

**RESOLUTION OF THE
RESOURCES AND DEVELOPMENT COMMITTEE
OF THE 23RD NAVAJO NATION COUNCIL --- FIRST YEAR, 2015**

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE; APPROVING THE GRANT OF RIGHT-OF-WAY TO ARIZONA PUBLIC SERVICE TO CONSTRUCT, OPERATE AND MAINTAIN A COMMERCIAL POWER LINE EXTENSION LOCATED WITHIN A STANDARD BUSINESS SITE LEASE NO. NNTC-11-0044 APPROVED FOR AR MIKE ENTERPRISE, INC., D.B.A. BURGER KING IN THE CAMERON CHAPTER VICINITY, NAVAJO NATION (COCONINO COUNTY, ARIZONA).

BE IT ENACTED:

Section One. Findings:

- A. Pursuant to 2 N.N.C. Section 500(A), the Resources and Development Committee of the Navajo Nation Council is hereby established as a standing committee of the Navajo Nation; and'
- B. Pursuant to 2 N.N.C. §501 B 2(a), the Resources and Development Committee of the Navajo Nation Council to grant final approval for all land withdrawals, non-mineral leases, permits, licenses, rights-of-way, surface easements and bonding requirements on Navajo Nation lands and un restricted (fee) land. This authority shall include subleases, modifications, assignments, leasehold encumbrances, transfers, renewals and terminations; and
- C. The Arizona Public Services (APS), Mail Station 3016, P.O. Box 53933, Phoenix, Arizona 85072-3933, has submitted a Service Line Agreement (SLA) application to construct, operate and maintain a commercial power line extension to a standard business site lease on, over and across Navajo nation Trust Lands (Coconino County, Arizona) attached hereto and incorporated herein as Exhibit "A";and
- D. The proposed Service Line Agreement (SLA) is 248.75 feet long, 20 feet wide, consists of 0.1142 acres, more or less, in the Section 34, Township 29, North, Range 9 East, G&SRMB (Coconino County, Arizona) and the location is more

particularly described on the survey map attached hereto and incorporated herein as Exhibit "B"; and

- E. The Project Review Section with the Navajo Land Department has determined that there are no affected land users (i.e. grazing permittees) because the power line extension is located entirely within the standard business site lease tract and obtained letter dated 11/6/14 from Mr. James Beard, Chapter Grazing Committee Member attached hereto as Exhibit "C"; and
- F. The environmental and archeological studies have been previously completed and submitted for the business site tract and the power line extension will be located entirely within the previously authorized standard business site lease track attached hereto and incorporated by this reference. The Environmental Assessment is Exhibit "E"; and the Cultural Resources Compliances form is Exhibit "F".

Section Two. Approval

- A. The Resources and Development Committee of the Navajo Nation Council hereby grants approval of right-of-way to Arizona Public Service Company to construct, operate and maintain a power line extension to service a standard Navajo business site lease tract No. NNTC-11-0044 in the Cameron Chapter vicinity, Navajo Nation (Coconino County, Arizona). The location is more particularly described on the map attached hereto as Exhibit "B".
- B. The Resources and Development Committee of the Navajo Nation Council hereby approves right-of-way subject to, but not limited to, the following terms and conditions attached hereto and incorporated herein as Exhibit "D".
- C. 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

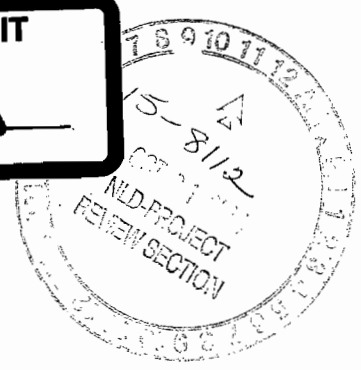
I, hereby, certify that the foregoing resolution was duly considered by the Resources and Development Committee of the 23rd Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which quorum was present and that same was passed by a vote of 3 in favor, 0 opposed, 0 abstain this 13th day of April, 2015.

A handwritten signature in black ink, appearing to read 'Alton Joe Shepherd', with a long horizontal line extending to the right.

Alton Joe Shepherd, Chairperson
Resources and Development Committee

Motion: Benjamin Bennett
Second: Leonard Pete

In favor were Leonard Pete, Benjamin Bennett, and Walter Phelps



SERVICE LINE AGREEMENT
ARIZONA PUBLIC SERVICE COMPANY

WHEREAS, the ARIZONA PUBLIC SERVICE COMPANY, its successors and assigns, hereinafter termed "Applicant," has been requested to extend electrical service to the Cameron Burger King, hereinafter termed "Authorized Occupant," who is the authorized occupant of a tract of land identified and described as follows:

Lease Number NNTC-11-0044

WHEREAS, the location of the service line required to serve the above-described property, and its extent, is more particularly shown and delineated on the attached plat/diagram marked "Exhibit A," which has been prepared in accordance with 25 C.F.R. 169.22c and which by this reference is made a part hereof; and

WHEREAS, the regulation of 24 C.F.R. 169.22 provide that an agreement shall be entered into by and between the Authorized Occupant and the Applicant before any work by the Applicant may be undertaken to construct a service line across such land; and

WHEREAS, those regulations further provide that a service line shall be for the sole purpose of supplying the owner or authorized occupant or lessee of land, including schools and churches, with telephone, water, electric power, gas, or other utilities for use on the premises by such owner, authorized occupant, or lessee of the land;

NOW THEREFORE, it is hereby agreed that in consideration of the Applicant furnishing electrical service to the within-described property, the authorized Occupant hereby grants permission to Applicant to construct a service line on and across the said property without the payment of any monetary compensation or damages by Applicant. Applicant agrees to comply with all the requirements of 25 C.F.R. 169.22.

The Authorized Occupant certifies that an archaeological investigation has been performed on the premises and that any finding that may affect the construction of the service line has been disclosed to the Applicant.

The costs associated with any relocation of Applicant's service line or facilities shall be the responsibility of the owner, occupant, or lessee requesting the relocation.

The service line herein established is subject to any prior, valid, existing right and is without limitation as to tenure so long as said service line shall be actually used for the purpose above specified; PROVIDED, that this agreement may be terminated for any of the following causes upon thirty (30) days' written notice from the Secretary of the Interior if within the 30-day notice period the Applicant fails to correct the basis for termination:

SERVICE LINE AGREEMENT

ARIZONA PUBLIC SERVICE COMPANY

1. Failure to comply with any term or condition of the agreement.
2. A non-use of the service line for a consecutive two-year period.
3. Abandonment of the service line by Applicant.

Upon termination, Applicant shall have a reasonable period of time to remove Applicant's service lines and facilities. Applicant shall not be responsible for any restoration of the area cleared for the construction of the service line following termination.

Arizona Public Service
Applicant

By: James Looney, Section Leader, Land Services

Date

7/1/14

Authorized Occupant

Richard Mike-President

By:

Date

06-26-2014

FILENAME: WA170060.DWG SHEET 1 OF 1



THE NAVAJO NATION

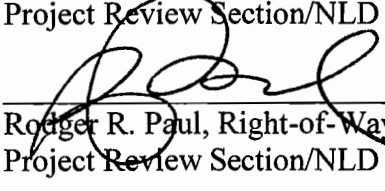


BEN SHELLY
PRESIDENT

REX LEE JIM
VICE-PRESIDENT

MEMORANDUM

TO: Howard P. Draper, Prog & Project Specialist
Project Review Section/NLD

FROM: 
Rodger R. Paul, Right-of-Way Agent
Project Review Section/NLD

DATE: December 11, 2014

SUBJECT: FIELD CLEARANCE FOR SERVICE LINE AGREEMENT
Cameron, Coconino County, Arizona

Arizona Public Service Company (APS), Post Office Box # 53933, MS 3286, Phoenix, Arizona 85072-3933 has submitted a Service Line Agreement Application (SLA) to construct, operate and maintain an electrical power line service to the proposed Cameron Burger King, located within the vicinity of Cameron, Coconino County, Arizona.

Chinle Project Review Section/Navajo Land Department has conducted and completed the field investigation on the above project, met with Mr. James Beard the affected chapter (Cameron Chapter) Grazing Committee Member to identify the affected land user (grazing permittee). Upon review of the affected map according to his knowledge and records there is no land user (grazing permittee) affected by the proposed project. Mr. James Beard has recommend the project for further processing, Memorandum from Mr. Beard attached for your information and use. If you have any question you can contact me at (928) 674- 2315.

cc: Office File
APS

DEN SMELLY
NAVAJO NATION PRESIDENT

WALTER PHELPS
COUNCIL DELEGATE

JAMES BEARD
GRAZING REPRESENTATIVE



REX LEE JIM
NAVAJO NATION VICE-PRESIDENT

MILTON TSO
CHAPTER PRESIDENT

EMMETT KERLEY
CHAPTER VICE-PRESIDENT

LOUISE KERLEY
SECRETARY/TREASURER

CAMERON CHAPTER

To: Rodger Paul

Right of Way Agent

Navajo Land Dept.

Date: Nov 6, 2014

Subject: Service Line Agreement.

Dear. Mr. Paul

The proposed Service Line Agreement by the Arizona Public Service Company to construct, operate and maintain electrical power to service the proposed Burger King within the vicinity of the Cameron, Coconino County, Arizona.

The proposed Service Line Agreement is located within the proposed Business Site Lease for construction of Burger King and there is no land user involved, therefore I recommend the project for further processing.

Any questions please contact me at Cameron Chapter.

James Beard

G.C.M Cameron

SERVICE LINE AGREEMENT
ARIZONA PUBLIC SERVICE COMPANY

WHEREAS, the ARIZONA PUBLIC SERVICE COMPANY, its successors and assigns, hereinafter termed "Applicant," has been requested to extend electrical service to the Cameron Burger King, hereinafter termed "Authorized Occupant," who is the authorized occupant of a tract of land identified and described as follows:

Lease Number NNTC-11-0044

WHEREAS, the location of the service line required to serve the above-described property, and its extent, is more particularly shown and delineated on the attached plat/diagram marked "Exhibit A," which has been prepared in accordance with 25 C.F.R. 169.22c and which by this reference is made a part hereof; and

WHEREAS, the regulation of 24 C.F.R. 169.22 provide that an agreement shall be entered into by and between the Authorized Occupant and the Applicant before any work by the Applicant may be undertaken to construct a service line across such land; and

WHEREAS, those regulations further provide that a service line shall be for the sole purpose of supplying the owner or authorized occupant or lessee of land, including schools and churches, with telephone, water, electric power, gas, or other utilities for use on the premises by such owner, authorized occupant, or lessee of the land;

NOW THEREFORE, it is hereby agreed that in consideration of the Applicant furnishing electrical service to the within-described property, the authorized Occupant hereby grants permission to Applicant to construct a service line on and across the said property without the payment of any monetary compensation or damages by Applicant. Applicant agrees to comply with all the requirements of 25 C.F.R. 169.22.

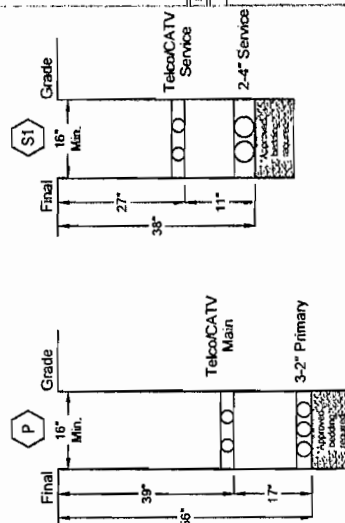
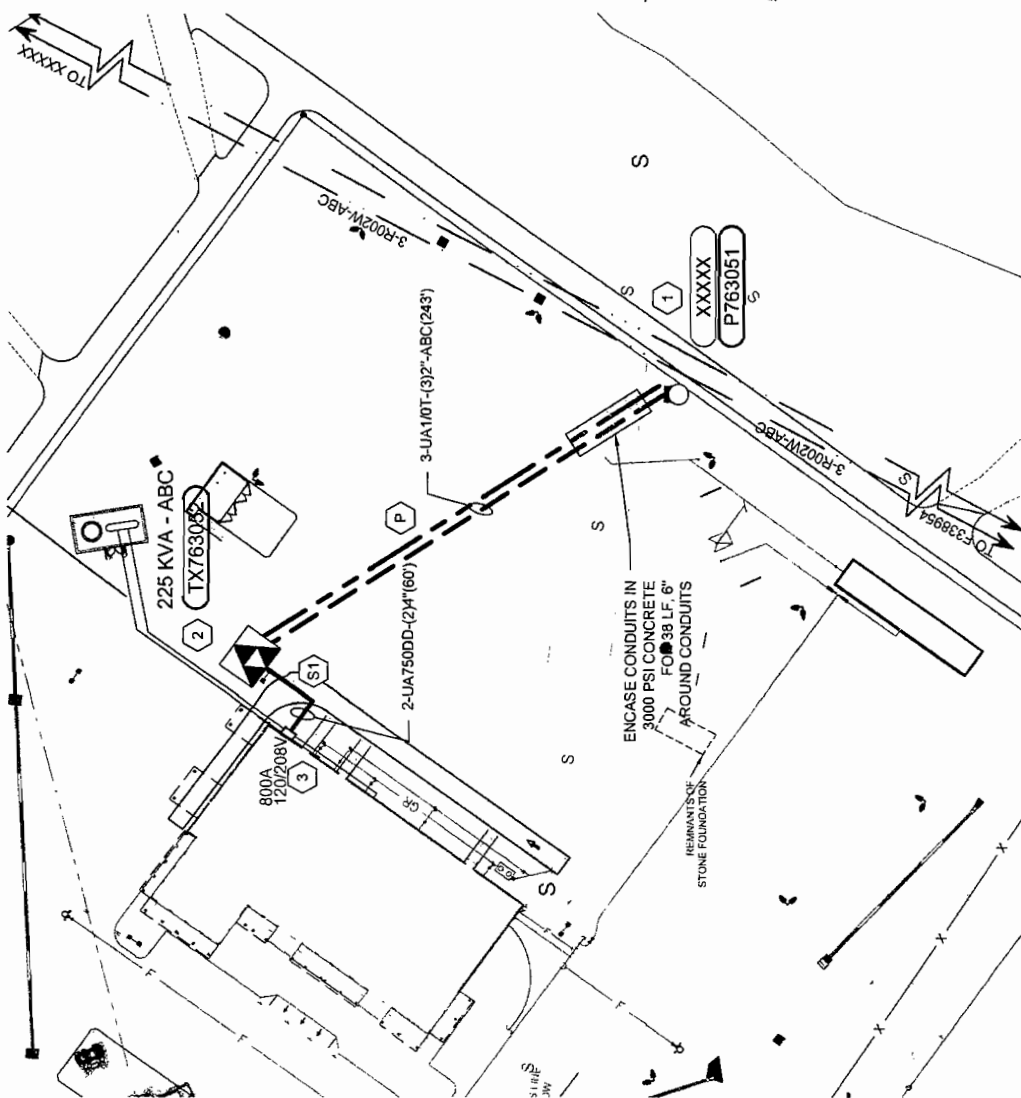
The Authorized Occupant certifies that an archaeological investigation has been performed on the premises and that any finding that may affect the construction of the service line has been disclosed to the Applicant.

The costs associated with any relocation of Applicant's service line or facilities shall be the responsibility of the owner, occupant, or lessee requesting the relocation.

The service line herein established is subject to any prior, valid, existing right and is without limitation as to tenure so long as said service line shall be actually used for the purpose above specified; PROVIDED, that this agreement may be terminated for any of the following causes upon thirty (30) days' written notice from the Secretary of the Interior if within the 30-day notice period the Applicant fails to correct the basis for termination:

CONSTRUCTION NOTES:

- | | | | | | | | |
|---|---|---|---|---|----------------------------|---|--|
| 1 | 5259.W1M002W
2640.K30
8881.CR (3) | 2 | 7666.E284
7933.
2708.UA7500DV(2)
8881.DQ (3) | 3 | 9036.B
2704.UA7500DV(2) | W | 6215.UA1M0T (802*)
6220.UA7500DV (132*) |
|---|---|---|---|---|----------------------------|---|--|



225KVA - ABC

PRIMARY ID:
NTS
Substation: CAMERON
Feeder: CM 03
Fuse Size 50K

ARIZONA BLUE STAKE
CALL TWO MONTHS BEFORE YOU BEE
Dial 811 or
602-263-1100
1-800-STAKE-IT
(NORTHERN CALIFORNIA COUNTY)

SYMBOL	DESCRIPTION
	PAVEMENT TRANS.
	SAFETY CEMENT.
	TO SAW IN CURB
	CHALK CHARACTER
	ARCH PULLEY
	MANHOLES
	ON TRANSFORMER
	ON SWITCH OFF
	ARE DAMPED POLE
	ARE DAMPED STEEL
	ARE DAMPED WIRE
	ON TRANSFORMER POL.
	STREET LIGHT
	CHALK TO DAMAGED

[illegible]

JOB SITE

NAME	68172660	DATE	7/20/2014
BY	AL-ACC	SCALE	100
PLANE WATSON'S DINO. SEET 1 OF 50			



EXHIBIT " D "

**NAVAJO NATION TERMS AND CONDITIONS
For Right-of-Way (ROW)**

Arizona Public Service Company (GRANTEE)

1. The term of the right-of-way shall be for twenty (20) years, beginning on the date the right-of-way (ROW) is granted by the Secretary of Interior.
2. Consideration for the right-of-way is assessed at \$ 1,781.68 , and shall be paid in full to the Controller of the Navajo Nation, in lawful money of the United States, and a copy of the receipt for such payment provided to the Navajo Nation Minerals Department, or its successor, with ten (10) days of approval of and consents to the grant of the right-of-way by the Navajo Nation.

Consideration for the grant of the right-of-way is hereby waived.

☐ NO ☐ YES

Consideration for the right-of-way is assessed at \$ _____. The Navajo Nation contributes this amount to the project because the project will benefit Navajo residents.

3. The Grantee may develop, use and occupy the right-of-way for the purpose(s) of constructing, operating and maintaining a right-of-way . The Grantee may not develop, use or occupy the right-of-way for any other purpose without the prior written approval of the Navajo Nation and the Secretary of the Interior. The approval of the Navajo Nation may be granted, granted upon conditions or withheld in the sole discretion of the Navajo Nation. The Grantee may not develop, use or occupy the right-of-way for any unlawful purpose.
4. In all activities conducted by the Grantee within the Navajo Nation, the Grantee 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, including but not limited to the following:
 - a. Title 25, Code of Federal Regulations, Part 169;
 - b. All applicable federal and Navajo Nation antiquities laws and regulations, with the following additional condition: In the event of a discovery all operations in the immediate vicinity of the discovery must cease and the Navajo Nation Historic Preservation Department must be notified immediately. As used herein, "discovery" means any previously unidentified or incorrectly identified cultural resources, including but not limited to archaeological deposits, human remains, or location reportedly associated with Native American religious/traditional beliefs or practices;
 - c. The Navajo Preference in Employment Act, 15 N.N.C. §§ 601 et seq., and the Navajo Nation Business Opportunity Act, 5 N.N.C. §§ 201 et seq.; and
 - d. The Navajo Nation Water Code, 22 N.N.C. § 1101 et seq.. Grantee shall apply for and submit all applicable permits and information to the Navajo Nation Water Resources Department, or its successor.

5. The Grantee shall ensure that the air quality of the Navajo Nation is not jeopardized due to violation of applicable laws and regulations by its operations pursuant to the right-of-way.
6. The Grantee shall clear and keep clear the lands within the right-of-way to the extent compatible with the purpose of the right-of-way, and shall dispose of all vegetation and other materials cut, uprooted or otherwise accumulated during any surface disturbance activities.
7. The Grantee shall reclaim all surface lands disturbed related to the right-of-way, as outlined in a restoration and revegetation plan, which shall be prepared with the assistance of the Navajo Nation Environmental Protection Agency (NNEPA), and shall be submitted to and must be approved by NNEPA prior to any surface disturbance. The Grantee shall comply with all provisions of such restoration and revegetation plan and shall notify the Director of the NNEPA immediately upon completion of the surface disturbance activities so that a site inspection can be made.
8. The Grantee shall at all times during the term of the right-of-way and at the Grantee's sole cost and expense, maintain the land subject to the right-of-way and all improvements located thereon and make all necessary and reasonable repairs.
9. The Grantee shall obtain prior written permission to cross existing rights-of-way, if any, from the appropriate parties.
10. The Grantee shall be responsible for and promptly pay all damages when they are sustained.
11. The Grantee shall indemnify and hold harmless the Navajo Nation and the Secretary of the Interior and their respective authorized agents, employees, landusers and occupants against any liability for loss of life, personal injury and property damages arising from the development, use or occupancy or use of right-of-way by the Grantee.
12. The Grantee shall not assign, convey, transfer or sublet in any manner whatsoever, the right-of-way or any interest therein, or in or to any of the improvements on the land subject to the right-of-way, without the prior written consent of the Navajo Nation and the Secretary of the Interior. Any such attempted assignment, conveyance or transfer without such prior written consent shall be void and of no effect. The consent of the Navajo Nation may be granted, granted upon conditions or withheld in the sole discretion of the Navajo Nation.
13. The Navajo Nation may terminate the right-of-way for violation of any of the terms and conditions stated herein. In addition, the right-of-way shall be terminable in whole or part by the Navajo Nation for any of the following causes:
 - a. Failure to comply with any terms and conditions of the grant or of applicable laws or regulations;
 - b. A non-use of the right-of-way for the purpose for which it is granted for a consecutive two year period; and
 - c. The use of the land subject to the right-of-way for any purpose inconsistent with the purpose for which the right-of-way is granted.
14. At the termination of this right-of-way, the Grantee shall peaceably and without legal process deliver up the possession of the premises, in good condition, usual wear and tear excepted. Upon the written request of the Navajo Nation, the Grantee shall provide the Navajo Nation, at the Grantee's sole cost and expense, with an environmental audit assessment of the premises at least sixty (60) days prior to deliver of said premises.

15. Holding over by the Grantee after the termination of the right-of-way shall not constitute a renewal or extension thereof or give the Grantee any rights hereunder or in or to the land subject to the right-of-way or to any improvements located thereon.
16. The Navajo Nation and the Secretary shall have the right, at any reasonable time during the term of the right-of-way, to enter upon the premises, or any part thereof, to inspect the same and any improvements located therein.
17. By acceptance of the grant of right-of-way, the Grantee consents to the full territorial legislative, executive and judicial jurisdiction of the Navajo Nation, including but not limited to the jurisdiction of the Navajo Nation, including but not limited to the jurisdiction to levy fines and to enter judgments for compensatory and punitive damages and injunctive relief, in connection with all activities conducted by the Grantee within the Navajo Nation or which have a proximate (legal) effect on persons or property within the Navajo Nation.
18. By acceptance of the grant of right-of-way, the Grantee covenants and agrees never to contest or challenge the legislative, executive or judicial jurisdiction of the Navajo Nation on the basis that such jurisdiction is inconsistent with the status of the Navajo Nation as an Indian nation, or that the Navajo Nation government is not a government of general jurisdiction, or that the Navajo Nation government does not possess full police power (i.e., the power to legislate and regulate for the general health and welfare) over all lands, persons and activities within its territorial boundaries, or on any other basis not generally applicable to a similar challenge to the jurisdiction of a state government. Nothing contained in this provision shall be construed to negate or impair federal responsibilities with respect to the land subject to the right-of-way or to the Navajo Nation.
19. Any action or proceeding brought by the Grantee against the Navajo Nation in connection with or arising out of the terms and conditions of the right-of-way shall be brought only in the Courts of the Navajo Nation, and no such action or proceeding shall be brought by the Grantee against the Navajo Nation in any court of any state.
20. Nothing contained herein shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.
21. Except as prohibited by applicable federal law, the law of the Navajo Nation shall govern the construction, performance and enforcement of the terms and conditions contained herein.
22. 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 the Grantee, and the term "Grantee," whenever used herein, shall be deemed to include all such successors, heirs, assigns, executors, administrators, employees and agents.
23. There is expressly reserved to the Navajo Nation full territorial legislative, executive and judicial jurisdiction over the right-of-way and all lands burdened by the right-of-way, including without limitation over all persons, including the public, and all activities conducted or otherwise occurring within the right-of-way; and the right-of-way and all lands burdened by the right-of-way shall be and forever remain Navajo Indian Country for purposes of Navajo Nation jurisdiction.

THE NAVAJO NATION



BEN SHELLY PRESIDENT
REX LEE JIM VICE PRESIDENT

CERTIFIED MAIL-RETURN RECEIPT NO. 7009 2250 0000 9098 8735

October 12, 2011

AR Mike Enterprise Inc.
Richard Mike, President
P.O. Box 1219
Kayenta, AZ 86033

Greetings Mr. Mike,

Please find attached a Business Site Lease Number NNTC-11-0044, AR Mike Enterprise, Inc., located in Cameron, Coconino County Arizona.

The Business Site Lease is recorded with the Division of Land Title & Records, Albuquerque, NM, recordation Number 790-388-11.

As an operator of this business on the Navajo Nation, your continued compliance with your Business Site Lease Agreement terms and conditions is expected and appreciated.

Lastly, we appreciate your interest in providing valuable services to the Nation.

If you have any question(s), please call me at (928) 871-6558.

Respectfully,

A handwritten signature in black ink, appearing to read "B. Aguirre".

Bertha Aguirre, Department Manager
Real Estate Department, Division of Economic Development

Cc: RED, BSL File

NAVajo NATION ECONOMIC DEVELOPMENT LEASE

2011 SEP -8 PM 1:04

Lease No. **NNTC-11-0044**
Lease Fee **\$150.00**

PART I
NAVAJO NATION ECONOMIC DEVELOPMENT LEASE
(Navajo Nation Trust Land)

- ☒ **Standard Business Site Lease**
☐ **Shopping Center Lease**

THIS LEASE, in sextuplicate, is made and entered into this 29 day of December 20 10, by and between THE NAVAJO NATION, hereinafter called Lessor, whose address is Post Office Box 663, Window Rock, Navajo Nation (Arizona) 86515, and, AR Mike Enterprise, Inc., hereinafter called the Lessee, whose address is P.O. Box 1219, Kayenta, Arizona 86033, in accordance with the provisions of 25 U.S.C. §§ 415(e) as amended, and as implemented by the regulations contained in the Navajo Nation Business Leasing Regulations of 2005, hereinafter called the Tribal Regulations; and any amendments thereto relative to business leases on restricted lands which by this reference are made a part hereto.

A. LAND DESCRIPTION.

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

A parcel of land situated in the Northwest 1/4 of Section 34, Township 29 North, Range 9 East, Gila and Salt River Meridian, Coconino County, Arizona, said parcel of land being more particularly described as follows:

From the Northeast section corner of said Section 34, said point being a found U.S. General Land Office Brass Cap, thence S 73° 46' 25" W for a distance of 4880.27 feet to a found ADOT R/W monument marked POT 2362+96.00, said point being the TRUE POINT OF BEGINNING of a parcel of land described as Cameron Vendor Village (R), said point also being on the Easterly Right-of-Way line of U.S. Highway 89;

thence N 35° 53' 23" E [Basis of Bearing: Survey of Cameron Vendor Village (R)] along said Easterly Right-of-Way line for a distance of 511.10 feet [511.23' (R)] to a found Aluminum Cap 14671, said point being the Northwest parcel corner of said Parcel (R);

thence S 54° 07' 28" E, along the Northerly parcel line of said Parcel (R), for a distance of 511.12 feet [S 54° 06' 37" E, 511.23' (R)] to a found Aluminum Cap 14671, said point being the Northeast parcel corner of said Parcel (R);

thence S 35° 51' 45" W, along the Easterly parcel line of said Parcel (R), for a distance of 511.32 feet [S 35° 53' 23" W, 511.23' (R)] to a found Aluminum Cap 14671, said point being the Southeast parcel corner of said Parcel (R);

thence N 54° 06' 00" W, along the Southerly parcel line of said Parcel (R), for a distance of 511.36 feet [S 54° 06' 37" W, 511.23' (R)] to TRUE POINT OF BEGINNING

Initials

790-388-11

said parcel contains 5.9998 acres of land, more or less, including any easements of record over the above described parcel as shown on Exhibit "A-1", which is made a part of this document by this reference hereon.

2. All of the above land is located in Cameron Chapter of the Navajo Nation, County of Coconino, State of Arizona, subject to any prior, valid, existing rights-of-way and easements. There is hereby reserved and excepted from the leased premises rights-of-way for utilities constructed by or on authority of the Lessor, provided that such rights-of-way do not unreasonably interfere with Lessee's use of the leased premises.

B. PURPOSE, UNLAWFUL USES.

1. Lessee shall develop, use and operate the leased premises for the following purposes only:

Purpose includes fast food, restaurant, casual dining, convenience store, gasoline and oil.

2. The leased premises shall not be used by Lessee, Sublessee(s) or Assignee(s), for any purpose or purposes other than those set out above, except with the prior written consent of Lessor. Consent may be withheld, granted, or granted upon conditions, in the sole discretion of Lessor.
3. Lessee agrees that it will not use or cause to be used any part of the leased premises for any unlawful conduct or purpose.

C. TERM.

The term of this Lease shall be 25 years, beginning on the date this Lease is executed by the Navajo Nation President or an authorized designee.

Lessee may exercise options to renew for one additional term of 25 years, and a second additional term of 25 years. Both options may be granted provided the Lease is not in default. Lessee shall give written notice of its intent to renew this Lease to the Division Director of the Division of Economic Development or successor or the General Manager of the Navajo Nation Shopping Center, Inc. or successor, whichever applicable, at least one year, prior to the expiration date of this Lease. Renewal of this Lease is subject to the written approval of the Navajo Nation President and applicable provisions of Navajo Nation law and the Tribal Regulations, including all amendments and successors thereto.

D. RENTAL.

1. The Lessee, in consideration of the foregoing, covenants and agrees to pay in lawful money of the United States of America to the Real Estate Department, Division of Economic Development, P.O. Box 664, Window Rock, Arizona 86515, for the use and benefit of the Lessor the following: (Be specific as to the rental terms of the Lease)

Year 1-4: \$1.00 (Development Period) per year
Year 5-10: \$17,000 per year

Initials

CA 7H

790-388-11

Year 11-15: \$20,000 per year
Year 16-20: \$25,000 per year
Year 21-25: \$30,000 per year

2. Lessee must make monthly rental payments in advance equal to at least one-twelfth of the aforementioned minimum annual rental. [For Navajo Nation Shopping Centers or businesses which gross \$1,000.000 or more annually may elect to pay monthly rental in an amount based on the percentage rental rate on the month's gross receipts; however, no payment shall be less than one-twelfth of the minimum rental. Monthly payments based on the percentage rental rate on gross receipts shall be paid not later than the tenth (10th) day after the end of the month for which rental is due.] All rental shall be deposited with the Real Estate Department, Division of Economic Development, P.O. Box 664, Window Rock, Arizona 86515 or Navajo Nation Shopping Center, Inc., whichever applicable. When the annual accounting required by Section 1.3, Part II, of this Lease is completed, the Lessee shall pay any balance due on any rental or percentage rental, if applicable, or if there is an overpayment, the overpayment shall be credited toward future rents.
3. Rental shall be paid on the 1st of each month, if rental is unpaid ten (10) days after the due date, the Lessee shall be subject to a late charge. Should the Lessee not pay rent within thirty (30) days after the due date, the Lessee shall be subject to a late charge of 10% of the monthly amount due, however such amount shall be prorated for each day the rent is not paid until the thirtieth day after the due date, the amount above shall be paid in full. If the Lessee does not pay the full amount within sixty (60) days the Lessee shall be subject to an additional late charge of 10% of the monthly amount due. If the Lessee does not pay the full amount within ninety (90) days, the Lessee shall be subject to an additional late charge of 10% of the amount due, and the lease shall be subject to termination.
4. In the event a sublease, assignment, amendment or transfer of this Lease, or any right to or interest in this Lease, or any improvements are made to the leased premises, the rent and other terms of this Lease shall be subject to renegotiation. In addition, if the Lessee exercises any options to renew, the Lessor reserves the right to renegotiate the rent, for any change in economic conditions and other terms of the Lease.
6. Lessor reserves the right to inspect the books and records of Lessee and any Sublessee or Assignee to verify the accuracy of the rentals paid.

E. IMPROVEMENTS.

1. The Lessee, in consideration for the granting of this Lease, covenants and agrees that Lessee will construct convenience store with fast food and gasoline with paved parking area at a cost of and having a reasonable value of \$ \$5,500,000 or more.
2. Except as otherwise provided in this Lease, all buildings and improvements, excluding removable personal property and trade fixtures, on the leased property shall remain on said property after termination of this Lease and shall thereupon become the property of Lessor. However, Lessor may require Lessee, at Lessee's

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expense, to remove improvements and restore the premises to the original state, within reason, upon termination of this Lease. Any removal of property by Lessee must be completed within ninety (90) days after termination of this Lease, such presence on the property shall not be deemed a holdover or trespass, provided Lessee is acting in a diligent manner to remove such property. Upon the expiration of the ninety (90) day extension, the Lessor has the right to grant another extension or re-enter the premises, at such time the Lessee shall have no right or interest to the premises or any remaining improvements.

3. The term "removable personal property" as used in this Section shall not include property which normally would be attached or affixed to the buildings, improvements or land in such a way that it would become a part of the realty, regardless of whether such property is in fact so placed in or on or affixed to the buildings, improvements or land in such a way as to legally retain the characteristics of personal property. Lessee shall remove all removable personal property and trade fixtures prior to termination of this Lease. Should Lessee fail to remove said personal property and trade fixtures prior to termination of this Lease, said property shall thereupon become property of Lessor, and may be disposed of in any manner by Lessor.
4. At the expiration or termination of the lease, the Lessor has the first right of refusal to purchase any permanent improvements to the premises at fair market value.

F. COMPLETION OF DEVELOPMENT.

1. The Lessee shall complete the full improvement and development of the leased premises in accordance with the general plan and architect's design. The date for substantial completion of development shall be 36 months from the date the Lease is executed by the Navajo Nation President. If the Lessee fails to substantially complete development within such period, such failure shall constitute a default and may be cause for termination, subject to this Section (F)(4) or unless otherwise agreed.
2. Prior to the commencement of construction of any new improvements on the leased premises, or prior to the beginning of any repair or alteration thereto, or work or labor thereon, Lessee shall post non-responsibility notices at the site on Lessor's behalf.
3. Upon completion of construction, the Lessee is required to submit any layout or general plans of the building or facility to the Navajo Nation Division of Economic Development or Navajo Nation Shopping Centers, Inc. as applicable.
4. Whenever under this Lease a time is stated within which or by which original construction, repairs, or reconstruction of improvements shall be made and during such period a general or sympathetic strike or lock out occurs, war or rebellion ensues, or some event unquestionably beyond Lessee's power to control, the period of delay so caused shall be added to the period limited herein for the completion of such work.

G. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION.

1. All improvements placed on the leased premises shall be constructed in a good and workmanlike manner and in compliance with applicable laws and building codes. All

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parts of building visible to the public or from adjacent properties shall present a pleasant appearance as determined by Lessor and all service areas shall be screened from public view to the satisfaction of Lessor. Lessee shall, at all times during the term of this Lease and at Lessee's sole cost and expense, maintain the premises and all improvements thereon and any alterations, additions, or appurtenances thereto, in good order and repair and in a safe, sanitary, neat and attractive condition, and shall otherwise comply with all laws, ordinances and regulations applicable to said premises.

2. Lessee shall have the right during the term of this Lease to make alterations, additions or repairs to improvements on the premises unless the amount of the full completion of the alteration, addition or repair, will exceed \$ 50,000. Alterations, additions or repairs in excess of the above amount or any removal or demolition of an improvement can be made only with the written approval of Lessor.
3. Lessee shall indemnify and hold harmless the Lessor and the United States against liability for all claims arising from Lessee's failure to maintain said premises and the improvements thereon as herein above provided, or from Lessee's non-observance of any law, ordinance or regulation applicable thereto.

H. RENTAL AND PERFORMANCE SECURITY.

1. Lessee agrees to post a bond for 50 % of the annual rental which shall remain in force for the full term of this Lease. The purpose of such security is to guarantee performance on the Lease.
2. Upon execution of the Lease, a copy of the security posted shall be submitted to the Lessor, unless granted a postponement by the Lessor. The security shall be posted within 30 days of execution of the Lease.

I. CONSTRUCTION BOND.

1. At Lessor's option, prior to the commencement of construction of any improvement on the leasehold premises, the Lessee will cause his construction contractor to post a construction bond in favor of Lessor and Lessee. If the construction contractor cannot post such a bond, the Lessee shall post the construction bond. The purpose of the construction bond is to guarantee the completion of the improvements and payment in full of valid claims of all persons for work performed in or materials furnished for construction of the improvements. The construction contractor or the Lessee may provide security by either:
 - A) Posting a corporate surety bond in an amount equal to the cost of each improvement, said bond to be deposited with the Lessor and to remain in effect until the improvement is satisfactorily completed. Said bond shall be conditioned upon faithful performance by Lessee or his construction contractor and shall give all claimants a right of action to recover upon said bond in any suit brought to foreclose on any mechanic's or materialmen's liens against the property. If United States Treasury Bonds are provided, Lessee, or his construction contractor, agrees to make up any deficiency in the value deposited that might occur due to a decrease in the value of the bonds. Interest on said bonds shall be paid to Lessee.

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B) Depositing cash with the Lessor or non-revocable letter of credit or CD at an institution acceptable to the Lessor satisfactory to Lessor in an amount sufficient to pay the entire cost of construction of each building or other improvement then to be erected on the premises. Interest on said security shall be paid to Lessee or his construction contractor. The funds so deposited may then be used, at the option of Lessor, to discharge any valid mechanic's or materialmen's liens; if no such liens exist, the withheld funds shall be disbursed to Lessee or his construction contractor.

2. If Lessee enters into a construction loan agreement with a financial institution, said loan agreement shall be subject to the approval of Lessor. Prior to such approval, Lessee shall perform all conditions precedent to the assumption of obligations under the agreement by the financial institution and Lessee shall deposit with the lending institution, or otherwise other security acceptable to the Lessor, the difference between the amount of the loan and the total cost of improvement.

J. INSURANCE

1. Lessee shall obtain Commercial General Liability Insurance within 30 days from the date of execution of the Lease, provided however it is explicitly understood and agreed the Lessee must submit a copy of the Certificate of Insurance before beginning operations of the leased premises. The Commercial General Liability Insurance shall be with an unimpaired minimum combined single limit not less than in the amount of \$ 500,000, including with each occurrence a General Aggregate Limit of \$ 1,000,000.
2. Lessee shall obtain Fire and Casualty Insurance with the minimum insurance coverage of not less than \$ 500,000. Upon execution of the Lease, a certificate of insurance shall be submitted to the Lessor, unless granted a postponement by the Lessor. The insurance shall be posted upon 30 days.

K. SUBLEASES

Subleases must be approved by the Navajo Nation and with written consent from all sureties and are subject to the requirements as set forth in the Navajo Nation Business Site Lease Management Plan.

L. NOTICES AND DEMANDS.

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

To or upon Lessor: President
The Navajo Nation
Post Office Box 9000
Window Rock, Navajo Nation (Arizona) 86515

Telefax: 1-928-871-7381

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To or upon Lessee: AR Mike Enterprise, Inc.
P.O. Box 1219
Kayenta, Arizona 86033
Telefax: _____

Copies to: Division Director
Division of Economic Development
P.O. Box 663
Window Rock, Navajo Nation (Arizona) 86515
Telefax: 1-928-871-7381

2. All notices shall be given by personal delivery, by registered or certified mail, postage prepaid or by facsimile transmission, followed by surface mail. Notices shall be effective and shall be deemed delivered when dispatched and may be delivered by personal delivery, registered or certified mail, or by facsimile transmission, followed by surface mail.
3. Lessor and Lessee may at any time change its address for purposes of this Section by written notice.

M. APPLICABLE TERMS AND CONDITIONS

The Standard Terms and Conditions for Economic Development Leases on Navajo Nation Trust Land in Part II of this Lease apply to this Lease and are incorporated herein in their entirety (NOTE: The Terms and Conditions for a Standard Business Site Lease apply to all Leases. The Terms and Conditions for Business Site Leases with Underground Storage Tanks apply where they are appropriate. If Underground Storage Tanks are on the premises when the Lessee signs the Lease, or are installed after the Lessee signed the Lease, these Terms and Conditions will apply to the Lease as a matter of law. Special Terms and Conditions for Navajo Nation Business Site Leases Within Navajo Nation Shopping Centers, Inc. apply only to Leases in Navajo Nation Shopping Centers, Inc.).

The specific Version of Standard Terms and Conditions for Navajo Nation Economic Development Leases (Trust Land) is under Resolution No. EDCO-48-07.

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EXCEPTIONS TO STANDARD TERMS AND CONDITIONS (Insert and justify any deviations from the Standard Terms and Conditions in Part II of this Lease).

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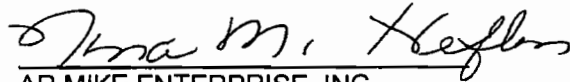
LAND TITLE & BOUNDARY
SURVEYING
ALBUQUERQUE

IN WITNESS THEREOF:



AR MIKE ENTERPRISE, INC.
Richard Mike, President
(LESSEE)

DATE: 12-10-2010

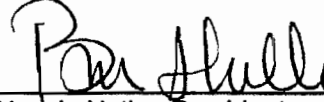


AR MIKE ENTERPRISE, INC.
Nina M. Heflin, Vice President
(LESSEE)

DATE: 12-10-2010

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FOR NAVAJO NATION:



Navajo Nation President

DATE: DEC 29 2010

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PART II
**STANDARD TERMS AND CONDITIONS FOR NAVAJO NATION ECONOMIC
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STANDARD TERMS AND CONDITIONS FOR NAVAJO NATION ECONOMIC DEVELOPMENT LEASES (Navajo Nation Trust Land)

**1.0 STANDARD TERMS AND CONDITIONS FOR ALL NAVAJO NATION
BUSINESS SITE LEASES**

1.1 DEFINITIONS.

- A. "Approved Encumbrance" means an encumbrance approved in writing by the Lessor, and sureties, if any, in accordance with the terms and conditions of this Lease.
- B. "Condemnation" means the taking of any real property right thereof, in condemnation proceeding, by right of eminent domain, or by conveyance in lieu of or in settlement of a condemnation or eminent domain proceeding brought by any governmental authority having jurisdiction and power over the property.
- C. "Encumbrancer" means the owner and holder of an Approved Encumbrance, including all successors and assigns.
- D. "Federal Laws" means all applicable federal laws, including:
 - i) "CERCLA," the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601 et. seq., and
 - ii) "RCRA," the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq.
- E. "Gross Receipts" means all income, including money and other things of value, received by or paid to Lessee or its affiliates, whether individuals, corporations, partnerships, or other legal entity, or received by or paid to others for Lessee's or its affiliates' use and benefit, derived from business done, sales made, or services rendered directly or indirectly or on the leased premises or any portion thereof. All income accruing from credit transactions will be treated as "gross receipts" as of the date credit is extended. Gross Receipts will not include amounts collected and paid out for a sales and excise tax imposed by any duly constituted governmental authority where such tax is billed to the purchaser as a separate item. Any taxes paid by the Lessee as a part of the cost of merchandise purchased by the Lessee are not to be excluded or deducted. It shall not include credits for the exchange of goods or merchandise between stores, if any, of Lessee or its affiliates where such exchange is made solely for the convenient operation of business and not for the purpose of consummating a sale previously made directly from or on the leased premises. It shall not include the amount of any refund where the merchandise sold, or some part thereof is returned by the purchaser and accepted by Lessee or its affiliates. It shall not include income from the sale of fixtures, or good will, or the sale of improvements, including, but not limited to, corrals, buildings, livestock scales, and holding pens.
- F. "Lessor" means the Navajo Nation who conveys property under a lease agreement.

G. "Secretary" means the Secretary of the Interior or his/her authorized representative, delegate, or successor.

1.2 CONDITION OF LEASED PREMISES.

- A. Lessee has examined and knows the leased premises and improvements thereon and accepts the same as-is. No representations as to the condition of the leased premises have been made by Lessor, any agent of Lessor or the United States prior to or at the time of execution of this Lease. Lessee warrants that it has not relied on any warranty or representation made by or on behalf of Lessor or the United States, but solely upon Lessee's independent investigation.
- B. The independent investigation, which shall be conducted prior to entering into the Lease, shall include an environmental review which provides the Lessee with knowledge of the environmental status of the leased premises, including the status of the storage tanks and/or other regulated substances.

1.3 ACCOUNTING.

- A. Lessee shall maintain full and adequate books of account and such other records as are necessary to reliably reflect the financial position and results of the operation in accordance with Generally Accepted Accounting Principles ("GAAP") or other comprehensive basis of accounting deemed acceptable by the Navajo Nation Office of Auditor General.
- B. The Navajo Nation Office of Auditor General or any of its duly authorized representatives, shall at any time up until the expiration of five (5) years after the expiration of this Lease, have access to and the right to examine any of Lessee's books of account, documents, papers, and records, including Federal and State income tax returns, and such documents of any affiliated companies of Lessee, in connection with any transaction related to this Lease. Lessee shall insert a similar provision in all subleases and shall make available to said representative, agent, or agents, all books and records of Lessee's tenants which may be requested or may be necessary for completion of a full audit of all business conducted on the leased premises.

1.4 UTILITY SERVICE LINE AGREEMENTS.

- A. Lessee will identify the rights-of-way necessary or appropriate for construction, operation and maintenance of any improvements. Lessee shall obtain approval from any third parties, Lessor and Secretary as may be necessary or appropriate as required by 25 U.S.C. §415 and 25 C.F.R. § 169.
- B. Lessee is authorized to enter into appropriate service line agreements with utility companies for the provision of necessary or appropriate utility services to the leased premises, including gas, water, sewer, electricity,

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telephone, television, internet, and other utilities, without further consent by Lessor, on the condition that:

- (1) such agreements are for the sole purpose of supplying utility services to the leased premises; and
- (2) such agreements authorize utility service lines only within the leased premises; and
- (3) such agreements do not extend beyond the term of this Lease, including any extensions thereof; and
- (4) executed copies of such agreements, together with plats or diagrams showing with particularity the location, size and extent of such service lines are filed by the utility companies with Lessor within thirty (30) days of their execution; and
- (5) such agreements are in accordance with the provisions of 25 C.F.R. § 169.22, including any amendments or successors thereto.

C. Lessor reserves the right for Lessor's benefit or for the benefit of other land users, whether or not adjacent to the leased premises, to enter into service line agreements with utility companies for service lines across the leased premises, provided that, after consultation, Lessor and Lessee determine such service lines do not unreasonably interfere with Lessee's use of the leased premises nor otherwise affect any property rights reserved to Lessor.

1.5 SUBLEASE, ASSIGNMENT, AMENDMENT, TRANSFER.

A. Lessee shall not sublease, assign, amend, 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 consent of the Lessor and Lessee, as well as the sureties. Lessor, however, in its sole discretion may authorize the Lessee to enter into subleases without further consent from Lessor, which must be specifically provided for in Part I. Unless otherwise provided for in Part I, no such sublease, assignment, sale, amendment or transfer shall be valid or binding without such approval and then only upon the condition that the Sublessee, Assignee or other successor in interest, excepting an approved encumbrancer(s), shall agree in writing to be bound by each and all of the covenants and conditions of this Lease. Should Lessee attempt to make any such sublease, assignment, sale, amendment, or transfer, except as set forth herein, such action shall be deemed a breach of this Lease, excepting that an encumbrancer may enforce his rights in the manner hereinafter provided. Unless otherwise provided for in Part I, approval of one sublease, assignment, sale, amendment or transfer shall not validate a subsequent sublease, assignment, sale, amendment or

transfer, and the restrictions of this Section shall be severally binding upon each and every Sublessee, Assignee, Transferee and other successor in interest of the Lessee, excepting an encumbrancer.

B. For purposes of this Section, the creation of a partnership, corporation, joint venture, management agreement or other arrangement under which any person or entity other than Lessee is entitled to share in profits derived directly or indirectly from the leased premises or activities carried out thereon, shall require the written consent of Lessor and Lessee, unless Lessee is the majority owner (i.e. majority shareholder, majority partner, etc) of the business that is reorganized, then only written notice will be required.

C. Approval or disapproval of any sublease, assignment, amendment or transfer for any purpose whatsoever by the Lessee shall be within the sole discretion of Lessor. Lessor reserves the right to adjust the rental provisions of this Lease upon any sublease, assignment, amendment, or transfer, unless the Lessee is pre-authorized to approve subleases.

1.6 ENCUMBRANCE.

A. This Lease, or any right to or interest in this Lease or any of the improvements on the leased premises, may be encumbered for the purposes of securing a line of credit to develop and improve the leased premises.

B. Any encumbrance will:

- (1) be limited to the leasehold interest of the Lessee or subleasehold interest of the Sublessee; and
- (2) not jeopardize in any way Lessor's interest in the land; and
- (3) be subject to the written approval of the Lessor as well as the sureties. The Lessor shall not unreasonably withhold its approval to an encumbrance.

C. Lessee agrees to furnish as requested any financial statements or analysis pertinent to the encumbrance that the Lessor may deem necessary to justify the amount, purpose and terms of said encumbrance.

D. Lessor shall give each encumbrancer notice of, and the right to cure within a reasonable time, a default by Lessee or Sublessee under this Lease or Sublease, whichever is applicable. Lessor shall accept performance by the encumbrancer for covenants or other obligations under the Lease or Sublease, with the same force and effect as though performed by the Lessee or Sublessee.

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

notice of such sale is given and the Lessee fails to act, Lessor shall have the following rights which may be exercised at any time prior to the completion of sale proceedings.

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

F. Each encumbrancer must provide, if Lessee or Lessor exercises the foregoing rights, all of the right, title, and interest of the Sublessee in the Sublease shall automatically terminate on the same date the right is exercised and the Lessor or Lessee, as the case may be, shall, on the same date, acquire the subleasehold interest; provided however, the acquisition of the subleasehold by Lessee or Lessor under these circumstances shall not serve to extinguish the sublease by merger with the Lease or otherwise. As between the Lessor and Lessee, Lessee shall have the first right to exercise the right to pay the amounts due as described above and to obtain the subleasehold interest. The Sublessee shall require that the Sublessee will have the duty to execute any documents and take any action needed to effectuate the termination and transfer of Sublessee's subleasehold interest.

G. In the event Lessor or Lessee does not avail itself of the above rights and a sale occurs, whether by power of sale or foreclosure, the purchaser at such sale shall succeed to all of the rights, title, and interest of the Sublessee in the subleasehold covered by said encumbrance. It is further agreed that if the purchaser at such a sale is the encumbrancer, the encumbrancer may assign the subleasehold without any further approval, provided that the assignee shall agree in writing to be bound by all the terms and conditions of the Sublease. If the encumbrancer is the purchaser, it shall be required to perform the Sublease only so long as it retains title thereto. If a sale, of the subleasehold interest, under the approved encumbrance occurs and the purchaser is a party other than the encumbrancer, approval by Lessor will be required and said purchaser,

as successor in interest to the Sublessee, shall be bound by all the terms and conditions of the sublease and will assume in writing all the obligations thereunder.

H. In the event of default by the Lessee, the encumbrancer may exercise any rights provided for in such approved encumbrance, provided that before any sale of the leasehold, whether under power of sale or foreclosure, the encumbrancer shall give to Lessor notice of the same character and duration as is required to be given Lessee by such encumbrance and/or by applicable law. If notice of such sale be given, and the default of any of them upon which notice of sale is based shall then continue, Lessor shall have the following rights which may be exercised at any time prior to the completion of sale proceedings:

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

I. Each encumbrancer must provide, if Lessor exercises the foregoing rights, all right, title and interest of Lessee in the Lease shall terminate and Lessor shall acquire the Lease; provided, however, that such termination shall not relieve the Lessee from any obligation or liability which had accrued prior to the date of termination. Acquisition of the Lease by Lessor under these circumstances shall not serve to extinguish the Lease by merger or otherwise. The Lessee shall have the duty to execute any documents and take any action necessary to effectuate the termination and transfer of the Lessee's leasehold interest.

J. In the event Lessor does not avail itself of the rights set forth in this Section and any sale under the approved encumbrance occurs, whether by power of sale or foreclosure, the purchaser at such sale shall succeed to all of the rights, title, and interest of the Lessee in the leasehold estate covered by said approved

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

1.7 LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES.

Lessee shall not permit to be enforced against the leased premises or any part thereof, any liens arising from any work performed, materials furnished, or obligations incurred by Lessee.

Lessee shall discharge all such liens before any action is brought to enforce same; further, Lessee shall pay before becoming delinquent, all taxes, assessments, licenses, fees, and other like charges levied during the term of this Lease upon or against the leased land and all interests therein and property thereon, for which either Lessee or Lessor may become liable.

Upon request Lessee shall furnish Lessor written evidence duly certified that any and all taxes required to be paid by Lessee have been paid, satisfied, or otherwise discharged. Lessee shall have the right to contest any claim, asserted tax, or assessment against the property, by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless Lessor, United States and the leased premises and all interest therein and improvements thereon from any and all claims, taxes, assessments, and like charges and from any lien therefor, or sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any appropriate documents with reference to real estate tax exemption of the land when requested by Lessee.

In addition to the rents, taxes and other charges herein described, Lessee shall pay charges for water, sewage, gas, electricity, telephone, trash, and other utility services as required for construction and or operation and maintenance of any improvements or as necessary for said leased premises.

1.8 LESSOR'S PAYING CLAIMS.

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

1.9 SANITATION.

A. Lessee hereby agrees to comply with all applicable sanitation codes, requirements, or laws which may be related to the purpose of this document as set forth in Section B(1). Such compliance shall specifically include, but not be limited to, the sanitary regulations of the

U.S. Public Health Service. Lessee further agrees to at all times maintain the entire leased premises in a safe, sanitary condition, presenting a good appearance both inside and out in all buildings operated on the leased premises. Non-compliance with Section 1.9 shall constitute a breach of this Lease.

B. Lessee further agrees to comply with applicable, state, Navajo Nation and local laws, statutes, ordinances, regulations, court and administrative orders and decrees pertaining to all sanitation matters including but not limited to the storage and disposal of refuse, rubbish, other non-hazardous trash and any other regulated substances. Lessee further agrees that all solid waste, including but not limited to refuse, rubbish, other non-hazardous trash and any other regulated substance generated by the Lessee or by any Sublessee shall be disposed of only at a state or tribally certified public or private landfills, and Lessee or Sublessee as applicable shall maintain records to demonstrate compliance with this requirement.

C. Lessee agrees to maintain all records required by applicable law and regulations and to make such records available to appropriate officials of the Navajo Nation and federal government.

1.10 REGULATED SUBSTANCES.

Lessee shall not cause or permit any regulated substance (as defined in 2.1(A)) to be used, stored, generated or disposed of, on, or in the leased premises without first obtaining written consent from the Navajo Nation Environmental Protection Agency. If the Navajo Nation Environmental Protection Agency does not respond to a request for consent within thirty (30) days such consent shall be deemed given.

If regulated substances are used, stored, generated or disposed of, on, or in the leased premises, or if the leased premises become contaminated in any manner for which Lessee or a Sublessee is legally liable, Lessee shall indemnify and hold harmless the Lessor from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the leased 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, restoration or other costs of regulatory compliance mandated by the federal government or Navajo Nation. Without limitation of the foregoing, if Lessee causes or permits the presence of any regulated substance on the leased premises and such results in any contamination of the leased premises or other property including, but not limited to the improvements, soil, surface water or groundwater, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the leased premises to the condition existing prior to the contamination by any such regulated substance on the leased premises. Lessee will first obtain Lessor's approval for any such remedial action.

1.11 LIABILITY INSURANCE

Unless otherwise provided, without limiting any liabilities or any other obligations of Lessee, Lessee will provide and

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maintain, from the date the lease is approved and continuing until the Lease is terminated or expired, the minimum insurance coverages listed below. Coverage will be provided with forms and insurers acceptable to the Lessor until all obligations under this Lease are satisfied. All insurers must be a Nationally Accredited Insurance Company with a financial strength rating of "A" or the equivalent, and authorized to do business in the State where the leased premises are located. All policies required under this Lease shall name the Lessor and the United States as additional named insureds. These coverages are as follows:

- A. Workers' compensation insurance to cover obligations imposed by federal and state statutes of the entity having jurisdiction over the Lessee's employees working on the leasehold, and Employers' Liability insurance with a minimum amount as is required and regulated by the state in which the leased premises is located. In case of any contracted work on the leasehold, the Lessee will require the Contractor, and all subcontractors, to provide the same as above.
- B. Commercial General Liability Insurance to cover:
 - (1) the minimum single amount, including a General Aggregate Limit, sufficient for each occurrence, as provided for in Part I.
 - (2) this policy shall cover property business interruption, bodily injury, broad form property damage, personal injury, death, blanket contract, independent contractor, product, completed operations coverage. The policy shall contain a severability of interests provision.
 - (3) If the leased premise is undeveloped, the Lessee must obtain the appropriate insurance, which shall, include the Lessor and the United States as additional named insureds.
- C. Commercial Automobile liability insurance with a combined single limit for bodily injury and property damage for each occurrence with respect to Lessee's owned, hired and non-owned vehicles assigned to or used in Lessee's business, shall be based upon the minimum amount required and regulated under the State in which the lease premises is located.
- D. If the Lessee is engaged in a profession, the Lessee shall carry Professional Liability insurance in an amount as is required and regulated under the State or Association for which the professional is licensed.
- E. 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 leased 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 leased premises.

- F. The policies required by Sections B and C shall be endorsed to include the Navajo Nation, its agents, representatives, officers, directors, officials and employees and the United States as additional insureds and shall require that the insurance provided by Lessee shall be primary insurance and that any insurance carried by the Navajo Nation its agents, officials or employees shall be excess and not contributory insurance to that provided by Lessee.
- G. An acceptable certificate of insurance shall be issued to the Navajo Nation by the Lessee, on the date the lease is approved or unless granted a postponement, by the Division of Economic Development or successors, as evidence that the required coverages are in full force and effect. The certificate shall indemnify this Lease and indicate the policies will not be canceled, terminated or materially altered unless at least thirty (30) days prior written notice is given to the Lessor.

Certificates of insurance shall be addressed as follows: Navajo Nation Division of Economic Development, P.O. Box 663 Window Rock, Arizona 86515
- H. The Lessee may request to postpone the insurance requirements until either (a) the receipt of all approvals to commence with construction of the improvements and/or (b) the first drawdown for financing is received; subject to Section 1.11 (B)(3). Such postponement shall be provided for in Part I and shall be at the sole discretion of the Division of Economic Development and shall not be unreasonably withheld.
- I. Failure on the part of the Lessee to procure or maintain required insurance shall constitute a material breach of contract upon which the Lessor may immediately terminate this Lease.
- J. Lessor reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements.
- K. Lessee and its insurers providing the required coverages shall waive all rights of recovery against the Navajo Nation and its agents, officials and employees, and the United States.
- L. The insurance limits required under this Lease shall not limit the liability of the Lessee, nor relieve the Lessee of any obligation under this lease.
- M. The Lessee shall not do or commit to be done anything in or upon any portions of the leased premises or bring or keep anything there which would in any way conflict with the conditions of any insurance policy upon the leased premises or in any way increase the rate of insurance upon the leased premises or on property kept there.
- N. Lessor will not be responsible for any omissions or inadequacies of insurance coverage and amounts in the event the insurance purchased by Lessee proves to be inadequate or otherwise insufficient for any reason whatsoever.

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FIRE AND CASUALTY INSURANCE.

- A. Lessee shall carry from the date the lease is approved, the minimum insurance coverages, unless granted a postponement, which shall be provided for in Part I, for either (a) the receipt of all approvals to commence with construction of the improvements and/or (b) the first drawdown for financing is received. Lessee shall carry fire and casualty insurance with extended coverage endorsement, covering not less than full insurable value of all improvements on the leased premises. Said policy shall be obtained from a Nationally Accredited Insurance Company, with a financial rating of A or equivalent, licensed to do business in the State in which the leased premises are located and shall be written jointly to protect Lessee, Lessor and the United States and shall provide for notification to the Lessor prior to any change in said policy or any cancellation or non-renewal of said policy for any reason, including non payment of premiums.

A copy of said policy shall be sent to Lessor at the following address: Navajo Nation Division of Economic Development, P.O. Box 683, Window Rock, AZ, 86515.

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

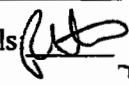
- C. In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all improvements on the leased premises during the last five (5) years of the term of this Lease, Lessee shall have the option to reconstruct said improvements. Lessee shall provide Lessor with a written notice of the exercise of Lessee's reconstruction option within thirty (30) days of the event of damage giving rise to Lessee's reconstruction option. Should Lessee exercise its option to reconstruct, Lessee shall commence reconstruction of the damaged improvements within ninety (90) days of Lessee's exercise of its reconstruction option and shall diligently pursue the reconstruction to completion. Should Lessee not exercise its option to reconstruct, this Lessee shall

terminate one hundred and twenty (120) days after the event of damage giving rise to Lessee's reconstruction option. The leased premises shall be cleared of debris at Lessee's expense prior to termination of the Lease. Lessee shall not be charged rent during the period of debris removal unless Lessee occupies the leased premises beyond the Lease termination date, after which the Lessee will be charged hold over rental as provided herein. In the event Lessee does not reconstruct, all insurance proceeds shall be paid to Lessor.

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

INDEMNIFY, DEFEND AND HOLD HARMLESS.

Except for Lessor's sole Negligence, Lessee shall indemnify, protect, defend and hold harmless the Lessor and the United States from and against any and all claims, loss of rents damages, costs, liens, judgments, penalties, permits, attorney's or consultant's fees, expenses and/or liabilities arising out of, involving, or dealing with, the occupancy of the leased premises by Lessee, the conduct of the Lessee's business, any act, omission, neglect or misconduct of Lessee, its agents, contractors, employees or invitees, and out of any Default or Breach by Lessee in the performance in a timely manner of any obligation on the Lessee's part to be performed under this Lease. The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not litigated and/or reduced to judgment, and whether well-founded or not. In case any action or proceeding be brought against Lessor or the United States by reason of any of the foregoing matters, Lessee, upon notice from any Lessor or the United States, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and the United States, and the Lessor and the United States shall cooperate with Lessee in such defense. Lessee shall have the right to control such defense and to settle or compromise the claim in cooperation with Lessor and the United States as long as such defense, settlement or compromise does not unduly prejudice Lessor and the United States.

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1.14 EMINENT DOMAIN.

If, at any time during the term of this Lease, the leased premises or any part thereof is taken or condemned under the laws of eminent domain, then and in every such case, the leasehold estate and interest of the Lessee in said leased premises or part thereof taken shall forthwith cease and terminate. All compensation awarded by reason of any takings of the leased land and any taking of or injury to the buildings or improvements located thereon shall be awarded to the Lessee and the Lessor as their interests appear at the time of such taking provided that Lessee's right to such awards shall be subject to the rights of an encumbrancer to receive such awards as set out in an approved encumbrance. If the condemnation is less than the entire leased premises and/or improvements, the lease shall continue as for the remainder of the term of the lease, however the rental shall be reduced proportionately. If a temporary condemnation of all or a portion of the leased premises and/or improvements, Lessee will be entitled to the entire amount of an award, whether paid by way of damages, rent or otherwise; however, if such condemnation extends beyond the term of the lease, such amounts will be apportioned among Lessor and Lessee based upon the duration of the term remaining following the condemnation and the duration of the condemnation following the end of the term of the lease.

1.15 DEFAULT.

A. Time is declared to be of the essence of this Lease.

B. Lessor may determine the Lessee is in default for the following:

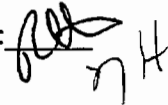
- (1) Lessee fails to pay monies or any other amounts such as posting a bond or acquiring insurance when due and such failure continues for ten (10) business days after notice of default is sent to Lessee.
- (2) Lessee fails to perform any of its material non-monetary obligations or duties under the lease when required and such failure continues for a period of ten (10) days after notice of default is sent to Lessee that such obligation or duty has not been performed; provided that if such failure is not reasonably susceptible to cure within ten (10) days, there is no default for such longer period of time as is reasonably required to cure such failure provided that Lessee commences a cure within ten (10) days after the notice of default is mailed and Lessee diligently pursues the cure.
- (3) Lessee abandons or surrenders the leased premises and if the operations required hereunder are not operated for a period of sixty (60) consecutive days for any reason other than a closure for major repairs or renovation, acts of god, casualty, war or insurrection, strikes or labor disputes or other matters beyond the reasonable control of Lessee after written notice thereof has been received by Lessee from Lessor.

C. Lessee shall, within ten (10) days, from the mailing of the notice of default either:

- (1) Notify in writing to the Lessor that the default has been cured and submit documentation necessary to indicate the default has indeed been cured; or
- (2) Submit in writing to the Lessor a statement and explanation disputing the Lessor's determination that the Lease is in default and why the Lease should not be terminated; or
- (3) Request in writing to be given an additional ten (10) days to cure unless found not reasonably susceptible to cure within ten (10) days there is no default for such longer period of time as is reasonably required to cure. Any additional time granted to cure shall be in the discretion of the Division of Economic Development.

D. Should a default occur the Lessor may take any action in accordance with § 503 of the Navajo Nation Business Site Leasing Regulations of 2005. Additionally, Lessor may exercise the following options upon Lessee's default:

- (1) Collect, by suit or otherwise, all monies as they become due hereunder, or enforce, by suit or otherwise, Lessee's compliance with all terms of this Lease; or
- (2) Re-enter the leased premises if the Lessee has abandoned the leased premises or has failed to conduct business for a period of time without notice and remove all persons and property therefrom, excluding the property belonging to authorized Sublessees, and re-let the leased 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 or any obligations of Lessee hereunder. The terms and conditions of such re-letting shall be in the sole discretion of Lessor who shall have the right to alter and repair the leased premises as it deems 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 of re-letting, collection, altering, and repairing, including attorney's fees and any real estate commissions 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 may sue thereafter as each monthly deficiency shall arise; or

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	(3)	Take any other action deemed necessary to protect any interest of Lessor.		payments, as well as comply with the terms of the Lease.
	E.	No waiver any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant of this Lease.		D. If a grant of extension for time to cure is given, the Lessee shall diligently perform and complete the corrective actions within a time frame agreed, in writing, between the Lessor and Lessee.
	F.	Exercise of any of the remedies outlined in this Section shall not exclude recourse as to any other remedies, by suit or otherwise, which may be exercised by Lessor or any other rights or remedies now held or which may be held by Lessor in the future.	1.17	MUTUAL TERMINATION
	G.	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 leased premises of such encumbrancer, Lessor shall thereafter give to such encumbrancer a copy of each notice of default by Lessee at the same time as such notice of default shall be given by Lessor to Lessee. Lessor shall accept such encumbrancer's performance of any of Lessee's covenants or other obligations under this Lease, with the same force and effect as though performed by Lessee. Upon providing such written notice, the encumbrancer shall have standing to pursue any appeals permitted by applicable 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.	1.18	ATTORNEY'S FEES.
			1.19	NO PARTNERSHIP.
			1.20	TERMINATION OF FEDERAL TRUST.
1.16	REMEDIES			
	A.	If the Lessee fails to cure pursuant to Section 1.15 the Lessor may at its option pursue the following:	1.21	OBLIGATIONS OF LESSEE.
	(1)	terminate this Lease, as a matter of law; or		While the leased premises are in trust or restricted status, all of Lessee's obligations under this Lease, and the obligations of their approved encumbrancers and sureties, are to the United States as well as to the Lessor.
	(2)	grant an extension of time to cure the default; or	1.22	STATUS OF SUBLEASES.
	(3)	pursue the execution on bonds or collection of insurance proceeds; or		Termination of this Lease, by cancellation or otherwise, shall not serve to cancel approved subleases and/or subtenancies, but shall operate as a temporary assignment to Lessor, without merger of the Lease and sublease or subtenancy, of any and all such subleases and/or subtenancies, until a lease can be obtained between the Sublessee, Assignee, and the Lessor, which such parties shall diligently pursue.
	(4)	pursue any other remedy set forth in the business site lease management plan.		
	B.	If the Lessor terminates the Lease, the Lessor shall send a termination letter to Lessee within a reasonable time period from the date of determination by the Lessor to terminate, by certified mail, return receipt requested. Lessee shall vacate the premises within thirty (30) days upon receipt of the termination letter, unless an appeal has been filed.	1.23	INSPECTION.
	C.	The termination shall become effective 31 days after mailing the letter. Any filing of an appeal shall not change the effective date of a cancellation. Pending the outcome of an appeal, the Lessee shall make all requisite	A.	Lessor and its authorized representatives, shall have the right, at any reasonable time during the term of this Lease, to enter upon the leased premises, or any part thereof, to inspect the same and all buildings and other improvements erected and placed thereon for purposes, including, but not limited to, conditions affecting the health, safety and welfare of those entering the leased premises, the protection of the leased premises, any improvements thereto or any adjoining property or uses, or compliance with applicable environmental health or safety laws and

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	regulations. No showing of probable cause shall be required for such entry and inspection. If testing for environmental contamination reveals environmental contamination in violation of applicable law, Lessee shall pay the costs of such testing. Nothing in this paragraph shall limit Lessee's obligation under applicable law or this Lease to perform testing or remediation or otherwise limit Lessee's liability.		Employment Act, 15 N.N.C. §§ 601 et seq. ("NPEA"), and the Navajo Nation Business Opportunity Act, 5 N.N.C. §§ 201 et seq. ("NBOA"). The terms and provisions of the NPEA and NBOA are specifically incorporated in, and become a part of this Lease. Violation of such laws by the Lessee shall constitute a breach of this Lease and provide grounds for suspension or termination of the Lease or any other remedy prescribed by the NPEA and NBOA, provided such compliance does not violate applicable federal laws.
B.	Lessor and its authorized representatives, shall have the right, during normal business hours, during the term of this Lease and if the Lease is terminated or expired, at any time, enter upon the leased premises, or any part thereof, to inspect the same and all buildings and other improvements as is required under the Navajo Nation Lease Compliance Form, and the Lessor and its authorized Representatives shall notify the Lessee not less than three (3) days before conducting the inspection. Such inspection shall not unreasonably interfere with the Lessee's business operations, unless the Lease has expired or is terminated.	1.28	MINERALS.
			All minerals, including sand and gravel, contained in or on the lease premises are reserved for the use of Lessor, unless placed on the leased premises by the Lessee. Lessor also reserves the right to enter upon the leased premises and search for and remove minerals located thereon, paying just compensation for any damage or injury caused to Lessee's personal property or improvements constructed by Lessee.
		1.29	SUCCESSORS AND ASSIGNS.
1.24	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 in or to the leased premises. In the event of a holding over by Lessee, the Lessee shall be subject to immediate removal and shall agree to pay as hold over rental an annual rental computed at double the rental amount charged during the twelve months immediately preceding the commencement of the holding over period. Accepting holdover rent from Lessee does not extend the Lease or constitute an election of remedies or adversely affect any of Lessor's other remedies.		The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, employees and agents, including all contractors and subcontractors, of Lessee. Except as the context otherwise requires, the term "Lessee," as used in this Lease, shall be deemed to include all such successors, heirs, assigns, executors, administrators, employees and agents.
		1.30	INTEREST OF MEMBER OF CONGRESS.
			No member of, or delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise herefrom, but this provision shall not be construed to extend to this Lease if made with a corporation or company.
1.25	LEASE REQUIREMENTS NOT EXCLUSIVE.	1.31	USE OF NAVAJO PRODUCED GOODS AND SERVICES.
	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.		Lessee agrees to make all purchases of materials, equipment, goods, services and transportation from Navajo-owned businesses, whenever such purchase is economically feasible, as required by Navajo law.
1.26	DELIVERY OF LEASED PREMISES.	1.32	AGREEMENT TO ABIDE BY NAVAJO AND FEDERAL LAWS.
A.	At the termination or expiration of this Lease, Lessee will peaceably and without legal process deliver up the possession of the leased premises, in good condition, usual wear and tear excepted.		The Lessee and the Lessee's employees, agents, and sublessees and their employees and agents agree to abide by all laws, regulations, and ordinances of the Navajo Nation, and all applicable laws, regulations and ordinances of the United States, now in force and effect or as may be hereafter in force and effect.
B.	Lessee agrees to allow the Navajo Nation Environmental Protection Agency to conduct an environmental audit 360 days prior to the expiration or termination of such Lease. Such assessment shall be delivered to the Navajo Nation Division of Economic Development sixty (60) days prior to the expiration or termination or the delivery of the leased premises, whichever occurs first, in turn the Division of Economic Development shall submit to the Lessee a copy of such audit within ten (10) days of receipt.	1.33	GOVERNING LAW AND CHOICE OF FORUM.
			Except as may be prohibited by federal applicable law, the laws of the Navajo Nation shall govern the construction, performance and enforcement of this Lease. All actions or proceedings brought by Lessee against the Navajo Nation in connection with or arising out of the terms and conditions of this Lease shall be brought only in the Courts of the Navajo Nation, and no action or proceeding shall be brought by Lessee against the Navajo Nation in any court or administrative body of any state.
1.27	NAVAJO PREFERENCE.	1.34	CONSENT TO JURISDICTION.
	In connection with all employment and contracting opportunities arising out of Lessee's activities under this Lease, Lessee shall give preference in employment and contracting to qualified Navajo individuals and certified contractors in compliance with the Navajo Preference in		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.

1.35 COVENANT NOT TO CONTEST JURISDICTION.

appropriate oversight committees and the President of the Navajo Nation, pursuant to Navajo Law.

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

1.36 NO WAIVER OF SOVEREIGN IMMUNITY.

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

1.37 SAVINGS CLAUSE.

It is agreed that if any provision of this Lease shall be determined to be void then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Lease is capable of two interpretations, one of which would render the provision void and the other of which would render the provisions valid, then the provision shall have the meaning which renders it valid.

1.38 QUALIFICATIONS OF BUSINESS.

In the event Lessee hereunder is a business entity, the person(s) executing this Lease on behalf of Lessee hereby covenant and warrant that Lessee is a duly qualified business entity and all steps have been taken prior to the date hereof to qualify the Lessee to do business in the Navajo Nation; all franchise and corporate taxes have been paid to date; and all future forms, reports, fees, and other documents necessary to comply with applicable laws will be filed when due.

1.39 COMPLIANCE WITH NAVAJO NATION BUSINESS SITE LEASING REGULATIONS OF 2005.

Lessee, its sublessees and assignees and other successors in interest shall comply with the provisions of the Navajo Nation Business Site Leasing Regulations of 2005, which prescribe rules for the regulation of reservation business for the protection of Indian consumers on the Navajo Nation as required by 25 U.S.C. §415(e)

1.40 NO ORAL AGREEMENTS.

It is understood that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Lessor to Lessee with respect to the subject matter hereof, and none thereof shall be used to interpret or construe this Lease.

1.41 VALIDITY.

This Lease, and any modification of or amendment to this Lease, shall not be valid or binding upon either party hereto until approved by the Economic Development Committee of the Navajo Nation Council and/or any other

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2.0 SPECIAL TERMS AND CONDITIONS FOR NAVAJO NATION BUSINESS SITE LEASES WITH STORAGE TANKS

2.1 DEFINITIONS.

A. "Regulated Substance" is defined in Section 9001(7) of the Resources Conservation and Recovery Act, 42 U.S.C. 6991(7), which is any substance defined in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (42 U.S.C. 9601(14)) (but not including any substances regulated as a hazardous waste under subtitle C of the Resource Conservation and Recovery Act (42 U.S.C. 6921 et seq.) and petroleum).

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

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

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

permits the presence of any hazardous or regulated substance on the premises and such results in any contamination of the leased premises or other property including, but not limited to the improvements, soil, surface water or groundwater, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the premises to the condition existing prior to the contamination by any such regulated substance on the premises. Lessee shall first obtain Lessor's approval for any such remedial action.

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

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

and,

Navajo Nation Division of Economic Development
Post Office Box 663
Window Rock, Navajo Nation (Arizona) 86515
or their respective institutional successors.

2.2 REGULATED SUBSTANCES.

A. Lessee shall not cause or permit any regulated substance (as defined in 2.1(A)) to be used, stored, generated or disposed of on or in the premises without first obtaining written consent of the Navajo Nation Environmental Protection Agency. If the Navajo Nation Environmental Protection Agency does not respond to a request for consent within thirty (30) days consent shall be deemed granted.

If regulated substances are used, stored, generated or disposed of on or in the premises, or if the premises become contaminated in any manner for which Lessee or a Sublessee is legally liable, Lessee shall indemnify and hold harmless the Lessor 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, restoration or other costs of regulatory compliance mandated by the federal government or Navajo Nation. Without limitation of the foregoing, if Lessee causes or

2.3 FINANCIAL RESPONSIBILITY FOR STORAGE TANKS.

If Lessee or Sublessee installs or operates storage tanks on the leased property, the Lessee or Sublessee shall post a bond, obtain insurance or provide such other evidence of financial responsibility that meets all the requirements of 40 C.F.R. Part 280, Subpart H regardless of whether the storage tank in question is an aboveground or underground storage tank. Lessee shall provide proof of this bond, insurance, or other qualifying financial responsibility mechanism to the Division of Economic Development. The bond, insurance or other qualifying financial responsibility mechanism shall remain in effect for the term of the base lease or sublease, and any renewals thereof, and shall not be released or terminated until such time as the Division of Economic Development certifies that the facility is in compliance with all applicable law and regulations, or that the tanks have been removed and the site has been remediated, or that the base lease or sublease has been transferred and the new operator has provided proof of an adequate bond, insurance or otherwise satisfied the 40 C.F.R. Part 280, Subpart H financial responsibility requirements. It shall be the responsibility of the Lessee and the Sublessee to provide the Navajo Nation Division of Economic Development with all proof required for release of bond or termination of insurance coverage.

2.4 ENVIRONMENTAL AUDITS AND COMPLIANCE DOCUMENTS.

A. Entry Audit: If storage tanks are located at the Lease site, the Lessee will supply the Navajo Nation Environmental Protection Agency and

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the Navajo Nation Division of Economic Development with a complete copy of the report and underlying data generated in preparation of a Phase Two environmental audit before Lessee places any regulated substance in the storage tanks or releases any regulated substances from the storage tanks but no later than ninety (90) days after the Lease is approved by the Lessor.

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

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

The amounts shall be deposited at the Navajo Nation Division of Economic Development:

P.O. Box 663
Window Rock, Arizona 86515

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

If the Navajo Nation Environmental Protection Agency determines an environmental audit should be performed at the leased premises prior to the Lessee's deposit of the entire \$15,000 deposit and the amount deposited is insufficient to pay for the environmental audit, and the environmental audit determines regulated substances are unlawfully present, Lessee shall, upon written demand by Lessor, promptly deposit with Lessor an amount sufficient to pay for the environmental audit or to bring Lessee's deposit to \$15,000, whichever is less. If Lessor performs an environmental audit pursuant to this article during the term of the Lease which finds

regulated substances unlawfully present and which is financed by all or part of the above referenced sum, Lessee shall, at the end of the year in which the audit is completed, deposit funds with the Navajo Nation sufficient to reestablish the amount deposited prior to the audit and to reimburse the Navajo Nation for any amount the Navajo Nation spent on the environmental audit in excess of the \$15,000 deposit.

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

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

2.5 OWNERSHIP AND REMOVAL OF STORAGE TANKS

- A. The ownership and removal responsibility for any regulated substances or petroleum product manufacturing, processing, storage, or conveyance facilities placed in or on the leased premises shall be the responsibility of the Lessee. All facilities or storage tanks must comply with applicable federal, state, Navajo Nation and local law including requirements for corrosion protection, spill and overflow protection and leak detection. Any repairs made to such facilities or storage tanks must comply with applicable repair standards. Lessee shall provide the appropriate Division of Economic Development department with complete and legible copies of all documents establishing Lessee's ownership of, lease of, or acquisition of any other use interest in any storage tanks installed on the leased premises.
- B. Unless otherwise notified by the Lessor, regulated substances and storage tanks are the property of the Lessee who placed them on the property and do not become the property of the Lessor for RCRA liability purposes unless or upon the expiration of the Lease. Lessee is the owner for RCRA, 42 U.S.C. 6891(3), purposes of any storage tanks placed on the leased premises. Petroleum manufacturing, processing, storage, storage tanks, or conveyance facilities shall be removed by Lessee unless notified by Lessor in writing not to remove all of part of such property.
- C. Prior to termination or expiration of the Lease and prior to vacancy of the property the Lessee shall remove those improvements that are subject to removal as described above and below, assess the site for potential contamination, remediate any contamination discovered, and satisfy or actively and in good faith seek resolution of any third party damages which may have occurred. Should

any of the above activities extend past the termination or expiration date of the Lease, the Lease shall be extended and Lessee shall remain financially responsible for completing these activities. The bond, unless waived, or the insurance of this Lease shall not be released or terminated until these activities are completed.

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3.0 SPECIAL TERMS AND CONDITIONS FOR NAVAJO NATION BUSINESS SITE LEASES WITHIN THE NAVAJO NATION SHOPPING CENTERS

3.1 SPECIAL ACCOUNTING PROVISION FOR SHOPPING CENTERS.

When an accounting of Gross Receipts is required under the Lease in order to determine a percentage rent, the Lessee shall on a quarterly basis submit to Lessor, no later than , certified statements of gross receipts. Failure to submit aforementioned statements on a timely basis shall be considered a breach of the Lease and the Lease may be subject to cancellation. With said statements, Lessee shall tender payment of any balance due under the percentage rental fee as set forth in Section D. Said statement shall be prepared by a Certified Public Accountant, licensed in the State of Arizona, New Mexico or Utah, in conformity with GAAP. Any duly authorized representative of the United States Government, or any qualified accounting agent or agents appointed by the Lessor, shall have access to and the right to examine and audit any pertinent books, documents, papers, and records of Lessee's tenants, if any, relating to this Lease during the normal business hours of any working day. Lessee shall insert a similar provision in all subleases and shall make available to said representative, agent, or agents, all books and records of Lessee's tenants which may be requested or may be necessary for completion of a full audit of all business conducted on the leased premises. The acceptance by the Lessor of any monies paid to Lessor by Lessee as percentage rental for the leased premises as shown by any statement furnished by Lessee shall not be an admission of the accuracy of said statement, or of the sufficiency of the amount of said percentage rental payment, but the Lessor shall be entitled at any time within four (4) years after receipt of any such percentage rental payment to question the sufficiency of the amount thereof and/or the accuracy of the statements furnished by Lessee to justify the same and shall have the right to examine and/or audit as hereinbefore described. Therefore, Lessee shall for said period of four (4) years after submission to the Lessor any such statement keep safe and intact all of Lessee's records, books, accounts, and other data which in any way bears upon or are required to justify in detail any such statement, and Lessee shall insert a provision in all subleases requiring similar retention of records.

3.2 FIXTURES AND PERSONAL PROPERTY.

Any trade fixtures, signs, and other personal property of Lessee not permanently affixed to the premises shall remain the property of Lessee and Lessor agrees that Lessee shall have the right, provided that Lessee be not in default under the terms of this Lease, at any time, and from time to time, to remove any and all of its trade fixtures, signs, and other personal property which it may have stored or installed in the premises, including but not limited to counters, shelving, showcases, mirrors, and other movable personal property. Nothing contained in this Article shall be deemed or construed to permit or allow the Lessee to move such personal property, without the immediate replacement thereof with similar personal property or better quality, as to render the premises unsuitable for conducting the type of business specified in this Lease. Lessee, at its expense, shall immediately repair any damage occasioned to the premises by reason of the removal of any such trade fixtures, signs, and other personal property, and upon the last day of the Lease Term or a date of earlier termination of this Lease, shall leave the premises in a neat and clean condition, free of debris.

All improvements to the premises by Lessee including, but not limited to, light fixtures, floor coverings, and partitions, but excluding trade fixtures and signs, shall be considered

as improvements and shall become the property of Lessor upon expiration or earlier termination of this Lease, unless Lessor by written notice given prior to the date of expiration or upon the date of earlier termination of this Lease shall require Lessee to remove such improvements in which case Lessee shall repair any damage caused to the premises by such removal so as to return the premises to its original condition, ordinary wear and tear excepted.

Lessee shall pay before delinquency all taxes, assessments, license fees, and public charges levied, assessed, or imposed upon its business operation, as well as upon its trade fixtures, leasehold improvements (including, but not limited to, those which Lessee is required to make in accordance with the provisions of this Lease), merchandise, and other personal property in, on, or upon the premises. In the event any such items of property are assessed within property of the Lessor, then, and in such event, such assessment shall be equitably divided between Lessor and Lessee to the end that Lessee shall pay only its equitable proportion of such assessments. Lessor shall determine the basis of prorating of any such assessments and such determination shall be binding upon both Lessor and Lessee.

3.3 REPAIRS AND MAINTENANCE.

Lessee agrees at all times, and at its own cost and expense, to repair, replace, and maintain in good condition the premises and every part thereof, except that portion of the premises to be maintained by Lessor as hereinafter provided, and including without limitation the utility meters, pipes, and conduits, all fixtures, the store fronts, all Lessee's signs, locks, and closing devices, and all window sash, cases, or frames, door and door frames, floor coverings, including carpeting, terrazzo, and other special flooring, and all such items or repair, maintenance, alteration and improvement or reconstruction as may at any time or from time to time be required by any governmental agency having jurisdiction thereof. All glass, both exterior and interior, is at the sole risk of Lessee, and any glass broken shall be promptly replaced by Lessee with glass of the same kind, size, and quality.

On default of Lessee in making such repairs, replacements, or maintenance work and upon reasonable written notice to Lessee, not less than 30 days, Lessor may, but shall not be required to make such repairs, replacements and other such work for Lessee's account, and the expense thereof shall constitute and be collectible as additional rent.

A. Lessor shall keep and maintain in good and leasable condition the roof, exterior walls, structural parts of the premises, the fire protection system, structural floor, and pipes and conduits outside the premises for the furnishings to the premises of various utilities (except to the extent that the same are the obligations of the appropriate public utility company); provided, however, that Lessor shall not be required to make repairs necessitated by reason of the negligence of Lessee or anyone claiming under Lessee, or by reason of the failure of Lessee to perform or observe any conditions or agreements in this Lease contained, or caused by alterations, additions, or improvements made by Lessee or anyone claiming under Lessee. Anything to the contrary notwithstanding contained in this Lease, Lessor shall not in any way be liable to Lessee for failure to make repairs as herein

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specifically required unless the Lessee has previously notified Lessor in writing of the need of such repairs and Lessor has failed to commence and complete said repairs within a reasonable period of time following receipt of the Lessee's written notification. As used in this Section, the expression "exterior walls" shall not be deemed to include store fronts, plate glass, window cases, or window frames, door or door frames security grills, or similar enclosures. It is understood and agreed that Lessor shall be under no obligation to make any repairs, alterations, renewals, replacements, or improvements to and upon the premises of property installed or kept thereon by Lessee.

- B. Lessee agrees to permit Lessor and any of their authorized representatives to enter the premises at all times during usual business hours for the purpose of inspecting the same. Lessee further covenants and agrees that Lessor may go upon the premises and make any necessary repairs to the premises and perform any work thereon (i) which may be necessary to comply with any laws, ordinances, rules, or regulations of any public authority or terms of any insurance policy or policies or (ii) that Lessor may deem necessary to prevent waste or deterioration in connection with the premises if Lessee does not make or cause such repairs to be made or performed or cause such work to be performed promptly after receipt of written demand from Lessor or (iii) that Lessor may deem necessary to perform construction work incidental to any portion of the Shopping Center adjacent to, above, or below the premises. Nothing herein contained shall imply any duty on the part of Lessor to do any such work which, under any provisions of this Lease, Lessee may be required to do, nor shall it constitute a waiver of Lessee's default in failing to do the same. No exercise by Lessor of any rights herein reserved shall entitle Lessee to any damage for any injury or inconvenience occasioned thereby nor to any abatement of rent.

3.4 LESSEE'S RIGHT TO MAKE ALTERATIONS.

Lessor agrees that Lessee may, at its own expense and after giving Lessor notice in writing of its intention to do so, from time to time during the term hereof, make alterations, additions, and changes in and to the interior of the premises (except those of a structural nature) as it may find necessary or convenient for its purposes, provided that the value of the premises is not thereby diminished, and provided, however, that no alterations, additions, or changes costing in excess of those allowed under the terms of the lease may be made without first procuring the approval in writing of Lessor. In addition, no alterations, additions, or changes shall be made to any store front, mechanical systems, the exterior walls, or roof of the premises, nor shall Lessee erect any mezzanine or increase the size of same, if one be initially constructed, unless and until the written consent and approval of Lessor shall first have been obtained. In no event shall Lessee make or cause to be made any penetration through the roof of the premises without the prior written approval of Lessor. Lessee shall be directly responsible for any and all damages resulting from any violation of the provisions of this Article. All alterations, additions, or changes to be made to the premises which require the approval of Lessor shall be under the supervision of a competent architect, competent licensed structural engineer, or competent licensed and bonded contractor and made in accordance with plans and specifications with

respect thereto, approved in writing by Lessor before the commencement of work, where such approval is required pursuant to the provisions of this Article. All work with respect to any alterations, additions, and changes must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the premises shall at all times be a complete unit except during the period of work. Upon termination of Lessee's leasehold estate such alterations, additions, or changes shall be considered as improvements and shall not be removed by Lessee, but shall become a part of the premises, unless Lessor by written notice given prior to the date of expiration or upon the date of earlier termination of this lease shall require Lessee to remove such improvements in which case Lessee shall repair any damage caused to the premises by such removal so as to return the premises to its original condition, ordinary wear and tear excepted. Any such changes, alterations, and improvements shall be performed and shall have the work performed in such a manner as not to obstruct the access to the premises or any other Lessee in the Shopping Center.

In the event that Lessee shall make any permitted alterations, additions, or improvements to the premises under the terms and provisions of this Article, Lessee agrees to carry insurance covering any such alteration, addition, or improvement; it being expressly understood and agreed that none of such alterations, additions, or improvements shall be insured by Lessor under such insurance it may carry upon the building of which the premises are a part, nor shall Lessor be required under any provisions for reconstruction of the premises to reinstall any such alterations, improvements, or additions.

3.5

POSSESSION AND USE.

Possession of the premises shall be delivered to Lessee free and clear of all tenants and occupants and the rights of either. Lessee shall use the premises solely for the purposes and under the trade names specified in Article 9 hereof. Lessee shall not use or permit the premises to be used for any other purpose or purposes or under any other trade name whatsoever without the written consent of the Lessor. Lessee shall not, without the prior written consent of Lessor, sell merchandise from vending machines or allow any coin operated vending machines on the premises without the written consent of the Lessor. Lessee further covenants and agrees that it will not use or suffer or permit any person or persons to use the premises or any part thereof for conducting therein a secondhand store, auction, distress or fire sale or bankruptcy or going-out-of-business sale, or for any use or purpose in violation of the laws of the United States of America, or the laws, ordinances, regulations, and requirements of the Navajo Nation, and where applicable, the state, county, and city wherein the Shopping Center is situated, or of other lawful authorities, and that during said term the premises, and every part thereof, shall be kept by the Lessee in a clean condition, free of any objectionable noises, odors, or nuisances, and that all health, fire, and police regulations shall, in all respects and at all times be fully complied with by Lessee.

Lessee may not display or sell merchandise or allow carts, portable signs, devices or any other object to be stored or to remain outside the defined exterior walls or roof, permanent doorways of the premises, or in hallways. No aerial or antenna shall be erected on the roof or exterior walls of the premises without first obtaining, in each instance, the written consent of Lessor. Any aerial or antenna so installed without such written consent shall be subject to removal without notice at any time. In addition, Lessee will not solicit in any manner in any of the automobile parking lots and common areas of the enclosed mall of the Shopping Center without having first obtained the written approval of Lessor. Lessor reserves the right to further regulate the activities of Lessee in

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regard to deliveries and servicing of the premises, and Lessee agrees to abide by such further regulations of Lessor.

3.6

LESSEE'S CONDUCT OF BUSINESS.

Lessee covenants and agrees that, continuously and uninterrupted from and after its initial opening for business, it will operate and conduct the business for which it is permitted except while the premises are uninhabitable by reason of fire or other casualty or condemnation. Lessee agrees that it will keep the premises in neat, clean and orderly condition. Lessee agrees that all trash and rubbish of the said Lessee shall only be deposited within receptacles as provided by Lessor and that there shall be no other trash receptacles permitted to remain outside of the building. Lessor agrees to cause such receptacles to be emptied and trash removed at Lessee's cost and expense as set out in Article 11 hereof.

Lessee agrees that commencing with the opening for business by Lessee in the premises and for the remainder of the term of this Lease, Lessee shall remain open for business those hours and days which are regular and customary for such business. Lessee further agrees to have its window displays, exterior signs and exterior advertising displays adequately illuminated continuously during such hours. It is agreed, however, that the foregoing provision shall be subject to any governmental regulations or labor union contracts in its hours of operation so prescribed by such governmental regulations or labor union contracts, as the case may be.

Lessee will not allow the premises to be used for any organized political or religious meetings or activity. Lessee shall, at all times during the term hereof, comply with all laws and regulations of the United States and the Navajo Nation applicable to Lessee's conduct of business on the premises. Lessee shall employ its best efforts to operate the business conducted on the premises in a manner that will produce the maximum volume of gross sales. Lessee shall use only such space in the premises for office, clerical and other non-selling purposes as is reasonably required for Lessee's business on the premises.

If Lessee sells Franchise Products or Services, and where it is so required by the Franchisor, Lessor agrees throughout the term of this Lease not to lease any other space in the Shopping Center to any Lessee whose primary business is the sale of the same Franchise Products or Services. Lessee must inform Lessor in writing, and provide written documentation, of this Franchise Requirement.

3.7

ADVERTISING MEDIA.

Lessee shall not affix or maintain upon the glass panes and supports of the show windows (and within 24 inches of any window), doors and the exterior walls of the premises, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items unless Lessee shall have first received the written approval of Lessor as to size, type, color, location, copy, nature and display qualities. Anything to the contrary of this Lease notwithstanding, Lessee shall not affix any sign to the roof of the premises. In addition, no advertising medium shall be utilized by Lessee which can be heard or experienced outside Lessee's premises, including without limiting the generality of the foregoing: flash lights, searchlights, loudspeakers, phonographs, radios or televisions; nor shall Lessee display, paint or place or cause to be displayed, painted or placed, any handbills, bumper stickers or other advertising devices on any vehicle parked in the parking area of the Shopping Center, whether belonging to Lessee, or to Lessee's agent or to any other person; nor shall Lessee distribute, or

3.8

COMMON AREAS.

The term "common areas" refers to all areas within the exterior boundaries of the Shopping Center which are now or hereafter made available for general use, convenience and benefit of Lessor and other persons entitled to occupy Floor Area in the Shopping Center, including, but not limited to, automobile parking areas, parking structures, driveways, sidewalks, walkways, and landscaped and planted areas.

Lessee and its employees, agents, patrons and invitees are, except as otherwise specifically provided in this Lease, authorized, empowered and privileged to use the common areas in common with other persons during the term of this Lease. The Lessor agrees, without cost or expense to Lessee, to construct or cause to be constructed, such common areas generally as are necessary for the successful operation of the Shopping Center and to maintain and operate, or cause to be maintained and operated (except as hereinafter provided with reference to cost of maintenance), said common areas at all times following completion thereof, for the benefit and use of the customers and patrons of Lessee, and other Lessees, owners and occupants of the Land constituting the Shopping Center of which the premises are a part.

Lessor shall keep or cause to be kept said common areas in a neat, clean and orderly condition, properly lighted and landscaped, and shall repair any damage to the facilities thereof, but all expense in connection with said common areas shall be charged to the Lessee and prorated in the manner hereinafter set forth. It is understood and agreed that the phrase "expenses in connection with said common areas" as used herein shall be construed to include, but not be limited to, all expenses in connection with said common areas for (i) a management fee (not to exceed five percent (5%) of minimum annual and percentage rent collections); (ii) bookkeeping and accounting; (iii) legal services; (iv) all general maintenance and repairs, or painting, restriping, cleaning, sweeping and janitorial services; maintenance and repair of sidewalks, curbs, and Shopping Center signs; maintenance and repair of sprinkler systems, planting and landscaping; (v) lighting and other utilities; (vi) directional signs and other markers and bumpers; (vii) personnel to implement such services including, if Lessor deems necessary, the cost of security guards; (viii) applicable real and personal property taxes and assessments on the improvements and land comprising said common areas; (ix) any governmental imposition or surcharge imposed upon Lessor or assessed against any portion of the common areas; (x) a security alarm system for the Lessees in the Shopping Center; (xi) depreciation on maintenance and operating machinery and equipment (if owned) and rental paid for such machinery and equipment (if rented); and (xii) adequate public liability and property damage insurance on the Shopping Center building and common areas; Lessor may cause any or all of said services to be provided by any independent contractor or contractors. Anything to the contrary contained hereinabove notwithstanding, all expenses in connection with the original construction and installments of the common areas shall be at the sole cost and expense of Lessor of the Shopping Center and shall not in any event be charged to Lessee.

Should Lessor add to or make available additional common areas not originally contemplated as part of the Shopping Center, then said expenses in connection with maintenance of said common areas shall also include all of the aforementioned expenses incurred and paid in connection with said additional common areas.

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Lessor shall at all times have the right and privilege of determining the nature and extent of the common areas and of making such changes therein and thereto which in its opinion are deemed to be desirable and for the best interest of all persons using said common areas, including but not limited to the location and relocation of driveways, entrances, exits, automobile parking spaces, the direction and flow of traffic, and all other facilities thereof. Nothing contained herein shall be deemed to create any liability upon Lessor or the United States for any damage to motor vehicles of customers or employees, or for loss of property within such motor vehicles.

Lessor shall also have the right to establish, change, alter and amend, and to enforce against Lessee and the other users of said common areas such reasonable rules and regulations (including the exclusion of employee's parking therefrom) as may be deemed necessary or advisable for the proper and efficient operation and maintenance of said common areas. The rules and regulations herein provided may include without limitation, the hours during which the common areas shall be open for use. Lessor may establish a system or systems of validation or other type of operation, including a system of charges against nonvalidated parking checks of users, and the Lessee agrees to conform to and abide by all such rules and regulations in its use and the use of its customers and patrons with respect to the automobile parking areas of the common areas; provided, however, that all such rules and regulations and such types of operation or validation of parking checks and other matters affecting the customers and patrons of Lessee shall apply equally and without discrimination to all parties entitled to the use of said automobile parking facilities.

Lessor reserves the right, to utilize portions of the common areas for carnival-type shows and entertainment, outdoor shows, displays, product shows, advertising purposes, community activities and other uses which, in Lessor's reasonable judgment, serve the interest of the Shopping Center or provide a community service to the Navajo community. The above shall not include any prolonged activity which directly competes with or interferes with Lessee's business or any portion of Lessee's business.

Lessor shall at all times during the term of this Lease have the sole and exclusive control of the common areas, and may at anytime during the term exclude and restrain any person from use or occupancy thereof, excepting, however, bona fide customers, patrons and service - suppliers of Lessee, and other Lessees of Lessor who make use of said areas in accordance with the rules and regulations established by Lessor from time to time with respect thereto. In addition to the rights of Lessee hereunder in and to the areas in this Article referred to, it shall at all times be the duty of Lessee to keep all of said areas free and clear of any obstructions created or permitted by Lessee or resulting from Lessee's operation and to permit the use of any said areas only for normal parking and ingress and egress by the said customers, patrons, employees and agents.

If in the opinion of Lessor, unauthorized persons are using any of said areas by reason of the presence of Lessee in the premises, Lessee, upon demand of Lessor, shall enforce Lessor's rights against all such unauthorized persons by appropriate proceedings. Nothing herein shall affect the rights of Lessor at any time to remove any such unauthorized persons from said areas or to restrain the use of any said areas by unauthorized persons.

It is understood that the employees of Lessee and the other Lessees of Lessor within the Shopping Center and the employees of other businesses within the Shopping Center shall not be permitted to park their automobile in the automobile parking areas of the common areas which

may be designated for patrons of the Shopping Center. Lessor agrees to furnish and/or cause to be furnished either within the Shopping Center parking area, or reasonably close thereto, space for employee parking. Lessor at all times shall have the right to designate the particular parking area to be used by any or all of such employees and any such designation may be changed. Lessee and its employees shall park their cars only in those portions of the common areas, if any, designated by Lessor.

Lessee's share of common area expenses shall be equal to Lessee's proportionate percentage. The term "Lessee's proportionate percentage" as used through this Lease shall be equal to a fraction the numerator of which is the Floor Area of the premises and the denominator of which shall be the Floor Area of all the areas available for exclusive use and occupancy by the Lessees of the Shopping Center.

The term "Floor Area" as used throughout this Lease shall be deemed to mean and include all areas for the exclusive use and occupancy by the Lessees of the Shopping Center measured for each Lessee from the exterior surface of exterior walls (and from the extensions therefore, in the case of openings) and from the center of interior partitions, including mezzanines, warehousing or storage areas, clerical or office areas, employee areas and restrooms.

Within thirty (30) days following the end of each calendar quarter or, at Lessor's option, each calendar year, Lessor shall furnish Lessee a statement covering the calendar quarter or year just expired, certified as correct by a certified public accountant or an authorized representative of the Lessor, showing the total of such common area expenses, the amount of Lessee's share of such common area expense for such calendar quarter or year and the payments made by Lessee with respect to such period as set forth in (i) through (xii) of this Article. If Lessee's share of such common area expenses exceed Lessee's payments made, Lessee shall pay Lessor the deficiency within ten (10) days after receipt of such statement. If said payments exceed Lessee's share of such common area expenses, Lessee shall be entitled to offset the excess against payments next thereafter to become due Lessor.

Failure of Lessee to pay any of the charges required to be paid under this Article 11 shall constitute a default under the terms hereof in like manner as failure to pay rental when due.

3.9

SPECIAL SUBLEASE REQUIREMENT FOR SHOPPING CENTERS.


The Lessee may enter into subleases, in whole or in part, without the approval of the Lessor, provided:

- A. Lessee provides a copy of the sublease to the Lessor; and
- B. Lessor receives a portion of the rent from the subleasing, as agreed between the Lessor and Lessee; and
- C. the purposes set forth in the sublease is legitimate and for lawful purposes.

3.10

SPECIAL INSURANCE REQUIREMENT FOR SHOPPING CENTERS.

Certificates of insurance shall be addressed as follows: Navajo Nation Shopping Centers, P.O. Box 478, Window Rock, Arizona 86515

Initials 

3.11

SPECIAL RECONSTRUCTION PROVISION FOR SHOPPING CENTERS.

In the event the premises be damaged by fire or other perils, covered by Lessor's Fire and Extended Coverage Insurance, Lessor shall:

- A. Within a period of one hundred and eighty (180) days thereafter, commence repairs, reconstruction and restoration of said premises and prosecute the same diligently to completion, in which event this Lease shall continue in full force and effect; or
- B. In the event of a partial or total destruction of the premises, only during the last three (3) years of the term hereof, Lessor and Lessee shall each have the option to terminate this Lease upon giving written notice to the other of exercise thereof within thirty (30) days after such destruction. For the purposes of this paragraph, "partial destruction" shall be a destruction of an extent of at least thirty-three and one-third percent (33 1/3%) of the then full replacement cost of the premises as of the date of destruction. All insurance proceeds, in the case of reconstruction shall be held in trust and applied to the payment of such reconstruction, as such reconstruction progresses.
- C. In the event the premises shall be damaged as a result of any flood, earthquake, act of war, nuclear reaction, nuclear radiation or radioactive contamination, or from any other casualty not covered by Lessor's Fire and Extended Coverage Insurance, to any extent whatsoever, the Lessor may, within one hundred and eighty (180) days following the date of such damage, commence repair, reconstruction or restoration of said premises and prosecute the same diligently to completion, in which event this Lease shall continue in full force and effect, or within said period elect not to so repair, reconstruct or restore said premises in which event this Lease shall cease and terminate. In either such event, Lessor shall give the Lessee written notice of its intention within said period.
- D. In the event of any reconstruction of the premises under this Article said reconstruction shall be in strict conformity with the provisions of this Lease set forth as "Description of Lessor's Work" and "Description of Lessee's Work." Notwithstanding that all reconstruction work shall be performed by Lessor's contractor, unless Lessor shall otherwise agree in writing, Lessor's obligation to reconstruct the premises shall be only to the extent of the work as described in "Description of Lessor's Work"; Lessee, at its sole cost and expense, shall be responsible for the repairs and restorations of all items set forth in "Description of Lessee's Work" and the replacement of its stock in trade, trade fixtures, furniture, furnishings and equipment. Lessee shall commence such installation of fixtures, equipment and merchandise promptly, upon delivery to it of possession of the premises and shall diligently prosecute such installation to completion.
- E. Upon any termination of this Lease under any of the provisions of this Article, the parties shall be released thereby without further obligations to the other party coincident with

the surrender of possession of the premises to the Lessor, except for items which have theretofore accrued and be then unpaid. In the event of termination, all proceeds from Lessor's Fire and Extended Coverage Insurance covering items set forth in "Description of Lessor's Work" and Lessor's premises shall go to Lessor.

- F. All items of rent must abate for any period of time that Lessee is prevented from operating in the Premises due to such damage and destruction.

3.12

SIGNS.

Subject to specific requirements for each shopping center included as an attachment to each shopping center lease, and incorporated therein as a material term, Lessee shall, at its own cost and expense, install a suitable identification sign of such size, design and character as Lessor shall first approve in writing at a place or places designated by Lessor. Lessee shall maintain any such sign or other installation in good condition and repair. Other than such permitted signs, Lessee shall not place or install or suffer to be placed or installed or maintain any sign upon or outside the Premises or in the Shopping Center. Lessee shall not place or install or suffer to be placed or installed on the exterior of the Premises any awning, canopy, banner, flag, pennant, aerial, antenna or the like; nor shall Lessee place or maintain on the glass of any window or door of the Premises any sign, decoration, lettering, advertising matter, shade or blind or other thing of any kind. Lessor shall have the right, without liability and with or without notice to Lessee, to remove any signs installed by Lessee in violation of this Paragraph and to charge Lessee for the cost of such removal and/or any repairs necessitated thereby.

3.13

ADDITIONAL NOTICE REQUIREMENT FOR SHOPPING CENTERS.

In addition to all other Notice requirements in the Lease, Notices relating to Navajo Nation Shopping Centers shall be sent to:

General Manager
Navajo Nation Shopping Centers
P.O. Box 478
Window Rock, (Navajo Nation) Arizona 86515

3.14

LESSOR'S RESERVATIONS AND RIGHTS

Lessor reserves the absolute right to effect such other tenancies in the Shopping Center as Lessor, in the exercise of its sole business judgment, shall determine to best promote the interests of the Shopping Center, subject to the terms of this Lease. Lessee does not rely on the fact, nor does Lessor represent, that any specific Lessee or number of Lessees shall during the term of this Lease occupy any space in the Shopping Center. This Lease is and shall be considered to be the only agreement between the parties hereto and their representatives and agents. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations and warranties between the parties and all reliance with respect to representations is solely upon the representations and agreements contained in this document.

**** END OF PART II ****

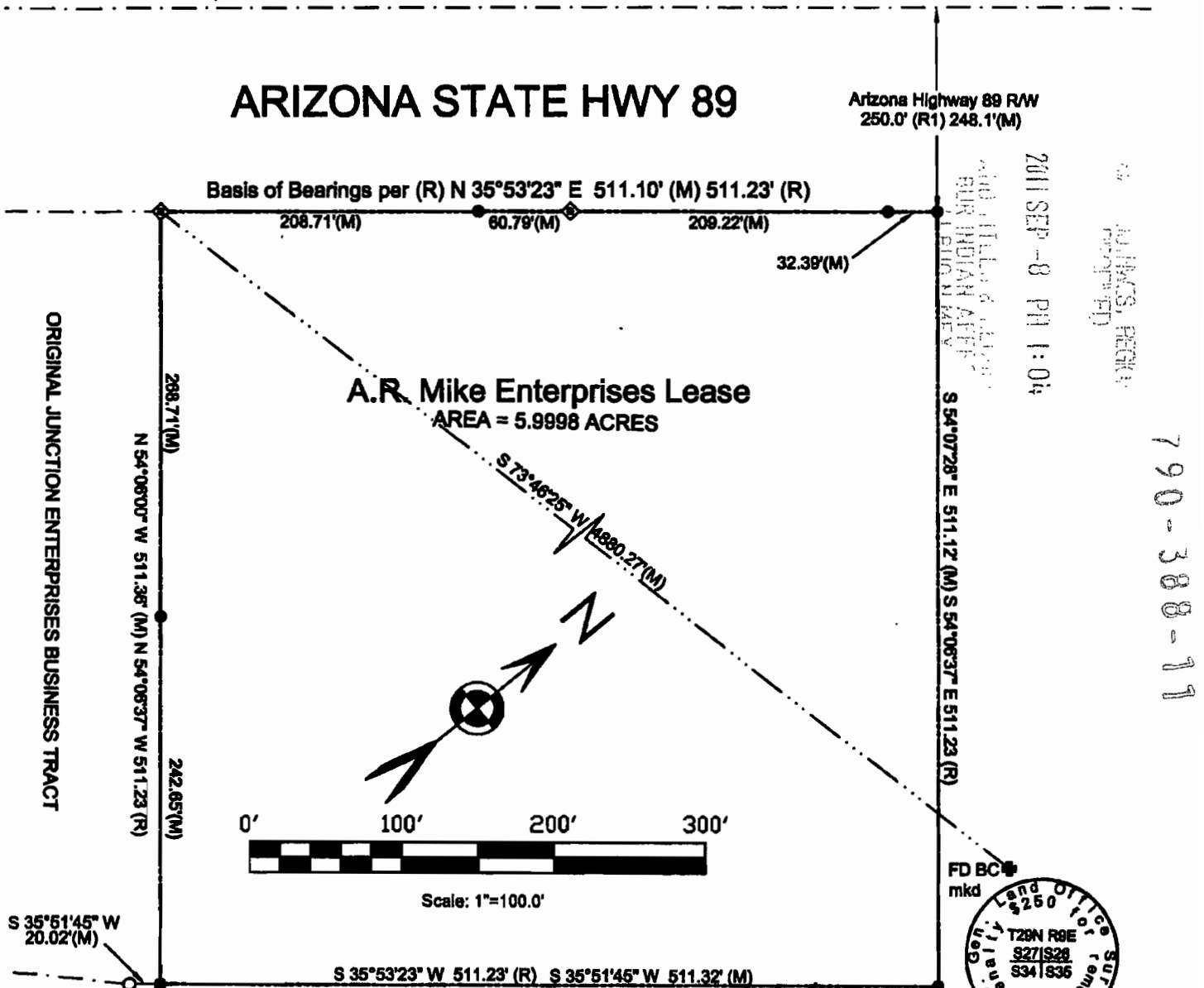
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790-388-11



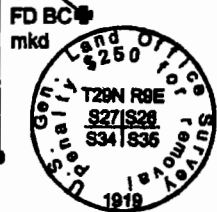
EXHIBIT "A-1"

A.R. Mike Enterprises Lease, situated in Section 34, Township 29 North,
Range 9 East, Gila and Salt River Meridian,
Cameron, Coconino County, Arizona.



LEGEND

- (R) - Survey of Cameron Vender Village.
- (R1) - Survey of Junction Enterprises Business Tract.
- - Found Cap 14671, unless otherwise noted
- ◆ - Found R/W Monument
- ✱ - Found Section Corner
- - Set 1/2" rebar w/cap 14671



NES Job #05-019
M.J.S. 11-10-10



EXHIBIT "A"

2011 SEP -8 PM 1:04

NO. 100
BUR INDIAN ALF
ALPINE

LEGAL DESCRIPTION (A.R. Mike Enterprises Lease):

A parcel of land situated in the Northwest 1/4 of Section 34, Township 29 North, Range 9 East, Gila and Salt River Meridian, Coconino County, Arizona, said parcel of land being more particularly described as follows:

From the Northeast section corner of said Section 34, said point being a found U. S. General Land Office Brass Cap, thence S 73° 46' 25" W for a distance of 4880.27 feet to a found ADOT R/W monument marked POT 2362+96.00, said point being the TRUE POINT OF BEGINNING of a parcel of land described as Cameron Vendor Village (R), said point also being on the Easterly Right-of-Way line of U.S. Highway 89;

thence N 35° 53' 23" E [Basis of Bearing: Survey of Cameron Vendor Village (R)] along said Easterly Right-of-Way line for a distance of 511.10 feet [511.23'(R)] to a found Aluminum Cap 14671, said point being the Northwest parcel corner of said Parcel (R);

thence S 54° 07' 28" E, along the Northerly parcel line of said Parcel (R), for a distance of 511.12 feet [S 54° 06' 37" E, 511.23'(R)] to a found Aluminum Cap 14671, said point being the Northeast parcel corner of said Parcel (R);

thence S 35° 51' 45" W, along the Easterly parcel line of said Parcel (R), for a distance of 511.32 feet [S 35° 53' 23" W, 511.23'(R)] to a found Aluminum Cap 14671, said point being the Southeast parcel corner of said Parcel (R);

thence N 54° 06' 00" W, along the Southerly parcel line of said Parcel (R), for a distance of 511.36 feet [N 54° 06' 37" W, 511.23'(R)] to TRUE POINT OF BEGINNING

said parcel contains 5.9998 acres of land, more or less, including any easements of record over the above described parcel as shown on Exhibit "A-1", which is made a part of this document by this reference hereon.



Expires 9-30-2011

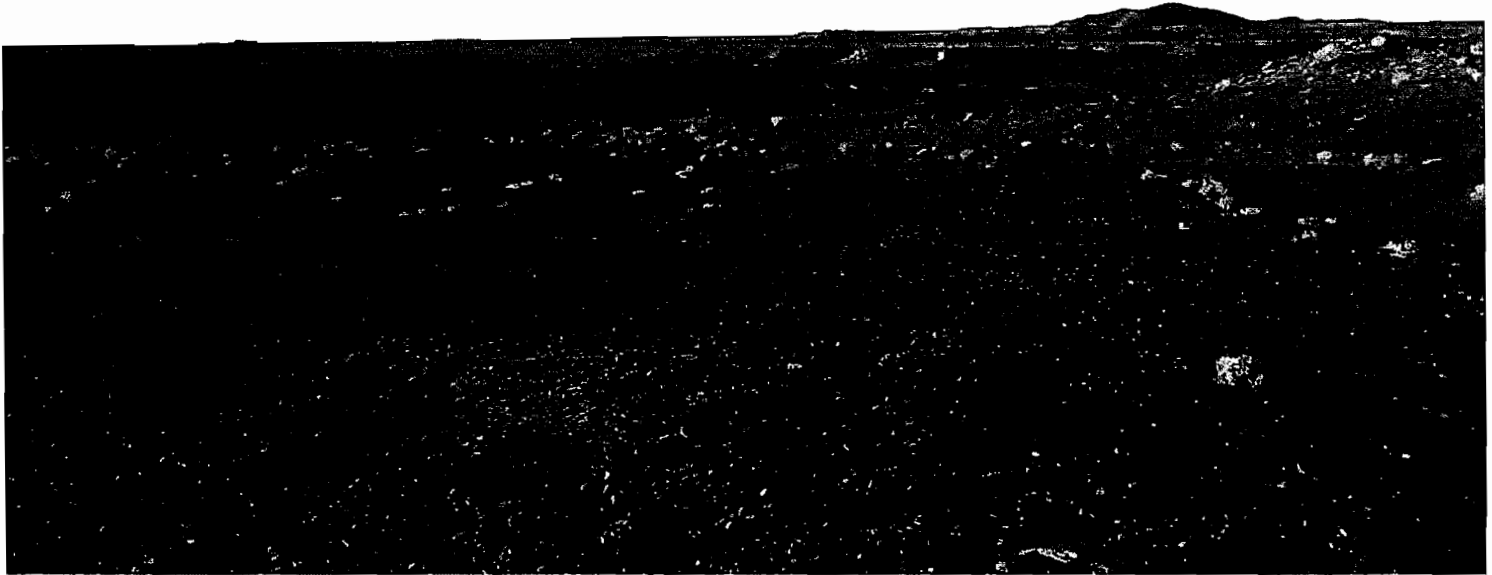
05-019 Vendor Village2010

P.O. Box 1401 / Flagstaff, Arizona 86002 / (928) 774-5058 / FAX (928) 774-3089

ETD Inc. Consulting and Applied Research

2101 N. Fourth St., # 201
Flagstaff, Arizona 86004
Phone (928) 779-6032
Fax: (928) 779-9115
www.etc-inc.com

Environmental Assessment Convenience Store and Gas Station Project, Cameron, Arizona



Prepared for:
AR Mike Enterprise, Inc.
P.O. Box 1219
Kayenta, Arizona 86033

November 2006

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APPENDICES:

A: Biological Resources Compliance Form

B: Cultural Resources Compliance Form

1 Purpose and Need For Action

1.1 Introduction

AR Mike Enterprise, Inc. proposes to construct a convenience store/gas station on a 2.5-acre parcel located along U.S. Highway 89, in Cameron, Arizona. The convenience store will house a small fast-food franchise establishment. The proposed site is situated in an ideal location at the intersection of U.S. Highway 89 and State Highway 64, the road leading to the Grand Canyon. The Cameron community serves as gateway to the South Rim of the Grand Canyon National Park. Approximately 654,207 visitors passed through Cameron on their way to the Grand Canyon in 2004 (Paiki 2006).

1.2 Purpose and Need for Project

The purpose and need for the proposed project is to provide a convenience store and gas station for travelers along Highway 89 and local residents. The project will promote economic development in the Cameron Chapter. It will seize on the regional tourist market and generate local employment opportunities and Tribal revenues (lease fees and taxes). The Chapter's supporting Resolution states, "Cameron Chapter has an obligation to promote the interest and welfare of the community residence which includes the growth of local development and (the) Cameron Chapter wishes to promote future growth in the area which will eventually create new income and job opportunities for the private and public sectors of the Navajo economy."

1.3 Location

The proposed project site is situated on Navajo trust land near the U.S. Highway 89/State Highway 64 intersection, in Cameron, Arizona. The project site lies within the NW ¼ of Section 34, Township 29 North, Range 9 East of the Gila and Salt River Meridian, Coconino County, Arizona. It can be located in the *Cameron South, Arizona, 7.5-minute USGS Quadrangle*. The project site can be accessed by traveling north on U.S. Highway 89 from Flagstaff, Arizona, for approximately 54 miles. The site is located on the east side of U.S. Highway 89 and State Highway 64 intersection (Figure 1).

1.4 Regulations That Apply

This environmental assessment (EA) has been prepared to meet the environmental review requirements of the National Environmental Policy Act (NEPA), which incorporates other environmental review requirements under the Navajo Cultural Resource Protection Act (NCRPA), the National Historic Preservation Act (NHPA), the Navajo Endangered Species List (NESL), the Federal Endangered Species Act (ESA), the Resource Conservation and Recovery Act (RCRA) and the Clean Water Act (CWA). Since this project is subject to the approval by the Bureau of Indian Affairs, it follows BIA's internal guidelines set forth under IAM Part 59, Chapter 3.

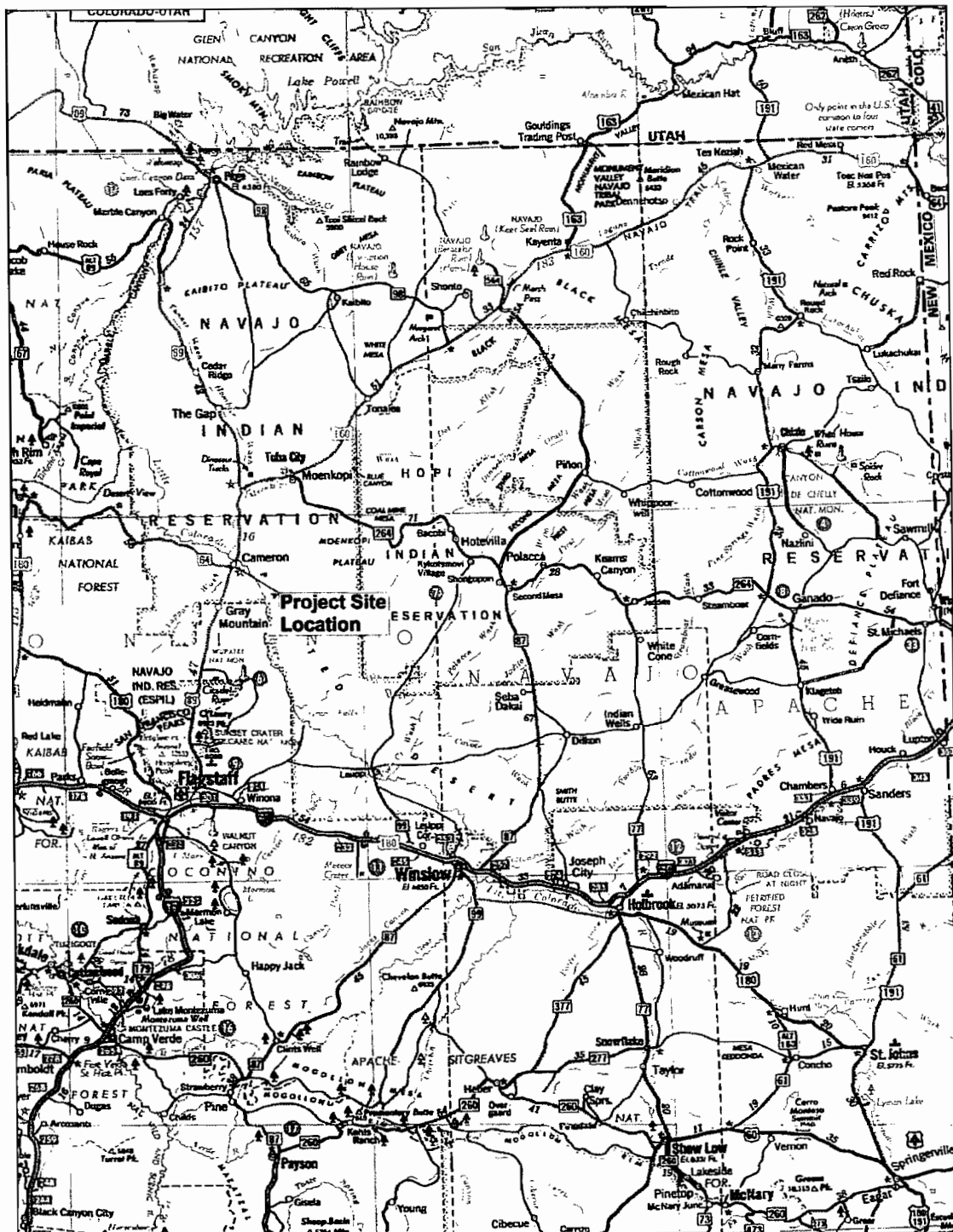


Figure 1. General Location Map. Convenience Store with Gas Station Project, Cameron, Arizona.

3 Description of the Affected Environment

This Chapter provides information on the physical, biological, cultural, social and economic characteristics of the project area that could be affected by the proposed action. Such information provides baseline data for evaluating potential environmental impacts.

3.1 Land Resources

3.1.1 Topography

The topography of the 2.5-acre project site is flat. Most of the site appears to have been previously disturbed by heavy equipment and covered with fine gravel. No rock outcrops or distinct drainages occur on the project site. The site is situated at about 4,380 feet elevation.

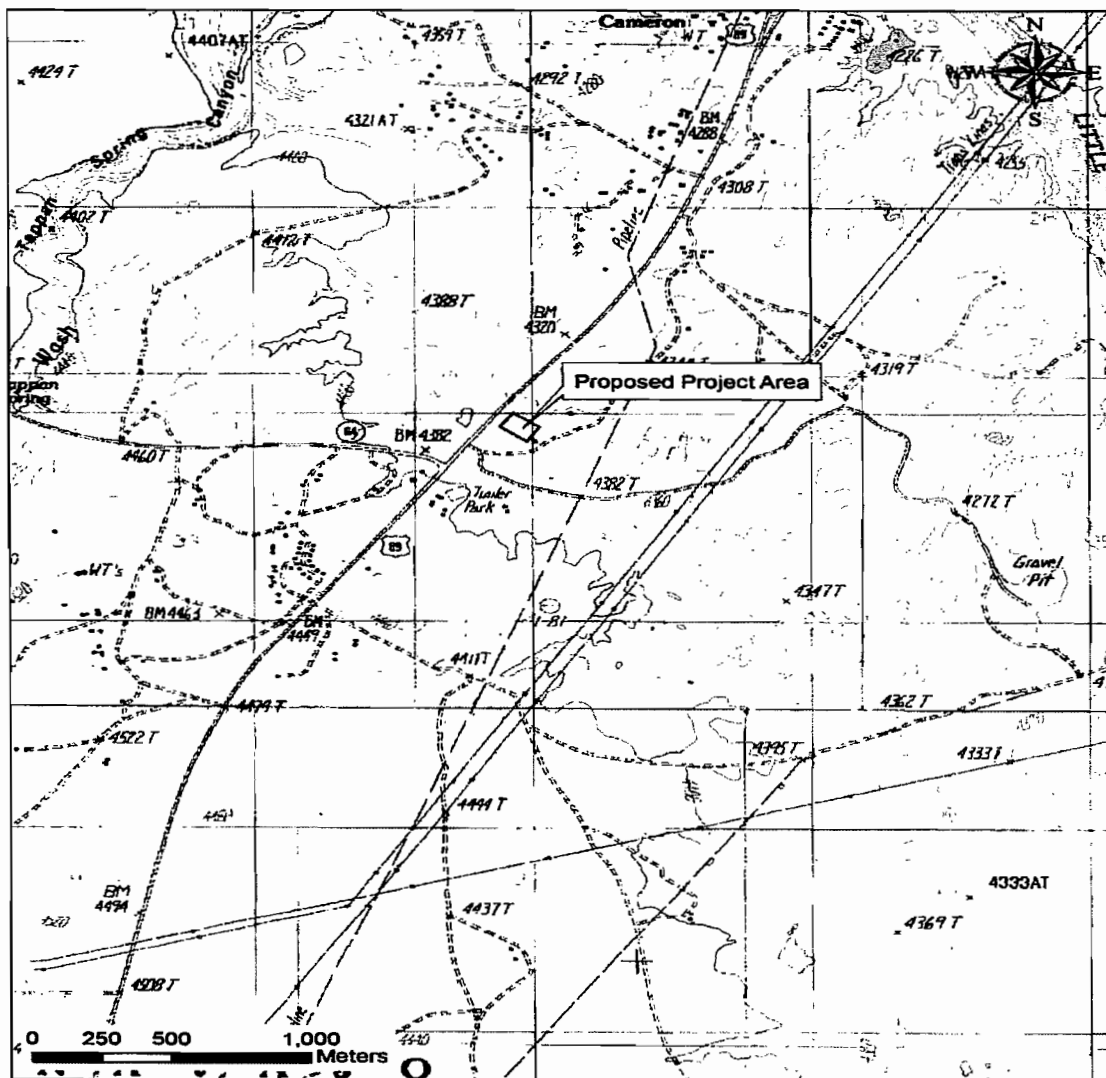


Figure 2. Topography Map of Proposed Project Area (Cameron South 7.5-minute USGS Quadrangle Base Map).

2 Alternatives Including the Proposed Action

2.1 No Action

Under the no action alternative, the proposed convenience store with gas station would not be developed. No impacts would result to the surrounding natural and human environment. However, the Cameron Chapter would forego an excellent opportunity to seize a larger share of the regional tourism market, and generating local employment opportunities and Tribal revenues through lease fees and taxes.

2.2 Proposed Action

AR Mike Enterprise, Inc. proposes to construct a convenience store and gas station on a 2.5-acre parcel located along U.S. Highway 89, in Cameron, Arizona. The convenience store will house a small fast-food franchise establishment. The project area includes a 270 foot by 400 foot parcel with a narrow 8 foot by 98 foot electrical power service line easement extending to the southeast.

The building will be a wood-frame structure with an exterior stucco veneer. Gasoline pumps and underground gasoline storage tanks will be installed in front of the convenience store. The area surrounding the convenience store and gasoline pumps will be paved and on-site electrical power, water and wastewater utility lines will be installed to provide service to the new facility.

2.3 Alternative Actions

No alternative actions or alternative sites have been proposed by the project sponsor that would meet the goals and objectives of developing the proposed commercial business. Therefore, no alternative actions or locations are considered in this environmental assessment.



Figure 3. View looking east across the project site from the western boundary.



Figure 4. View looking northwest across the project site from the southeastern corner.

3.1.2 Soils

Soils at the site are classified as Moenkopi-Shalet-Tours Association (Hendricks 1985), described as shallow and deep, moderately coarse to moderately fine-textured, nearly level to rolling soils on sandstone and shale plateaus. This association consists of well-drained soils on plateaus and floodplains. The soils formed in residuum and alluvium weathered from sandstone, shale and conglomerate rocks. Moenkopi soils make up about 60 percent of the association, Shale soils 15 percent, Tours soils 15 percent, and minor areas of associated soils, 10 percent. The minor soils are mostly small areas of Ives, Jocity, Trail, Clovis, Palma, Claysprings and Purgatory series. Also included are small areas of sandstone rock outcrop.

Moenkopi and Shalet soils have low potential for forage production. Tours soils that receive extra water from runoff have to good potential under good management to produce forage. Factors limiting the potential of these soils for homesite development are the shallow depths to rock in the Moenkopi and Shalet soils. Also, the Tours soils may be subject to flooding and

have moderately slow permeability, which is poor for use as septic tank absorption fields (Hendricks 1985).

3.1.3 Geologic Setting and Mineral Resources

The project site is located in the Painted Desert region of the Colorado Plateau in north central Arizona. The Colorado Plateau is a great block of the earth's crust that has remained coherent and recognizable through 600 million years and more, while blocks around it have tilted and squeezed and broken (Chronic 1983).

The site is located in the Little Colorado River Valley. The Coconino Plateau is located to the west and the Moenkopi Plateau is located to the east. Several geologic rock units are exposed in the Valley. Rocks exposed on the site are the Shinarump Conglomerate of Triassic age. To the east, younger units of the Chinle Formation and the Glen Canyon Group are exposed in succession as the terrain ascends progressively towards Ward Terrace. To the west, older units of the dark-red Moenkopi Formation are exposed. Further west, the Coconino Sandstone is exposed along the eastern margin of the Coconino Plateau (a.k.a. Coconino Rim) and also within the Little Colorado River gorge. Quaternary basalt of ancient lava flows are found to the south.

Mineral resources identified by the Cameron Chapter consist of sand and gravel and uranium (Rogers 2004). However, no mining activities occur on or near the project site.

3.2 Water Resources

3.2.1 Surface Water

The nearest surface water is the Little Colorado River which flows about 1.3 miles northeast of the project site. The Little Colorado River originates from the White Mountains in east-central Arizona and flows intermittently northwestward and joins the Colorado River in the Grand Canyon about 30 miles northwest of the site. Flow in the Little Colorado River is derived from seasonal runoff from the White Mountains, numerous drainages that empty into the River, and groundwater discharges along its route. Several unnamed drainages originating near the project site extend northward towards the Little Colorado River. These drainages are normally dry and flow only in response to sufficient precipitation.

Other surface waters in the Chapter include several small water impoundment ponds that capture precipitation runoff; however, none occur near the project site.

3.2.2 Ground water

According to data provided by the Navajo Water Management Branch, there are eight wells within one mile of the proposed project site; however, no wells are located on the project site. Five of these wells are situated within the Little Colorado River channel and tap alluvium at depths of 30 to 46 feet. The remaining three wells are located along the southern boundary of the Little Colorado River and serve community developments, including the Cameron Trading Post. Two of these wells tap the Coconino aquifer at depths of 658 and 1,012 feet and the remaining well taps the Moenkopi aquifer at 370 feet below ground level.

3.2.3 Floodplains

The nearest 100-year floodplain occurs along the Little Colorado River. According to the Navajo Nation Water Management Branch, the proposed project site is outside the 100-year flood boundary that is about 1.3 miles from the Little Colorado River.

3.3 Air Resources

3.3.1 Quality/Visibility

The proposed undertaking is located within the jurisdiction of the Navajo Nation in Arizona. According to the Navajo Environmental Protection Agency, Air Quality Program, the air quality is designated as "Class II" under the Clean Air Act, which is "unclassified" for the National Ambient Air Quality Standards (NAAQS), but is assumed to be in attainment of these standards. Non-point sources of pollution in this region stem from automobiles, wood, coal burning household stoves and wind generated dust. Point source pollutants in this region include coal burning generating stations that surround the Navajo Nation. Visibility is generally good to excellent for most areas within the Navajo Nation. The project activities are not subject to any air quality regulations. However, the Navajo Environmental Protection Agency encourages dust abatement measures during construction.

3.3.2 Climate/Meteorology

The Cameron area experiences cold, harsh winters, low precipitation scattered more or less throughout the year, and extremes in both daily and seasonal temperatures. The climate is quite arid. The average total annual precipitation at Cameron is 5.66 inches. The average annual total snowfall is 1.9 inches. The average maximum temperature is 97.4 ° Fahrenheit and occurs in the month of July. The average minimum temperature is 21.4 ° Fahrenheit and occurs in the month of January (Western Regional Climate Center 2005). Winds are generally from the southwest.

3.4 Biotic Resources

3.4.1 Description of Biological Communities

The site lies entirely within the Great Basin Desertscrub biotic community (Brown 1994). The most northerly of the four North American deserts, the Great Basin Desert evolved from both cold-temperate and warm-temperate vegetation. Its affinities with cold-temperate progenitors set it apart from the other three deserts, which have almost exclusive ties with warm-temperate and tropical-subtropical archetypes. The Great Basin Desertscrub biome is located mostly north of the 36th parallel. It roughly occupies elevations mostly between 3,940 and 7,220 feet (Brown 1994).

3.4.2 Wildlife

Due to the site's proximity to U.S. Highway 89, State Highway 64, nearby commercial establishments, and the barren nature of the site, it is very unlikely the project site contains suitable habitat for wildlife species. No wildlife was observed during a recent site visit. There is no riparian or wetland species or their habitat in the project area.

3.4.3 Vegetation

The project site is nearly void of vegetation. However, along the eastern boundary of the site there is some vegetation that is dominated by blackbrush, narrow leaf yucca, snakeweed, rabbitbrush, galletta and Indian ricegrass. No riparian or wetland species or their habitat in the project area.

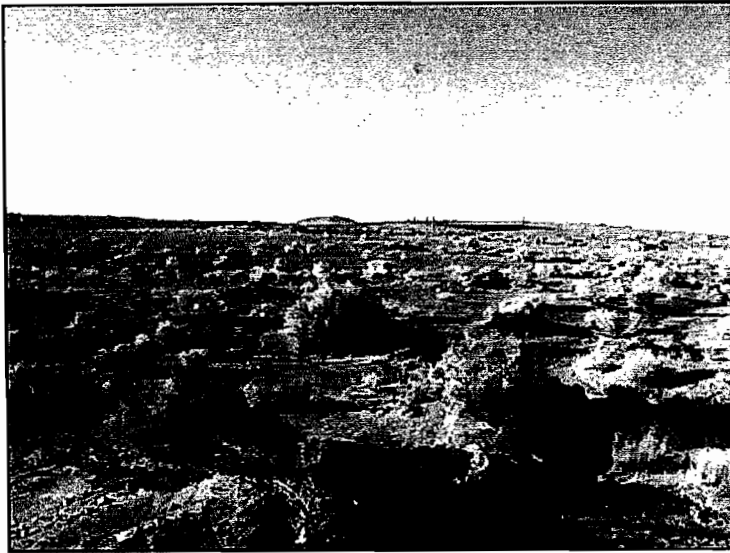


Figure 5. View of the typical vegetation found in the project area.

3.4.4 Threatened and Endangered Species

Due to the surrounding developments such as U.S. Highway 89, State Highway 64, commercial establishments, housing and utility infrastructure, *ETD, Inc.* determined the project site is likely located within Area 4: Community Development Zone. The Navajo Fish and Wildlife Department (NFWD) has determined that areas within community development zones are not likely to support habitat for threatened, endangered and sensitive species. Based on this determination, *ETD, Inc.* requested and received biological clearance for the proposed project.

3.4.5 Agriculture

Very little farming occurs in the Cameron Chapter. There are no small family farms and no community/cooperative farms in the Chapter (Rodgers 2004). No prime or unique farmlands are found on or near the project site. Livestock grazing of cattle, sheep and horses occurs in parts of the Chapter; however, limited grazing occurs on the project site due to the lack of quality forage. Based on a site survey, no farming activity occurs on or near the project site.

3.5 Cultural Resources

On August 03, 2006, Mathilda Burke, Project Archaeologist, of *ETD, Inc.*, conducted a cultural resources inventory of the 2.5-acre project site. An additional 15 meter buffer zone around the project boundaries was included in the survey making the total area surveyed 4.2 acres. The site was inventoried using a Class III level pedestrian survey utilizing concentric transects spaced no more than 15 meters apart. Before the cultural resources survey, a site file check was conducted at the Navajo Historic Preservation Department (NHPD). The file search revealed that there have been six previous archaeological survey projects conducted within a 500-foot radius of the project site boundaries.

3.5.1 Traditional Cultural Properties (TCP), Historic, and Religious Properties

An ethnographic interview over the phone was conducted with Rose Causer in English by Mathilda Burke, Project Archaeologist, concerning burials, sacred places, and plant/herb gathering areas in order to determine if there were any potential TCPs in or near the

proposed project area. Ms. Causer stated that there were no TCPs in or around the project area.

3.5.2 Archaeological Resources

One site (AZ-N-12-9) was encountered during the time of the survey. The site was previously recorded in report number HPD-94-356 and then rerecorded and expanded upon in report number HPD-95-076. Site AZ-N-12-9 is eligible to the National Register of Historic Places (NRHP) because it meets criterion d and the 50-year guideline. The site is also eligible to Archaeological Resources Protection Act (ARPA) because it meets the 100-year guideline. Site AZ-N-12-9 is not protected under American Indian Religious Freedom Act (AIRFA) and Native American Graves Protection and Repatriation Act (NAGPRA). The site is described as a Talchaco lithic scatter consisting of flakes, cores, and core fragments with two gravel deposits. The site has been previously disturbed by the construction of a billboard sign, construction and maintenance of U.S. Highway 89, blading from a nearby homesite (HPD-95-076), human activity, and natural erosion. The impact from the proposed convenience store and gas station is discussed in Chapter 4.

3.6 Socioeconomic Conditions

3.6.1 Employment and Income

In general, unemployment rates on the Navajo reservation are quite high. According to the U.S. Census 2000, the median household income in the Cameron Chapter was \$18,864 and the per capita income was \$6,055. The unemployment rate was approximately 16 percent. The male Chapter residents were mainly employed in the construction, retail trade, and accommodation & food services industries. The female residents were employed in the retail trade, educational, health & social services, and accommodation & food services industries.

3.6.2 Demographic and Trends

According to the U.S. Census 2000, the total population of the Cameron Chapter was 1,231 persons. The median age of the Chapter residents was 24.7 years old. There were 311 households in the Chapter with an average household size of 3.96 persons. Approximately 40 percent of the population was 17 years old or younger.

3.6.3 Lifestyles, Cultural Values, Attitudes, Expectations

Generally speaking, the communities of the Navajo Nation comprise a variety of people and lifestyles. Some residents work in the area at the trading post, Chapter House, schools or tourism related businesses located along U.S. 89 and State Highway 64. There are many residents who raise cattle and sheep and practice the traditional Navajo lifestyle. Some families live a combination of these lifestyles. By and large, their individual lifestyles reflect their cultural values, attitudes, and expectations.

3.6.4 Community Infrastructure

Roads and Accessibility. The proposed project site is accessed by traveling north of Flagstaff, Arizona, along U.S. Highway 89 for approximately 54 miles to the Cameron community. The site is located on the eastern side of the U.S. Highway 89/State Highway 64 intersection.

Power. Electrical utilities in the project area are owned and operated by the Arizona Public Service (APS). An APS electrical power line currently extends north-to-south along the eastern boundary of the project site. The project developer plans to tap this utility line to provide electrical utilities for the proposed facilities.

Water. Water utilities in the project area are owned and operated by the Navajo Tribal Utility Authority (NTUA). An existing NTUA water main extends about 100 feet from the northern boundary of the site. The project developer will likely tap this water line to provide water utilities for the proposed facilities.

Wastewater. Wastewater utilities in the project area are owned and operated by NTUA. An existing sewer main extends along the southern and eastern boundaries of the site that leads to the NTUA sewer disposal ponds located about 2,200 feet northeast of the project site. This line will likely be used to provide wastewater utilities for the proposed facilities.

Solid Waste. Business owners and residents dispose of their solid waste in Cameron Chapter's local transfer station located near the Cameron Chapter House. This waste is hauled to the Flagstaff landfill. No landfills or dumpsites occur on or near the project area.

3.6.5 Environmental Justice

Environmental justice has been defined as the pursuit of equal justice and equal protection under the law for all environmental statutes and regulations without discrimination based on race, ethnicity, and/or socioeconomic status. To the greatest extent practicable and permitted by law, Federal agencies are required to make environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States. The project will not disproportionately, adversely affect minority and low-income populations.

3.7 Indian Trust Resources

Natural resources identified on the Cameron Chapter lands include sand and gravel, uranium, wood and water resources (Rodgers 2004). Based on a site survey, sand and gravel or uranium is not being extracted from the ground on or near the proposed project site. No water wells occur near the project site. No wood resources occur near the project site.

3.8 Environmental Module

3.8.1 RCRA Subtitle C Sites

According to the U.S. EPA website (2006), no RCRA Subtitle C hazardous waste sites occur on or near the project site. However, six hazardous waste handlers registered under RCRA Subtitle C occur in the Cameron area. The nearest hazardous waste handler is the Chevron Service Station located approximately 2,000 feet south of the project site along U.S. Highway 89. Hazardous waste is not expected to be used, generated, handled, or stored on or near the proposed project site as part of the construction or operation of the proposed project. No observations were made during the site survey to suggest the presence of hazardous waste within the project site boundaries (i.e. empty chemical containers or drums, stressed vegetation, stained soils, or fill or dumping from unknown locations).

3.8.2 RCRA Subtitle D Sites

Based on a field survey, no RCRA Subtitle D solid waste disposal sites occur on or near the project site. Area residents and businesses haul their solid waste to the local transfer station located near the Cameron Chapter House. Solid waste generated during the construction and operation of the proposed project will be hauled to the local transfer station by the project sponsor.

3.8.3 RCRA Subtitle I Sites

Underground gasoline storage tanks will be installed on-site as part of the proposed project. Therefore, the project sponsor must comply with the Navajo Nation Underground Storage Tank Act. The project sponsor must submit a letter of notification to the Navajo Nation Environmental Protection Agency (NNEPA), Underground Storage Tank Program, of their intent to install underground gasoline storage tanks and file an application at least 30 days before installation. The project sponsor must also provide NNEPA the tank specifications and contractor information. The tanks and distribution lines must be tested with an NNEPA representative present.

3.8.4 CERCLA Sites

According to the U.S. Environmental Protection Agency website (2006), five Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) sites occur in the Cameron area. These sites are associated with past uranium mining activities that have since been reclaimed by the Navajo Abandoned Mine Land Reclamation Department (AML). The nearest such abandoned mine is known as mine site NA-0106 located approximately 1.5 miles north of the project site along the Little Colorado River.

3.8.5 Toxic Substances Control Act Sites

Based on the field survey, no Toxic Substances Control Act sites occur on or near the project site. No toxic substances will be used, generated, handled, or stored on or near the project site as part of the construction or operational activities of the proposed project.

3.9 Resources/Land Use Patterns

The following resources or land uses are not found in the study region: hunting, fishing, gathering, timber harvesting, mining, outdoor recreation, and solid waste dumpsites. However, the following land uses or practices occur in this region: transportation use network, land use plans and agriculture.

3.9.1 Transportation Use Network

The primary thoroughfare through Cameron is U.S. Highway 89 which extends north from Flagstaff, Arizona to Page, Arizona, before crossing into the State of Utah. The site is situated across from the intersection of State Highway 64, leading to the South Rim of the Grand Canyon. There are numerous unpaved roads extending from these highways that access scattered homesites within the Cameron community.

3.9.2 Land Use Plans

The project site is located in a Chapter designated commercial development zone located along U.S. Highway 89 in the Cameron community. The Chapter membership passed a Chapter Resolution (CA-02-17-05) on February 27, 2005 in support of the proposed project. The proposed project is in accordance with the Chapter's land use plan.

3.9.3 Agriculture

Agricultural practices of the Cameron Chapter are discussed above in Section 3.4.5.

3.10 Other Values

3.10.1 Wilderness

No designated wilderness areas occur on the Navajo Nation. The nearest designated wilderness area is the Saddle Mountain Wilderness area located approximately 40 miles northwest of the project site. The wilderness area is managed by the U.S. Forest Service.

3.10.2 Sound and Noise

Man-made sound and noise sources include traffic along U.S. Highway 89, State Highway 64, and occasional aircraft flyovers. Natural sound and noise sources in the project area primarily consist of atmospheric phenomena such as wind, thunder, and rain.

3.10.3 Public Health and Safety

The Cameron Chapter community is served by the Tuba City Police District with headquarters located in Tuba City, Arizona. The Tuba City Fire Department responds to fires in the Cameron community. The Tuba City Regional Health Care Center provides medical care and ambulance service to the community.

3.10.4 Visual Setting

The proposed project site is located in the scenic Painted Desert of the Little Colorado River Valley. While this area is rich in beauty, there are no regulations protecting the view shed.

4 Environmental Consequences of the Proposed Action

This chapter discusses the impacts to the natural and human environment on and near the project site as a result of the proposed project. Mitigation measures that reduce or eliminate impacts are discussed where appropriate.

4.1 Land Resources Impacts and Mitigation

4.1.1 Topography

The proposed project site is relatively flat. The project activities will not considerably alter the existing topography, except in places where the pipelines and concrete foundation pads will be installed. Following installation of the pipelines and foundation pads, these areas will be backfilled to blend in with the existing topography. Therefore, no impact to the site topography is anticipated as a result of the proposed project.

4.1.2 Soils

Soil disturbance will occur within the project area from soil clearing and grading of the site and excavation in the areas of the foundation and underground utilities. In specific areas, the soil will be destabilized and there will be an increased for potential soil erosion and sedimentation during construction. Controlling storm runoff and pollution is the purpose of the Clean Water Act (CWA), Section 402 and the regulations in 40 CFR Part 122. Under the provisions of the CWA, as amended (33 USC 1251 et. seq.), federal law prohibits storm water discharges from certain construction activities to waters of the U.S. unless that discharge is covered under a National Pollution Discharge Elimination System (NPDES) General Permit. Operators of construction sites where one or more acres are disturbed must submit a Notice of Intent (NOI) to obtain coverage under a NPDES general permit.

Mitigation Measure: Adherence to the CWA, Section 402, will minimize impacts for construction activities. The NPDES permit process involves: (1) submittal of a NOI, (2) development of a storm water pollution prevention plan (SWPPP), and (3) submission of Notice of Termination (NOT). The SWPPP must include a site description and sources of pollution, description of controls that will be used on-site for erosion and sediment control, description of maintenance and inspection procedures, and pollution prevention measures for any non-storm water discharges present. For more information, go to www.epa.gov/npdes/stormwater/cgp or telephone the Storm Water Notice Processing Center at (866) 352-7755. The NOI should be sent to the following address:

EPA Storm Water Notice Processing Center (4203)
U.S. EPA
401 M. Street, SW
Washington, DC 20460

With adherence to the above mitigation measure, no impact to the site soils is anticipated as a result of the proposed project.

4.1.3 Geologic Setting and Mineral Resources

Mineral resources of the Cameron Chapter include sand and gravel and uranium (Rodgers 2004); however, no mining of these resources occur on or near the proposed project site. No impact to the geologic setting or mineral resources is anticipated as a result of the project activities.

4.2 Water Resources Impacts and Mitigation

4.2.1 Surface Water

During construction, disturbed areas can experience increased run-off rates, localized soil erosion, and the potential for non-point source pollution of surface water during times of heavy precipitation. These impacts will be minimized through the implementation of an effective SWPPP, discussed in Section 4.1.2.

4.2.2 Ground Water

No impact to area ground water resources is anticipated as a result of the proposed project.

4.2.3 Floodplains

According to the Navajo Nation Water Management Branch, the nearest 100-year floodplain borders the Little Colorado River which is located about 1.3 miles north and east of the proposed project site (Letter from Jolene Tallsalt-Robertson, Senior Hydrologist, Navajo Department of Water Resources, dated March 15, 2006). The proposed project will not impact, or be impacted by, any floodplains.

4.3 Air Resources Impacts and Mitigation

4.3.1 Quality/Visibility

The construction of the proposed project will cause a slight degradation of the air quality due to increased airborne dust (particulate matter) and exhaust emissions (carbon monoxide) into the atmosphere. Impacts to the air quality/visibility will be minor and short-term.

Mitigation Measure: Apply water to the ground during construction to minimize the release of fugitive dust into the air.

4.3.2 Climate/Meteorology

The regional climate/meteorology will not be impacted by the proposed project.

4.4 Biological Resources Impacts and Mitigation

4.4.1 Biotic Community

Impact to the Great Basin Desertscrub biotic community will be minimal due to the extent of the disturbance relative to the size of the biotic community which extends throughout much of the Colorado Plateau.

4.4.2 Wildlife

The project area does not contain suitable wildlife habitat due to its proximity to U.S. Highway 89, and State Highway 64, and nearby commercial businesses in the area as well as the lack of vegetation. Therefore, no impact to wildlife is anticipated as a result of the proposed project.

4.4.3 Vegetation

Almost no vegetation occurs on the project site. Therefore, there will be no impact to area vegetation resources as a result of the proposed project.

4.4.4 Threatened and Endangered Species

No impact to threatened and endangered species is anticipated as a result of the proposed project. See Biological Resources Compliance Form in Appendix A.

4.4.5 Agriculture

No farming or grazing activities occur on or near the proposed project site. No impact to area agricultural resources or practices is anticipated as a result of the proposed project.

4.5 Cultural Resources Impacts and Mitigation

4.5.1 Traditional Cultural Properties (TCP), Historic and Religious Properties

No TCPs, historic or religious properties were identified on or near the proposed project site during the cultural resources survey conducted by *ETD, Inc.* Therefore, no impact to TCPs, historic or religious places is anticipated as a result of the proposed project. See Cultural Resources Compliance Form in Appendix B.

4.5.2 Archaeological Resources

One site (AZ-N-12-9) was encountered during the time of the survey. Site AZ-N-12-9 is eligible to the National Register of Historic Places (NRHP) because it meets criterion d and the 50-year guideline. The site is also eligible to Archaeological Resources Protection Act (ARPA) because it meets the 100-year guideline. Site AZ-N-12-9 is not protected under American Indian Religious Freedom Act (AIRFA) and Native American Graves Protection and Repatriation Act (NAGPRA). The site has been disturbed by the construction of a billboard sign, construction and maintenance of U.S. Highway 89, blading from a nearby homesite (HPD-95-076), human activity, and natural erosion. Since the project is not expected to affect characteristics of the site, the Navajo Historic Preservation Department (NHPD) issued a cultural resources compliance form approving the proposed project. See Cultural Resources Compliance Form in Appendix B.

Mitigation Measure: If any cultural resources are encountered during earthmoving, all operations in the immediate vicinity must cease, and NHPD must be notified at (928) 871-7132.

4.6 Socioeconomic Conditions Impacts and Mitigation

4.6.1 Employment and Income

The proposed project will provide several short-term employment opportunities for the local community during the construction phase of the project and long-term employment opportunities for a few residents who work in the retail industry. The proposed project will attract more tourism dollars and stimulate economic development activity and the Navajo Nation will receive rental fees and tax revenues. No adverse impact to the employment and income characteristics of the local community is anticipated as a result of the proposed project.

4.6.2 Demographics and Trends

No impact to the demographics and trends is anticipated as a result of the proposed project.

4.6.3 Lifestyles, Cultural Values, Attitudes and Expectations

No impact to the lifestyles, cultural values, attitudes or expectations of the local population is anticipated as a result of the proposed project.

4.6.4 Community Infrastructure

The proposed project will require connections to nearby water, power, and wastewater utilities. The project sponsor is working with the Arizona Public Service (APS) to receive on-

site electrical utilities and with NTUA for water and wastewater utilities. Thus, no impact to the community infrastructure is anticipated as result of the proposed project.

4.6.5 Environmental Justice

Based on the nature of the project and its purpose, no disproportional adverse human health or environmental effects to minority or low income populations are anticipated due to the proposed project. The proposed project will provide jobs, tribal fee rental fees, and local taxes that will create positive socio-economic impacts to the local community, which is comprised mainly of low income minority citizens.

4.7 Indian Trust Resources Impacts and Mitigation

Indian trust resources identified by the Cameron Chapter include wood, water, sand and gravel and uranium. (Rodgers 2004). Abandoned uranium mines occur in this region, but have been reclaimed under the Abandoned Mine Lands (AML) program. No mining activities occur on or near the project site. No wood or water resources occur on or near the proposed project site. No impact to any Indian trust resources is anticipated as a result of the proposed project.

4.8 Environmental Module

No RCRA, CERCLA or TSCA sites occur on or near the proposed project site. No CERCLA or TSCA sites will be developed as part of the proposed project. However, a RCRA Subtitle I site will be developed with the installation of underground gasoline storage tanks on the project site. With adherence to the below mitigation measure, no impacts to or from RCRA, CERCLA or TSCA sites are anticipated as result of the proposed project.

Mitigation Measure: The project sponsor must notify the Navajo Environmental Protection Agency, Underground Storage Tank Program, within 30 days prior to the installation of the underground gasoline storage tanks and comply with the Navajo Nation Underground Storage Tank Act.

4.9 Resource/Land Use Patterns

4.9.1 Transportation Use Network

Minor impact to the transportation use network will occur as a result of the construction and operation of the proposed project.

4.9.2 Land Use Plans

No impact to the Cameron Chapter's land use plans is anticipated as a result of the proposed project.

4.9.3 Agriculture

No impact to local agricultural resources or practices is anticipated as a result of the proposed project.

4.10 Other Values

4.10.1 Sound and Noise

The construction activities will generate some noise during the daylight hours of 8 a.m. to 5 p.m., Monday through Friday, over the course of a few months. Thus, there will be a minor, short-term impact to the existing sound and noise levels during construction.

4.10.2 Public Health and Safety

No impact to the public health and safety of the Cameron Chapter community is anticipated as a result of the proposed project.

4.10.3 Visual Setting

No impact to area visual resources is anticipated as a result of the proposed project.

4.11 Cumulative Impacts

Cumulative impacts result from the incremental impact of the action when added to other past, present or reasonably foreseeable future actions regardless of what agency or person undertakes. Cumulative impacts can result from individually minor, but collectively significant actions taking place over a period of time. The project will result in minor, adverse, and short-term impacts to the soils and vegetation on the project site. No negative cumulative impacts are anticipated. However, there will be long-term positive effects to the local economy through the creation of jobs, local taxes, and increased business opportunities which can lead to positive cumulative impacts.

5 List of Preparers

5.1 Personal Qualifications

This document has been prepared by Mr. Erwin Tso. Mr. Tso has over 5 years experience in environmental regulatory compliance in Indian Country and is well versed in the environmental policies and regulations that affect development. He holds a *B.S. Degree in Chemical Engineering* for the University of New Mexico, in Albuquerque, New Mexico. He has completed numerous environmental documents and has successfully completed a 40-hour NEPA Training course provided by the *Shipley Group*.

6 List of Agencies and Organizations Consulted

The information used in this analysis was obtained from reports, government databases, biological and archaeological field surveys, and direct communication either by phone or letters with the following agencies: Navajo Nation EPA, Navajo Fish and Wildlife, U.S. Fish and Wildlife, Navajo Historic Preservation Department, Navajo Tribal Utility Authority, Navajo Parks and Recreation Department, Department of Water Resources-Branch of Water Management, Indian Health Service, and the local Chapter.

7 Document Preparer's Signature



Erwin J. Tso, BS. Chemical Engineering
Research Specialist, ETD, Inc.

11-17-06

Date

References Cited

Brown, D.E. 1994. Biotic Communities of the American Southwest-United States and Mexico. In: Desert Plants. Volume 4. Numbers 1-4 1982. University of Arizona, Tucson, Arizona.

Chronic, Halka. 1982. Roadside Geology of Arizona. Mountain Press Publishing Company, Missoula, MT.

Cooley, M.E., J.W. Harshberger, J.P. Akers and W.F. Hardt. 1989. Regional Hydrogeology of the Navajo and Hopi Indian Reservations, Arizona, New Mexico, and Utah. U.S.G.S. Professional Paper 521-A.

Hendricks, D.M., 1985. Arizona Soils. College of Agriculture, University of Arizona. Tucson Arizona.

Rodgers, L. 2004. Chapter Images, Prepared for the Navajo Nation Division of Community Development, Navajo Nation, Window Rock, Arizona.

U.S. EPA Website: www.epa.gov/enviro/index_java.html, December 18, 2005

Appendix A
Biological Resources Compliance Form



ETD, Inc.
Consulting and Applied Research

2101 N. Fourth St., Suite 201
Flagstaff, AZ 86004

Phone: 928-779-6032

Fax: 928-779-9115

www.etc-inc.com

July 26, 2006

Gloria Tom, Director
Department of Fish and Wildlife
P.O. Box 1480
Window Rock, Arizona 86515

AUG - 3 2006

RE: Determination of No Effect to TES species for Convenience Store and Gas Station Project in Cameron, Arizona

Dear Ms. Tom,

ETD Inc. is preparing an environmental assessment (EA) for AR Mike Enterprises, Inc. of Kayenta, Arizona, involving a Convenience Store and Gas Station Project, in Cameron, Arizona. AR Mike Enterprises, Inc. is proposing to develop a 2.5 acre site along U.S. Highway 89 for a convenience store and gas station. The convenience store will also house a small fast food franchise establishment. The proposed project activities will include constructing a frame structure with exterior stucco veneer to house the convenience store and fast food franchise. Gasoline pumps and underground gasoline storage tanks will be installed in front of the convenience store. The area surrounding the gasoline pumps and convenience store will be paved to accommodate vehicular traffic and parking. Electrical power, water, and sewer disposal utility lines will also be installed on-site to provide service to the new facility.

The project site is located within the Cameron Chapter and Land Management District 2 of the Navajo Nation. The site is accessed by traveling north on U.S. Highway 89 from Flagstaff, Arizona, for approximately 54 miles to reach the Cameron community. It is located on the eastern side of the U.S. Highway 89/State Highway 64 intersection (Figure 1). The project site lies within the NW 1/4 Section of T29 N, R9 E of the Gila and Salt River Meridian, Coconino County, Arizona. It has been mapped on the Cameron South, Arizona, 7.5-minute U.S.G.S. topographic map (Figure 2).

Due to the surrounding developments such as U.S. Highway 89, State Highway 64, commercial establishments, housing and utility infrastructure, ETD, Inc. believes the proposed project site is located within Area 4: Community Development Zone. Areas within community development zones are not likely to support habitat for threatened, endangered and sensitive species. Given the above information, ETD, Inc. is respectfully requesting a biological clearance for the proposed project. Should you have any questions, please do not hesitate to contact us at (928) 779-6032, or by fax at (928) 779-9115. Thank you for your continued assistance in these matters.

Sincerely,

Erwin Tso, Research Specialist
ETD, Inc.

CONCURRENCE

Gloria Tom, Director
Fish and Wildlife Department

**BIOLOGICAL RESOURCES COMPLIANCE FORM
NAVAJO NATION DEPARTMENT OF FISH AND WILDLIFE
P.O. BOX 1480, WINDOW ROCK, ARIZONA 86515-1480**

COMPLIANCE	<input checked="" type="checkbox"/>
CONDITIONAL COMPLIANCE	<input type="checkbox"/>

It is the Department's opinion the project described below, with applicable conditions, is in compliance with Tribal and Federal laws protecting biological resources including the Navajo Endangered Species and Environmental Policy Codes, U.S. Endangered Species, Migratory Bird Treaty, Eagle Protection and National Environmental Policy Acts. This form does not preclude or replace consultation with the U.S. Fish and Wildlife Service if a Federally-listed species is affected.

PROJECT NAME & NO.: Determination of No Effect to Threatened, Endangered and Sensitive Species for Convenience Store and Gas Station Project in Cameron, Arizona

DESCRIPTION: AR Mike Enterprises Inc is proposing to develop a 2.5 acre site along US Highway 89 for a convenience store and gas station. The convenience store will also house a small fast food franchise establishment. The proposed project activities will include constructing a frame structure with exterior stucco veneer to house the convenience store and fast food franchise. Gasoline pumps and underground gasoline storage tanks will be installed in front of the convenience store. New utility lines will be installed on site to provide electrical, water and sewer to the new store and fast food franchise. The parking lot and driving areas will be paved.

LOCATION: located on the E side of the US highway 89/state highway 64 intersection; NW 1/4; T29N, R9E

REPRESENTATIVE: Erwin Tso, Research Specialist, ETD Inc.

ACTION AGENCY: ETD Inc; Cameron Chapter; AR Mike Enterprises Inc.

B.R. REPORT TITLE / DATE / PREPARER: letter: Determination of No Effect to Threatened, Endangered and Sensitive Species for Convenience Store and Gas Station Project in Cameron, Arizona/July 26, 2006/Erwin Tso, Research Specialist, ETD Inc.

SIGNIFICANT BIOLOGICAL RESOURCES FOUND: none

POTENTIAL IMPACTS

TRIBAL ENDANGERED SPECIES (G2 & G3) TAKEN: none

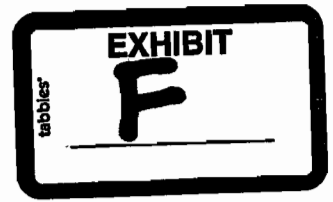
FEDERALLY-LISTED SPECIES AFFECTED: none

OTHER SIGNIFICANT IMPACTS TO BIOLOGICAL RESOURCES: none

AVOIDANCE / MITIGATION MEASURES: The proposed site is within area surrounded by similar developments, very busy state highways, commercial establishments, housing and utility infrastructures.

CONDITIONS OF COMPLIANCE*: none

FORM PREPARED BY / DATE: Rita Whitehorse-Larsen/August 29, 2006



Appendix B

Cultural Resources Compliance Form

CULTURAL RESOURCES COMPLIANCE FORM**HISTORIC PRESERVATION DEPARTMENT**PO BOX 4950
WINDOW ROCK, ARIZONA 86515

ROUTING: COPIES TO

AZ

SHPO

XX

REAL PROPERTY MGT/330

ETD

NNHPD NO. HPD-06-941
OTHER PROJECT NO.ETD-06-021**PROJECT TITLE:** ETD-06-021: A Cultural Resources Inventory of a 2.5 Acre Tract for a Proposed Commercial Development located in Cameron, Coconino County, Arizona**LEAD AGENCY:** BIA/NR**SPONSOR:** Richard Mike, President, AR Mike Enterprise Inc., PO Box 1219, Kayenta, Arizona 86033**PROJECT DESCRIPTION:** The proposed undertaking will involve the construction of a business site. Activities include the construction of a store/gas station & fast food franchise along with the installation of associated facilities/utilities. The tract measures 2.5 acres. Surface & subsurface ground disturbance will be intensive and extensive.**LAND STATUS:** Tribal Trust**CHAPTER:** Cameron**LOCATION:** T29N, R9E - Sec. 34; Cameron South Quadrangle, Coconino County, Arizona G&SRPM&B**PROJECT ARCHAEOLOGIST:** Mathilda Burke**NAVAJO ANTIQUITIES PERMIT NO.:** B06511**DATE INSPECTED:** 08/03/06**DATE OF REPORT:** 08/30/06**TOTAL ACREAGE INSPECTED:** 4.2 ac**METHOD OF INVESTIGATION:** Class III pedestrian inventory with transects spaced 15 m apart.**LIST OF CULTURAL RESOURCES FOUND:**

(1) Site AZ-N-12-9

LIST OF ELIGIBLE PROPERTIES:

(1) Site AZ-N-12-9

LIST OF NON-ELIGIBLE PROPERTIES:

None

LIST OF ARCHAEOLOGICAL RESOURCES:

(1) Site AZ-N-12-9

EFFECT/CONDITIONS OF COMPLIANCE: No historic properties affected.

In the event of a discovery ["discovery" means any previously unidentified or incorrectly identified cultural resources including but not limited to archaeological deposits, human remains, or locations reportedly associated with Native American religious/traditional beliefs or practices], all operations in the immediate vicinity of the discovery must cease, and the Navajo Nation Historic Preservation Department must be notified at (928) 871-7132.

FORM PREPARED BY: Tamara Billie**FINALIZED:** September 20, 2006**Notification to****Proceed Recommended:**Yes XX No**Conditions:**Yes No XX
Alan S. Downer, Navajo Nation
Historic Preservation Officer09/25/06
Date**Navajo Region Approval:**Yes X No
Acting Regional Director10/5/06
Date

ARCHAEOLOGICAL INVENTORY REPORT DOCUMENTATION PAGE (HPD JAN/91)

1. HPD REPORT NO.	2. (FOR HPD USE ONLY)	3. RECIPIENT'S ACCESSION NO.																
4. TITLE OF REPORT: ETD-06-021: <i>A Cultural Resources Inventory of a 2.5 Acre Tract for a Proposed Commercial Development located in Cameron, Coconino County, Arizona.</i> Author(s): Mathilda Burke		5. FIELDWORK DATE: 08/03/2006 6. REPORT DATES: 08/30/2006																
7. CONSULTANT NAME AND ADDRESS: Gen'l Charge: Mathilda Burke, Project Archaeologist Org. Name: ETD, Inc. Org. Address: 2101 N. Fourth Street, Suite 201 Flagstaff, Arizona 86004 Telephone: (928) 779-6032		8. PERMIT NO. B06511 9. CONSULTANT REPORT NO. ETD-06-021																
10. SPONSORING ORGANIZATION NAME AND ADDRESS: Ind. Responsible: Richard Mike, President Org. Name: AR Mike Enterprise Inc. Org. Address: P.O. 1219 Kayenta, AZ 86033 Phone: (928) 697-3540 Fax: (928) 697-3464		11. SPONSOR PROJECT NO. N/A 12. AREA OF EFFECT: 2.5 ac/ 1.01 ha AREA SURVEYED: 4.2 ac/1.69 ha																
13. LOCATION (MAP ATTACHED): The project area is located within the vicinity of Cameron Chapter. See Figure 1 for general project location and Figure 2 for specific project location.																		
<table border="0"> <tr> <td>a. Chapter: Cameron</td> <td>e. Land Status: Navajo Tribal Trust</td> </tr> <tr> <td>b. Agency: Tuba City</td> <td>f. UTM Coordinates (Zone 12): NW 461931 E, 3968000 N</td> </tr> <tr> <td>c. County: Coconino</td> <td>SW 461883 E, 3967932 N</td> </tr> <tr> <td>d. State: Arizona</td> <td>SE 461981 E, 3967860 N</td> </tr> <tr> <td></td> <td>NE 462026 E, 3967930 N</td> </tr> <tr> <td></td> <td>g. Legal Location: T29N, R9E</td> </tr> <tr> <td></td> <td>Section 34 NW ¼, NW ¼, SE ¼</td> </tr> <tr> <td></td> <td>h. USGS 7.5' Map: <i>Cameron South, Arizona 1988</i></td> </tr> </table>			a. Chapter: Cameron	e. Land Status: Navajo Tribal Trust	b. Agency: Tuba City	f. UTM Coordinates (Zone 12): NW 461931 E, 3968000 N	c. County: Coconino	SW 461883 E, 3967932 N	d. State: Arizona	SE 461981 E, 3967860 N		NE 462026 E, 3967930 N		g. Legal Location: T29N, R9E		Section 34 NW ¼, NW ¼, SE ¼		h. USGS 7.5' Map: <i>Cameron South, Arizona 1988</i>
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	NE 462026 E, 3967930 N																	
	g. Legal Location: T29N, R9E																	
	Section 34 NW ¼, NW ¼, SE ¼																	
	h. USGS 7.5' Map: <i>Cameron South, Arizona 1988</i>																	

14. REPORT /X/ OR SUMMARY (REPORT ATTACHED)//OR PRELIMINARY REPORT//

A. Description of Undertaking: The lead federal agency is the Bureau of Indian Affairs (BIA). The client proposes to construct a convenience store, gas station, and some fast-food franchise. Surface and subsurface disturbances will be extensive within the 2.5 ac/1.01 ha resulting from construction of the construction of the convenience store and all associated utilities.

B. Existing Data Review: A records check at NNHPD indicated that there have been six projects undertaken with two sites recorded within a 500' radius of the project area.

Table 1. Projects Undertaken and Sites Recorded within a 500 ft. Radius of ETD-06-021.

HPD Project Number	Other Numbers	Sites Recorded	Site Description	NRHP Eligible
HPD-94-356	NNAD-93-190 IHS-NA-93-A21	AZ-N-12-9	Talchaco lithic scatter	Yes
HPD-95-076	PMDR-93-11-41	AZ I:3:7 (AZ-N-12-9)	Lithic source and scatter with two concentrations and one feature	Yes
HPD-97-594	NNAD-97-065	AZ-N-12-12	Stone house foundation	No
HPD-00-381	CSWTA-ARCH-0014	N/A	N/A	N/A
HPD-98-354	NNAD-98-108	N/A	N/A	N/A

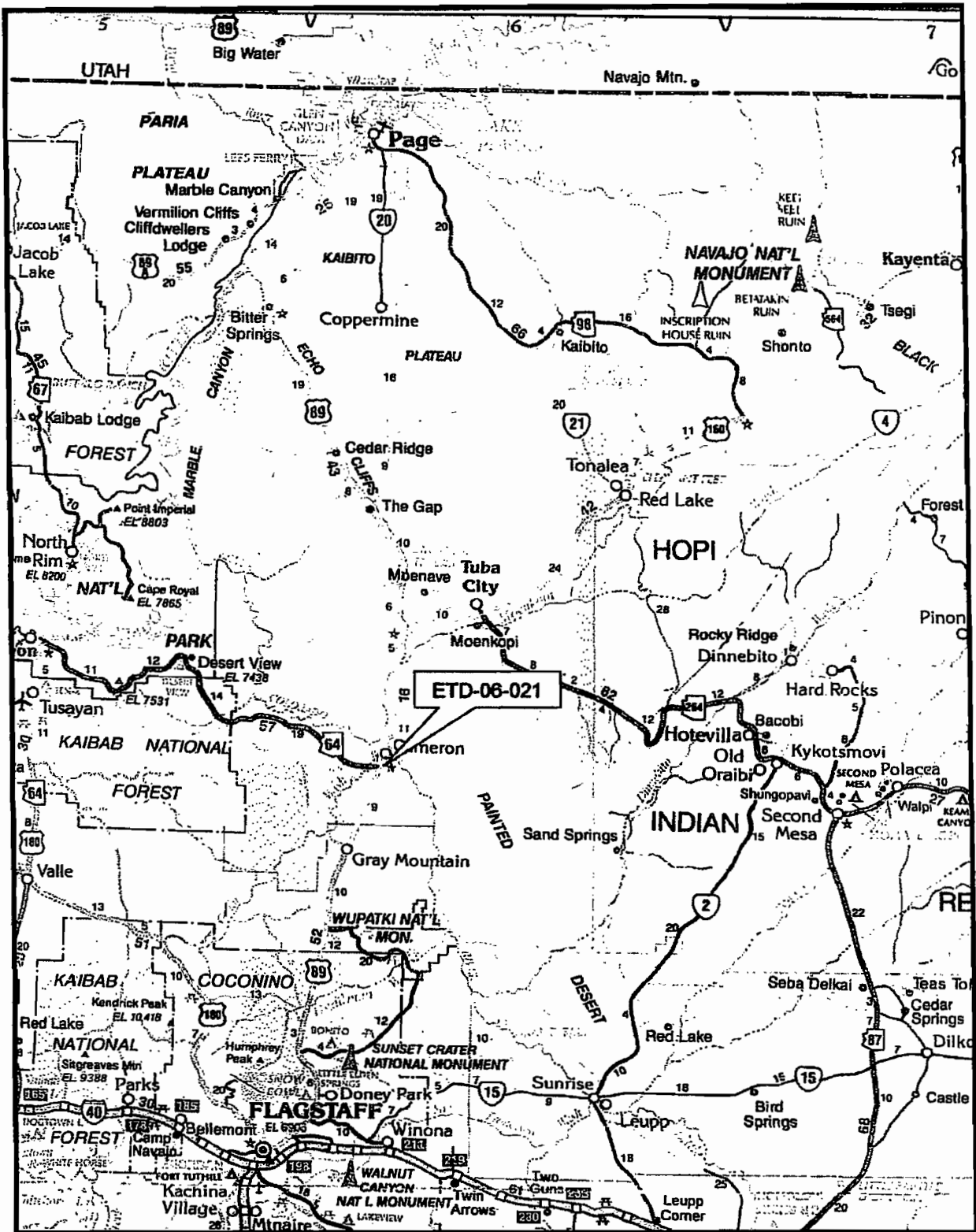


Figure 1. General Project Location for ETD-06-021: A Cultural Resources Inventory of a 2.5 Acre Tract for a Proposed Commercial Development located in Cameron, Coconino County, Arizona (North Star Mapping).

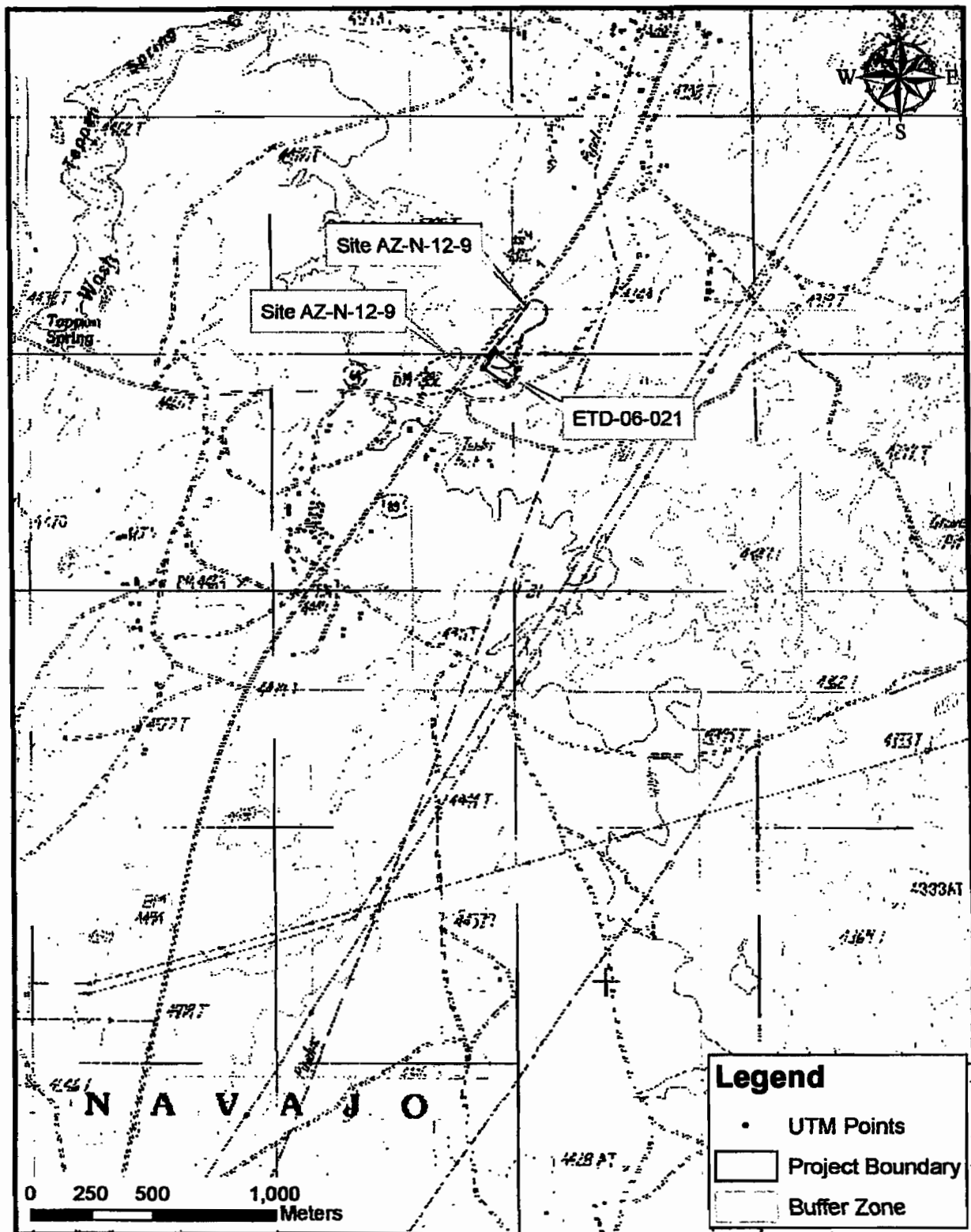


Figure 2. Specific Project Location for ETD-06-021. USGS 7.5' Map: Cameron South, Arizona 1988.

A general overview of the environmental and cultural history of the area can be found in:

Touchette, Judith G.

2005 *A Cultural Resources Inventory of the Cameron Giant Dumpsite, Cameron Chapter, Coconino County, Arizona*. (HPD-06-381) Ms. on file, Navajo Nation Historic Preservation Department, Window Rock, Arizona.

C. **Area Environmental & Cultural Setting:** The topography of the project area is characterized as relatively flat with medium rolling hills. The nearest permanent drainage is the Little Colorado River located approximately 8,018 ft/2,444 m northeast of the project area. Elevation in the project area is 4,399 ft/1,341 m above mean sea level. The project area is located in the Great Basin Desertscrub Biotic Community. Vegetation in the area includes snakeweed (*Ch'il diiyésetsoh*), narrow leaf yucca (*Talawosh tsá'ázi 'is'óózh*), prickly pear cactus (*Hosh niteell*), saltbush (*Dá'ák'óózh deenini*), and various bunch grass. The soil consists of light-brown, fine-grained eolian soil interspersed with sandstone and chert eroding out of the Chinle Formation. Causes of disturbance include some human activity, vehicular activity, and natural erosion. The project area is located south of the Cameron Trading Post and northeast of the Highway 89 and Highway 64.

D. **Field Methods:** A Class III pedestrian inventory was conducted by Mathilda Burke using concentric transects spaced no more than 15 m apart. The total area of effect for the homesite is 2.5 ac/1.01 ha. ETD, Inc. added a 15 meter buffer around the project area making the total area surveyed 4.2 ac/1.69 ha. This method provided 100% coverage of the total area surveyed. A *Garmin etrex* (GPS Unit, NAD 1927) was used for referencing position. The area of effect and area surveyed was plotted onto USGS 7.5' Quadrangle Maps: *Cameron South, Arizona* 1988, using ArcView 9.1. An ethnographic interview over the phone was conducted with Rose Causer in English by Mathilda Burke concerning burials, sacred places, and plant/herb gathering areas in order to determine if there were any potential TCPs in or near the proposed project area. Ms. Causer stated that there were no TCPs in or around the project area.

15. CULTURAL RESOURCE FINDINGS:

A. **Location/Identification of Each Resource:** One site, AZ-N-12-9, was encountered during the time of survey. The site was recorded in report number HPD-94-356 and then rerecorded and expanded upon in report number HPD-95-076. The site is described as a Talchaco lithic scatter consisting of flakes, cores, and core fragments with two gravel deposits. The site has been disturbed by the construction of a billboard sign, construction and maintenance of US 89, blading from a nearby homesite (HPD-95-076), human activity, and natural erosion. According to our records search conducted at HPD, the site encompasses a large portion of the project area, however, it is determined that the construction of the project will not affect any characteristics of the site. Based on personal communication with Ron Maldonado at HPD, a site update form is not needed for the existing site. See attachment for original recording of the site.

B. **Evaluation of Significance of Each Resource:** Site AZ-N-12-9 is eligible to the NRHP because it meets criterion d and the 50-year guideline. The site is also eligible to ARPA because it meets the 100-year guideline. Site AZ-N-12-9 is not protected under AIRFA and NAGPRA.

16. **MANAGEMENT SUMMARY (RECOMMENDATION):** If any subsurface artifacts or materials are discovered during construction, construction should halt and the Historic Preservation Department should be contacted immediately. If the recommendation is adhered to, a determination of "no historic properties affected" is recommended for the proposed undertaking. We recommend that the client be allowed to proceed with construction as planned.

17. CERTIFICATION:

SIGNATURE:  DATE: Aug 30, '06
General Charge Name: Mathilda Burke, Project Archaeologist, ETD, Inc.

SIGNATURE:  DATE: Aug 30, 06
Direct Charge Name: Ezekiel P. Yazzie, Project Archaeologist, ETD, Inc.

Site Descriptions

Site No.: AZ 1:3:7 (ASM), AZ-N-12-9 (NNAD), AZ 1:3:1 (PMDR)

Location: US 89, MP 465.39, east side of highway

Land Status: Navajo Indian Reservation

Legal Description: T.29N., R.9E., Section 34, SE¼, NW¼, NW¼

UTM: Zone 12, 3,968,000 m N, 461,880 m E

USGS map: 7.5 minute quadrangle Cameron South, Ariz., PE 1988

Site Type: Lithic source and scatter with two concentrations and one feature

Culture and Age: unknown

Description: This site is a previously recorded Tolchaco lithic source and scatter (Spurr 1994), which has been expanded and rerecorded as a result of this project. The site boundaries measure 445 m (N-S) x 100 m (E-W), or 40,500 sq m. The site consists of two gravel deposits that have been exposed by natural erosion and construction disturbance. Within the natural gravels are culturally modified (Tolchaco) cobbles. Several hundred cores, core fragments, and large cortex-bearing flakes (most over 3 cm) were noted, in addition to a 1 m dia sandstone slab concentration feature within Concentration 1. This sandstone concentration may be temporally different than the lithic scatter. The site has been disturbed by the construction and maintenance of US 89, the construction of a highway associated berm, the construction of a billboard sign and blading related to the construction of a nearby trailer homesite. Most of the site area, including most of Concentrations 1 and 2 and all of Feature 1, lies outside the project boundary.



2101 N. Fourth Street, Suite 201
Flagstaff, AZ 86004

Planning • Environment • Construction

Phone: 928-779-6032

Fax: 928-779-9115

www.etd-inc.com

June 30, 2010

Richard Mike
AR Mike Enterprise, Inc.
P.O. Box 1219
Kayenta, AZ 86033

Dear Mr. Mike,

Enclosed is a copy of report ETD-10-007: *A Cultural Resources Inventory of an Additional 4.5 Acres for a Proposed Commercial Development located in Cameron Chapter, Coconino County, Arizona*. A copy of this report has also been submitted to the Navajo Nation Historic Preservation Department in Window Rock, Arizona for their review.

If you have any questions, feel free to call us at (928) 779-6032.

Sincerely,

Mathilda Burke, Project Archaeologist
ETD, Inc.

ARCHAEOLOGICAL INVENTORY REPORT DOCUMENTATION PAGE (HPD ARP/93)

1. HPD REPORT NO.		
2. TITLE OF REPORT: ETD-10-007: <i>A Cultural Resources Inventory of an Additional 4.5 Acres for a Proposed Commercial Development located in Cameron Chapter, Coconino County, Arizona.</i>		3. FIELDWORK DATE: 6/28/2010
Author(s): Mathilda Burke		4. REPORT DATE: 6/30/2010
5. CONSULTANT NAME AND ADDRESS: Mathilda Burke ETD, Inc. 2101 N. Fourth St, Suite 201 Flagstaff, AZ 86040 (928) 779-6032		6. PERMIT NO.: B10366
		7. CONSULTATION REPORT NO.: ETD-10-007
8. SPONSOR NAME AND ADDRESS: Richard Mike, President AR Mike Enterprise, Inc. P.O. Box 1219 Kayenta, AZ 86033 (928) 697-3540		9. SPONSOR PROJECT NO.: N/A
		10. AREA OF EFFECT: 4.5 ac/1.82 ha TOTAL AREA SURVEYED: 9.1 ac/3.6 ha

11. LOCATION (MAP ATTACHED):

The project area is located within the vicinity of the Cameron Chapter community and just northeast of the US Highway 89 and State Route 64 junction. See figure 1 for specific location map.

- | | |
|----------------------------|---|
| a. Chapter: Cameron | e. Land Status: Navajo Tribal Trust |
| b. Agency: Western | f. UTM Zone 12: See Table 1. |
| c. County: Coconino | g. Legal Location: See Table 1. |
| d. State: Arizona | h. 7.5' Map(s): Cameron South, Arizona 1988 |
| | i. Lead Agency: Bureau of Indian Affairs (BIA) |

Table 1. Corner, UTM's, and Legal Location for ETD-10-007.

Point	Northing	Easting	Legal Location
1	3968213	461874	T29N, R9E Section 34 (NW ¼, NW ¼, NE ¼)
2	3968205	461868	T29N, R9E Section 34 (NW ¼, NW ¼, NE ¼)
3	3968132	461966	T29N, R9E Section 34 (NW ¼, NE ¼, SW ¼)
4	3968066	461919	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
5	3968139	461822	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
6	3968033	461747	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
7	3968025	461758	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
8	3968019	461791	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
9	3968032	461832	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
10	3968028	461854	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
11	3967989	461907	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
12	3968120	462000	T29N, R9E Section 34 (NW ¼, NE ¼, SW ¼)

12. Report attachments.

a. Description of Undertaking: The client proposes to construct a convenience store, gas station, fast-food franchise, and access road within a seven acre tract. A portion of the seven acre tract (2.5 acres) was previously surveyed during report HPD-06-941. This report covers the remaining 4.5 acres. Surface and subsurface disturbance will be extensive within the 4.5 ac/1.82 ha resulting from construction activities and installation of all associated utilities.

b. Existing Data Review: A check of NNHPD records indicates that six cultural resource investigation projects have been previously conducted within a 100 meter radius of the proposed project area with two sites recorded nearby. Table 2 lists these projects.

Table 2. Projects Undertaken and Sites Recorded within a 100 meter Radius of ETD-10-007.

HPD Number	Other Numbers	Site Recorded	Site Description	NRHP Eligible
HPD-06-941	ETD-06-021	AZ-N-12-9	Tachaco lithic scatter	Yes
HPD-97-594	NNAD-97-065	AZ-N-12-12	Stone house foundation	No
HPD-95-076	PMDR-93-11-41	AZ 1:3:7 (AZ-N-12-9)	Lithic source and scatter with two concentrations and one feature	Yes
HPD-94-356	NNAD-93-190	AZ-N-12-9	Tachaco lithic scatter	Yes
HPD-00-381	CSWTA-ARCH-0014	N/A	N/A	N/A
HPD-98-354	NNAD-98-108	N/A	N/A	N/A

c. Area Environmental & Cultural Setting: The project area is located just northeast of the US Highway 89 and State Route 64 junction within Cameron, Arizona. Topography of the project area is characterized as relatively flat with medium rolling hills. The nearest permanent drainage is the Little Colorado River located approximately 8,000 ft/2,438 m northeast of the project area. Elevation in the project range from 4,379 ft/1,334 m to 4,999 ft/1,341 m above mean sea level. The project area is located in the Great Basin Desertscrub biotic community. Vegetation in the area includes snakeweed, narrow-leaf yucca, prickly pear cactus, saltbush, and various bunch grasses. The soil consists of light-brown, fine-grained eolian soil interspersed with sandstone and chert eroding out of the Chinle Formation. Causes of disturbance include some human activity, vehicular traffic, and natural erosion.

d. Field Methods: A Class III pedestrian inventory of the 4.5 ac/1.82 ha area of effect was conducted by Mathilda Burke using parallel pedestrian transects spaced approximately 15 meters apart. ETD, Inc. also added a 50 meter buffer zone to the north, east and south boundary of the project area making the total area surveyed approximately 9.1 ac/3.6 ha. This method provided 100% coverage of the project area. UTM points were collected using a *Garmin extrex* (GPS Unit, NAD 1983). An ethnographic interview was conducted over the phone in English by Mathilda Burke with Rose Causer, local resident, concerning burials, sacred places, and plant/herb gathering areas in order to determine if there were any potential TCPs in or near the proposed project area. Ms. Causer stated that there were no TCPs in or around the project area.

13. CULTURAL RESOURCE FINDING(S):

a. Location/Identification of Each Resource: One previously recorded site, AZ-N-12-9, was encountered during the time of the field survey. The site was recorded in report number HPD-94-356 and then rerecorded and expanded upon in report number HPD-95-076. The site is described as a Tachaco lithic scatter consisting of flakes, cores, and core fragments with two gravel deposits. The site has been disturbed by the construction of a billboard sign, construction and maintenance of US Highway 89, blading from a nearby homesite (HPD-95-076), human activity, and natural erosion. According to our records search conducted at HPD, the site encompasses a large portion of the project area, however, it is determined that the construction of the proposed project will not affect any characteristics of the site. Based on personal communication with Ron Maldonado at HPD, a site update form is not needed for the existing site. See Attachment A for original recording of the site.

b. Evaluation of Significance of Each Resource: Site AZ-N-12-9 is eligible to the NRHP because it meets the 50-year guideline and criterion d. The site is also eligible to ARPA because it meets the 100-year guideline. The site is not protected under AIRFA or NAGPRA.

14. MANAGEMENT SUMMARY (RECOMMENDATIONS): If any subsurface artifacts or materials are discovered during construction, construction activities should halt and the Historic Preservation Department should be contacted immediately (928) 871-7145. If the recommendation is adhere to, a determination of "no historic properties affected" is recommended for the proposed undertaking. We recommend that the clients be allowed to proceed with construction as planned.

15. CERTIFICATION:

SIGNATURE: MBh

DATE: 6/30/10

General Charge & Direct Charge Name: Mathilda Burke Project Archaeologist, ETD, Inc.

ATTACHMENT A
Original Site Recording of AZ-N-12-9

Site Descriptions

Site No.: AZ I:3:7 (ASM), AZ-N-12-9 (NNAD), AZ I:3:1 (PMDR)

Location: US 89, MP 465.39, east side of highway

Land Status: Navajo Indian Reservation

Legal Description: T.29N., R.9E., Section 34, SE¼, NW¼, NW¼

UTM: Zone 12, 3,968,000 m N, 461,880 m E

USGS map: 7.5 minute quadrangle Cameron South, Ariz., PE 1988

Site Type: Lithic source and scatter with two concentrations and one feature

Culture and Age: unknown

Description: This site is a previously recorded Tolchaco lithic source and scatter (Spurr 1994), which has been expanded and rerecorded as a result of this project. The site boundaries measure 445 m (N-S) x 100 m (E-W), or 40,500 sq m. The site consists of two gravel deposits that have been exposed by natural erosion and construction disturbance. Within the natural gravels are culturally modified (Tolchaco) cobbles. Several hundred cores, core fragments, and large cortex-bearing flakes (most over 3 cm) were noted, in addition to a 1 m dia sandstone slab concentration feature within Concentration 1. This sandstone concentration may be temporally different than the lithic scatter. The site has been disturbed by the construction and maintenance of US 89, the construction of a highway associated berm, the construction of a billboard sign and blading related to the construction of a nearby trailer homesite. Most of the site area, including most of Concentrations 1 and 2 and all of Feature 1, lies outside the project boundary.

CULTURAL RESOURCES COMPLIANCE FORM

HISTORIC PRESERVATION DEPARTMENT
PO BOX 4950
WINDOW ROCK, ARIZONA 86515

ROUTING: COPIES TO
AZ SHPO
XX REAL PROPERTY MGT/330
ETD

NNHPD NO. HPD-06-941
OTHER PROJECT NO.
ETD-06-021

PROJECT TITLE: ETD-06-021: A Cultural Resources Inventory of a 2.5 Acre Tract for a Proposed Commercial Development located in Cameron, Coconino County, Arizona

LEAD AGENCY: BIA/NR

SPONSOR: Richard Mike, President, AR Mike Enterprise Inc., PO Box 1219, Kayenta, Arizona 86033

PROJECT DESCRIPTION: The proposed undertaking will involve the construction of a business site. Activities include the construction of a store/gas station & fast food franchise along with the installation of associated facilities/utilities. The tract measures 2.5 acres. Surface & subsurface ground disturbance will be intensive and extensive.

LAND STATUS: Tribal Trust

CHAPTER: Cameron

LOCATION: T29N, R9E - Sec. 34; Cameron South Quadrangle, Coconino County, Arizona G&SRPM&B

PROJECT ARCHAEOLOGIST: Mathilda Burke
NAVAJO ANTIQUITIES PERMIT NO.: B06511

DATE INSPECTED: 08/03/06

DATE OF REPORT: 08/30/06

TOTAL ACREAGE INSPECTED: 4.2 ac

METHOD OF INVESTIGATION: Class III pedestrian inventory with transects spaced 15 m apart.

LIST OF CULTURAL RESOURCES FOUND: (1) Site AZ-N-12-9
LIST OF ELIGIBLE PROPERTIES: (1) Site AZ-N-12-9
LIST OF NON-ELIGIBLE PROPERTIES: None
LIST OF ARCHAEOLOGICAL RESOURCES: (1) Site AZ-N-12-9

EFFECT/CONDITIONS OF COMPLIANCE: No historic properties affected.

In the event of a discovery ["discovery" means any previously unidentified or incorrectly identified cultural resources including but not limited to archaeological deposits, human remains, or locations reportedly associated with Native American religious/traditional beliefs or practices], all operations in the immediate vicinity of the discovery must cease, and the Navajo Nation Historic Preservation Department must be notified at (928) 871-7132.

FORM PREPARED BY: Tamara Billie

FINALIZED: September 20, 2006

Notification to

Proceed Recommended:

Conditions:

Yes XX No XX
Yes XX No XX


Alan S. Downer, Navajo Nation
Historic Preservation Officer

09/25/06
Date

Navajo Region Approval:

Yes X No XX
28


Acting Regional Director

10/5/06
Date



ETD, Inc.
Consulting and Applied Research

2101 N. Fourth St., Suite 201
Flagstaff, AZ 86004

Phone: 928-779-6032
Fax: 928-779-9115
www.eto-inc.com

August 30, 2006


Alan S. Downer Ph.D., Director
Navajo Nation Historic Preservation Department
Post Office Box 4950
Window Rock, Arizona 86515

Dear Dr. Downer,

Please find the enclosed cultural resources inventory report number ETD-06-021: *A Cultural Resources Inventory of a 2.5 Acre Tract for a Proposed Commercial Development located in Cameron, Coconino County, Arizona*. One previously recorded prehistoric site, AZ-N-12-9, was encountered during the time of survey. No Isolated Occurrences (IOs), In-Use Areas (IUAs), and Traditional Cultural Properties (TCPs) were encountered. Site AZ-N-12-9 is eligible to the National Register of Historic Places (NRHP) because it meets criterion d and the 50-year guideline. The site is also eligible to the Archaeological Resources Protection Act (ARPA) because it meets the 100-year guideline. Site AZ-N-12-9 is not protected under the American Indian Religious Freedom Act (AIRFA) and the Native American Graves Protection and Repatriation Act (NAGPRA). If any subsurface artifacts or materials are discovered during construction, construction should halt and the Historic Preservation Department should be contacted immediately. If the recommendation is adhere to, a determination of "no historic properties affected" is recommended for the proposed undertaking. We recommend that the client be allowed to proceed with construction as planned.

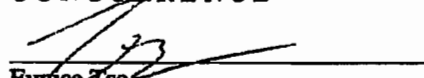
If you have any questions or need additional information about this project, please do not hesitate to call Mathilda Burke or Eunice Tso at (928) 779-6032. Thank you.

Sincerely,


Mathilda Burke
Project Archaeologist, ETD, Inc.

Aug 30, '06
Date

CONCURRENCE


Eunice Tso
Project Manager, ETD, Inc.

Aug 30, '06
Date

ARCHAEOLOGICAL INVENTORY REPORT DOCUMENTATION PAGE (HPD JAN/91)

1. HPD REPORT NO.	2. (FOR HPD USE ONLY)	3. RECIPIENT'S ACCESSION NO.
4. TITLE OF REPORT:	<i>ETD-06-021: A Cultural Resources Inventory of a 2.5 Acre Tract for a Proposed Commercial Development located in Cameron, Coconino County, Arizona.</i>	5. FIELDWORK DATE: 08/03/2006
Author(s): Mathilda Burke		6. REPORT DATES: 08/30/2006
7. CONSULTANT NAME AND ADDRESS: Gen'l Charge: Mathilda Burke, Project Archaeologist Org. Name: ETD, Inc. Org. Address: 2101 N. Fourth Street, Suite 201 Flagstaff, Arizona 86004 Telephone: (928) 779-6032		8. PERMIT NO. B06511
10. SPONSORING ORGANIZATION NAME AND ADDRESS: Ind. Responsible: Richard Mike, President Org. Name: AR Mike Enterprise Inc. Org. Address: P.O. 1219 Kayenta, AZ 86033 Phone: (928) 697-3540 Fax: (928) 697-3464		9. CONSULTANT REPORT NO. ETD-06-021
13. LOCATION (MAP ATTACHED): The project area is located within the vicinity of Cameron Chapter. See Figure 1 for general project location and Figure 2 for specific project location.		11. SPONSOR PROJECT NO. N/A
a. Chapter: Cameron b. Agency: Tuba City c. County: Coconino d. State: Arizona		12. AREA OF EFFECT: 2.5 ac/ 1.01 ha AREA SURVEYED: 4.2 ac/1.69 ha
e. Land Status: Navajo Tribal Trust f. UTM Coordinates (Zone 12): NW 461931 E, 3968000 N SW 461883 E, 3967932 N SE 461981 E, 3967860 N NE 462026 E, 3967930 N g. Legal Location: T29N, R9E Section 34 NW ¼, NW ¼, SE ¼ h. USGS 7.5' Map: Cameron South, Arizona 1988		

14. REPORT /X/ OR SUMMARY (REPORT ATTACHED)//OR PRELIMINARY REPORT//

A. Description of Undertaking: The lead federal agency is the Bureau of Indian Affairs (BIA). The client proposes to construct a convenience store, gas station, and some fast-food franchise. Surface and subsurface disturbances will be extensive within the 2.5 ac/1.01 ha resulting from construction of the convenience store and all associated utilities.

B. Existing Data Review: A records check at NNHPD indicated that there have been six projects undertaken with two sites recorded within a 500' radius of the project area.

Table 1. Projects Undertaken and Sites Recorded within a 500 ft. Radius of ETD-06-021.

HPD Project Number	Other Numbers	Sites Recorded	Site Description	NRHP Eligible
HPD-94-356	NNAD-93-190 IHS-NA-93-A21	AZ-N-12-9	Talchaco lithic scatter	Yes
HPD-95-076	PMDR-93-11-41	AZ I:3:7 (AZ-N-12-9)	Lithic source and scatter with two concentrations and one feature	Yes
HPD-97-594	NNAD-97-065	AZ-N-12-12	Stone house foundation	No
HPD-00-381	CSWTA-ARCH-0014	N/A	N/A	N/A
HPD-98-354	NNAD-98-108	N/A	N/A	N/A

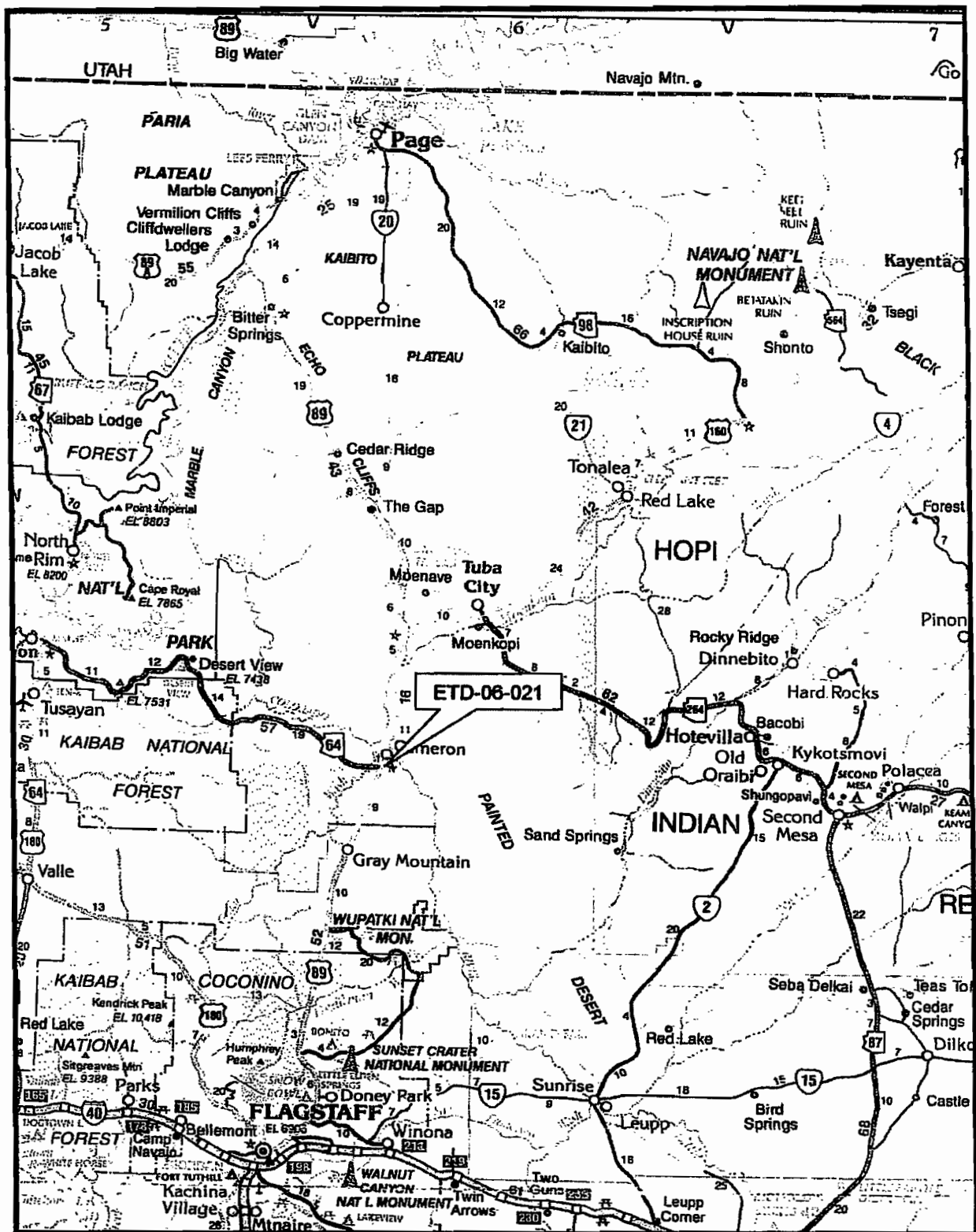


Figure 1. General Project Location for ETD-06-021: A Cultural Resources Inventory of a 2.5 Acre Tract for a Proposed Commercial Development located in Cameron, Coconino County, Arizona (North Star Mapping).

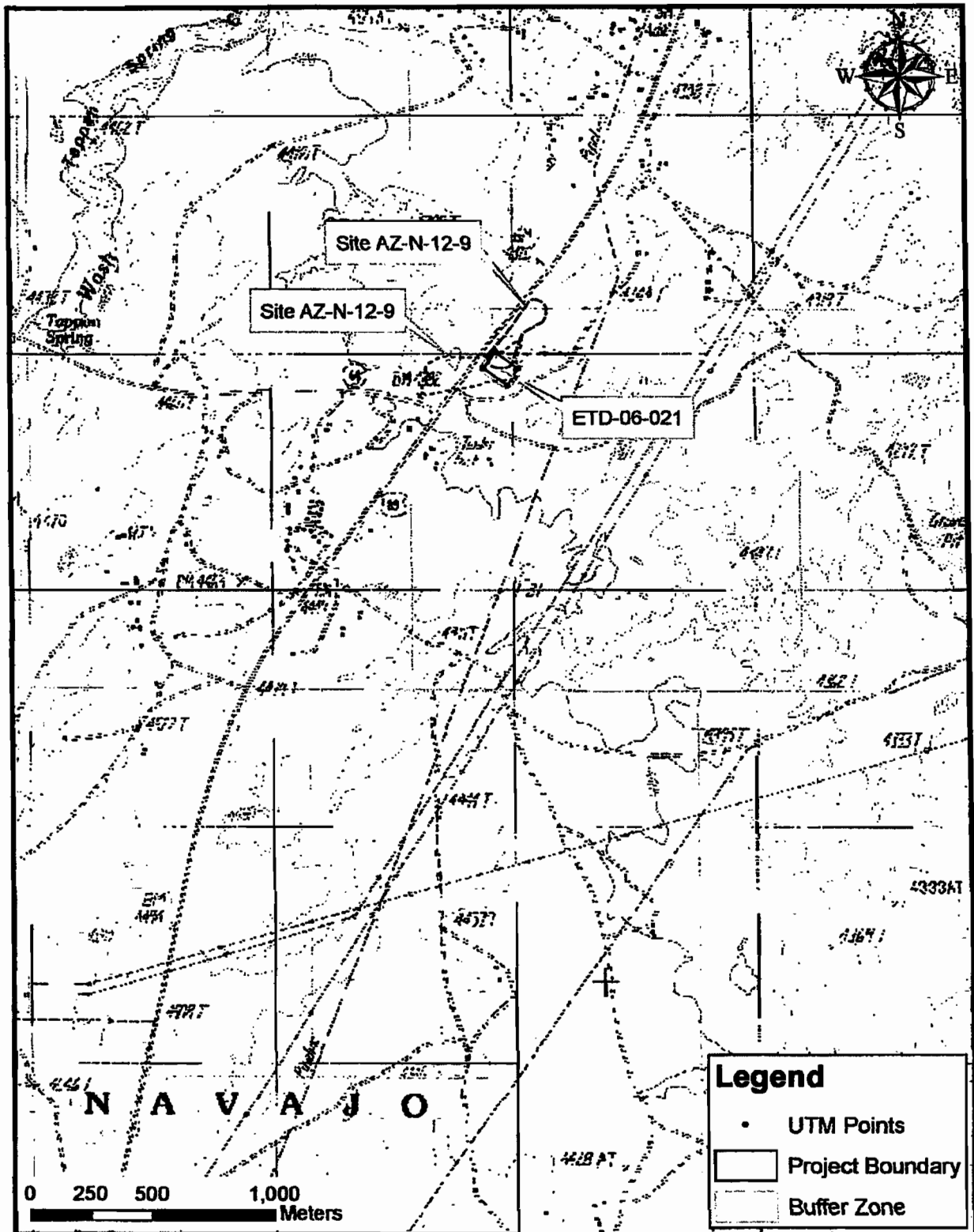


Figure 2. Specific Project Location for ETD-06-021. USGS 7.5' Map: Cameron South, Arizona 1988.

A general overview of the environmental and cultural history of the area can be found in:

Touchette, Judith G.

2005 *A Cultural Resources Inventory of the Cameron Giant Dumpsite, Cameron Chapter, Coconino County, Arizona*. (HPD-06-381) Ms. on file, Navajo Nation Historic Preservation Department, Window Rock, Arizona.

C. Area Environmental & Cultural Setting: The topography of the project area is characterized as relatively flat with medium rolling hills. The nearest permanent drainage is the Little Colorado River located approximately 8,018 ft/2,444 m northeast of the project area. Elevation in the project area is 4,399 ft/1,341 m above mean sea level. The project area is located in the Great Basin Desertscrub Biotic Community. Vegetation in the area includes snakeweed (*Ch'il diiyésetsoh*), narrow leaf yucca (*Talawosh tsá'ázi 'ts'óóz*), prickly pear cactus (*Hosh niteell*), saltbush (*Dá'ák'óózh deenini*), and various bunch grass. The soil consists of light-brown, fine-grained eolian soil interspersed with sandstone and chert eroding out of the Chinle Formation. Causes of disturbance include some human activity, vehicular activity, and natural erosion. The project area is located south of the Cameron Trading Post and northeast of the Highway 89 and Highway 64.

D. Field Methods: A Class III pedestrian inventory was conducted by Mathilda Burke using concentric transects spaced no more than 15 m apart. The total area of effect for the homesite is 2.5 ac/1.01 ha. ETD, Inc. added a 15 meter buffer around the project area making the total area surveyed 4.2 ac/1.69 ha. This method provided 100% coverage of the total area surveyed. A *Garmin etrex* (GPS Unit, NAD 1927) was used for referencing position. The area of effect and area surveyed was plotted onto USGS 7.5' Quadrangle Maps: *Cameron South, Arizona* 1988, using ArcView 9.1. An ethnographic interview over the phone was conducted with Rose Causer in English by Mathilda Burke concerning burials, sacred places, and plant/herb gathering areas in order to determine if there were any potential TCPs in or near the proposed project area. Ms. Causer stated that there were no TCPs in or around the project area.

15. CULTURAL RESOURCE FINDINGS:

A. Location/Identification of Each Resource: One site, AZ-N-12-9, was encountered during the time of survey. The site was recorded in report number HPD-94-356 and then rerecorded and expanded upon in report number HPD-95-076. The site is described as a Talchaco lithic scatter consisting of flakes, cores, and core fragments with two gravel deposits. The site has been disturbed by the construction of a billboard sign, construction and maintenance of US 89, blading from a nearby homesite (HPD-95-076), human activity, and natural erosion. According to our records search conducted at HPD, the site encompasses a large portion of the project area, however, it is determined that the construction of the project will not affect any characteristics of the site. Based on personal communication with Ron Maldonado at HPD, a site update form is not needed for the existing site. See attachment for original recording of the site.

B. Evaluation of Significance of Each Resource: Site AZ-N-12-9 is eligible to the NRHP because it meets criterion d and the 50-year guideline. The site is also eligible to ARPA because it meets the 100-year guideline. Site AZ-N-12-9 is not protected under AIRFA and NAGPRA.

16. MANAGEMENT SUMMARY (RECOMMENDATION): If any subsurface artifacts or materials are discovered during construction, construction should halt and the Historic Preservation Department should be contacted immediately. If the recommendation is adhere to, a determination of "no historic properties affected" is recommended for the proposed undertaking. We recommend that the client be allowed to proceed with construction as planned.

17. CERTIFICATION:

SIGNATURE:  DATE: Aug 30, '06
General Charge Name: Mathilda Burke, Project Archaeologist, ETD, Inc.

SIGNATURE:  DATE: Aug 30, '06
Direct Charge Name: Ezekiel P. Yazzie, Project Archaeologist, ETD, Inc.

Site Descriptions

Site No.: AZ 1:3:7 (ASM), AZ-N-12-9 (NNAD), AZ 1:3:1 (PMDR)

Location: US 89, MP 465.39, east side of highway

Land Status: Navajo Indian Reservation

Legal Description: T.29N., R.9E., Section 34, SE¼, NW¼, NW¼

UTM: Zone 12, 3,968,000 m N, 461,880 m E

USGS map: 7.5 minute quadrangle Cameron South, Ariz., PE 1988

Site Type: Lithic source and scatter with two concentrations and one feature

Culture and Age: unknown

Description: This site is a previously recorded Tolchaco lithic source and scatter (Spurr 1994), which has been expanded and rerecorded as a result of this project. The site boundaries measure 445 m (N-S) x 100 m (E-W), or 40,500 sq m. The site consists of two gravel deposits that have been exposed by natural erosion and construction disturbance. Within the natural gravels are culturally modified (Tolchaco) cobbles. Several hundred cores, core fragments, and large cortex-bearing flakes (most over 3 cm) were noted, in addition to a 1 m dia sandstone slab concentration feature within Concentration 1. This sandstone concentration may be temporally different than the lithic scatter. The site has been disturbed by the construction and maintenance of US 89, the construction of a highway associated berm, the construction of a billboard sign and blading related to the construction of a nearby trailer homesite. Most of the site area, including most of Concentrations 1 and 2 and all of Feature 1, lies outside the project boundary.



2101 N. Fourth Street, Suite 201
Flagstaff, AZ 86004

Planning • Environment • Construction

Phone: 928-779-6032

Fax: 928-779-9115

www.etd-inc.com

June 30, 2010

Richard Mike
AR Mike Enterprise, Inc.
P.O. Box 1219
Kayenta, AZ 86033

Dear Mr. Mike,

Enclosed is a copy of report ETD-10-007: *A Cultural Resources Inventory of an Additional 4.5 Acres for a Proposed Commercial Development located in Cameron Chapter, Coconino County, Arizona*. A copy of this report has also been submitted to the Navajo Nation Historic Preservation Department in Window Rock, Arizona for their review.

If you have any questions, feel free to call us at (928) 779-6032.

Sincerely,

Mathilda Burke, Project Archaeologist
ETD, Inc.

ARCHAEOLOGICAL INVENTORY REPORT DOCUMENTATION PAGE (HPD ARP/93)

1. HPD REPORT NO.	
2. TITLE OF REPORT: ETD-10-007: <i>A Cultural Resources Inventory of an Additional 4.5 Acres for a Proposed Commercial Development located in Cameron Chapter, Coconino County, Arizona.</i>	3. FIELDWORK DATE: 6/28/2010 4. REPORT DATE: 6/30/2010
Author(s): Mathilda Burke	
5. CONSULTANT NAME AND ADDRESS: Mathilda Burke ETD, Inc. 2101 N. Fourth St, Suite 201 Flagstaff, AZ 86040 (928) 779-6032	6. PERMIT NO.: B10366 7. CONSULTATION REPORT NO.: ETD-10-007
8. SPONSOR NAME AND ADDRESS: Richard Mike, President AR Mike Enterprise, Inc. P.O. Box 1219 Kayenta, AZ 86033 (928) 697-3540	9. SPONSOR PROJECT NO.: N/A 10. AREA OF EFFECT: 4.5 ac/1.82 ha TOTAL AREA SURVEYED: 9.1 ac/3.6 ha

11. LOCATION (MAP ATTACHED):

The project area is located within the vicinity of the Cameron Chapter community and just northeast of the US Highway 89 and State Route 64 junction. See figure 1 for specific location map.

a. Chapter: Cameron

e. Land Status: Navajo Tribal Trust

b. Agency: Western

f. UTM Zone 12: See Table 1.

c. County: Coconino

g. Legal Location: See Table 1.

d. State: Arizona

h. 7.5' Map(s): Cameron South, Arizona 1988

i. Lead Agency: Bureau of Indian Affairs (BIA)

Table 1. Corner, UTM's, and Legal Location for ETD-10-007.

Point	Northing	Easting	Legal Location
1	3968213	461874	T29N, R9E Section 34 (NW ¼, NW ¼, NE ¼)
2	3968205	461868	T29N, R9E Section 34 (NW ¼, NW ¼, NE ¼)
3	3968132	461966	T29N, R9E Section 34 (NW ¼, NE ¼, SW ¼)
4	3968066	461919	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
5	3968139	461822	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
6	3968033	461747	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
7	3968025	461758	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
8	3968019	461791	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
9	3968032	461832	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
10	3968028	461854	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
11	3967989	461907	T29N, R9E Section 34 (NW ¼, NW ¼, SE ¼)
12	3968120	462000	T29N, R9E Section 34 (NW ¼, NE ¼, SW ¼)

12. Report attachments.

a. **Description of Undertaking:** The client proposes to construct a convenience store, gas station, fast-food franchise, and access road within a seven acre tract. A portion of the seven acre tract (2.5 acres) was previously surveyed during report HPD-06-941. This report covers the remaining 4.5 acres. Surface and subsurface disturbance will be extensive within the 4.5 ac/1.82 ha resulting from construction activities and installation of all associated utilities.

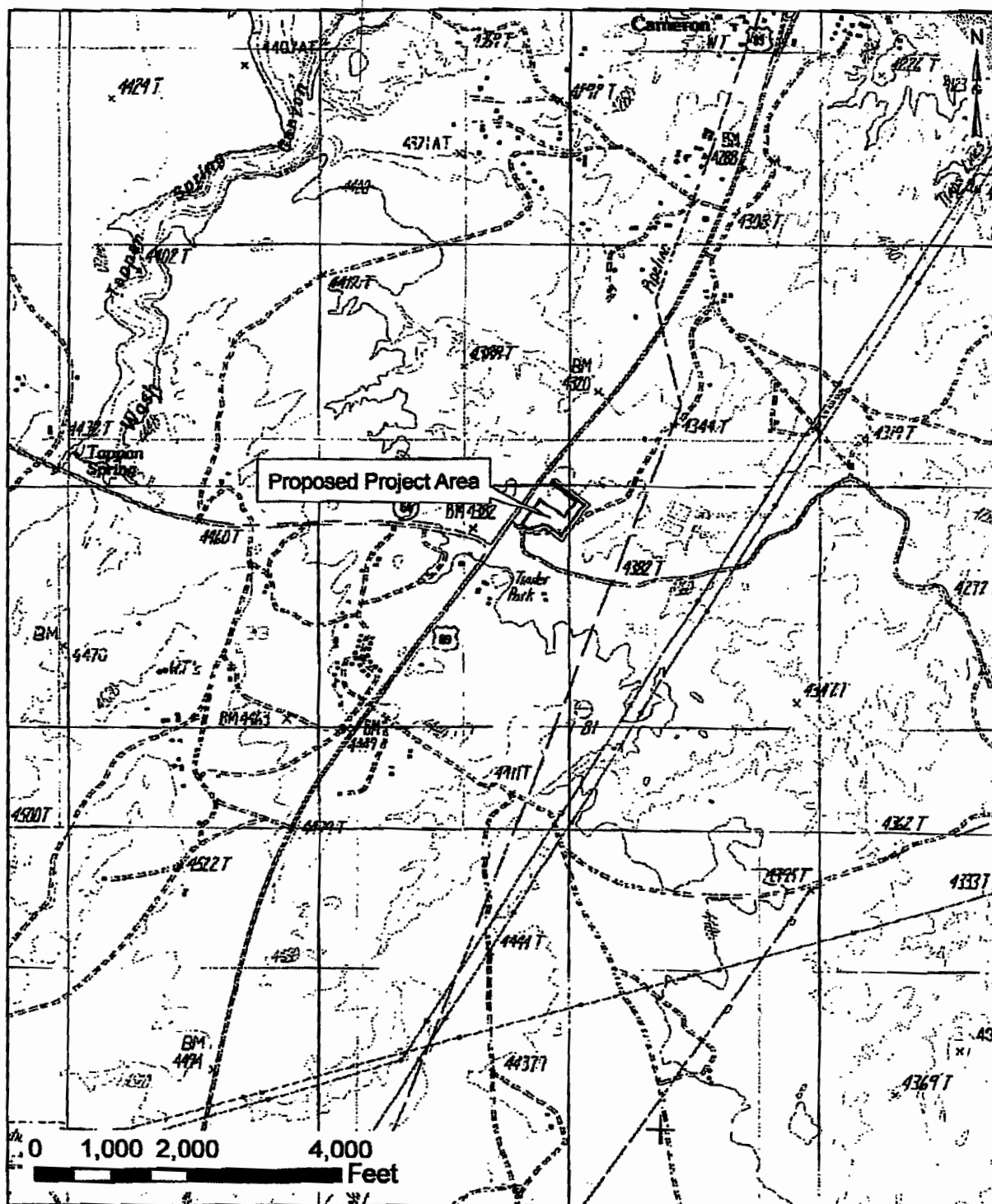


Figure 1. Specific location map of ETD-10-007 in Cameron, Arizona. USGS 7.5' Map: Cameron South, Arizona 1988.

b. Existing Data Review: A check of NNHPD records indicates that six cultural resource investigation projects have been previously conducted within a 100 meter radius of the proposed project area with two sites recorded nearby. Table 2 lists these projects.

Table 2. Projects Undertaken and Sites Recorded within a 100 meter Radius of ETD-10-007.

HPD Number	Other Numbers	Site Recorded	Site Description	NRHP Eligible
HPD-06-941	ETD-06-021	AZ-N-12-9	Tachaco lithic scatter	Yes
HPD-97-594	NNAD-97-065	AZ-N-12-12	Stone house foundation	No
HPD-95-076	PMDR-93-11-41	AZ 1:3:7 (AZ-N-12-9)	Lithic source and scatter with two concentrations and one feature	Yes
HPD-94-356	NNAD-93-190	AZ-N-12-9	Talchaco lithic scatter	Yes
HPD-00-381	CSWTA-ARCH-0014	N/A	N/A	N/A
HPD-98-354	NNAD-98-108	N/A	N/A	N/A

c. Area Environmental & Cultural Setting: The project area is located just northeast of the US Highway 89 and State Route 64 junction within Cameron, Arizona. Topography of the project area is characterized as relatively flat with medium rolling hills. The nearest permanent drainage is the Little Colorado River located approximately 8,000 ft/2,438 m northeast of the project area. Elevation in the project range from 4,379 ft/1,334 m to 4,999 ft/1,341 m above mean sea level. The project area is located in the Great Basin Desertscrub biotic community. Vegetation in the area includes snakeweed, narrow-leaf yucca, prickly pear cactus, saltbush, and various bunch grasses. The soil consists of light-brown, fine-grained eolian soil interspersed with sandstone and chert eroding out of the Chinle Formation. Causes of disturbance include some human activity, vehicular traffic, and natural erosion.

d. Field Methods: A Class III pedestrian inventory of the 4.5 ac/1.82 ha area of effect was conducted by Mathilda Burke using parallel pedestrian transects spaced approximately 15 meters apart. ETD, Inc. also added a 50 meter buffer zone to the north, east and south boundary of the project area making the total area surveyed approximately 9.1 ac/3.6 ha. This method provided 100% coverage of the project area. UTM points were collected using a *Garmin extrex* (GPS Unit, NAD 1983). An ethnographic interview was conducted over the phone in English by Mathilda Burke with Rose Causer, local resident, concerning burials, sacred places, and plant/herb gathering areas in order to determine if there were any potential TCPs in or near the proposed project area. Ms. Causer stated that there were no TCPs in or around the project area.

13. CULTURAL RESOURCE FINDING(S):

a. Location/Identification of Each Resource: One previously recorded site, AZ-N-12-9, was encountered during the time of the field survey. The site was recorded in report number HPD-94-356 and then rerecorded and expanded upon in report number HPD-95-076. The site is described as a Talchaco liti scatter consisting of flakes, cores, and core fragments with two gravel deposits. The site has been disturbed by the construction of a billboard sign, construction and maintenance of US Highway 89, blading from a nearby homesite (HPD-95-076), human activity, and natural erosion. According to our records search conducted at HPD, the site encompasses a large portion of the project area, however, it is determined that the construction of the proposed project will not affect any characteristics of the site. Based on personal communication with Ron Maldonado at HPD, a site update form is not needed for the existing site. See **Attachment A** for original recording of the site.

b. Evaluation of Significance of Each Resource: Site AZ-N-12-9 is eligible to the NRHP because it meets the 50-year guideline and criterion d. The site is also eligible to ARPA because it meets the 100-year guideline. The site is not protected under AIRFA or NAGPRA.

14. MANAGEMENT SUMMARY (RECOMMENDATIONS): If any subsurface artifacts or materials are discovered during construction, construction activities should halt and the Historic Preservation Department should be contacted immediately (928) 871-7145. If the recommendation is adhere to, a determination of "no historic properties affected" is recommended for the proposed undertaking. We recommend that the clients be allowed to proceed with construction as planned.

15. CERTIFICATION:

SIGNATURE: MBh DATE: 6/30/10
General Charge & Direct Charge Name: Mathilda Burke Project Archaeologist, ETD, Inc.

ATTACHMENT A
Original Site Recording of AZ-N-12-9

Site Descriptions

Site No.: AZ 1:3:7 (ASM), AZ-N-12-9 (NNAD), AZ 1:3:1 (PMDR)

Location: US 89, MP 465.39, east side of highway

Land Status: Navajo Indian Reservation

Legal Description: T.29N., R.9E., Section 34, SE¼, NW¼, NW¼

UTM: Zone 12, 3,968,000 m N, 461,880 m E

USGS map: 7.5 minute quadrangle Cameron South, Ariz., PE 1988

Site Type: Lithic source and scatter with two concentrations and one feature

Culture and Age: unknown

Description: This site is a previously recorded Tolchaco lithic source and scatter (Spurr 1994), which has been expanded and rerecorded as a result of this project. The site boundaries measure 445 m (N-S) x 100 m (E-W), or 40,500 sq m. The site consists of two gravel deposits that have been exposed by natural erosion and construction disturbance. Within the natural gravels are culturally modified (Tolchaco) cobbles. Several hundred cores, core fragments, and large cortex-bearing flakes (most over 3 cm) were noted, in addition to a 1 m dia sandstone slab concentration feature within Concentration 1. This sandstone concentration may be temporally different than the lithic scatter. The site has been disturbed by the construction and maintenance of US 89, the construction of a highway associated berm, the construction of a billboard sign and blading related to the construction of a nearby trailer homesite. Most of the site area, including most of Concentrations 1 and 2 and all of Feature 1, lies outside the project boundary.

EXECUTIVE OFFICIAL REVIEWTitle of Document: APS lineagmnt.Cameron BurgerKing Contact Name: DRAPER, HOWARDProgram/Division: DIVISION OF NATURAL RESOURCESEmail: howarddraper@frontiernet.net Phone Number: 928 871-6447

			Sufficient	Insufficient
<input type="checkbox"/>	Business Site Lease			
	1. Division:	Date: _____	<input 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: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions			
	1. Division:	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Office of the Attorney General:	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<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"/>
<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"/>
<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"/>
<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"/>
<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"/>
<input type="checkbox"/>	Relinquishment of Navajo Membership			
	1. Land Department:	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Elections:	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. Office of the Attorney General:	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

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

Sufficient Insufficient

1. Division: _____ Date: _____ ☐ ☐
2. Office of the Attorney General: _____ Date: _____ ☐ ☐

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

1. NLD _____ Date: _____ ☐ ☐
2. F&W _____ Date: _____ ☐ ☐
3. HPD _____ Date: _____ ☐ ☐
4. Minerals _____ Date: _____ ☐ ☐
5. NNEPA _____ Date: _____ ☐ ☐
6. DNR _____ Date: _____ ☐ ☐
7. DOJ _____ Date: _____ ☐ ☐

☐ **Rights of Way**

1. NLD _____ Date: _____ ☐ ☐
2. F&W _____ Date: _____ ☐ ☐
3. HPD _____ Date: _____ ☐ ☐
4. Minerals _____ Date: _____ ☐ ☐
5. NNEPA _____ Date: _____ ☐ ☐
6. Office of the Attorney General: _____ Date: _____ ☐ ☐
7. OPVP _____ Date: _____ ☐ ☐

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

1. Minerals _____ Date: _____ ☐ ☐
2. OPVP _____ Date: _____ ☐ ☐
3. NLD _____ Date: _____ ☐ ☐

☐ **Assignment of Mineral Lease**

1. Minerals _____ Date: _____ ☐ ☐
2. DNR enrolled _____ Date: 11/13/14 ☐ ☐
3. DOJ _____ Date: _____ ☐ ☐

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

1. NLD _____ Date: 09/10/14 ☒ ☐
2. F&W _____ Date: 11/24/14 ☒ ☐
3. HPD _____ Date: 11-4-14 ☒ ☐
4. Minerals _____ Date: 11-7-14 ☒ ☐
5. NNEPA _____ Date: 1-13-2015 ☒ ☐
6. DNR _____ Date: 11/19/14 ☒ ☐
7. DOJ (c) _____ Date: 1/24/15 ☒ ☐
8. OPVP _____ Date: 2/3/15 ☒ ☐

☐ **OTHER:**

1. _____ Date: _____ ☐ ☐
2. _____ Date: _____ ☐ ☐
3. _____ Date: _____ ☐ ☐
4. _____ Date: _____ ☐ ☐
5. _____ Date: _____ ☐ ☐



THE NAVAJO NATION

MINERALS DEPARTMENT

Post Office Box 1910

Window Rock, Arizona 86515


Phone: (928) 871-6587 • Fax: (928) 871-7095

Ben Shelly
President

Rex Lee Jim
Vice-President

Interoffice Memorandum

TO: Howard Draper, Program & Project Specialist
Navajo Land Department

FROM: 
for Akhtar Zaman, Director
Minerals Department

DATE: November 7, 2014

SUBJECT: DOCUMENT NO. 002949, ARIZONA PUBLIC SERVICE (APS)
SERVICE LINE AGREEMENT

The subject right-of-way application was revised and we have the following comments:

1. The right-of-way will serve a commercial operation and so the consideration should be assessed.
2. The width of the right-of-way should not exceed 20.00 feet and the rating of the line should be specified. Also legal description should be included.
3. The application has requested a 25 year term with an option to renew for another 25 years. The maximum term of the right-of-way should not exceed twenty (20) years.
4. The Navajo Nation standard right-of-way terms and conditions should apply unless this is a separate agreement with APS which supersedes the standard terms and conditions right of way.
5. The consideration for a 20 foot wide, 248.75 is assessed at \$1,781.68 for a 20 year term.

We recommend that the above conditions should be met before the right-of-way is recommended to the Resources and Development Committee for approval.

Please contact Mr. Ram Das at (928) 871-6587 if you have any questions.

RSD:AZ/kjs



THE NAVAJO NATION

MINERALS DEPARTMENT

Post Office Box 1910

Window Rock, Arizona 86515

Phone: (928) 871-6587 • Fax: (928) 871-7095

Ben Shelly
President


Rex Lee Jim
Vice-President

November 04, 2014

MEMORANDUM

TO : ALL CONCERNED

FROM :

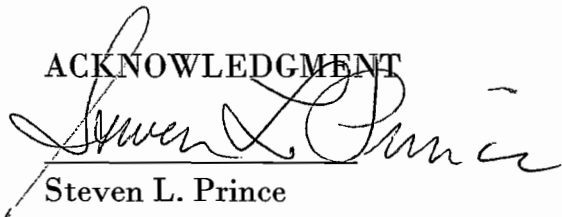

Akhtar Zaman, Director
Minerals Department

SUBJECT : DELEGATION OF AUTHORITY

Mr. Steven L. Prince, Principal Petroleum Engineer, is hereby delegated to act in the capacity of the Director of the Minerals Department beginning at 8:00 AM on Tuesday, November 04, 2014 and ending at 5:00 PM on Monday, November 10, 2014.

Your cooperation with Mr. Prince will be appreciated.

ACKNOWLEDGMENT


Steven L. Prince
Minerals Department

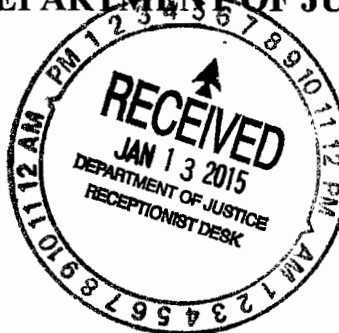
/kjs
Distribution



NAVAJO NATION DEPARTMENT OF JUSTICE

282

DOCUMENT REVIEW REQUEST FORM



DOJ	
01-13-15	4:51 pm
DATE / TIME	
<input type="checkbox"/> 7 Day Deadline	
DOC #: 002949	
SAS #:	
UNIT: NAM	

☒ RESUBMITTAL
(Dec 2014)

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

CLIENT TO COMPLETE

DATE OF REQUEST:	1/13/2015	DIVISION:	Of Natural Resources
CONTACT NAME:	Howard Draper	DEPARTMENT:	Project Review/Land Dept.
PHONE NUMBER:	871-6447	E-MAIL:	howarddraper@frontiernet.net

TITLE OF DOCUMENT: RESUB: APS line agreement Cameron Burger King

DOJ SECRETARY TO COMPLETE

DATE/TIME IN	1-14-15 5:30pm	REVIEWING ATTORNEY/ADVOCATE:	Erwin Chee 1-26-15
DATE TIME OUT			

DOJ ATTORNEY / ADVOCATE COMMENTS

Document is legally sufficient.

REVIEWED BY: (Print)	Date / Time	SURNAMED BY: (Print)	Date / Time
Erwin Chee	1-21-15	Baker	1/28/15 11:30 am

DOJ Secretary Called: Joan Jones for Document Pick Up on 1/28/15 at 1:20 By: AG

PICKED UP BY: (Print) DATE / TIME:

NNDJ/DRRF-July 2013

COMPLETED



ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF THE EXECUTIVE DIRECTOR/ADMINISTRATION

OFFICE OF ENVIRONMENTAL REVIEW

PO BOX 339 WINDOW ROCK ARIZONA 86515 Office: 928/871-7188 Fax: 928/871-7996

Website: www.navajonationnepa.org

M E M O R A N D U M

TO: Howard Draper, Program & Project Specialist
Project Review Office
Navajo Land Department
Division of Natural Resources

FROM:

A handwritten signature in black ink, likely belonging to Rita Whitehorse-Larsen.

Rita Whitehorse-Larsen, Senior Environmental Specialist
Office of Environmental Review
Office of the Executive Director/Administration
NNEPA

DATE: January 13, 2015

SUBJECT: 164 EOR 002949 APS Cameron

The Arizona Public Service Company (APS) PO Box 53933, MS 3286, Phoenix, Arizona, 85072-3933, submitted a service line agreement application (SLA) to construct, operate and maintain an electrical power line service to the proposed Cameron Burger King located in Cameron, Coconino County, Arizona.

The Navajo Nation Environmental Protection Agency (NNEPA) reviewed¹ and recommends approval for the proposed action.

1. Navajo Nation Safe Drinking Water Act:

- a. Ensure there are no existing drinking waterlines and/or domestic waste waterlines located within the premises of the proposed site to avoid significant impacts to the Cameron and surrounding communities' safe drinking water resources before trenching and/or digging.

2. Navajo Nation Air Pollution Prevention and Control Act:

- a. Suppress dust to lessen air impacts to community members and public located in or near the proposed action.

¹ ETD, Inc. Consulting and Applied Research. Environmental Assessment Convenience Store and Gas Station Project, Cameron, Arizona. November 2006.

3. Navajo Nation Pesticide Act:

- a. AR Mike Enterprise and Burger King owner is required to monitor and prevent invasive and noxious weeds either by manual or chemical control.
- b. Before applying any chemicals, contact the NNEPA Pesticide Program at 928/871-7815/7810/7892 to ensure the product is in compliance and appropriately applied by a certified and licensed applicator.
- c. Pesticide staff will also may need to be onsite to monitor during pesticide/herbicide application.

4. Navajo Nation Solid Waste Act:

- a. Solid waste generated from the construction and operation activities will be collected and transported by contractor to a designated trash bins to minimize significant impacts to human and wildlife resources.
- b. If a sub-contractor will be hired to transport waste, ensure the contractors are certified and licensed with the Navajo Nation Business Regulatory Office.
- c. The contractor must submit a copy of the landfill receipt/ticket to guarantee the construction waste has been properly disposed.
- d. Do not allow public to take construction and operation waste. Cumulatively NNEPA gets complaints and reports on illegal trash dumpings on rural areas and in the waters of the US and Navajo Nation.
- e. All illegal waste currently on the proposed site is the responsibility of the land user.

5. Navajo Nation Comprehensive Environmental Response, Compensation and Liability Act (NNCERCLA)

- a. No hazardous waste will be used, generated or stored at the proposed power line sites.
- b. Approved by the Navajo Nation Council, CF-07-08, February 26, 2008, the NN CERCLA includes petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel (or mixtures of natural gas and synthetic gas)) unlike the US CERCLA or the Superfund Law and mandates petroleum, operator and guarantor to report petroleum release ≥ 25 gallons at the site and/or during transport immediately to the Navajo Nation Department of Emergency Management within the Navajo Nation Division of Public Safety.

6. Navajo Nation Storage Tank Act:

- a. Amended and approved by the Navajo Nation Council, CJA-09-12, February 2012, the aboveground tanks are included to be regulated.
- b. No underground or aboveground greater than 100 gallons is expected to be at the proposed site.
- c. If there will be any plans to install an underground or aboveground storage tank, NNEPA Storage Tank Program must be informed. The design specifications must meet the requirements listed in the Storage Tank Act. Mr. Warren Roan, Tanya Yazzie or Nathaniel Yazzie can be reached at 928/871-7993/7995/7763/7808.

7. Others:

- a. Avoid unnecessary ground disturbance and removal of vegetation within and adjacent to the ROW corridors.
- b. NNEPA also recommends APS to minimize establishing new access roads for the proposed power line extensions. In the past, we received complaints from community members about contractor(s) blading and removing soil to establish

roads to gain access to install the power lines. We recommend that if APS will clear the vegetation cover, the disturbed areas will need to be reclaimed.

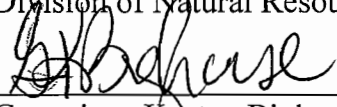
If there are any questions you may contact Rita Whitehorse-Larsen at 928/871-7188. Thank you.

Cc: NNEPA Administration chrono file



MEMORANDUM

TO : Howard Draper, Program & Project Sepcialist
Navajo Land Department
Division of Natural Resources

FROM : 
Genevieve Keetso-Bighorse, EDS
Western Regional Business Development Office
Division of Economic Development



DATE : January 7, 2015

SUBJECT: Document 002949: Arizona Public Service (APS) Service Line Agreement

This memorandum is to provide information regarding the above subject. The APS Service Line Agreement is for AR Mike Enterprise for the Cameron Burger King/Convenience store. Western RBDO worked on a new business site lease for AR Mike Enterprise for 8.0452 acres with a term of 25 years and an option to renew for 25 years for the above mentioned business. The proposed action is to develop a Burger King with convenience store and restaurant.

Your prompt cooperation to resubmit Document 002949 back to Office of Environmental Review/Navajo Environmental Protection Agency (EPA) will be greatly is appreciated. If you have any questions, call me at (928) 283-3013.