPANY

October 1, 2021

3333 E. Camelback Road
Suite 270
Phoenix, Arizona 85018
Telephone (480) 385-1234
Facsimile (480) 385-1240

CERTIFIED MAIL –
RETURN RECEIPT REQUESTED

Office of President and Vice President
Attn: President Jonathan Nez
Post Office Box 7440
Window Rock, AZ 86515

**Re: Bashas' Inc.: Notice of Intent to Assign Leases and Request for
Consent**

Dear President Nez:

I represent Bashas' Inc, as outside real estate counsel. Bashas' Inc. is in the process of negotiating the sale of substantially all of its grocery store operations to Raley's Arizona, LLC, an Arizona limited liability company ("Raley's"), which sale is intended to include its stores located on the Navajo Reservation. These stores include the following four (4) leases directly with the Navajo Nation:

Pinon	Lease dated December 15, 1993 between the Navajo Nation and Bashas' Inc.
Dilkon	Lease dated August 21, 2002 between the Navajo Nation and Bashas' Inc.
Window Rock	Lease dated August 11, 1988 between the Navajo Nation and G.B. Investment Company (G.B. Investment Company thereafter being merged into Bashas' Inc.
Crownpoint	Lease dated February 7, 1989 between the Navajo Nation and G.B. Investment Company (G.B. Investment Company thereafter being merged into Bashas' Inc.

Consent Rights The leases in question provide slightly different approval rights for the Navajo Nation and the Bureau of Indian Affairs, generally as follows:

President Jonathan Nez
October 1, 2021
Page 3

Navajo Nation and to err on the side of caution by requesting approval from both the Navajo Nation and the BIA on all four leases.

The purpose of this letter, therefore, is to request that the Navajo Nation and the Secretary of the Bureau of Indian Affairs consent to the proposed assignments. We understand that this request may take some time to process, but we do request that both the Navajo Nation and the Bureau of Indian Affairs expedite their review and approval of the assignment of the leases so as to not delay the sale by Bashas' Inc. to Raley's

My understanding is that you have previously met with representatives of Bashas' Inc. and Raley's and that they have provided you with substantial background information about Raley's as the proposed assignee, both as to its size and business experience operating a high quality grocery store chain. I believe you have also been informed that Raley's intends to continue operating substantially all of the Bashas stores, including all of the stores on the Navajo Reservation.

If you have any further questions, or would like any further information regarding the proposed assignments of these leases to Raley's, please feel free to call me at (602) 385-1236 or call Edward N. Basha, III at (480) 895-5218 or Johnny Basha at (480) 895-5288.

Very truly yours:

TOBIN & CONNEALY, PLC

By: 

Shawn Tobin

COPIES BY CERTIFIED MAIL TO:
Division of Economic Development
Attn: Director Willie
P.O. Box 663
Window Rock, AZ 86515

Navajo Regional Office
Bureau of Indian Affairs
Attn: Gregory Mehojah
301 West Hill Street
Gallup, NM 87301

17-Pinon

LEASE NO. CH-00-117PINON SHOPPING CENTER
LEASEBASHAS' INC.
LESSEENAVAJO NATION
LESSOR

December 15, 1993-November 30, 2028

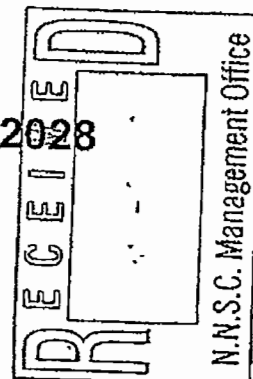


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TENANT LEASE

THIS LEASE, to be effective as of December 15, 1993, when approved by the Secretary is entered into between the NAVAJO NATION, herein called "Lessor", and BASHAS', Inc., an Arizona Corporation, herein called "Lessee" in accordance with the provisions of 25 U.S.C. § 415, 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 hereof.

1. LEASED PREMISES.

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor a portion of the real property and improvements within the Pinon Shopping Center tract, containing approximately 19,550 square feet, as depicted on the shopping center site plan (attached hereto as Exhibit "A" and made a part of this Lease ("Leased Premises")). Said Pinon Shopping Center Tract, is located in District Four, Navajo County, Pinon, Navajo Nation, Arizona, being more particularly described as follows:

COMMENCE at the Intersection of Indian Service Route No. 4 and Indian Service Route No. 41 at Centerline Point on Tangent Station 1919+81.82 of Indian Service Route No. 4;
THENCE run N 08° 00' 15" W, 144.69 feet to the POINT OF BEGINNING of the herein described parcel of land;
THENCE N 53° 20' 00" W, 289.92 feet;
THENCE N 62° 55' 47" W, 228.36 feet;
THENCE N 64° 46' 23" W, 223.87 feet;
THENCE N 67° 44' 42" E, 446.74 feet;
THENCE N 12° 54' 43" E, 652.06 feet;
THENCE S 53° 19' 15" E, 766.54 feet;
THENCE S 36° 39' 57" W, 896.79 feet to the Point of Beginning. Being 13.16 acres, more or less, in area, and being subject to any and all existing easements for underground utilities located therein.

Surveyed October 22, 1986 by the Office of Navajo Land Administration, The Navajo Nation, Window Rock, Navajo Nation, Arizona. (Exhibit "B")

2. TERM.

The term of this Lease shall be thirty-five (35) years commencing on December 15, 1993, and terminating on November 30, 2028. Lessee shall have the right to terminate this Lease at the end of the 25th or the 30th lease year, upon providing

60 days written advance notice, by registered or certified mail, to the Lessor and the Secretary.

3. RENT.

(a) Minimum Guaranteed Annual Rental. Lessee agrees to pay as rent at such place as may be designated from time to time by Lessor, and without prior demand the following as a minimum guaranteed annual rental:

(i) For the partial lease year (as hereinafter defined) in which the term of this Lease commences and for each year during the first two full lease years thereafter, a sum computed by multiplying the square footage of 19,550 within the Leased Premises by \$4.00 per square foot (19,550 s.f. x \$4.00 p.s.f.), which said sum shall be payable in twelve (12) equal monthly installments;

(ii) For the third full lease year and the fourth full lease year, a sum computed by multiplying the square footage of 19,550 within the Leased Premises by \$4.25, per square foot (19,550 s.f. x \$4.25 p.s.f.), which said sum shall be payable in twelve (12) equal monthly installments;

(iii) For the fifth full lease year through the 24th full lease year, a sum computed by multiplying the square footage of 19,550 within the Leased Premises by \$4.50 per square foot (19,550 s.f. x \$4.50 p.s.f.), which said sum shall be payable in twelve (12) equal monthly installments.

(iv) Effective for the Twenty-fifth (25th) full Lease Year through the Thirtieth (30th) full Lease Year, a sum computed by multiplying the square footage of 19,550 within the Leased Premises by \$4.75 per square foot (19,550 s.f. x \$4.75 p.s.f.), which said sum shall be payable in twelve (12) equal monthly installments.

(v) For the Thirty-first (31st) Full Lease Year and for the remaining term of the Lease, a sum computed by multiplying the square footage of 19,550 within the Leased Premises by \$5.00 per square foot (19,550 s.f. x \$5.00 p.s.f.), which said sum shall be payable in twelve (12) equal monthly installments.

Each monthly installment of the minimum guaranteed annual rental shall be paid in advance on the first day of each calendar month during the entire Lease term. If the Lease term commences on any day other than the first day of a calendar month, a pro rata fraction of a full month's minimum guaranteed rental shall be paid on the first day of said Lease

term. If the square footage of the building on the Lease Premises determined as hereinafter provided shall be more or less than the square footage of the building as set forth on the plans and specifications, the minimum guaranteed annual rental shall be adjusted accordingly. Measurements shall be from the center of all common walls and the outside of all exterior walls as set forth on the "as built" drawings of the building on the Leased Premises.

(b) Percentage Rental. In addition to the minimum guaranteed rental Lessee agrees to pay to Lessor, within ninety (90) days after the expiration of each lease year, percentage rental as follows:

For the partial lease year in which the Lease term commences and for each lease year following the date on which the term of this Lease commences, Lessee shall pay as percentage rent a sum equal to two percent (2.0%) of its gross sales made by Lessee from the Leased Premises during each lease year less, however, the minimum guaranteed annual rental payable during such lease year. The term "lease year" means a 52-53 week fiscal year to coincide with the fiscal year of Lessee which fiscal year ends on the Saturday night closest to December 31 of each year provided that the first lease year shall commence on the date on which the term of this lease commences and shall expire at the expiration of the fiscal year of Lessee.

(c) Deductions from Percentage Rent. Lessee shall be entitled to deduct on a non-cumulative basis from percentage rental otherwise payable pursuant to Paragraph 3(b) above an amount equal to the following payment made heretofore by Lessee during each lease year of the Lease term hereof:

(i) Real property taxes and/or assessments and/or personal property taxes paid by Lessee in an amount not to exceed the amount of such taxes assessed in the first year that each such tax is assessed against the Leased Premises and improvements thereon as a fully completed project plus one-half (½) of any increases in such taxes thereafter imposed. It is specifically acknowledged and agreed that Lessee shall be entitled to deduct only taxes actually paid by Lessee. By way of illustration and not limitation, should a tax assessment decrease in any lease year below the tax assessment first imposed against the Leased Premises, Lessee shall be entitled to deduct the decreased amount of the tax assessment actually paid by Lessee and not the amount of the tax assessment first imposed against the Leased Premises. The taxes referred to in this paragraph only pertains to taxes which are levied by the Navajo Nation and those levied by federal, state or other governments or districts shall not be deducted from any rent owed to the Lessor.

(ii) All of the premiums paid by Lessee for general liability insurance pursuant to Paragraph 18. (a) (ii);

(iii) Payments made by Lessee pursuant to Paragraph 26 of this Lease.

(d) Additional Rental. In addition to the minimum guaranteed rental and in addition to the percentage rental, Lessee agrees to pay to Lessor, at the time and in the manner hereinafter specified as additional rental, a sum computed as follows:

(i) Lessee shall determine in accordance with generally accepted accounting principles its net profits before income taxes derived from the Leased Premises during each lease year of the term hereof;

(ii) If the net profits before taxes from the Leased Premises exceed an amount equal to the minimum guaranteed rental and percentage rental payable by Lessee to Lessor during such lease year then, and in such event, the net profits before taxes in excess of such minimum guaranteed rental and percentage rental so payable by Lessee to Lessor shall be divided twenty-five (25%) to Lessor and seventy-five percent (75%) to Lessee; provided, however, that Lessee shall not be required to pay, and Lessor shall not be entitled to receive, any additional rental as provided in this Paragraph 3(d)(ii) unless or until Lessee has received net profits equal to any and all cumulative net losses for all prior years. The term "net loss" for any fiscal year shall mean the loss derived by Lessee from the Leased Premises as determined by Lessee's accountant in accordance with generally accepted accounting principles. Within ninety (90) days after the close of each full lease year during the term hereof, Lessee shall submit to Lessor a statement in writing certified as correct by Lessee, which shall set forth:

(1) The total gross sales of Lessee and of each department made in, upon or from the Leased Premises during the preceding lease year; and

(2) The net profit before taxes made in, upon or from the Leased Premises during the preceding lease year and simultaneously with submission of said statement in writing, Lessee shall pay to Lessor the percentage rental payable for said preceding lease year, if any, and the additional rental payable to Lessee for said preceding lease year, if any.

4. GROSS SALES.

The term "gross sales", as used herein, means the entire amount of the sales price of all goods, wares and merchandise sold, all charges for services performed, and all other receipts of all business conducted by Lessee or by any other person, firm or corporation selling merchandise or performing services of any sort in, on, or from any part of the Leased Premises, whether such sales are made or services are performed for cash, or credit, or otherwise (without reserve or deduction for inability or failure to collect, or whether title passes at delivery or subsequent to delivery). Provided, however, that there shall not be included, or there shall be deducted from "gross sales" to the extent that they are included in Lessee's computation of sales, the following: (a) all credits and refunds made in the regular course of business to customers for merchandise returned or exchanges; (b) all sums and credits received in settlement of claims for loss or damage to merchandise in stock or in transit to Lessee; (c) all sales or similar taxes based upon the gross receipts of the Lessee or on the sales or sales price of merchandise sold by Lessee and which must be paid by the Lessee whether or not collected by the Lessee from its customers and whether or not the same may be commonly known as a "sales tax", to the extent that such taxes have been included in the gross sales price; (d) if initially included within gross sales, then an amount equal to any credit sales made by Lessee which Lessee, in its judgment, reasonably exercised, has determined to be uncollectible, (e) proceeds from lottery ticket sales made from the premises, if any such sales are permitted by applicable law and (f) the return or transfer of merchandise from one store to Lessee's warehouses or warehouses affiliated with Lessee for the convenience of Lessee and not in connection with the consummation of a sale, shall not be included in the computation of gross sales. The taxes to which reference is herein above made may be deducted regardless of whether imposed under any existing or future orders, regulations, laws or ordinances.

5. RECORDS.

The Lessee, and any others doing business within the Leased Premises shall keep full, complete books, records and accounts of all gross sales, both for cash and on credit, of each separate business and/or concession at any time operated on the Leased Premises, and Lessor, the U.S. Department of the Interior and its agents and employees shall have the right, during regular business hours, to examine and inspect all such books and records, including all sales tax reports pertaining to the business conducted by Lessee from the Leased Premises, for the purposes of investigating and verifying the accuracy of the statement of gross sales for the preceding calendar

year provided, however, that such an examination and inspection shall not occur more than three (3) times during any lease year. After five (5) years, if unchallenged or if not subject to active challenge, the figures shall be conclusively presumed accurate. Lessor shall have no right of audit in connection therewith, and Lessee shall no longer be required to retain the books, records and accounts in connection therewith. Should the results of any audit reflect that Lessee has underpaid percentage rental by a sum in excess of three percent (3%) of the percentage rental and additional rental so paid, the reasonable costs of the audit shall be borne by Lessee.

6. USE, CONDUCT OF BUSINESS.

(a) Lessee's Use. Lessee shall and agrees to use the Leased Premises for the purpose of conducting a general food market business, generally consistent with Lessee's food market business in Maricopa County as of the date of execution of this Lease, with the privilege of including in the Leased Premises, incidental to such general food market business, a toiletries department, a notions department, a variety and soft goods department, a housewares department, bakery, deli, a liquor department (provided, however, it is acknowledged and understood that alcoholic beverages shall not be offered for sale until such time, if at all, that the same are approved for retail sales on the Navajo reservation and Lessee is licensed by the Navajo Nation to sell, at retail, alcoholic beverages), and any other items commonly sold in supermarkets located in shopping centers in the Phoenix Metropolitan area. Lessee shall also be entitled to employ a licensed or registered pharmacist or maintain a drug license on the Leased Premises; and permit the sale of or offer for sale any ethical pharmaceutical products requiring the services of a registered pharmacist.

The Lessee is authorized to sublet a portion of its leased premises to a financial banking institution for purposes of providing automated banking services subject to a sublease agreement duly approved by the Lessor.

Nothing contained herein shall be deemed to require Lessee to occupy the Leased Premises. Should Lessee voluntarily close and abandon its store on the Leased Premises for a period of thirty (30) consecutive days or more, Lessor, at its option, shall be entitled to terminate this Lease upon thirty (30) days' written notice to Lessee and upon such termination this Lease shall be null, void and of no force and effect. It is agreed, however, that should Lessee close its store, it shall still be responsible for the payment of guaranteed minimum annual rent and other obligations under this Lease during the period of such closure until the Lease is terminated by

Lessor. Provided, however, that it is acknowledged that if Lessee closes its store it shall have no obligation to pay percentage rent or additional rental as that term is defined in Paragraph 3(d) hereof.

(b) No Waste. Lessee shall not commit, or suffer to be committed, any waste upon the Leased Premises or any nuisance or other act or thing against public policy or which may disturb the quiet enjoyment of any other Lessee of the shopping center. Sidewalk or outside displays, personal solicitation or outside sales by Lessee without the express consent of Lessor shall be prohibited.

(c) Compliance With Law. If any law, regulation or ordinance of the Navajo Nation hereinafter enacted shall materially or directly interfere with the conduct of business by Lessee, which interference directly renders Lessee incapable of generating the same or substantially the same profit from the Leased Premises as existed prior to the enactment thereof, and/or if in the reasonable opinion of Lessee, it will be necessary to substantially or materially alter the manner in which Lessee is conducting business, which alternative manner is unacceptable to Lessee and which alternative manner is substantially inconsistent with the manner of Lessee's conduct of its business in all of Lessee's other stores on the Navajo Reservation prior to the enactment, then Lessee shall notify Lessor thereof and Lessee and Lessor shall meet. Lessee shall identify the law, regulation or ordinance which Lessee believes to be the cause of said interference and Lessee shall further specify the nature of the financial or other impact so caused. Provided, however, that in connection with the inability to obtain the same or substantially the same profit from the Premises, such inability must not result from any increase in competition due to the enactment of any such law, regulation, or ordinance. By way of illustration and not limitation, the enactment of a zoning ordinance which permits a competitive supermarket and/or shopping center to be constructed in the geographic vicinity of Pinon, Navajo Nation, shall not be considered to be a law, regulation or ordinance such as to give rise to Lessee's right to terminate this Lease as is hereinafter provided.

Lessee must notify the Navajo Nation that the new law substantially interferes with its business within five years from the date of actual notice and receipt of a copy of the law.

The parties shall attempt a resolution through cooperative effort in good faith. If, within one hundred eighty (180) days from the date of Lessee's notice a mutually acceptable resolution has not been achieved as determined by the parties in their respective reasonable discretion, then Lessee shall

be entitled to terminate this Lease by providing Lessor with a written notice of its election to terminate within thirty (30) days after the expiration of the one hundred and eighty (180) day period as herein above described. If this Lease is terminated under this provision, the Lessee shall be entitled to the fair market value of the lease, including, but not limited to, the fair market value of all improvements to the leasehold, as provided for in 1 N.N.C. 8 which precludes the taking of property without just compensation.

Lessee and Lessee's employees, agents and sublessees and their employees and agents further agree to comply with the provisions of 25 C.F.R. Part 141, which prescribes rules for the regulation of reservation businesses for the protection of Indian consumers on the Navajo Reservation as required by 25 U.S.C. §§ 261-264.

(d) Pricing. Lessee agrees to maintain its prices for goods sold from the Leased Premises on a substantial parity with its prices for goods sold from premises being occupied by Lessee in the Phoenix Metropolitan area with the exception of adjustments to said prices for factors applicable to the Leased Premises and its location including, by way of illustration but not necessarily of limitation, the additional costs of transportation and labor, costs related to the merchandising of goods from the Leased Premises and to scheduling difficulties in the delivery of goods, and other costs as may be necessary to carry on a normal business operation from the Leased Premises, but which would not be borne, or would be borne in different proportions, if the Leased Premises were located in the Phoenix Metropolitan area. It is further agreed that Lessor or its authorized agents may periodically conduct, at its cost, shopping basket surveys of the Leased Premises and of markets being operated by Lessee in the Phoenix Metropolitan area for purposes of comparison. Following these surveys Lessee agrees to meet with representatives of Lessor in order to discuss differences in prices, and Lessee agrees to make available to representatives of Lessor all records reasonably required by Lessor to support such price differentials provided, however, that if such price differentials are supported, all reasonable costs incurred by Lessee in connection with such meeting and/or the furnishing of records shall be borne by Lessor. If, for any reason, abnormal marketing conditions exist resulting wholly or in part in abnormal pricing of goods in the Phoenix Metropolitan area, such abnormal prices shall be disregarded in connection with the comparison survey contemplated above. If prices charged for goods sold at the Leased Premises are materially greater than the average of prices charged for like goods sold at premises being occupied by Lessee in the Phoenix Metropolitan area and such price differentials are not reasonably supported by the documentation provided by Lessee

to Lessor, Lessee shall be obligated to reduce such price differentials within thirty (30) days from the date of the meeting between Lessor and Lessee to such price differentials as may be supported by such documentation. A failure to so reduce such price differentials within such thirty (30) day period shall constitute a default under this Lease pursuant to Paragraph 24. If, in connection with the shopping basket surveys on the premises, it is established that there is a price differential applied consistently based on a representative sample of products offered for sale by Lessee on the Leased Premises and such price differentials are not supported, all costs incurred by Lessor in connection with such shopping basket surveys shall be borne by Lessee.

(e) Indemnity. The Lessee and Lessor hereby agree to indemnify and hold harmless as follows:

(i) Lessor and Lessee Indemnified. Lessee agrees to indemnify and hold Lessor harmless from any loss, liability, cost or expense arising by reason of the negligent act or intentional act of Lessee, its agents or employees or arising out of a contractual agreement made and executed by Lessee with Lessor which is breached or arising out of Lessee's conduct of business on the Leased Premises or common areas, provided that with respect to the conduct of business by Lessee on the Leased Premises or common facilities said indemnity shall apply if and only if coverage for the claim is excluded from, or is a claim not paid under, Lessee's general liability policy of insurance or does not arise by reason of Lessor's negligence.

Lessor agrees to indemnify and hold Lessee harmless from any loss, liability, cost or expense arising by reason of the negligent act or intentional act of Lessor, its agents or employees or which arises out of Lessor's conduct of business at the shopping center, excluding the Leased Premises provided that with respect to the conduct of business by Lessor at the shopping center, excluding the Leased Premises, said indemnity shall apply if and only if coverage for the claim is excluded from, or is a claim not paid under, Lessor's general liability policy of insurance, or does not arise by reason of Lessee's negligence.

(ii) The Secretary Indemnified. Lessee hereby agrees to indemnify and to hold harmless the Secretary, his officers, agents, employees and representatives for any damages to Lessee or Lessee's property, for any and all claims arising out of Lessee's use of the Premises for the conduct of its business or from any activity, work or other thing done, permitted or suffered by Lessee to be

done on or about the Premises, except for the negligent or unlawful acts of the Secretary, his officers, agents, employees and representatives cognizable under the Federal Tort claims Act, 28 U.S.C. §§ 2671, et seq. and other applicable federal statutes. Nothing contained herein shall be deemed a waiver by the United States of its sovereign immunity.

7. LEASE ONLY.

Lessor is not and never shall be liable to any creditor of Lessee or to any claimant against the estate or property of Lessee for any claim, debt, loss, contract or other obligation incurred by or asserted against Lessee against which Lessee has agreed to defend and hold Lessor harmless as herein provided. The relationship between Lessor and Lessee is solely that of Lessor and Lessee, and is not and never shall be deemed a partnership or a joint venture.

8. COMMON FACILITIES.

(a) Definitions. "Common facilities" means all areas and facilities outside the loading dock and outer walls of the buildings now or hereafter leased to Lessee and other lessees, located within the confines of the property, including but not limited to parking lots, driveways, parking lot bumpers, decks, ramps, streets, curbs, gutters, roadways, pedestrian sidewalks, passageways, landscaped areas, utility, water and sewage lines, drainage lines or facilities, lighting facilities, signs public facilities, drinking fountains, shelters, bus stations and any and all other areas and improvements, facilities and appurtenances used or intended to be used from time to time in common by or for Lessee or customers or invitees of Lessee and/or of other lessees of the property.

(b) Use of Common Facilities. Lessor hereby grants to Lessee, during the term of this Lease, a non-exclusive easement to use all common facilities, for the benefit of Lessee and Lessee's officers, employees, agents, customers and invitees in common with Lessor and others entitled to such use. Those portions of the common facilities intended for parking, driveway and sidewalk uses shall be used only for parking, driveways and sidewalks, respectively and for ingress and egress to, from and about the shopping center; and such parking use shall also be subject to the provisions of subparagraph (d) of this Paragraph 8. Lessor reserves the right to use all of those portions of the common facilities as defined herein for the benefit of Lessor and other Lessees of Lessor, their employees, agents, customers and invitees, so long as such use does not interfere with the easement heretofore granted to Lessee. Notwithstanding the preceding

sentence, Lessor shall not be able to construct any additional improvements of any kind or nature within, upon, across or through the common facilities as the same are set forth on the site plan attached as Exhibit "A", without the written consent of Lessee first obtained, which consent shall not unreasonably be withheld. It is further agreed that Lessee shall not be entitled to construct any improvements of any kind or nature on the common facilities without first procuring the written consent of Lessor.

(c) Maintenance and Regulations of Common Facilities. Lessee shall keep the sidewalk immediately in front of the Leased Premises and the loading dock in back of the Leased Premises in a broom-clean condition; otherwise, Lessor at all times shall maintain the common facilities in a neat and orderly manner, in good condition and repair and properly marked for the purposes intended. All common areas shall provide adequate drainage. Lessor will keep the common facilities in good repair and subject to such reasonable regulations and changes as Lessor shall from time to time make.

(d) Lessee Parking. Lessee shall require its employees to park their motor vehicles on that part of the common area designated as "Employee Parking" on Exhibit "A". An alternative or additional employee parking area may be designated from time to time by Lessor but only with the prior written approval of Lessee and away from the front and sides of Lessee's buildings. Lessor shall provide for a similar provision with its other lessees requiring employees of its other lessees to park motor vehicles in the area designated "Employee Parking" on Exhibit "A" or the alternative or additional employee parking. The approval required herein from Lessee shall not unreasonably be withheld.

(e) Lessee's Share of Costs. In addition to minimum guaranteed rental, percentage rental and additional rental, Lessee shall pay upon demand, but not more often than once each calendar quarter, Lessee's proportionate share of all costs and expenses of operating and maintaining the common facilities. Lessee's proportionate share shall be determined by a fraction, the numerator of which is the ground floor area within Lessee's building and the denominator of which is the ground floor area of all the buildings reflected on the site plan. That fraction shall then be multiplied by the total cost of maintaining and operating the common facilities to determine the amount Lessee shall pay as its share.

The amount paid by Lessee as its proportionate share shall not exceed a variable cap, determined by multiplying a set cost per square foot per year by the square footage of the ground floor area within Lessee's building. The cost per square foot shall vary from year to year according to the percentage of

increase or decrease reflected in the United States Consumer Price Index--All Items. The initial and base rate shall be \$.55 per square foot, which, multiplied by 19,550, results in a cap of \$10,752.50. This cap shall apply for the first Lease year and the first full calendar year. The base figure for determining subsequent rates shall be the United States Consumer Price Index--All Items as it appears on the first day of January following the date on which Lessee opens for business on the Leased Premises (the base year). Each subsequent January, the Index number for that year shall be compared to the base Index figure of the base year. The percentage change between the two figures, whether an increase or a decrease, shall be applied to the base rate of \$.55 per square foot to obtain a new rate to determine a new cap for Lessee's proportionate share of common area expenses. For example, if the Index figure for the second January shows a 10 percent decrease from the base index figure, then the base rate of \$.55 per square foot shall also decrease by 10 percent (5.5 cents) to obtain a new rate of 49.5 cents per square foot. This new rate would result in a new cap on Lessee's proportionate share of common area expenses of \$9,677.25 (49.5 cents X 19,550 square feet).

f) Costs and Expenses. The term "costs and expenses of operating and maintaining the common facilities" shall only include cleaning all sidewalks and service areas, exterior cleaning of building, cleaning the parking area, lighting the parking area, exterior lighting (including exterior lighting and replacement thereof when such lighting is connected to the common area lighting of the shopping center), periodic restriping and seal coating of the parking area, patching of potholes in the parking area, maintaining the landscaping on the common areas, public area trash removal, public area extermination service, maintenance of and utilities for the shopping center pylon sign. It is specifically acknowledged that the terminology "costs and expenses of operating and maintaining the common facilities" does not include replacement of the common facilities, which cost shall be borne solely by Lessor. As a part of said costs and expenses, however, it is agreed that Lessor may include in such statement a management fee not to exceed five percent (5%) of the costs and expenses of operating and maintaining the common facilities, as hereinbefore described; provided, however, that for the purpose of determining said management fee there shall be excluded from the costs and expenses of operating and maintaining the common facility insurance premiums, taxes, assessments and any single cost or expense of operating and maintaining the common facilities in excess of One Thousand Dollars (\$1,000.00).

g) Liability Insurance. Lessor shall procure at Lessor's sole cost and expense and not to be included with the "cost

and expenses of operating and maintaining the common facilities" a commercial general liability insurance policy with an unimpaired minimum combined single unit of not less than \$1,000,000.00 (each occurrence with a \$2,000,000.00 general aggregate limit which shall include coverage for bodily injury, broad form property damage. (including completed operations), personal injury (including coverage for directional and employee acts), blanket contractual, independent contractors and products and completed operations coverage, which policy shall name Lessee as an additional insured and shall provide that such insurance shall be primary insurance and that any insurance carried by Lessee, shall be in excess and not contributory insurance to that carried by Lessor, excepting, however, that such insurance shall expressly exclude from its coverage liability arising solely and exclusively from the negligent act of Lessee, its agents or employees.

9. MAINTENANCE AND REPAIRS.

Lessor shall make and pay for all repairs necessitated on account of structural defects in or structural failure of the structural portions of the foundation, common walls, exterior walls, or roof, and any and all other repairs arising by reason of any latent or patent defects inherent in the original construction of the improvements to be constructed on the Leased Premises and/or arising out of or necessitated by Lessor's contractor failing to construct the improvement in accordance with the approved plans and specifications. Lessor shall maintain and keep in good condition and repair the foundation, common walls, exterior walls, the roof and all plumbing, electrical, water and other utility lines, connections and services, and all other repairs not specifically required to be made by Lessee so that the Premises are operational and in good condition and repair unless the damage thereto is caused by the act or negligence of Lessee. Provided, however, that in the event of any conflict between the provisions of this Paragraph 9 and the provisions of Paragraphs 10 and 11, then the provisions of said Paragraphs 10 and 11 shall control. Subject to the preceding sentence and to the provisions of Paragraphs 10 and 11 hereof, Lessee shall, during the Lease term, at its sole expense, keep and maintain the interior of the improvements on the Leased Premises and every part thereof, and the store front, windows, doors, the plumbing within the restroom facilities within the Leased Premises, heating, cooling and air conditioning equipment, in good, clean and sanitary order, condition and repair, ordinary wear and tear, damage by fire or other casualty excepted. Except as may be specifically set forth in this Lease, Lessee hereby waives all rights to make repairs or to maintain at the expense of Lessor under any law now or hereafter in existence during the term of this Lease

authorizing Lessee to make repairs or perform maintenance at the expense of Lessor. Lessee agrees that when it needs to make the repairs to the Leased Premises as aforesaid, it will proceed promptly with the commencement of such work and will diligently carry the same to completion. If Lessee shall fail, neglect or refuse to do so after thirty (30) days' written notice from Lessor to do so, Lessor may make such repairs and alterations at the expense of Lessee. Lessee shall provide proper measures for insect and rodent control and adequate covered receptacles for trash, garbage and other waste, so located as not to be visible to members of the public shopping in the area, and shall not permit an accumulation of boxes, papers, waste or other refuse matter.

Lessee agrees on the last day of the term hereby created, or the accelerated term of this Lease, to surrender unto the Lessor the Leased Premises and the improvements thereon in reasonably good condition and repair, ordinary wear and tear, damage by fire and other casualty and damage from any other cause not directly attributed to the failure of Lessee to comply with other provisions of this Lease excepted, and to remove all of Lessee's signs and other property from the Leased Premises.

10. DESTRUCTION OF PREMISES.

In the event of a partial or total destruction of the building constituting the Leased Premises during the Lease term, Lessor shall forthwith repair the same, exclusive of any leasehold improvements made by Lessee, provided such repairs can be made under the laws and regulations of authorities having jurisdiction over the Leased Premises, unless Lessor or Lessee shall elect to terminate this Lease as hereinafter set forth. Such destruction shall not annul or void this Lease, except that Lessee shall be entitled to a proportionate abatement or reduction of the minimum guaranteed rental from the date of the damage until such repairs are completed, such abatement or proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with business carried on by Lessee on the Leased Premises. If such repairs or rebuilding cannot be made under laws and regulations then existing to substantially restore the building in the same condition as the building existed prior to the casualty, exclusive of leasehold improvements made by Lessee, this Lease may be terminated upon written notice at the option of Lessor or Lessee. In respect to any damage or destruction which Lessor is obligated to repair or may elect to repair under the terms of this Paragraph 10, Lessee hereby waives all rights under any law in existence during the term of this Lease authorizing the termination of a Lease upon the complete or partial destruction of the Leased Premises.

In the event that the premises are partially (twenty-five percent (25%) or more) or totally destroyed by a cause or casualty other than those covered by fire, earthquake, and extended coverage insurance, or in the event if any casualty insured or uninsured should occur during the last two (2) years of the term of this Lease, Lessor or Lessee may elect to terminate this Lease by giving written notice to the other within sixty (60) days after the occurrence of such destruction. Provided, however, that notwithstanding the above, should an uninsured casualty occur at any time prior to the last two (2) years of the term of this Lease, Lessor, at its option, may elect to repair and/or restore the uninsured casualty loss, in which event Lessee's election to terminate shall be of no force and effect or Lessee may elect to repair and/or restore, in which event Lessor's election shall be of no force or effect.

Should Lessor elect or be required to repair and/or restore the building, the same shall be commenced within a period not to exceed one hundred eighty (180) days from the date of damage or destruction. Lessor shall use due diligence and best efforts to complete the reconstruction in substantial accordance with the original plans and specifications not later than three hundred sixty-five (365) days after the date of the damage or destruction, or within a lesser period of time as may be appropriate, due consideration being given to the extent of the damage and/or destruction. Failure to meet these deadlines shall not be a breach of this provision if delay is caused by elements beyond the Lessor's control, such as adverse weather conditions making reconstruction impossible, Acts of God, strike, war, or rebellion. In the event that reconstruction is delayed for reasons beyond Lessor's control, Lessor shall notify Lessee of the delay as soon as Lessor determines that a delay is unavoidable.

11. EMINENT DOMAIN.

(a) Substantial Taking. If any portion of the interior of the ground floor building area of the Leased Premises should be taken, or if a portion of the parking area or the common facilities and/or parking should be taken, and customers of Lessee are thereby prevented or inhibited from entering and/or using the parking area of Lessee's supermarket, and if the remainder of the common facilities and/or parking is not suitable for Lessee's continued occupancy for the uses and purposes for which the Leased Premises are leased by any public or quasi-public use under any statute or by right of eminent domain, or by private purchase in lieu thereof, this Lease, at the option of Lessor or Lessee, shall terminate as of the date that possession of any part of the Leased Premises, or the common facilities and/or parking be taken. Provided, however, that the exercise of such right of

termination shall not affect the rights of the Lessor and Lessee to share in the condemnation award as their respective interests therein exist. Lessee's interest shall be limited to its interest in the leasehold and its interest in its furniture, fixtures, and equipment; Lessee shall have no interest in the physical building or the land.

(b) Partial Taking. In the event of the partial taking of the Leased Premises or the common facilities and this entire Lease is not terminated in accordance with subparagraph (a) hereof, then this Lease shall, as to the part of the Leased Premises so taken, terminate as of the date that possession of such part of said Leased Premises be so taken and the minimum guaranteed rental (but not the percentage rental or additional rental) shall be reduced in the same proportion that the usable building floor area of the portion of the Leased Premises so taken (less any additions made thereto by reason of any reconstruction) bears to the immediately preceding usable building floor area of the Leased Premises. If the common area only is taken, then the minimum guaranteed rental shall be fairly and equitably abated. If Lessor and Lessee cannot agree, then the matter shall be settled pursuant to Paragraph 12. Lessor shall, at its own cost and expense, make all necessary repairs or alterations to the portion of the building not taken so as to make that portion of the building not taken a complete architectural whole, but such work shall not exceed the scope of the work to be done by Lessor in originally constructing said building. In the event the award received by Lessor is insufficient to make necessary repairs or to perform necessary rebuilding, then Lessor or Lessee may terminate this Lease on giving thirty (30) days written notice to the other. The termination of this Lease in part only shall not affect the respective rights of the Lessor and Lessee to share in the condemnation award as their respective interests therein exist at law. Lessee's interest shall be limited to its interest in the leasehold and its interest in its furniture, fixtures, and equipment. There shall be a proportionate abatement of rental during such restoration for such period of time as the store of Lessee cannot be opened or only a portion thereof can be opened to the general public by reason of such restoration or rebuilding.

(c) Further Instruments. Each party agrees to execute and deliver to the other all instruments that may be required to effectuate the provisions hereof.

12. ALTERNATIVE DISPUTE RESOLUTION.

It is the intention of the parties to establish a successful working relationship through open communications and to cooperate as fully as possible with each other. If a dispute should arise between or among any of the parties to this Lease

arising out of or relating in any manner to the terms of this Lease, prior to pursuing any judicial relief or other remedy, each party shall communicate in good faith and seek to resolve the dispute expeditiously and amicably. The parties agree that sixty (60) days is a reasonable period for attempting such informal resolution.

If any such dispute cannot be informally resolved within the sixty (60) days, the parties agree to submit all claims, demands, disputes, controversies and differences that may arise between Lessor and Lessee under this Lease to mandatory, but non-binding, mediation prior to pursuing any form of judicial relief or other remedy. A party to this Lease may initiate a non-binding mediation by notice of the scheduling of such mediation not less than thirty (30) days nor more than ninety (90) days from the date of the notice. The mediator must be acceptable to all parties. If there is dispute in the selection of a mediator, each party shall nominate a mediator, and the mediators so nominated will select a tie breaking mediator. The cost of the mediation shall be borne by the party initiating the mediation but apportionment of such costs may be determined by the mediator at the time of the mediation. Should any party decline to participate in the mediation, the party requesting the mediation shall be free to seek judicial relief or other remedy.

13. ALTERATIONS AND IMPROVEMENTS.

(a) By Lessor. In order for Lessor to perform its maintenance and repair obligations, Lessor and its representatives for that purpose may enter upon and about the premises and the building of which the Leased Premises are a part and with such material as Lessor may reasonably deem necessary, and may erect scaffolding and all other necessary structures on or about the Leased Premises. Lessee waives any claim for damages resulting therefrom, including loss of business so long as, in the exercise of its rights under this subparagraph, Lessor shall not unreasonably interfere with the conduct of Lessee's business; and shall make every effort to effect such changes, repairs and alterations with the least possible inconvenience.

(b) By Lessee. The Lessor agrees that the Lessee may at its own expense from time to time during the term hereof, make such alterations, additions and changes in and to the building constituting a portion of the Leased Premises as it finds necessary or convenient for its purposes, excepting that Lessee shall not weaken the structure or lessen the value of the building or change its character or utility, or change the fire walls or structural portions or architectural appearance of the building. Before commencing any alterations that will decrease the value of the building, Lessee shall notify

Lessor. Lessor shall in turn notify the Economic Development Administration (EDA). No alterations decreasing the value of the building shall be made before EDA is notified and approves. Lessee agrees that any work shall be done in strict accordance with building ordinances of the Navajo Nation and shall comply with all workmen's compensation and other labor laws; and that in doing and performing such work no liens of mechanics, materialmen, laborers, architects, artisans, contractors, subcontractors, or any other lien of any kind whatsoever shall be created or imposed upon said Leased Premises or any part thereof, and that said Lessee shall indemnify and save harmless the Lessor from every and all liability and claims for damages which might be made to accrue against Lessor on account of or arising out of such improvements made by Lessee.

Any trade fixtures, equipment and other property installed in or attached to the Leased Premises by and at the expense of the Lessee shall remain the property of the Lessee, and the Lessor agrees that the Lessee, when not in default hereunder, shall have the right at any time, and from time to time, to remove any and all of its trade fixtures, equipment and other property which it may have stored or installed in the Leased Premises. Lessee agrees to repair any damage to the building by the removal of said property. Should Lessee default in any payment and/or performance required of Lessee pursuant to the terms of the Lease and should, as a result thereof, Lessor terminate the Lease, it is expressly acknowledged and agreed that Lessee shall not have the right to remove any fixtures, trade fixtures, furnishings and/or equipment, and the interest of Lessee therein will, simultaneously with such termination, vest in the Lessor.

14. UTILITIES.

Lessee shall pay for all waste, fuel, gas, oil, heat, electricity, power, telephone, removal of trash, garbage and other waste, sewage charges and all other utilities, materials and services which may be furnished to or used on or about the Leased Premises by Lessee. If Lessee, itself, provides for the removal of trash, garbage and other waste, Lessee, shall provide to the Lessor, upon Lessor's request, reasonable documentation and other assurances as may be deemed necessary by Lessor that such trash, garbage and other waste is being removed to a lawfully licensed dump. If Lessee contracts for the removal of trash, garbage and other waste, Lessee shall require of its contractor upon request of Lessor or Lessee, that it provide such reasonable documentation and other assurances that such trash, garbage and other waste is being transferred to a lawfully licensed dump.

15. TAXES, ASSESSMENTS.

Lessee shall pay, prior to delinquency, all taxes and assessments lawfully levied during the term of this Lease upon or against the Leased Premises for which Lessee may become liable and of which Lessee has notice. Upon written application, Lessee shall furnish to the Navajo Nation written evidence duly certified that any and all taxes required to be paid by Lessee have been paid, satisfied or otherwise discharged.

To the extent consistent with applicable law, Lessee shall have the right to contest any claim, asserted tax or assessment by posting bond to prevent enforcement of any lien resulting therefrom. Lessee agrees to protect and hold harmless Lessor, the Secretary and the Leased Premises and all interest therein and improvements thereon from any and all claims, taxes, assessments and like charges or any lien therefor, or sale or other proceedings to enforce payment thereof, and all losses in connection therewith. Lessor shall execute and file any lawfully required documents with reference to real estate tax exemption of the land when requested by Lessee. In addition to the taxes and assessments herein described, Lessee shall pay all charges for water, sewage, gas, electricity, telephone and other utility services supplies to the Leased Premises. The provisions of this Paragraph 15 in no way alter or amend Lessee's ability to deduct tax payments from percentage rental as is more specifically set forth in Paragraph 3(c) hereof.

16. LIENS.

Lessee shall keep the Leased Premises and the improvements thereon free and clear of all liens arising out of or claimed by reason of any work performed, material furnished or obligations incurred by or at the request of Lessee. Lessee shall indemnify and save Lessor and the Leased Premises and the building thereof free and harmless of all such liens or claims of liens and all attorneys' fees and other costs and expenses incurred by reason thereof.

No liens of any character whatsoever created or suffered by Lessor or Lessee shall in any way or to any extent attach to or affect the rights of the other in the Leased Premises or the improvements thereon with the exception of the existing lien held by the Economic Development Administration. No mortgage shall be placed on the property without prior approval of the Economic Development Administration.

17. PERFORMANCE.

Should Lessor or Lessee, after receiving thirty (30) days written notice from the other, fail to pay, discharge, or perform any obligation required by this Lease, the other, at its option, may pay, discharge or perform such obligation. Nothing herein contained shall permit either party to pay, discharge or perform any obligation of the other unless non-payment, non-discharge or non performance would prejudicially affect its rights or interest under this Lease.

18. INSURANCE.

(a) Lessee's Obligations. Without limiting any liabilities or any other obligations of Lessee, Lessee shall provide and maintain the minimum insurance coverage listed below. All insurers must be duly licensed and possess a current AM Best, Inc. rating of at least A-VII Best's or, if unlicensed, be an admitted surplus lines insurer.

(i) Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of the Contractor's employees engaged in the performance of the Lease and Employer's Liability insurance with a minimum limit of ONE MILLION DOLLARS (\$1,000,000.00). In case any work is subcontracted, the Contractor will require all Subcontractors to provide comparable coverage.

(ii) Commercial General Liability insurance with an unimpaired minimum combined single unit of not less than ONE MILLION DOLLARS (\$1,000,000.00) each Occurrence with a TWO MILLION DOLLARS (\$2,000,000.00) General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, and products and completed operations. Said policy shall contain fire legal liability coverage with a limit of TWO MILLION DOLLARS (\$2,000,000.00) and a severability of interests provisions.

(iii) The limits of said insurance required by this Lease or as carried by the Lessee shall not limit the liability of Lessee nor relieve Lessee of any obligation hereunder.

(iv) Lessee, at its cost, shall maintain insurance coverage for full replacement cost on all of Lessee's personal property, Lessee's alterations, Lessee's utility installations, and Lessee's trade fixtures in, or about the Premises. The proceeds from any such insurance shall

be used by Lessee for the replacement of Lessee's personal property, alterations, utility installations, or trade fixtures only if Lessor repairs or rebuilds the Premises.

(v) The policy required by Paragraph 18 (a) (ii) herein shall be endorsed to include the Navajo Nation, as additional insured and shall require that the insurance provided by Lessee shall be primary insurance and that any insurance carried by the Lessor, its agents, officials or employees shall be excess and not contributory insurance to that provided by Lessee. Provided, however, that the policy required by Paragraph 18 (a) (ii) above shall only provide coverage in the event the liability arises solely and exclusively by reason of the negligent act of Lessee, its agents or employees and shall not provide coverage for liability arising from any other cause, including by way of illustration but not necessarily of limitation liability arising by reason of the negligent act of Lessor, its agents or employees.

(vi) A certificate of insurance acceptable to the Lessor shall be issued to the Lessor by the Lessee prior to commencement of the Lease as evidence that policies providing the required coverage, conditions and limits are in full force and effect. Such certificate shall identify this Lease and contain provisions that coverage afforded under the policies will not be canceled, terminated or materially altered until at least thirty (30) days prior written notice has been given to the Lessor.

Certificate of insurance shall be addressed as follows:

Original: The Navajo Nation Shopping Centers
Post Office Box 478
Window Rock, Arizona 86515

Copy to: Risk Management Department
The Navajo Nation
Post Office Box 1690
Window Rock, Arizona 86515

(vii) Lessor shall not act or fail to act in any manner that could result in a breach of warranty such that the insurance coverage could be declared invalid.

(viii) Failure on the part of the Lessee to procure or maintain required insurance shall constitute a material breach of this Lease, which shall be subject to the default provisions of Paragraph 23.

(ix) The Lessor reserves the right to request and receive certificates of insurance for the above policies.

(x) Lessee and its insurers providing the required coverages shall waive all rights of recovery against Lessor and its agents, officials and employees in the event of a loss of property not due to the negligence of either Lessee or the Lessor.

(b) Lessee shall not be responsible for contributing to or reimbursing Lessor for insurance obtained by Lessor.

(c) Lessor's Negligence. The Lessor is responsible for its own acts and omissions as well as the acts, omissions, or negligence of its employees, agents, representatives and independent contractors in connection with the Lease.

(d) The Lessor shall procure a property insurance policy in an amount equal to the replacement cost of the building of which the Premises are a part with the loss payable to the Lessor and Lessee as their respective interest may appear. Provided, however, that the policy of insurance to be procured by Lessor shall not provide coverage in the event that the loss resulted solely and exclusively from the negligent act of the Lessee, its agents or employees and in such event the loss shall be covered by the fire legal liability coverage referred to in Paragraph 18 (a) (ii) hereof. A Certificate of Insurance acceptable to Lessee shall be issued to Lessee by the Lessor prior to the commencement of the Lease as evidence that the policy herein set forth is in existence and provides the required coverage, and shall be issued by an insurer meeting the requirements set forth in Paragraph 18(a) above. Lessor on its behalf and on behalf of its insurers providing the required coverage shall waive all rights of recovery (whether by subrogation or otherwise) against Lessee, its agents, employees, or independent contractors in the event of a loss of property not due to the negligence of either Lessee or Lessor.

19. ENTRY BY LESSOR.

Lessor or Lessor's representatives shall have the right to enter the Leased Premises at all reasonable times to inspect the same, or to maintain the same, or to post such reasonable notice as Lessor may desire to protect its rights; or, during the one hundred twenty (120) days prior to the expiration of this Lease, to exhibit the Leased Premises to prospective Lessees and to place upon or in the window of the Leased Premises any usual or ordinary "To Lease" signs.

20. VOLUNTARY ASSIGNMENT AND SUBLETTING.

(a) 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, such approval not to be unreasonably withheld, 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 any approved encumbrancer, shall agree in writing to be bound by each and all of the covenants and conditions of this Lease. However, Assignee shall not be responsible for any obligations which Lessee should have performed prior to the date of the assignment. Should Lessor 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, and the restrictions of this Article 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 Lessor, excepting an encumbrancer.

(b) For purpose of this Article, the creation of a partnership, corporation, joint venture, management agreement or any other arrangement under which any person or entity, other than Lessor is entitled to share in fifty percent (50%) or more of the profits derived directly or indirectly 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.

(c) Approval or disapproval of any sublease, assignment, management agreement, or transfer, for any purpose whatsoever, by the Lessee shall be subject to the approval of Lessor, such approval not to be unreasonably withheld.

(1) Assignments. In the event Lessee desires to assign this Lease, then Lessee shall so advise Lessor in writing, and Lessor, within sixty (60) days after receipt of such notice, may approve or disapprove of the proposed assignee. Such approval shall not unreasonably be withheld. To be valid, any assignment of this lease also requires the approval of the Secretary and the written

consent of all parties to the Lease, including the surety or sureties.

In the event of any assignment at any time by Lessee, both Lessee and assignee shall from and after the date of the assignment be jointly and severally bound, notwithstanding such assignment.

(ii) Mergers and Corporate Reorganizations. If Lessee's leasehold interest is transferred as a result of the merger of Lessee or corporate reorganization of Lessee not occurring by reason of Lessee's insolvency or financial difficulties, the transfer of Lessee's leasehold interest shall not be construed to be an assignment such as is prohibited hereunder or which requires Lessor's consent provided that the following conditions are met prior to the succession to any rights hereunder:

(1) Lessee shall provide written notice to Lessor clearly and completely identifying and quantifying any and all modifications affecting Lessee's majority ownership or control or affecting more than fifty percent (50%) of the interest Lessee owned or controlled at the time this lease was first executed; and

(2) The succession to such rights hereunder is in compliance with the requirements of all laws, rules and regulations applicable to such merger or corporate reorganization; and

(3) If a merger or corporate reorganization, such merger or corporate reorganization does not so reconstitute Lessee's ownership, control or identity as to remove or substantially impair any capacity or capability to perform any express conditions of this lease, to conduct the business contemplated hereunder or which in any other manner frustrates the purposes for which Lessor entered into this Lease with Lessee as constituted at the time the Lease was executed. If a merger, the company with which Lessee merges must not have been denied permission to conduct business on the Navajo Nation; and

(4) The Lessor and the Secretary shall have sixty (60) days from the receipt of Lessee's notice of merger or reorganization and receipt of Lessee's information pertaining to the substance of the merger or reorganization to evaluate the information and determine whether the merger or

reorganization does or does not constitute an assignment. If the Nation or the Secretary reasonably determines that the merger or reorganization alters Lessee's identity, ownership, or control so as to impair its ability to perform the Lease as contemplated, or conflicts with the intent of the parties in entering this Lease, the merger or reorganization shall be deemed an assignment requiring approval by the Lessor, the Secretary and all sureties, as provided by federal regulations.

(d) The Lessee shall have the right to terminate this Lease should the Navajo Nation or the Secretary fail to approve an assignment of the Lease within ninety (90) days following Lessee's Lease Assignment Request, by certified or registered mail, to the Navajo Nation and/or Secretary given in accordance with the provisions of Paragraph 32 of this Lease entitled "Notices." If this Lease is terminated under this provision, the Lessee shall be entitled to the fair market value of the lease, including, but not limited to, the fair market value of all improvements to the leasehold and the fair market value of the lease itself,, as provided for in 1 N.N.C. 8 which precludes the taking of property without just compensation and the Navajo Nation Business Site Leasing Act as found in Title 5 of the Navajo Nation Code.

(e) Subletting. Lessee shall not sublet without the prior written consent of Lessor and the Secretary, which consent shall not unreasonably be withheld, except that Lessee shall be free to lease departments to subtenants without Lessor's consent, provided that (i) Lessee at all times shall continue to supervise the operation of each such subleased department; (ii) each such sublease agreement shall be made expressly subject to all terms, covenants and conditions herein contained; (iii) the gross sales from the operation of such leased department shall be deemed to be a part of the gross sales of Lessee for all purposes of this Lease; and (iv) the total area leased to such subtenants shall not exceed twenty-five percent (25%) of the total sales area contained in the Leased Premises.

21. INVOLUNTARY ASSIGNMENT.

(a) Involuntary Assignment Void. Neither this Lease nor any interest of Lessee hereunder in the Leased Premises or the improvements thereon shall be subject to involuntary assignment, transfer or sale or to assignment, transfer or sale by operation of law in any manner whatsoever, and any such attempted involuntary assignment, transfer or sale shall be void and of no effect whatsoever.

(b) Insolvency of Lessee. Should Lessee be adjudged as bankrupt in involuntary proceedings, then after expiration of right to appeal, if no appeal was taken, or if appeal was taken then after adjudication of any appeal, or should Lessee make an assignment for the benefit of creditors, or should Lessee admit in writing that it is insolvent or otherwise unable to pay its debts as they come due, or should Lessee itself file a petition in bankruptcy, Lessor shall have the option forthwith to terminate this Lease and to re-enter the Leased Premises and take possession thereof. In no event shall this Lease be deemed an asset of Lessee after adjudication in bankruptcy.

22. SUCCESSORS AND ASSIGNS.

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

23. RENTAL AND PERFORMANCE BOND.

- A. Based upon the past payment history of the Lessee, the financial resources of the Lessee, and the value of the improvements and inventory maintained on the premises, it is agreed that a rental and/or performance bond is unnecessary for the Lessee at this time. In the event that this Lease is transferred or assigned, either voluntarily or involuntarily, or in the event that a sublease is approved, the Lessor and the Secretary reserve the right to require a corporate surety bond or other security acceptable to the Lessor and Secretary in an amount of up to one year's estimated rent for the premises at the time of their approval of the assignment, transfer, or subleasing of the premises. This bond shall be deposited with the Secretary and remain in force for the remaining term of the Lease at the discretion of the 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 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 under this Lease.
- B. It is understood and agreed that the bond or security required by this Section will guarantee performance of the contractual obligation under this Lease, and that a corporate or 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 to the Lessor and the Secretary. If U.S. Treasury Bonds are provided, the Lessee agrees to make up any deficiency in the value of the bonds. Interest on said U.S. Treasury Bonds shall be paid to the Lessee. Should waiver or bond or security be granted during the term of this Lease, Lessor and the Secretary reserve the right to request that the Lessee furnish bond or security at a later date and Lessee hereby agrees to comply with said request.

24. DEFAULT.

(a) Time is declared to be of the essence of this Lease. Should Lessee default in any payment of monies when due or be in violation of any other provision of this Lease, said violation may be acted upon by the Lessor or the Secretary in accordance with Title 25, Chapter 1, Part 162.14 of the Code of Federal Regulations or any amendments thereto. This section of the Code provides that the Lessee be provided with written notice setting forth in detail the nature of the alleged violation and allowing the Lessee ten (10) days to show cause why the Lease should not be terminated. If it is determined by the Lessor and the Secretary acting reasonably that the violation can be corrected, the Lessee shall be given a reasonable time in which to take such corrective action as is necessary to cure the breach, provided, however, that prior to the violation being acted upon by the Secretary, Lessee shall be given written notice of default, and with respect to monetary default, Lessee shall have ten (10) days within which to cure the default after the date of written notice, and with respect to non-monetary defaults, Lessee shall have thirty (30) days after the date of receipt of written notice to cure the default, said thirty (30) day period being subject to extension if the default is not reasonably capable of being cured within thirty (30) days and Lessee has commenced the cure within the aforesaid thirty (30) day period and continues with its efforts to cure using reasonable diligence.

In addition to the rights and remedies provided by the aforementioned regulations, Lessor or the Secretary may exercise the following options upon Lessee's default as provided for and authorized by law.

(i) 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

(ii) Re-enter the premises and remove all persons and property therefrom, excluding the property belonging to authorized sublessees, and to act with reasonable diligence to 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, such discretion to be exercised in a reasonable manner, who shall have the right to alter and repair the premises as it deems reasonably advisable 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 expense or re-letting, collection, altering, and repairing, including attorney's fees and any real estate commission actually paid, 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

(iii) 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 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 Article shall not exclude recourse to any other remedies, by suit or otherwise, which may be exercised by Lessor or the Secretary or any other rights or remedies now held or which may be held by Lessor 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 Lessor 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 Lessor. 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.

25. ATTORNEY'S FEES.

In the event that at any time during the term of this Lease either Lessor or Lessee shall institute any action or proceedings against the other relating to the provisions of this Lease, or any default hereunder, then, in that event, the unsuccessful party in such action or proceedings agrees to reimburse the successful party for the reasonable expenses of attorney's fees and disbursements incurred therein by the successful party.

26. REIMBURSEMENT.

Except as otherwise provided in this lease, all terms, covenants and conditions herein contained to be performed by Lessor shall be performed at Lessor's sole expense, and if Lessee shall pay any sum of money or do any act which requires the payment of money, by reason of the failure, neglect or refusal of Lessor to perform such term, covenant or condition, the sum of money so paid by Lessee shall be payable by Lessor to Lessee within thirty (30) days, and the sum or sums so paid by Lessee may, at the option of Lessee, be offset and credited against the immediately succeeding installment or installments of minimum guaranteed rental, percentage rental, and/or additional rental and/or any other charges which, pursuant to the provision of this Lease, are Lessee's obligation until such time as the amount of the offset credit has equaled the cost and expenses so incurred by Lessee plus interest thereon as hereinafter more specifically set forth.

All terms, covenants and conditions herein contained to be performed by Lessee shall be performed at Lessee's sole expense, and if Lessor shall pay any sum of money or do any act which requires the payment of money by reason of the failure, neglect or refusal of Lessee to perform such term, covenant or condition, the sum of money so paid by Lessor shall be payable by Lessee to Lessor with the next succeeding installment of rental. Except as otherwise expressly stated in this Lease, each payment required to be made by Lessee shall be in addition to and not in substitution for any other payments to be made by Lessee.

Any sum payable by Lessor to Lessee or by Lessee to Lessor under any provision of this Lease which is not paid within ten (10) days after receipt of written notice of default shall bear interest from said due date until paid at the rate which is one percent (1%) above Bank One Arizona, N.A.'s prime rate as it exists at the time of the expenditures of monies. The Bank One Arizona, N.A.'s prime rate is defined to be that rate charged by Bank One Arizona, N.A. to its most credit worthy customers on ninety (90) day unsecured commercial loans; said

interest shall be paid at the time of making such late payment.

27. HOLDING OVER.

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 or in or to the Leased Premises. Should Lessee hold over after the expiration or earlier termination of this Lease, Lessee shall pay as hold over rental a daily amount equal to double the daily rental charged during the year immediately preceding the termination of the Lease, from the day following the termination date of the Lease until the Leased Premises is surrendered.

28. STATEMENTS.

Lessor and Lessee agree at any reasonable time, and upon not less than ten (10) days' prior written request by the other, to execute, acknowledge and to deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if modified, in full force and effect as modified and stating modifications), and the dates to which rental or other sums have been paid in advance, it being intended that any such statement delivered pursuant to this Paragraph 27 may be relied upon by any prospective purchaser, mortgagee, assignee or beneficiary. Lessor and Lessee also agree to execute in duplicate a certificate setting forth the commencement date of the term of this Lease at such time as said term has in fact commenced.

29. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not be deemed a merger unless Lessor shall so elect, and shall, at the option of Lessor, operate as an assignment to Lessor of any or all such sublease or concessions.

30. CONDITIONS.

This Lease and the obligation of Lessee hereunder are subject to the occurrence of the following contingency:

Lessee, at its cost, shall obtain a leasehold policy of title insurance in such amount as Lessee may elect, but no less than Seventy-Five Thousand Dollars (\$75,000.00) subject only to the standard printed exceptions contained therein and such other matters of record as may be first approved by Lessee in writing.

Lessor and Lessee agree to use their best efforts to satisfy such contingency. If the contingency fails to occur prior to the commencement of the Lease term hereunder, then and in such event Lessee, within one year of commencement of the lease term, may elect to cancel and terminate this Lease, in which event Lessee shall give notice thereof to Lessor and this Lease shall be deemed null, void and of no further force and effect.

31. RESTRICTIONS ON USE.

With reference to the shopping center which is legally described in Paragraph 1 of this Lease, no portion thereof, with the exception of the Leased Premises, shall be occupied or used, directly or indirectly, for the purpose of a general food market or grocery store, meat market, fruit store, vegetable store, bakery, delicatessen (provided, however, that this restriction on use with reference to a bakery and delicatessen shall only apply so long as Lessee is operating a bakery and delicatessen from the Leased Premises) without the prior written consent of Lessee and in no event shall any part of the property other than the Leased Premises be used for the purpose of selling fresh or frozen meat or fish, or frozen poultry, or fresh or frozen produce or dairy products. Notwithstanding the above, Lessor shall have the right to lease space within the shopping center to a tenant selling ice cream, such as Baskin-Robbins. If at any time the sale of alcoholic beverages is permitted by a non-tribal organization or entity on the Navajo Reservation, then in such event no portion of the shopping center as legally described on Exhibit "B", with the exception of the Leased Premises, shall be used for the sale or offering for sale of such alcoholic beverages for off-premises consumption. Nothing contained herein shall prohibit a tribal organization or entity from selling alcoholic beverages within the shopping center.

32. NOTICES.

All notices or demands that must be or may be given or made hereunder shall be in writing and sent by certified or registered mail, return receipt requested, or personally delivered to the address set forth below to the party to whom notice or demand is to be given:

TO LESSOR: Office of the President and Vice President
 The Navajo Nation
 Post Office Box 9000
 Window Rock, Arizona 86515

Copy to: Executive Director
Division of Economic Development
The Navajo Nation
Post Office Box 663
Window Rock, Arizona 86515

Copy to: General Manager
Navajo Nation Shopping Centers
Post Office Box 478
Window Rock, Arizona 86515

Copy to: Office of the Area Director
Navajo Area Office
Bureau of Indian Affairs
Post Office Box 1060
Gallup, New Mexico 87305-1060

Copy to: Public Works Division
Economic Development Administration
Jackson Federal Building
Room 1856
915 Second Avenue
Seattle, Washington 98174

TO LESSEE: Bashas' Inc.
Attn: Edward N. Basha, Jr.
Post Office Box 488
Chandler, Arizona 85244

Copy to: Gordon A. Mohr, Esq.
MOHR, HACKETT, PEDERSON,
BLAKLEY & RANDOLPH, P.C.
2800 North Central Avenue, Suite 1100
Phoenix, Arizona 85004-1043

Each such notice or demand shall be deemed given to the party on the fifth (5th) calendar day following the date of mailing of same to the party or on the date of receipt of said notice or demand by said party, whichever is sooner. Either party hereafter may designate a different person or entity or place to or at which notice shall be given by giving written notice to that effect in compliance with this Paragraph 31.

33. PLANS AND SPECIFICATIONS AND CONSTRUCTION OF IMPROVEMENT.

(a) Plans and Specifications. Lessee shall cause to be prepared a list setting forth its requirements relative to the Leased Premises. After receipt thereof by Lessor it shall, within thirty (30) days, prepare and cause to be transmitted to Lessee a complete set of plans and specifications relative to the supermarket building to be constructed on the Leased Premises, which said plans and specifications shall

incorporate Lessee's requirements. Lessee shall have a period of thirty (30) days after the date of its receipt of said plans and specifications within which to approve the same. If approved, the supermarket building shall be constructed by Lessor at Lessor's sole cost and expense in accordance with the approved plans and specifications. Lessee shall not unreasonably withhold its approval of said plans and specifications. If the plans and specifications have not been approved by Lessee by thirty (30) days, Lessee shall be entitled by written notice to Lessor to terminate this Lease, in which event Lessor and Lessee shall not have any further duty, liability or obligation to the other of any kind or nature whatsoever.

(b) Construction. Lessor shall commence construction or cause construction to be commenced of (1) a supermarket building in accordance with plans and specifications so prepared by Lessee ("supermarket building"), and (2) other buildings within the shopping center containing approximately six thousand (6,000) square feet of floor area ("other buildings"), and (3) the common area ("common area"). The plans and specifications of the common area and the elevations of the other buildings shall be subject to the approval of Lessee, which approval shall not unreasonably be withheld. Lessee shall be entitled to alter or modify or change the plans and specifications of the supermarket building, subject to the approval of Lessor, which approval will not unreasonably be withheld. Lessor and Lessee will endeavor to cooperate with each other insofar as the date of commencement of construction is concerned, but it is specifically acknowledged and agreed that Lessee reserves the right to approve the date of commencement of construction. Construction of the supermarket building, other buildings and common area shall be completed as soon as reasonably possible after commencement of construction, and in all events, shall be completed by April 1, 1994. The supermarket building, other buildings and common area shall be constructed at the cost of Lessor.

(c) Defects. Should the supermarket building not be constructed in accordance with the approved plans and specifications prepared by Lessee and/or should there be any defect in workmanship and/or material used, which in Lessee's judgment, reasonably exercised, may, could or would preclude or interfere with the conduct of Lessee's business in the improvement and/or the other buildings have not been completed and/or if the common area has not been completed, then and in such event Lessee shall by written notice to Lessor be entitled to (i) elect to extend the date of commencement of the term until such time as Lessor has taken such action as may be necessary and/or required in order to cause the failure and/or defect to be cured; or (ii) elect to cure the failure

and/or defect itself, in which event all costs and expenses so incurred by Lessee in connection therewith shall be deemed immediately due and payable from Lessor to Lessee, bearing interest at the rate hereinbefore set forth in this Lease, and at the option of Lessee and in addition to any other right or remedy which Lessee may then elect to pursue, offset all such sum or sums of money against minimum guaranteed rental, percentage rental and/or additional rental, and/or other charges until such time as Lessee has totally recaptured an amount equal to its costs and expenses so incurred plus interest as aforesaid. Should the defect and/or failure not become apparent to Lessee until after the commencement of the term of this Lease, then Lessee shall be entitled to exercise at any time after such failure and/or defect becomes apparent, the right or remedy set forth in (ii) above.

34. COMMUNITY SERVICE.

Lessor shall have the right to use the common areas for shows, displays or other activities which provide a community service to the Navajo people and the community of Pinon, provided, however, that if that portion of the common area cross-hatched on the site plan attached hereto as Exhibit "A" is to be used in conjunction therewith, the written approval of Lessee shall be first obtained, which approval will not unreasonably be withheld.

35. MERCHANT'S ASSOCIATION.

Should a merchant's association be formed, and should all Lessees be a part thereof, Lessee agrees to join therewith upon the same economic obligation as is imposed upon all other Lessees.

36. FEDERAL TRUST.

(a) 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, the Lessee and their surety or sureties shall be notified of any such change in the status of the land.

(b) 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 its sureties, are to the United States as well as to the Lessor.

(c) The Lessee agrees that it will not use or cause to be used any part of the Leased Premises for any unlawful conduct or purpose.

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

37. NAVAJO EMPLOYMENT.

Lessee agrees to comply with the Navajo Preference in Employment Act in conducting its operations from the Leased Premises. In addition to satisfying the requirements of the aforementioned Act, Lessee agrees to use reasonable efforts to (a) employ a minimum of seventy percent (70%) persons entitled to preference under the Navajo Preference in Employment Act in its Pinon store at all times during the first three years of its operation, eighty percent (80%) during the fourth through sixth years of its operation, and ninety percent (90%) during the seventh through tenth years of its operation; (b) employ a minimum of ninety-five percent (95%) person entitled to preference under the Navajo Preference in Employment Act in its Pinon store at all times after the first ten (10) years of the Lease; and (c) prepare an affirmative action program for submittal to Lessor within one (1) year after opening for business which will define Lessee's plan for developing persons entitled to preference under the Navajo Preference in Employment Act to hold the positions of store manager, assistant manager and department manager positions in its Pinon store. Such affirmative action plan will contain affirmative steps whereby Lessee will provide upward mobility such as training, job enrichment and other positive employee development factors. Said plan is understood to provide for the benefit of the Navajo people in terms of jobs and advancement with a primary goal of having a Navajo store manager in Pinon no later than the commencement of the sixth (6th) year of operation and Navajos represented proportionately in all levels of operation.

38. PURCHASE OPTION.

On the tenth (10th), fifteenth (15th), twentieth (20th) and twenty-fifth (25th) anniversary dates of the commencement of the Lease ("purchase option date"), Lessor shall have an option to purchase ("purchase option"), at each respective purchase option date, a twenty-five percent (25%) interest in Lessee's business being conducted on the Leased Premises. Each purchase option shall be exercisable by Lessor's giving prior written notice to Lessee of its intent to exercise such

purchase option at least ninety (90) days before each purchase option date. If Lessor fails to exercise any purchase option on the respective purchase option date set for exercise, then each purchase option date shall be extended to the date on which the term of the Lease expires, provided that if Lessee exercises its option or options to extend the term of the Lease, then each purchase option date shall be extended to the date on which the term of the Lease as extended expires.

The purchase price for each respective twenty-five percent (25%) interest shall be twenty-five percent (25%) of the business's fair market value at each purchase option date ("purchase price"), taking into consideration the income of the business, the cost of the inventory and the fair market value of all furniture, fixtures, equipment, machinery and improvements placed on the Leased Premises by Lessee during the term of this Lease and any extension thereof and such other items as the accountants deem appropriate. Such fair market value shall be determined by accountants, with the Lessor and Lessee each appointing one (1) accountant who shall in turn, jointly choose an additional accountant. Lessor shall designate its accountant in the written notice exercising each purchase option and Lessee shall thereafter within thirty (30) days from the receipt of such notice of exercise, designate its accountant. Within thirty (30) days after each party has designated its accountant, the designated accountants shall select the additional accountant. The accountants shall render their decision as to fair market value no later than twenty (20) days after each purchase option date. The decision of any two (2) accountants as to the fair market value, taking into consideration the income from the business, the cost of the inventory and the fair market value of all furniture, fixtures, equipment, machinery and improvements placed on the Leased Premises by Lessee during the term of this Lease and any extension thereof, and any other items the accountants deem appropriate, shall be binding upon the parties hereto. Lessor shall pay Lessee the full purchase price on or before forty-five (45) days after the accountants set the purchase price.

Upon exercise of the first purchase option and payment in full of the applicable purchase price, Lessor's right to receive additional rental under Paragraph 3.(d) of the Lease shall terminate and, thereafter, Lessor shall be entitled only to a percentage of profits and losses derived from the operation of Lessee's business in an amount corresponding to the percentage interest then held by Lessor, it being understood that upon exercise of the first purchase option, Lessor's only rights to the profits and losses from Lessee's business shall be derived solely from its interest acquired under this Paragraph 37 and not from Paragraph 3(d) of this Lease providing Lessor with additional rental.

During the year preceding a year in which the Lessor may exercise this purchase option (i.e., in the ninth (9th), fourteenth (14th), nineteenth (19th), and twenty-fourth (24th) years, the Lessor may, at its own expense, make a preliminary assessment of the market value of the business to determine an estimate of the purchase price. Lessee agrees to cooperate with the Lessor and to provide access to the records needed for the assessment.

It is understood and agreed between the parties that when Lessor has acquired a fifty percent (50%) interest in Lessee's business, Lessee shall include Lessor in making decisions concerning the management of the business. Lessee, however, shall retain the right to make the final management decisions. The parties agree that upon Lessor's execution of the second purchase option, the parties will meet to determine specifically how Lessor's involvement in the decision making shall be structured.

It is understood and agreed between the parties that when Lessor has acquired a seventy-five percent (75%) interest in Lessee's business, Lessor shall take an active role in making management decisions. The parties agree that upon Lessor's execution of the third purchase option and payment of the purchase price giving Lessor a seventy-five percent (75%) interest in the business, the parties shall meet to negotiate the specific management arrangement.

Upon exercise of the fourth (4th) and final purchase option by Lessor, Lessee may, in its sole and absolute discretion, elect, by written notice, to terminate the use of Lessee's business name in connection with Leased Premises. Upon such election, Lessor shall immediately terminate and permanently discontinue Lessee's business name in its operation of the Leased Premises.

39. LESSOR'S SOVEREIGN IMMUNITY.

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

40. APPLICABLE LAW.

Except as prohibited by applicable federal law, the law 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 such action or proceeding shall be brought by Lessee against the

Navajo Nation in any court or administrative body of any State.

41. CONSENT TO JURISDICTION.

Lessee hereby consents to the legislative, executive and judicial jurisdiction of the Navajo Nation in connection with all activities conducted by the Lessee within the Navajo Nation.

42. COMPLIANCE WITH ENVIRONMENTAL LAWS.

Lessee agrees to comply with applicable Federal, State, Navajo Nation or local laws, statutes, ordinances or regulations, court or administrative orders or decrees pertaining to environmental matters or hazardous substances. No materials shall be maintained or located on the premises that would violate any environmental requirements or give rise to liability for hazardous substances (including, without limitation, solid wastes, toxic materials, radon, asbestos and oil) or that would require special handling in collection, storage, treatment, or disposal.

43. AGREEMENT TO ABIDE BY NAVAJO NATION AND FEDERAL LAWS.

In all activities conducted by Lessee within the Navajo Nation, Lessee shall abide by all laws and regulations of the Navajo Nation and of the United States, now in force and effect or as hereafter may come into force and effect.

44. HAZARDOUS SUBSTANCES.

Lessee shall not cause or permit any hazardous substance to be used, stored, generated or disposed of on or in the premises without first obtaining Lessor's written consent. If hazardous substances are used, stored, generated or disposed of on or in the premises except as permitted above, or if the premises become contaminated in any manner for which Lessee is legally liable, Lessee shall indemnify and hold harmless the Lessor and the Secretary from any and all 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 Lessee. This indemnification includes, without limitation, any and all costs incurred due to any investigation of the site or any cleanup, removal or restoration mandated by the federal, government or Navajo Nation. Without limitation of the foregoing, if Lessee causes

or permits the presence of any hazardous substance on the premises and such results in contamination, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the premises to the condition existing prior to the presence of any such hazardous substance on the premises. Lessee shall first obtain Lessor's approval for any such remedial action, unless the time required for seeking and obtaining such approval would cause an imminent danger to public health and safety.

If hazardous substances are placed on the Shopping Center premises through no fault of the Lessee, Lessor shall take action against the responsible party, notify the primary enforcement agency for remedial action, or remediate as the law requires.

45. DELIVERY OF PREMISES.

At the termination of this Lease, Lessee will peaceably and without legal process deliver possession of the leased premises, in good condition usual wear and tear excepted. Lessee shall, upon written request of Lessor, provide Lessor an environmental audit/assessment of the Leased Premises used by Lessee at least sixty (60) days prior to delivery of the Leased Premises.

46. 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.

47. SEVERABILITY.

If a court or an arbitrator of competent jurisdiction holds any provisions of this Lease to be illegal, unenforceable, or invalid in whole or in part for any reasons, the validity and enforceability of the remaining provisions, or portions of them, will be not affected.

48. VALIDITY.


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

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

THE NAVAJO NATION
"LESSOR"

BASHAS' INC.,
(An Arizona Corporation)
"LESSEE"


President


SR. Vice President

2-29-00
Date

NOVEMBER 26, 1999
Date

APPROVED:

Pursuant to 209 DMS Secretary's Order No. 3150, as amended, and 10 BIAM, Bulletin 13, as amended.

By: 
Regional Director, Navajo
Bureau of Indian Affairs

4/10/2000
Date

ACKNOWLEDGMENT

STATE OF ARIZONA)
) ss:
COUNTY OF APACHE)

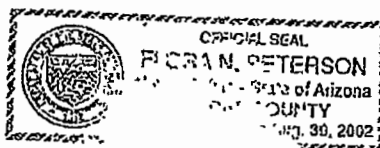
The foregoing instrument was acknowledged before me this
29th of February, 2000 1999, by Kelsey A. Begaye, as
President/Vice President of the Navajo Nation.

Witness my hand and official Seal.

Flora M. Peterson
Notary Public

My Commission Expires:

August 30, 2002



STATE OF ARIZONA)
) ss:
COUNTY OF ~~APACHE~~
 MARICOPA

The foregoing instrument was acknowledged before me this
29 of NOVEMBER, 1999, by A.N. JOHN BASHA, JR.,
Bashas' Inc.

Witness my hand and official Seal.

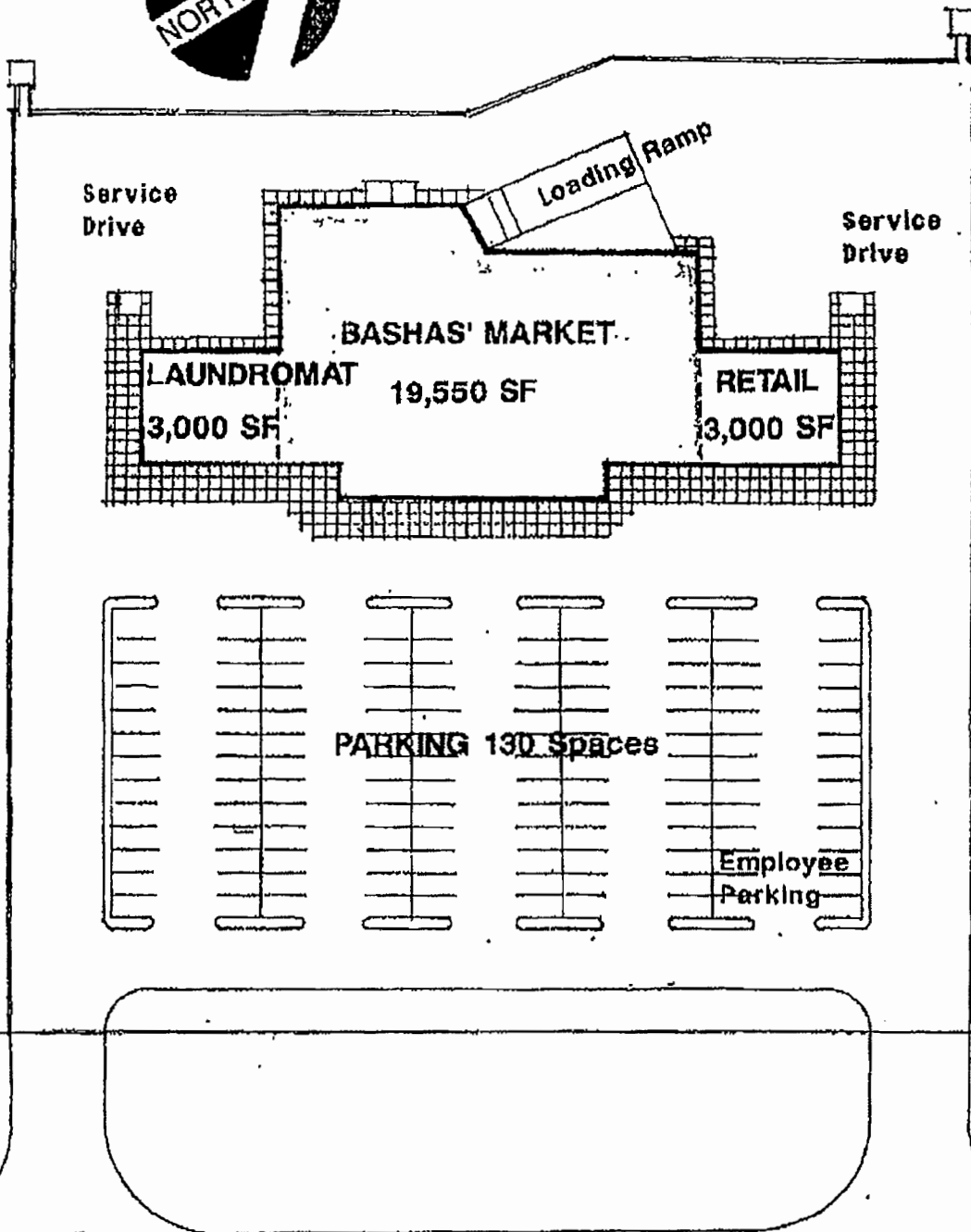
Evynn Rosendahl
Notary Public

My Commission Expires:

JUNE 21, 2003



EXHIBIT A



B.I.A. ROUTE 41

TRACT 'A'

Pinon Shopping Center Tract

TRACT DESCRIPTION

A PARCEL OF LAND SITUATED WITHIN LAND MANAGEMENT DISTRICT NO. 4 OF THE NAVAJO INDIAN RESERVATION IN THE VICINITY OF PINON, NAVAJO COUNTY, STATE OF ARIZONA, AND IS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE at the Intersection of Indian Service Route No. 4 and Indian Service Route No. 41 at Centerline Point on Tangent Station 1919+81.82 of Indian Service Route No. 4;

THENCE run N 08° 00' 15" W, 144.69 feet to the POINT OF BEGINNING of the herein described parcel of land;

THENCE N 53° 20' 00" W, 289.92 feet;

THENCE N 62° 55' 47" W, 228.36 feet;

THENCE N 64° 46' 23" W, 223.87 feet;

THENCE N 67° 44' 42" E, 446.74 feet;

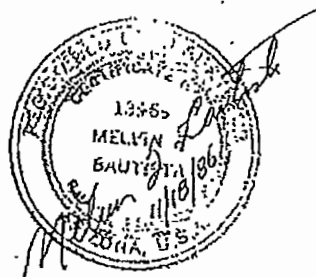
THENCE N 12° 54' 43" E, 652.06 feet;

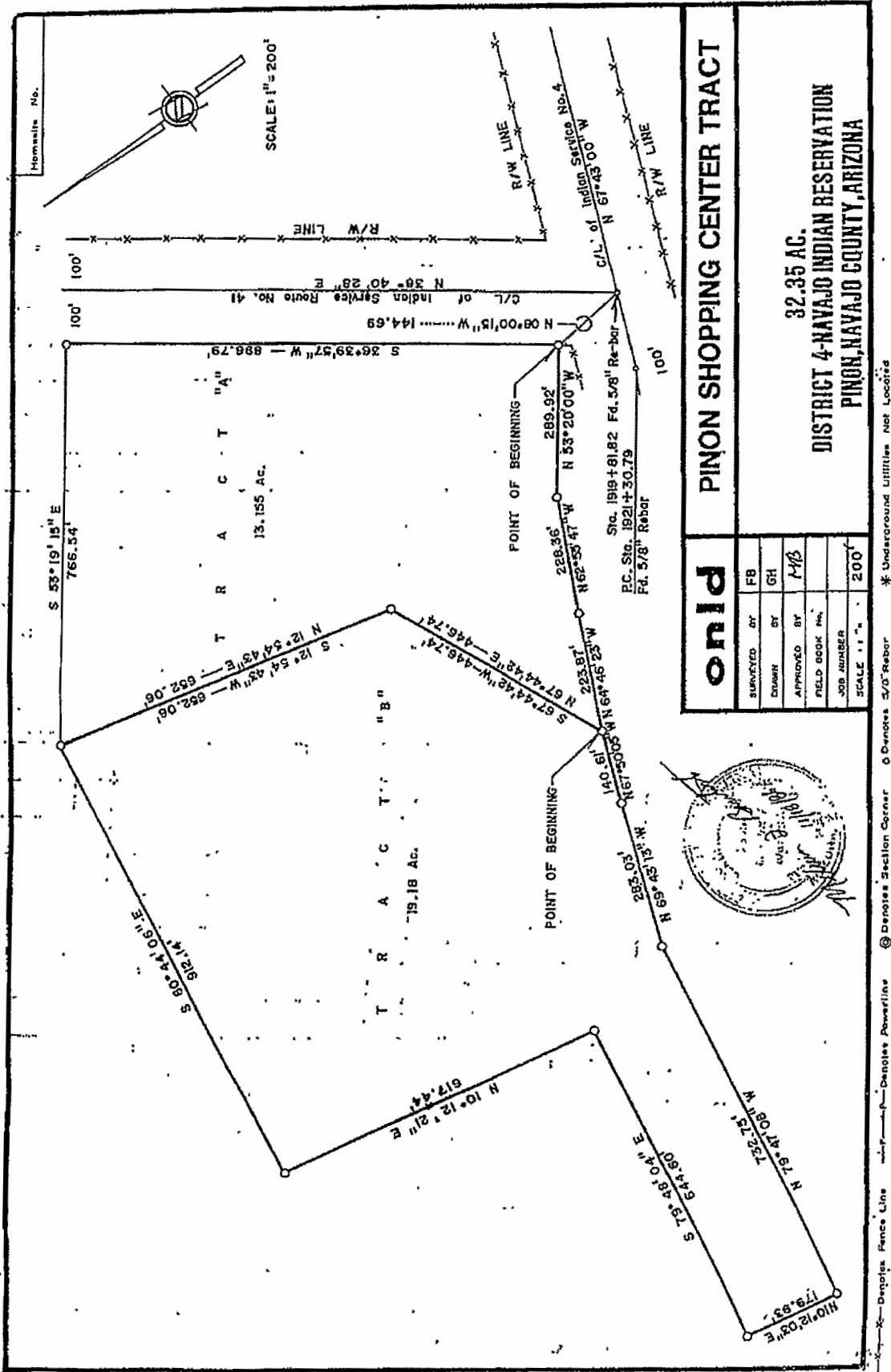
THENCE S 53° 19' 15" E, 766.54 feet;

THENCE S 36° 39' 57" W, 896.79 feet to the Point of Beginning.

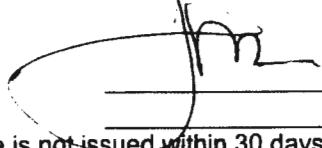
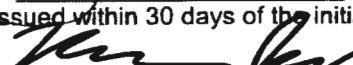
Being 13.16 acres, more or less, in area, and being subject to any and all existing easements for underground utilities located therein.

Surveyed October 22, 1986 by the Office of Navajo Land Administration, The Navajo Tribe, Window Rock, Navajo Nation, Arizona.





Document No. 017606Date Issued: 11/05/2021**EXECUTIVE OFFICIAL REVIEW**Title of Document: Business Site Lease Assignment CH-00-117 Contact Name: YABENY, SALLY AProgram/Division: DIV. OF ECONOMIC DEVELOPMENTEmail: sallyyabney@navajo-nsn.gov Phone Number: 5053681315

- ☒ **Business Site Lease**
- | | | Date: | Sufficient | Insufficient |
|---|---|------------------------|-------------------------------------|--------------------------|
| 1. Division: |  | <u>11/8/2021</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Controller: | | Date: _____ | <input 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: <u>11/9/2021</u> | <input checked="" 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"/> |

COPY



NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM



☐ RESUBMITTAL

DOJ
11/9/21 C 942a
DATE / TIME
<input type="checkbox"/> 7 Day Deadline
DOC #: 17606
SAS #:
UNIT: ECDW

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

CLIENT TO COMPLETE

DATE OF REQUEST:	11/5/2021	DIVISION:	Division of Economic Development
CONTACT NAME:	Sally A. Yabeny	DEPARTMENT:	Regional Business Dev. Office, SROCK
PHONE NUMBER:	505/368-1315	E-MAIL:	sallyyabeny@navajo-nsn.gov

TITLE OF DOCUMENT: Docket #017606 - Proposed Lease Assignment between BASHAS' INC. and RALEY'S ARIZONA LLC for review and surname approval. BSL NO. CH-00-117 to be placed on RDC Agenda for approval.

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT: **NOV 09 2021**
10:30 AM

REVIEWING ATTORNEY/ADVOCATE: Katherine

DATE TIME OUT OF UNIT:

DOJ ATTORNEY / ADVOCATE COMMENTS

Legally Sufficient

REVIEWED BY: (Print)	Date / Time	SURNAMED BY: (Print)	Date / Time
----------------------	-------------	----------------------	-------------

Katherine Belzowski 11/9/2021 11:47 AM

DOJ Secretary Called: JT Willie for Document Pick Up on **NOV 09 2021** at 12:51 PM By: W

PICKED UP BY: (Print)

DATE / TIME:

NNDOJ/DRRF-July 2013



SCANNED
11/09/2021 KCB

RESOURCES AND DEVELOPMENT COMMITTEE
24th Navajo Nation Council

THIRD YEAR 2021

ROLL CALL
VOTE TALLY SHEET

LEGISLATION #0249-21: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT; APPROVING THE ASSIGNMENT OF BUSINESS SITE LEASE NO. CH-00-117 FROM BASHAS' INC. TO RALEY'S, ARIZONA, LLC.

Sponsor: Honorable Wilson C. Stewart, Jr.

Date: December 8, 2021 – Regular Meeting (In-Person and Teleconference)
Location: Chinle Chapter House -- 4600 Navajo Route 7 -- Navajo Nation Building #4600 -- Chinle, Arizona 86503
Resources and Development Committee also called in via teleconference from their location within the boundary of the Navajo Nation.

Main Motion:

M: Thomas Walker, Jr. **S:** Kee Allen Begay, Jr. **V:** 4-0-1 (CNV)
In Favor: Thomas Walker, Jr.; Kee Allen Begay, Jr.; Herman M. Daniels; Wilson C. Stewart, Jr.
Opposition: None
Excuse: Mark A. Freeland
Not Voting: Rickie Nez, *Chairperson*

Amendment #1:

M: Kee Allen Begay, Jr. **S:** Mark A. Freeland **V:** 5-0-1 (CNV)
In Favor: Thomas Walker, Jr.; Kee Allen Begay, Jr.; Mark A. Freeland, Herman M. Daniels; Wilson C. Stewart, Jr.
Opposition: None
Excuse: None
Not Voting: Rickie Nez, *Chairperson*



Honorable Rickie Nez, *Chairperson*
Resources and Development Committee

Rodney L. Tate
Rodney L. Tate *Legislative Advisor*
Office of Legislative Services