

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

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT; APPROVING MODIFICATION
FOR BUSINESS SITE LEASE NO. SR-01-166 TO MCDONALD'S CORPORATION
ON TRUST LAND WITHIN THE SHIPROCK CHAPTER VICINITY, NAVAJO
NATION

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is established as a standing committee of the Navajo Nation Council. 2 N.N.C. §500(A).
- B. The Resources and Development Committee of the Navajo Nation Council is empowered to grant final approval for non-mineral leases. 2 N.N.C. §501(B) (2).

SECTION ONE. FINDINGS

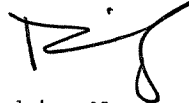
- A. McDonald's Corporation requests that the Resources and Development Committee approve a modification to Business Site Lease No. SR-01-166, **Exhibit B**.
- B. The location of the Business Site Lease No. SR-01-166 is within the Shiprock Chapter on Trust Land. See legal description on pages one and two of Business Site Lease No. SR-01-166, **Exhibit B**.

SECTION THREE. APPROVAL

- A. The Navajo Nation Council's Resources and Development Committee hereby approves Lease Modification, attached as **Exhibit A**, to Business Site Lease No. SR-01-166, between the Navajo Nation and McDonald's Corporation.
- B. The Navajo Nation hereby authorizes the Navajo Nation President to execute this modification as approved by this resolution.
- C. The Navajo Nation hereby directs the Division of Economic Development to ensure the modification to Business Site Lease No. SR-01-166 is properly recorded and distributed.

CERTIFICATION

I, hereby, certify that the following resolution was duly considered by the Resources and Development Committee of the 24th Navajo Nation Council at a duly called meeting held by a teleconference for which a quorum was present and that same was passed by a vote of 5 in favor, and 0 opposed, on this 15th day of September 2021.

A handwritten signature in black ink, appearing to be 'R. Nez', written in a cursive style.

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

Motion: Honorable Mark A. Freeland
Second: Honorable Thomas Walker, Jr.

Chairperson Rickie Nez not voting.



**LEASE MODIFICATION
OPTION TO RENEW
BSL No. SR-01-166**

WHEREAS, on September 25, 2001 the NAVAJO NATION, Lessor, and McDonald's Corporation, Lessee, entered into Business Site Lease SR-01-166 on July 21, 2001, which had an effective term date beginning on September 25, 2001.

WHEREAS, Business Site Lease SR-01-166 has an expiration date of September 25, 2021.

WHEREAS, McDonald's Corporation provided a letter of intent to renew BSL No- SR-01-166 on June 25, 2021, in accordance with Article 4 Business Site Lease SR-01-166.

It is hereby agreed and between the NAVAJO NATION, Lessor, and McDonald's Corporation, Lessee, and First Specialty Insurance Company, Surety, that Business Site Lease, SR-01-166 will be extended an additional 20 years with a new expiration date of September 25, 2041.

This Option to Renew does not change any of the terms and conditions, or stipulations except has specifically set forth herein. All other terms and conditions shall remain in force and effect.

Surety

McDonald's Corporation, Lessee

Date: _____

NAVAJO NATION, LESSOR

By: _____
President, Navajo Nation

Date: _____

APPROVED: _____

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

GROUND LEASE

THIS LEASE, in sextuplicate, is made and entered into this 21ST day of July 2001, by and between THE NAVAJO NATION, hereinafter called Lessor, whose address is Post Office Box 9000, Window Rock, Navajo Nation (Arizona) 86515, and McDONALD'S CORPORATION, a Navajo Nation Foreign Corporation, hereinafter called the Lessee, whose address is One McDonald's Plaza, Oak Brook, Illinois 60523 Attention: U.S. Legal Department, L/C: 030-0180, in accordance with the provisions of 25 U.S.C., Sections 415, as implemented by the regulations contained in 25 CFR Part 162, and any amendments thereto relative to business leases on restricted lands which by this reference are made a part hereto.

1. DEFINITIONS

- A. "Secretary" means the Secretary of the Interior or his authorized representative, delegate, or successor.
- B. "Gross Receipts" means all income, including money and any other thing 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 from or on the Leased Premises or any portion thereof. All income accruing from credit transactions shall be treated as "gross receipts" as of the date credit is extended (excluding franchise fees paid from Lessee's franchisee to Lessee). Gross Receipts shall not include amounts collected and paid out for a sales or 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 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.

2. LAND DESCRIPTION

For and in consideration of the rents, covenants, and agreements hereinafter set out, the Lessor hereby leases to the Lessee the premises described below ("Leased Premises"):

LAND DESCRIPTION PER SURVEY

A parcel of land situated within the Northwest Quarter (NW1/4) of Section 36, T30N, R18W, N.M.P.M., San Juan County, New Mexico, being more particularly described as follows:

COMMENCING at the Northeast Corner of Section 25, monumented with a United States General Land Office Survey Brass Cap dated "1913";

THENCE: S31°29'26"W for a distance of 8321.17 feet to a point on the easterly right-of-way line of U.S. Highway 666;

THENCE: N10°06'44"E and along said right-of-way line for a distance of 1126.00 feet to the Point of Beginning of said tract;

THENCE: CONTINUING N10°06'44"E for a distance of 379.00 feet;

THENCE: S76°48'44"E for a distance of 133.00 feet;

THENCE: S10°06'44"W for a distance of 379.00 feet;

THENCE: N76°48'44"W for a distance of 133.00 feet and back to the point of beginning.

Comprising 1.16 acres, more or less.

All of the above land is Tribal Trust Land, located on the Navajo Reservation, in Shiprock, County of San Juan, State of New Mexico, subject to any prior, valid, existing rights of way.

3. PURPOSE, UNLAWFUL USES

Lessee shall develop, use and operate the Leased Premises for the purpose of operating a restaurant. The Leased Premises shall not be used by Lessee, Sublessee(s) or Assignee(s) for any purpose or purposes other than for fast-food establishment, except with the prior written consent of Lessor and the Secretary which consent shall not be unreasonably withheld.

Should Lessee cease its operation on the Leased Premises for a period of one hundred eighty (180) days or more (except if due to damage or destruction or remodeling of the premises so long as the repairs or restorations occur on a continuous basis), Lessor and the Secretary, at their option, shall be entitled to terminate this Lease upon thirty (30) days written notice to Lessee and upon such termination, this lease shall be null, void and of no force and effect. It is agreed, however, that should Lessee cease operations on the Leased Premises, Lessee shall remain responsible for the payment of rent and other obligations under this Lease during the period of such closure until the Lease is terminated by Lessor and the Secretary.

Notwithstanding the above, if there shall occur any strikes, lock-outs or labor disputes, inability to obtain adequate sources of energy, labor or materials or reasonable substitutes, acts of God, federal or state governmental restrictions, regulations, orders,

guidelines or programs which would cause delays, enemy or hostile governmental action, riot, civil commotion, fire or other casualty or any other conditions, whether similar or dissimilar to those enumerated above, which are beyond the reasonable control of any party to this agreement and not due to the fault or negligence of such party, these conditions shall be deemed "unavoidable delays." If Lessee can show that Lessor's actions have caused a delay, the time period for Lessee's performance shall be extended for a time period equivalent to the delay caused by Lessor. If either party shall, as a result of any unavoidable delay, fail to punctually perform any obligation specified in this agreement and such party shall give written notice to the other party of an unavoidable delay within ten (10) days of its occurrence, then such failure shall not be deemed a breach or default. The applicable time periods in which to perform shall be extended, but only to the extent and for the period occasioned by an unavoidable delay.

Lessee shall not commit, or suffer to be committed, any waste upon the Leased Premises or any nuisance or other act or thing against public policy which may disturb the quiet enjoyment of any other lessees located adjacent to the Leased Premises.

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

4. TERM

The term of this Lease shall begin on the date this Lease is approved by the Secretary and end 20 years following the date Lessee opens for business.

This lease may be renewed for an additional term of twenty (20) years, provided that this Lease is in good standing. Lessee shall give written notice of its intent to renew this Lease to the Executive Director of the Division of Economic Development, or his successor, at least ninety (90) days, but no more than six (6) months, prior to the expiration date of this Lease. Renewal of this Lease is subject to the approval of Lessor and the Secretary and to applicable provisions of Navajo Nation law and the regulations contained in 25 C.F.R. Part 162, including all amendments and successors thereto.

5. CONDITION OF LEASED PREMISES

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 Secretary prior to or at the time of execution of this Lease and Lessee has not relied on any warranty or representation made by or for Lessor or the Secretary, but solely upon Lessee's independent investigation.

The parties agree as follows:

A. Demolition: That Lessor shall demolish and remove all encroachments and signs, if any, located on the Leased Premises.

B. Possession: That Lessee shall have sole and actual possession of the Leased Premises from the date of the last execution of this Lease.

C. Taxes: That if the land on which the Leased Premises is located is removed from tribal trust status and a real estate tax and/or assessment on the land is authorized by state statute sometime in the future, the Lessor shall be responsible for such taxes and/or assessments. Lessor agrees to deliver to Lessee, at all applicable times, proper and sufficient receipts and other evidence of the payment and discharge of such taxes and assessments.

D. Covenant of Title and Quiet Enjoyment: That the Leased Premises are Tribal Trust Land and that Lessee shall be entitled to the quiet enjoyment of the Leased Premises during the term of this Lease, as long as Lessee performs all the covenants and conditions of this Lease.

6. RENTAL

The Lessee, in consideration of the foregoing, covenants and agrees to pay in lawful money of the United States of America to the Lessor, for the use and benefit of the Lessor, the greater of the following amounts as rental:

A. Percentage of Annual Gross Receipts:

0	to	5	years	0.00%
6	to	10	years	1.50%
11	to	15	years	2.00%
16	to	20	years	2.00%

Or

B. Guaranteed Minimum Annual Rental (GMAR):

0	to	5	years	\$18,000	GMAR.
6	to	10	years	\$18,500	GMAR.
11	to	15	years	\$19,000	GMAR.
16	to	20	years	\$20,000	GMAR.

Lessee's liability for payment of rent shall commence to accrue on the date when Lessee opens for business. Lessee agrees to pay to Lessor as rent for the Leased Premises 1/12 of the amounts described above, payable on the 15th day of every calendar month for the then current month. In the event that the commencement date of the rent shall be on a day other than the first day of the month, the first rental payment and last rental payment, if applicable, shall be adjusted for the proportionate fraction of the whole month.

Rental unpaid fifteen (15) days after the due date shall bear interest at eighteen percent (18%) per annum, from the date it becomes due until paid, but this provision shall not be construed to relieve the Lessee from any default in making any rental payment at that time and in the manner herein specified. The rents called for hereunder shall be paid

without prior notice or demand. Notwithstanding the above it is agreed that Lessee's first payment and the payment after a change of address or change of payees will not be considered unpaid if it is not received fifteen (15) days after the due date and will not be subject to interest, if received by Lessor within twenty-one (21) days after the due date.

Lease Year, as that term is used above shall mean a twelve (12) month period of time. The first Lease Year shall commence on the date Lessee opens for business and shall terminate on the last day of the twelfth month following restaurant opening. In the event that any Lease Year is shorter than 12 full months, the percentage rental shall be proportionately adjusted for such partial Lease Year, by a fraction having the actual number of days open for business as the numerator thereof and 365 as the denominator thereof.

7. ACCOUNTING

The Lessee shall, not later than April 15, of each successive calendar year or fraction thereof following the date the term of this Lease begins, submit to Lessor and the Secretary individually, certified statements of gross receipts. Failure to submit aforementioned statements on a timely basis shall be considered a breach of the Lease. With said statements, Lessee shall tender payment of any balance for the preceding calendar year under the percentage rental fee as set forth in Article 6 above. Said statement shall be prepared by a Certified Public Accountant, in conformity with generally accepted accounting procedures. Any duly authorized representative of the Secretary, or any qualified accounting agent or agents appointed by the Lessor, shall have access to and the right to examine and audit pertinent books, and records of the Lessee and the Lessee's sublessees or franchisees, if any, relating to this Lease during the normal business hours of any working day upon 15 days written notice. Lessee shall insert a similar provision in all subleases or franchise agreements pertaining to the Leased Premises an identical right of access in favor of the Secretary and Lessor and shall make available to said representative, agent, or agents, all books and records of Lessee's sublessees or franchisees which must be requested in writing or may be necessary for completion of a full audit of all business conducted on the Leased Premises. The acceptance by the Lessor or the Secretary of any moneys paid to Lessor or the Secretary by Lessee as percentage rental for the Leased Premises as shown by any statement furnished by Lessee shall not be an admission of the accuracy of said statement, or of the sufficiency of the amount of said percentage rental payment. The Lessor or the Secretary shall be entitled at any time within three (3) 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 and shall have the right to examine and/or audit as hereinbefore described. Therefore, Lessee shall for said period of three (3) years after submission to the Lessor or the Secretary of any such statement keep safe and intact all of Lessee's records, books, and accounts which in any way bear 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. Any information obtained by Lessor pursuant to audit rights under this Lease, if any, shall be held confidential.

8. IMPROVEMENTS

The Lessee, in consideration for the granting of this Lease, covenants and agrees that Lessee will construct a McDonald's Restaurant in accordance with the plans and designs to be approved by Lessor under Article 9. The buildings and improvements shall be constructed at a cost of and having a reasonable value of \$300,000.00 or more, including site and preparation costs. All buildings and improvements, including removable personal property and trade fixtures, on the Leased Premises are the property of the Lessee during the term of this Lease and any extension thereof. Upon the termination of this Lease, Lessor shall have the option to require Lessee to remove any buildings and/or improvements on the premises or otherwise restore the premises to a graded area, by giving written notification to Lessee within at least thirty (30) days after termination. If so notified, Lessee, at Lessee's sole cost and expense, shall remove said buildings and/or improvements within ninety (90) days after the date of written notification and shall demolish and remove the improvements, and debris and fill with clean dirt, grade and then pave should Lessor require. Lessor shall also have the right to allow the buildings and/or improvements to remain if Lessor so desires by giving the Lessee written notice thirty (30) days prior to the expiration of the term.

Lessee shall remove all removable personal property and trade fixtures prior to or within thirty days after termination of this Lease. Should Lessee fail to remove said personal property and trade fixtures prior to or within thirty days after termination of this Lease, said property shall thereupon become property of Lessor, and may be disposed of in any manner by Lessor. Lessee hereby agrees to waive any rights it may hold under 5 N.N.C. 2313 (c).

Alterations and Title to Improvements: Subject to the requirements of Article 9, Lessee shall have the right to make, or permit any sublessee to make alterations, additions and improvements to the Leased Premises from time to time. All of such alterations, additions and improvements constructed by Lessee or such sublessee during the term of this Lease and any extension of this Lease, shall be and remain the property of Lessee or any sublessee as the case may be, at all times during the term of this Lease and any extensions or renewals. Lessor agrees to execute such documents, make such appearances and do such other things as Lessee may reasonably request so as to comply with the intent of this Article. Lessee and any sublessee shall have the right to remove any such alterations, additions and improvements at any time during the term of this Lease or any extension or renewal, and for a period of thirty (30) days after the termination of this Lease, or any extension or renewal, by lapse of time or otherwise and, for such purpose, to enter upon the Leased Premises. If Lessor gives Lessee notice to remove such alterations, additions or improvements within at least thirty (30) days after termination of this Lease, Lessee's failure to do so after the expiration of such period of thirty (30) days shall be deemed to be an abandonment and the same shall, at such time, be and become the property of Lessor. In case of removal of any building by Lessee or

any sublessee occurring at or after the termination of this Lease, Lessee shall level the area formerly occupied by any building so removed.

Trade Fixtures, Machinery and Equipment: Lessor agrees that all trade fixtures, machinery, equipment, furniture or other removable personal property shall not become the property of Lessor. 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 removable personal property and trade fixtures prior to termination of this Lease, said property shall thereupon become the property of Lessor, and may be disposed of in any manner by Lessor.

9. PLANS AND DESIGNS

Prior to the commencement of the construction of any building or improvement, or alteration or addition, constructed or placed upon the Leased Premises, Lessee shall submit all exterior plans, specifications and elevations showing the general placement of its buildings, initially and ultimately, with set-backs from all lot lines, location and dimensions of parking areas, driveways and service areas, to Lessor for its approval from an appearance standpoint only, to insure that the buildings and improvements constructed upon the Leased Premises are reasonably harmonious with the architectural design and materials of other buildings and improvements then existing or in the process of construction in the general vicinity of the Leased Premises.

Lessor's consent shall not be unreasonably withheld or delayed. However, unless Lessor specifically, and for good cause, disapproves the general plan an architect's design within ninety (90) days of submittal, said plans and designs will be deemed approved. Lessor's review of all plans and specifications pursuant to this Section is solely to protect the interests of the Lessor in the Leased Premises and the Lessor shall not be a guarantor of, nor be responsible for, the accuracy or correctness of any such plans. No change will be made in the general plan, architect's design, plots, surveys, or specifications without the consent of Lessor, which consent shall not be unreasonably withheld. Approval of the general plan, architect's design and/or a phased program of development shall in no way be deemed a waiver of the requirements of applicable Tribal law and Lessee shall comply with all applicable Tribal laws and regulations. Upon completion of the proposed improvements the Lessee shall provide the Lessor with the most recent and accurate plans Lessee has available, depicting the improvements as a completed structure.

Right to Terminate:

A. Permits: Lessee has entered into this Lease in the expectation of obtaining, after expiration of all applicable appeal periods, all permits, variances, special use permits, licenses, permissions or other authorizations (collectively called "Permits") necessary for the construction and operation of a complete McDonald's restaurant facility; including Lessee's signs and special service windows, built according to Lessee's plans and specifications.

Lessee agrees to apply for Permits without unreasonable delay after last execution of this Lease and Lessor agrees to execute such documents, make such appearances and do such other things as Lessee may reasonably request. Lessee or Lessor may (but shall not be obligated to) terminate this Lease if, after first application, Permits are denied or are not obtained within one hundred twenty (120) days. If Lessor elects to terminate this Lease as provided in this Article 9(A), Lessee shall have ten (10) days after receiving Lessor's written notice of termination to waive, in writing, the permit contingency. If Lessee does not waive the permit contingency, this Lease will terminate and be of no further force and effect, ten (10) days after Lessee's receipt of the notice.

B. Evidence of Title: Intentionally Deleted.

C. Survey: Intentionally Deleted.

D. Off-Site and Extraordinary Cost Contingency: Intentionally Deleted.

E. Easements: Lessor and Lessee entering into any easement agreements necessary for Lessee to access its property on its north and south boundaries, as approved by the Secretary. Such easement agreements shall provide that Lessee shall be permitted to pave and maintain such easement areas at its sole cost and expense.

10. COMPLETION OF DEVELOPMENT

The Lessee shall complete the full improvement and development of the Leased Premises in accordance with Article 8 above, within twelve (12) months from the date this Lease is signed by the Secretary. If Lessee fails to complete full development within such period, upon thirty (30) days written notice and failure to cure, such failure shall constitute a breach of the terms of this Lease and shall be cause for cancellation.

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, permits or approvals are not granted for Lessee's improvements, 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.

11. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

All improvements placed on the Leased Premises shall be constructed in a good and workmanlike manner in compliance with applicable laws and building codes. All parts of buildings visible to the public or from adjacent properties shall be consistent with the requirements of Article 9 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 the Leased Premises, subject to ordinary wear and tear. Lessee shall have the right during the term of this Lease to make alterations or additions to improvements on the Leased Premises which do not alter the exterior appearance. Alterations or additions which alter the exterior appearance of the building shall be made only after Lessee provides fifteen (15) days written notice to Lessor. Lessee shall indemnify and hold harmless the Lessor and the Secretary against liability for all claims arising from Lessee's failure to maintain said premises and the improvements thereon as hereinabove provided, or from Lessee's non-observance of any law, ordinance or regulation applicable thereto. Notwithstanding, the above it is agreed that Lessee will not indemnify and hold harmless the Secretary or Lessor for the Secretary or Lessor's negligence.

12. NON-RESPONSIBILITY NOTICES

Intentionally Deleted.

13. RENTAL AND PERFORMANCE BOND

Upon approval of this Lease by the Secretary, Lessee agrees to post a corporate surety bond or other security acceptable to Lessor and the Secretary in a penal sum equal to one year's payment which bond shall be deposited with the Secretary and shall remain in force for the full term of this Lease, at the discretion of Lessor and the Secretary.

It is understood and agreed that bond or security required by this Section will guarantee performance of the contractual obligations under this Lease, and that a corporate surety bond may be furnished annually or may be continued from year to year by a certificate of renewal, copy of which certificate shall be furnished the Secretary by Lessee. If U.S. Treasury Bonds are provided, Lessee agrees to make up any deficiency in the value of the bonds. Interest on said U.S. Treasury Bonds shall be paid to Lessee. Should waiver of bond or security be granted during the term of this Lease, Lessor and the Secretary reserve the right to request that Lessee furnish bond or security at a later date and Lessee hereby agrees to comply with said request.

14. CONSTRUCTION BOND

In addition to the bonding requirement of Article 14, before commencement of construction of any improvement on the Leased Premises, Lessee shall obtain a bond or bonds which will guarantee completion of the improvement and payment in full of claims of all persons for work performed or materials furnished for construction. The bonds shall be written by a reliable bonding company. Copies of the bonds shall be delivered to the Lessor.

15. SUBLEASE, ASSIGNMENT, MANAGEMENT AGREEMENT, TRANSFER

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

For purposes of this Section, the creation of any partnership, corporation, joint venture, management agreement or any other arrangement under which any person or entity, other than Lessee is entitled to share in profits derived directly or indirectly from the Leased Premises or activities carried out thereon, shall be considered a sublease or assignment of this Lease, and therefore shall require the approval of Lessor and the Secretary.

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

Any assignment of this Lease to any party other than Lessee requires consent of the Lessor and the Secretary. Lessee may, without the consent of Lessor, sublease this Lease to a wholly owned subsidiary or franchisee of McDonald's Corporation, so long as such agreement conforms to the terms of the base lease and franchise agreement. Lessee may

not assign or sublease this Lease to any other party without the consent of Lessor, and the Secretary, which consent shall not be unreasonably withheld or delayed. In these events, Lessee shall remain liable for the payment of all rent and the performance of all of Lessee's obligations under this Lease.

16. ENCUMBRANCE

This Lease, any improvements on the Leased Premises, except removable personal property and trade fixtures on the Leased Premises, or any right to or interest in this Lease may be encumbered only with the written approval of the Lessor, the Secretary and sureties, if any, and no such encumbrance shall be valid without said approval. The encumbrance instrument must be approved in writing by the Lessor, and the Secretary. The leasehold may be encumbered only for the purposes of borrowing capital for the development and improvement of the Leased Premises. An encumbrance must be confined to the leasehold interest of Lessee and shall not jeopardize in any way the Lessor's interest in the land. Lessee agrees to furnish as requested any financial statements or analysis pertinent to the encumbrance that the Lessor, or Secretary may deem necessary to justify the amount, purpose, and terms of said encumbrance. All encumbrances shall be subject, and subordinate, to Lessor's interest in the Leased Premises.

"Approved encumbrance" herein shall mean an encumbrance approved by the Lessor, the Secretary, and sureties, if any, in the manner provided herein. "Encumbrance" herein shall mean the owner and holder of any approved encumbrance.

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

If such notice of sale be given, and the defaults of any of them upon which such notice of sale is based shall then continue, Lessor shall have the following rights which may be exercised at any time prior to completion of sale proceedings: (a) to pay to the encumbrance the full unpaid principal amount of the approved encumbrance, plus unpaid interest accrued to the date of such payments, plus sale costs incurred to the date of such payment; or (b) to exercise any other rights inuring prior to completion of sale proceedings. If Lessor exercises any of the above rights, all rights, title and interest of Lessee in the Lease shall terminate and the Lessor shall acquire the Lease; provided, however, that such termination shall not relieve Lessee from any obligations or liability which had accrued prior to the date of termination.

In the event Lessor does not avail himself of the rights above set forth in this Article 17 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 obligations, rights, title

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

17. LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES

Lessee shall not permit to be enforced against the Leased Premises or any part therefore, any liens arising from any work performed, materials furnished, or obligations incurred by Lessee, but Lessee shall discharge all such liens or post bond before any action is brought to enforce same; further, Lessee shall pay before delinquency, all taxes, assessments, licenses, fees, excluding any real estate taxes or assessments which may arise in the future as defined in Article 5, Paragraph C., during the term of this Lease upon or against the leasehold interest and all interests therein and property thereon, for which either Lessee or Lessor may become liable. Upon request Lessee shall furnish Lessor and the Secretary written evidence duly certified that any and all taxes required to be paid by Lessee have been paid, satisfied, or otherwise discharged. Lessee shall have the right to contest any claim, asserted tax, or assessment against the property, by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless Lessor, the Secretary and the leased premises and all interest therein and improvements thereon from any and all claims, taxes, assessments, and like charges and from any lien therefor, or sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any appropriate documents with reference to real estate tax exemption of the land when requested by Lessee. In addition to the rents, taxes and other charges herein described, Lessee shall pay charges for water, sewage, gas, electricity, telephone, and other utility services supplied to said premises.

18. LESSOR'S PAYING CLAIMS

Lessor shall have the option to pay any lien or charge payable by Lessee under this Lease, or settle any action therefor, if the Lessee after thirty (30) days written notice from the Lessor or Secretary fails to pay or to post bond against enforcement. All costs and other expenses incurred by Lessor in so doing shall be paid to Lessor by Lessee on demand, with interest at the rate of eighteen percent (18%) per annum from the first business day of the month in which Lessor's payment is made until repayment is made by Lessee. Failure to make such repayment on demand shall constitute a breach of the covenants of this Lease.

19. SANITATION

Lessee hereby agrees to comply with all applicable sanitation codes, requirements, or laws relating to the Lessee's operations on the Leased Premises. Such compliance shall specifically include, but not be limited to, the sanitary regulations of the U.S. Public Health Service. Lessee further agrees to at all times maintain the entire premises in a safe, sanitary condition, presenting a good appearance both inside and out in all buildings operated on the Leased Premises.

20. PUBLIC LIABILITY INSURANCE

At all times during the term of this Lease, Lessee shall carry a public liability insurance policy in the amount of \$1,000,000.00 for personal injury to one person and \$2,000,000.00 for personal injury resulting from one incident, and \$400,000.00 for property damage. Said policy shall be obtained from a reliable insurance company and shall name Lessor and the Secretary as additional insureds and shall provide for notification to Lessor and the Secretary prior to any cancellation or non-renewal of said policy for any reason, including non-payment of premiums. A copy of said policy shall be furnished Lessor and the Secretary. There shall be a periodic review, at not less than five (5) year intervals, of all insurance policies and coverage amounts held under this Lease. The review shall give consideration to the economic conditions at the time and may result in adjustment of the type of insurance coverage or the amounts of any coverage whenever, in the reasonable discretion of Lessor or the Secretary, such adjustment is necessary for the protection of Lessor or the Secretary. Notwithstanding the foregoing it is agreed such adjustments for economic consideration shall never increase more than twenty-five percent (25%) of the policy limit for any five year period. Neither Lessor nor the Secretary, nor their officers, agents or employees, shall be liable for any loss, damage, death or injury of any kind whatsoever to the person or property of Lessee or any other person whomsoever, caused by any use of the Leased Premises, or by any defect in any structure erected thereon, or arising from any accident, fire, or from any other casualty on said premises and Lessee, as a material part of the consideration for this Lease, hereby waives on Lessee's behalf all claims against Lessor and the Secretary and agrees to hold Lessor and the Secretary free and harmless from liability for all claims for any loss, damage, injury or death arising from the condition of the premises or use of the premises by Lessee, together with all costs and expenses in connection therewith. Provided, however, that no such indemnification shall apply to the negligence or willful misconduct of the Lessor, the Secretary, or their respective officers, agents, employees, successors or assignees.

21. FIRE AND DAMAGE INSURANCE

Lessee shall, from the date of approval of this Lease, carry fire and casualty insurance with extended coverage endorsements covering not less than eighty percent (80%) of the actual cash value of all improvements on the Leased Premises. Said policy shall be obtained from a reliable insurance company and shall name Lessor and the Secretary as

additional insureds and shall provide for notification to the Lessor and the Secretary prior to any change in said policy or any cancellation of said policy for any reason, including non-payment of premiums. A copy of said policy shall be deposited with Lessor and the Secretary. In the event of damage to any improvement on the Leased Premises, Lessee shall have the option to either restore the Leased Premises to a graded condition or to rebuild, repair or otherwise reinstate the damaged improvement or building in a good and substantial manner according to the plan and specification of the improvement or building so destroyed or damaged. In the event of an election to rebuild, such reconstruction shall commence within six (6) months after the damage occurs and shall be pursued diligently. Should Lessee elect to rebuild, insurance proceeds shall be deposited in escrow with an institution approved, in writing, by Lessor and the Secretary. The Lessee shall also deposit in said escrow all additional funds required to reconstruct the damaged improvement or buildings. Escrow instructions shall include provisions that all funds so deposited shall be used to reconstruct the damaged improvement or buildings and all such funds shall be disbursed during the process 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 the Lessee.

22. 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 in every such case the leasehold estate and interest of the Lessee in the Leased Premises taken shall forthwith cease and terminate. All compensation awarded by reason of the taking of any 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 right of an encumbrancer to receive such awards as set out in an approved encumbrance. The rental thereafter payable hereunder to the remainder of the terms of this Lease shall be reduced in the proportion that the value of the entire premises has been reduced by such taking.

23. DEFAULT

The occurrence and continuance of any of the following events shall constitute an "Event of Default" hereunder:

A. failure of Lessee to make any payment of lease rent, percentage rent or any other sum payable by Lessee hereunder, when the same shall become due and payable, and the continuance of such failure for fifteen (15) days after written notice; or

B. failure of Lessee to comply with or perform any of the covenants, conditions, or provisions hereof and begin to remedy such default within 30 days after receipt of written notice thereof to Lessee from Lessor or for such longer period as may reasonably be required to effect a cure thereof; or

C. (i) a petition to have Lessee, or any Guarantor of this Lease, adjudicated as bankrupt under Chapters I through VII or a petition for reorganization or arrangement or for relief under Chapters VIII, IX, X, XI, XII, or XIII of the Bankruptcy Act, as now in force or hereafter amended, be filed by or against Lessee or any Guarantor of this Lease; (ii) in any judicial action or proceeding, or pursuant to any composition of creditors, a receiver or other officer or agent (including Lessee as debtor in possession) be appointed to take charge of the Premises or the business conducted therein; (iii) Lessee becomes insolvent (either in equity or bankruptcy sense) or commits any act of bankruptcy; or (iv) the Lessee commences proceeding for winding up.

If Lessee is adjudicated as bankrupt, or if Lessee makes a general assignment for the benefit of creditors, or if in any proceedings based upon the insolvency of Lessee, a receiver of all of the property of Lessee is appointed and not discharged within ninety (90) days after appointment, then Lessor and the Secretary may act to terminate this Lease by giving notice to Lessee of its intention to do so. However, neither bankruptcy, insolvency, an assignment for the benefit of creditors nor the appointment of a receiver shall affect this Lease or permit its termination if Lessee (or someone claiming under Lessee) performs all of Lessee's covenants in this Lease.

An event of default may be acted upon by the Secretary in accordance with Title 25, Chapter 1, Part 162 of the Code of Federal Regulations or any amendments thereto. In addition to the rights and remedies provided by the aforementioned regulations, Lessor or the Secretary may exercise the following options upon Lessee's default, according to applicable law:

- a. Collect, by suit or otherwise, all moneys as they become due hereunder, or enforce, by suit or otherwise, Lessee's compliance with all terms of this Lease, or
- b. Re-enter the premises if the Lessee has abandoned the premises or has failed to conduct business for a period of time and remove all persons and property therefrom, excluding the property belonging to authorized sublessees, and re-let the premises without terminating this Lease as the agent and for the account of Lessee, but without prejudice to the right to terminate the Lease thereafter, and without invalidating any right of Lessor and the Secretary or any obligations of Lessee hereunder. The terms and conditions of such re-letting shall be in the sole discretion of Lessor who shall have the right to alter and repair the premises as it deems advisable and to relet 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, collecting, altering, and repairing, including attorney's fees and any real estate commission actually paid, insurance, taxes and assessments and thereafter toward payment to liquidate the total liability of Lessee. Lessee shall pay to Lessor monthly when due, any deficiency and Lessor or the Secretary may sue thereafter as each monthly deficiency shall arise; or

- c. Take any other action deemed necessary to protect any interest of Lessor. No waiver of a breach of any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant of this Lease.

Exercise of any of the remedies outlined in this Article 24 shall not exclude recourse to any other remedies, by suit or otherwise, which may be exercised by Lessor or the Secretary.

If any encumbrancer(s) shall give Lessor, before any default shall have occurred in this Lease, a written notice containing the name and address and the interest in the premises of such encumbrance(s), Lessor shall thereafter give to such encumbrancer(s) 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(s) shall have standing to pursue any appeals, permitted by applicable federal statute and regulation that Lessee would be entitled to pursue. Further, Lessor and the Secretary shall not terminate the Lease if an encumbrancer(s) 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.

No default shall be declared under this Lease unless Lessee has been given thirty (30) days after written notice to cure such default. In the event a non-rental default occurs which cannot be cured within thirty (30) days after written notice, a default shall not be declared if Lessee has commenced its cure and is proceeding diligently.

24. NO PARTNERSHIP

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

25. OWNERSHIP AND MANAGEMENT

Lessee or Lessee's Franchisee shall personally operate and manage the business activities on the Leased Premises, except where written approval has been obtained from the Navajo Nation and the Secretary for a different management arrangement.

McDonald's shall require its Franchisee to use its best efforts to develop and train enrolled members of the Navajo Nation as managers and operators to own, operate, manage and service the McDonald's Restaurant on the leased property.

Franchisees to operate a restaurant on the leased property must first be selected from a pool of qualifying members from the Navajo Nation. Qualifying or qualified shall mean that the member from the Navajo Nation is an individual that possesses all minimum qualifications required of all other McDonald's franchise applicants and has completed McDonald's Franchising Applicant Training Program.

If no members of the Navajo Nation are qualified to own and operate the restaurant, then McDonald's shall in good faith, use its best efforts to select an individual member of the Navajo Nation for placement into McDonald's Franchise Applicant Training Program, to become qualified to own and operate the restaurant.

Upon a previously non-qualifying Navajo becoming qualified to own and operate the McDonald's restaurant, then the qualified Navajo shall be given the right to purchase at least a 51% interest in the restaurant at a predetermined price not to exceed fair market value of comparable McDonald's restaurants.

26. TERMINATION OF FEDERAL TRUST

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

27. OBLIGATIONS OF LESSEE

While the Leased Premises are in trust or restricted status, all of Lessee's obligations under this Lease, and the obligations of their sureties, are to the Secretary as well as to the Lessor.

28. STATUS OF SUBLEASES

Termination of this Lease, by cancellation or otherwise, shall not serve to cancel approved subleases, but shall operate as an assignment to Lessor of any and all such subleases.

29. PAYMENTS AND NOTICES

All notices, payments, and demands, shall be sent to the parties hereto at the addresses herein recited or to such addresses as the parties may hereafter designate in writing. Notices and demands shall be sent by certified mail return receipt requested. Service of any notice or demand shall be deemed complete five (5) days after the date sent.

A. Lessor: President, The Navajo Nation, Post Office Box 9000, Window Rock, Navajo Nation (Arizona) 86515;

Copy to: Division of Economic Development, The Navajo Nation, Post Office Box 663, Window Rock, Arizona 86515-0663, Attention: Director, Business Development Department.

B. Secretary: Attention: Regional Director, Bureau of Indian Affairs, Navajo Region, Post Office Box 1060, Gallup, New Mexico 87305-1060.

C. Lessee: McDonald's Corporation, One McDonald's Plaza, Oak Brook, Illinois 60523, Attention: U.S. Legal Department, L/C: 030-0180.

Copy to: McDonald's Phoenix Region, Attention: Development Team, 432 North 44th Street, Suite 350, Phoenix, Arizona 85008.

30. INSPECTION

The Secretary and Lessor and their 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.

31. HOLDING OVER

Holding over by the Lessee after the termination of this Lease shall not constitute a renewal or extension thereof or give the Lessee any rights hereunder or in or to the leased premises. Should Lessee hold over after the expiration or earlier termination of this Lease, Lessee shall pay as holdover rental a daily rental equal to double the daily rental charges during the year immediately preceding termination of the Lease, from the day following the termination date of the Lease until Leased Premises are surrendered.

32. DELIVERY OF PREMISES

At the termination of this Lease, Lessee will peaceably and without legal process; deliver up the possession of the Leased Premises, in good condition, usual wear and tear excepted, subject to the terms and conditions as described in Article 8.

33. EMPLOYMENT OF NAVAJOS

During the term of this Lease, Lessee shall give preference in employment arising in connection with this Lease to qualified, willing and available Navajos in accordance with Navajo law. Such preference shall also be given in connection with construction of any facilities on the Leased Premises, to the extent authorized by the laws of the Navajo Nation.

34. MINERALS

All minerals contained in or on Leased Premises, in whatever concentration are hereby reserved for the use of the Lessor, together with the right of Lessor or its authorized agents or representatives at any time, to enter upon the land and prospect for, mine, and remove same, paying just compensation for any damage or injury caused to Lessee's personal property or improvements constructed by Lessee; said compensation to be determined by the Secretary. Provided that such mining rights do not materially or adversely affect Lessee's use of the Leased Premises in Lessee's sole discretion.

35. FENCING OF PREMISES - USE OF WATER

Lessee shall not have the right to fence all or any portion of the Leased Premise; except as may be erected as screens or enclosures for garbage or refuse containers. Lessee may not drill for water.

36. LEASE BINDING

This Lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the successors, heirs, assigns, executors, and administrators of the parties hereto, including Lessee's franchisee.

37. INTEREST OF MEMBER OF CONGRESS

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

38. VALIDITY

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

39. USE OF NAVAJO PRODUCED GOODS AND SERVICES

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.

Lessee shall comply with the provisions of this Article provided that such Navajo owned businesses comply with Lessee's requirements of other non-Navajo owned businesses which provide the same products and services to Lessee.

40. AGREEMENT TO ABIDE BY NAVAJO AND FEDERAL LAWS

The Lessee and the Lessee's employees, agents, franchisees 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.

41. JURISDICTION AND GOVERNING LAW

The laws of the Navajo Nation and applicable laws of the United States shall govern the construction, performance and enforcement of this Lease. Lessee, Lessee's employees, franchisees, agents and successors in interest hereby consent to the jurisdiction of the courts of the Navajo Nation. Lessee agrees that any action or proceeding brought by Lessee against Lessor in connection with or arising out of the terms and provisions of this Lease shall be brought only in the Courts of the Navajo Nation, and no such action or proceeding shall be brought by Lessee against Lessor in any court of the state in which the Leased Premises are located. Nothing herein shall prevent (1) the Lessee's employees, agents and successors-in-interest from enjoying rights and privileges granted them by applicable federal law; and (2) Lessee and any franchisee or sublessee of Lessee from providing (a) that their relationship shall be governed by laws other than the laws of the Navajo Nation, and (b) that courts of competent jurisdiction other than the courts of the Navajo Nation shall have jurisdiction over their relationship so long as such other laws or courts do not otherwise contravene the provisions of this Lease. Notwithstanding the above, nothing in this Lease shall be construed to abridge, or modify the legislative, judicial or regulatory authority of the Navajo Nation; provided, however, that this sentence shall in no way diminish the rights granted in Subparagraphs (1) and (2) of this Article 41.

42. COVENANT NOT TO CONTEST JURISDICTION

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 Lease Premises or to the Navajo Nation.

43. SOVEREIGN IMMUNITY

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

44. ATTORNEY'S FEES

If at any time during the term of this Lease either Lessor or Lessee shall institute any action or proceedings against the other relating to the provisions of this Lease both parties shall bear its own reasonable expenses and attorney's fees incurred to such action or proceedings.

45. RECORDING

Lessor and Lessee agree to execute and record a short form or memorandum of this Lease as soon as Lessee has obtained an approved survey and legal description of the Leased Premises including appurtenant easements, if any.

46. MISCELLANEOUS

A. Intentionally Deleted.

B. Authority to Sign: No employee or agent of Lessee (other than an authorized officer) has authority to make a lease or any other warranty, representation, agreement or undertaking. The submission of this document for examination and negotiation does not constitute an offer to lease or a reservation of or option for the Leased Premises, and this document will become effective and binding only upon execution and delivery by Lessor, the Secretary and an authorized officer of Lessee. All negotiations, considerations, representations and understandings between the parties are incorporated in this document and may be modified or altered only by agreement in writing between the parties, and no act or omission of any employee or agent of the parties or any broker, if any, shall alter,

change or modify any of the provisions of this Lease. Those persons executing this Lease on behalf of Lessor, the Secretary and Lessee represent that they have authority and power to sign this Lease on behalf of Lessor, Secretary and Lessee.

C. Insurance Policies: All policies requested under this Lease shall expressly require thirty (30) days written notice to the Lessor and the Secretary of the cancellation or material alteration of such policies and the certificates of insurance shall so provide.

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

NAVAJO NATION,
LESSOR

By: Taylor McFengom, VP

President

Date: 8/08/01

McDONALD'S CORPORATION, a Delaware
corporation, LESSEE

[Signature]
Lessee

Date: 7-21-01

APPROVED: SEP 25 2001

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

ACTING

Thomas Kuntz
Regional Director, Navajo Region
Bureau of Indian Affairs



ACKNOWLEDGMENT - McDonald's Corporation

STATE OF ILLINOIS)
) ss:
COUNTY OF DUPAGE)

I, **Arlene D. Scarlato**, a Notary Public in and for the county and state aforesaid, DO HEREBY CERTIFY that **Troy M. Brethauer, Senior Counsel** of McDonald's Corporation, a Delaware corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such **Senior Counsel** appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act as such **Senior Counsel** and as the free and voluntary act of said corporation for the uses and purposes therein set forth. July 21, 2001

Arlene D. Scarlato
Notary Public

My commission expires 7/29/03



ACKNOWLEDGMENT

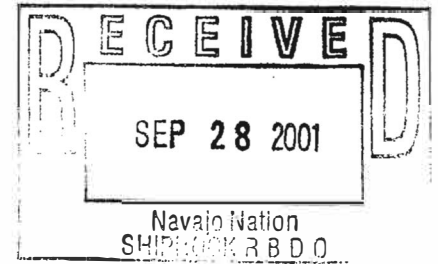
STATE OF _____)
) ss:
COUNTY OF _____)

I, _____, a Notary Public in and for the county and state aforesaid, DO HEREBY CERTIFY that _____ of _____, a(n) _____ corporation, who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her free and voluntary act as such _____ and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this _____ day of _____, 20_____.

Notary Public My commission expires _____.

Shiprock Agency
P. O. Box 3538
Shiprock, New Mexico 87420-3538



Real Estate
Services

SEP 28 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Gary F. Blau
Regional Real Estate Representative
McDonald's Corporation
432 North 44th Street, Suite 350
Phoenix, Arizona 85008

Dear Mr. Blau

Enclosed is approved Business Lease No. SR-01-166 between McDonald's Corporation and the Navajo Nation. The lease premises is located in Shiprock, San Juan County, New Mexico.

Please provide this office with copies of your rental payments to the Navajo Nation Financial Services. Should you have any questions, contact me at 505/368-3375.

Sincerely,

/s/ MARY J. LUJAN

Realty Specialist

Enclosure

CC: McDonald's Corporation, One McDonald's Plaza, Oak Brooks, Illinois 60523
Director, Division of Economic Development w/enclosure
Director, Navajo Land Development w/enclosure
Director, Office of Financial Services (Accounts Receivable Section) w/enclosure
Shiprock RBDO w/enclosure
Business Licensing Section w/o enclosure

SUPPORTING DOCUMENTS

Lease Modification – BSL No. SR-01-166
McDonald's Corporation

1. Executive Summary
2. Letter of Intent – McDonald's Corporation
3. Certificate of Good Standing
4. BIA Lease No. SR-01-166 (copy)
5. Procurement Clearances:
 - a. Accounts Receivable
 - b. Credit Services
 - c. Navajo Tax Commission
 - d. Support Services/DED
 - e. Navajo Nation Shopping Center, Inc.

EXECUTIVE SUMMARY
Lease Modification – BSL No. SR-01-166
McDonald's Corporation

This Legislation is to modify BSL No. SR-01-166 ("Lease") to amend Article 4: TERM which expires on September 25, 2021. By Letter dated June 25, 2021, Lessee requests to exercise the option to renew for another twenty (20) years commencing on September 26, 2021 with a new expiration date of September 25, 2041.

- Article 4: TERM to extend the term of the Lease for additional 20 Years. The term 20 years shall be renewed to 20 years commencing on September 26, 2021 with a new expiration date of September 25, 2041; and

Lessee negotiated the above amendments with Lessor to exercise their option to renew another twenty (20) Years as stated above. This modification does not change any of the terms and conditions, or stipulations except as specifically set forth herein. All other terms and conditions shall remain in force and effect.

The Regional Business Development Office hereby recommends approval of the Lease Modification of Business Site Lease No. SR-01-166 to amend the above Article as set forth; and further Lessee is in compliance with all applicable Navajo Nation Laws.



NAVAJO NATION CORPORATION CODE

CERTIFICATE OF GOOD STANDING

To all to Whom these Presents Shall Come, Greetings:

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

MCDONALD'S CORPORATION

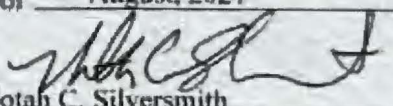
File Number: 100575

a Corporation organized under the laws of the Navajo Nation Corporation Act, did
incorporate on April 6th, 2001

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



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the official seal of the
Navajo Nation Corporation Code. Done at
Window Rock, Arizona, the Capital of the
Navajo Nation, this 3rd
day of August, 2021 A.D.


Notah C. Silversmith

Director, Business Regulatory
Division of Economic Development



McDonald's Corporation
110 N. Carpenter Street
Chicago Illinois 60607-2101
Direct Dial Number (630) 209-8679
Email wendy.newkirk@us.mcd.com

June 25, 2021

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND EMAILS TO MARY LUJAN (mary.lujan@bia.gov), MARGARET DEE (mdee@navajo-nsn.gov),
AND SALLY YABENY (sallyyabeny@navajo-nsn.gov; syabeny@frontiernet.net)**

Division of Economic Development
The Navajo Nation
P.O. Box 663
Window Rock, Arizona 86515-0663
Attn: Director, Business Development Dept.

Bureau of Indian Affairs
Navajo Area Office
P.O. Box 1060
Gallup, New Mexico 87305-1060
Attn: Area Director

The Navajo Nation
P.O. Box 3150
Window Rock, Arizona 86515-3150

**Re: LETTER OF INTENT TO RENEW BSL NO. SR-01-166
CUSTOMER ID NO. 183481
SHIPROCK, NEW MEXICO
L/C: 030-0180 FILE #41127**

To Whom It May Concern:

Reference is made to that certain Ground Lease dated July 21, 2001 (the "Lease"), between you, The Navajo Nation, as Landlord, and McDonald's Corporation, a Delaware corporation ("McDonald's"), as Tenant, covering property at US Highway 64, Shiprock, New Mexico.

Pursuant to Article 4 of the Lease, this letter serves as McDonald's "Letter of Intent" and notice to renew the Lease for an additional term of twenty (20) years commencing September 26, 2021 through and including September 25, 2041.

We look forward to continuing to work with you and your attention to this matter is greatly appreciated. Please contact Gilda Amini to discuss this matter at (312) 206-8832 or gilda.amini@us.mcd.com.

Very truly yours,
McDONALD'S CORPORATION

Wendy Newkirk, Senior Counsel
U.S. Legal Department

CONCURRENCE

The Navajo Nation acknowledges and grants approval for McDonald's, as lessee, to exercise its option to renew pursuant to the terms of the Lease.

Approval: _____
PRESIDENT, THE NAVAJO NATION

Date: _____

cc: Gilda Amini (via email gilda.amini@us.mcd.com)

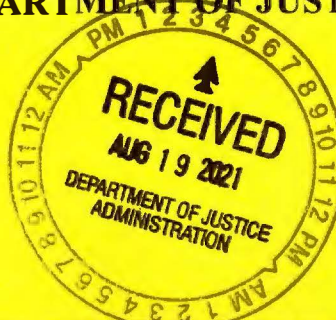
COPY



NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM

☐ RESUBMITTAL



DOJ	
8/19/21	2:40pm
DATE / TIME	
<input type="checkbox"/> 7 Day Deadline	
DOC #:	016987
SAS #:	
UNIT:	ECDW

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

CLIENT TO COMPLETE

DATE OF REQUEST:	8/9/2021	DIVISION:	Division of Economic Development
CONTACT NAME:	Sally A. Yabeny	DEPARTMENT:	Regional Business Dev. Office, SROCK
PHONE NUMBER:	505/368-1315	E-MAIL:	sallyyabeny@navajo-nsn.gov
TITLE OF DOCUMENT: Doc.#016987: Review and surname BSL No. SR-01-166 Lease Modification to extend the term for an additional twenty (20 years, commencing on September 26, 2021 with new expiration date of September 25, 2041.			

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT:	AUG 19 2021 4:45 pm	REVIEWING ATTORNEY/ADVOCATE:	Naomie Droll
DATE TIME OUT OF UNIT:			

DOJ ATTORNEY / ADVOCATE COMMENTS

Legally Sufficient			
REVIEWED BY: (Print)	Date / Time	SURNAMED BY: (Print)	Date / Time
Naomie Droll	8/23/21 3:58pm	Katherine Belzawski	8/24/21 9m
DOJ Secretary Called: Jennifer Jones for Document Pick Up on AUG 25 2021 at 8:30 AM By: AL			
PICKED UP BY: (Print)		DATE / TIME:	

NNDOJ/DRRF-July 2013



Document No. 016987Date Issued: 08/09/2021**EXECUTIVE OFFICIAL REVIEW**Title of Document: BSL MODIFICATION, SR-01-166, MCDONALDS Contact Name: YABENY, SALLY AProgram/Division: DIV. OF ECONOMIC DEVELOPMENTEmail: SYABENY@FRONTIERNET.NET Phone Number: (505) 368-1315

☒ **Business Site Lease**

1. Division: <u>Egan 8.10.21</u>	Date: <u>8/10/2021</u>	<input checked="" type="checkbox"/> Sufficient	<input type="checkbox"/> Insufficient
2. Office of the Controller: <u>8/11/21</u>	Date: <u>8/11/2021</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review)			
3. Office of the Attorney General: <u>[Signature]</u>	Date: <u>8/24/21</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

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

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

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

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

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

☐ **Lease Purchase Agreements**

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

☐ **Grant Applications**

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

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

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

☐ **Relinquishment of Navajo Membership**

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

