

RESOLUTION OF THE
RESOURCES AND DEVELOPMENT COMMITTEE
Of the 23rd Navajo Nation Council---Second Year 2016

AN ACTION
RELATING TO RESOURCES AND DEVELOPMENT; APPROVING THE TERMINATION
OF BUSINESS SITE LEASE NO. TC-97-174, LESSEE TIMOTHY P. LANGE
AND DIANA LANGE

BE IT ENACTED:

Section One. Authority

A. The Resources Committee is established as a standing committee of the Navajo Nation Council. 2 N.N.C. §500(A).

B. The Resources Committee of the Navajo Nation Council is empowered to grant final approval for non-mineral leases. 2 N.N.C. §501(B)(2).

Section Two. Findings

A. The Western Regional Business Development Office (RBDO), **Exhibit F**, has requested that the Resources and Development Committee terminate Business Site Lease No. TC-97-174, **Exhibit B**.

B. The Termination of Business Site Lease TC-97-174, **Exhibit A**, states the reasons for the request for termination.

C. Lessee abandoned and neglected the business operation causing the business to go into default with an outstanding rent of \$28,283.75 as of March 24, 2016. Under Section 6.b. Rental of the Lease, the Lease requires a rental of \$5,000 GMAR for the barbershop & car wash operation and \$4.00 per square feet per year for the office space rental. Lessee has failed to pay the required rental and has put the Lease in delinquent status. **Exhibit A**.

D. Lessee is in breach on the following sections of the Lease: Section 12 requires a Performance Bond on the Lease at all time[s] and the Lease does not have a Performance Bond on File. Section 20 requires a Public Liability Insurance at all time[s] and there is no Public Liability Insurance on file. **Exhibit A.**

E. Lessee has been given plenty of opportunities by certified letters to address and clear rental debt and to submit a Performance Bond and Public Insurance but Lessee fail[ed] to address the deficiencies of the Lease. **Exhibit A.**

F. The Termination of Business Site Lease TC-97-174, **Exhibit A**, states: Nothing contained herein shall relieve Lessee of any financial obligations to the Navajo Nation which incurred prior to the termination, nor shall it prohibit the Lessor from seeking relief from Lessee's financial obligation to the Navajo Nation under applicable provisions of the Navajo Nation law.

G. Attached are **Exhibit A**, Termination of Business Site Lease TC-97-174; **Exhibit B**, Business Site Lease TC-97-174 (Revised 11/93); **Exhibit C**, Lease Modification dated January 4, 2000; **Exhibit D**, Procurement Clearance documents; **Exhibit E**, correspondence between the Western Regional Business Development Office and the Lessees; and, **Exhibit F**, Executive Summary for Termination of Business Site TC-97-174.

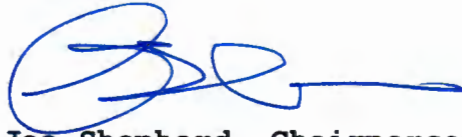
Section Three. Approval

A. The Navajo Nation hereby approves the Termination of Business Site Lease TC-97-174, as set forth in **Exhibit A**.

H. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute this Termination of Business Site Lease TC-97-174 and all other documents necessary to effectuate the intent 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 Navajo Department of Transportation Administration, Tse Bonito (Navajo Nation), New Mexico, at which quorum was present and that same was passed by a vote of 4 in favor, 0 opposed, 1 abstained this 28th day of June, 2016.

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

Alton Joe Shepherd, Chairperson
Resources and Development Committee
Of the 23rd Navajo Nation Council

Motion: Honorable Leonard Pete
Second: Honorable Davis Filfred



NN-11-93

TERMINATION OF
BUSINESS SITE LEASE NO. TC-97-174

Business Site Lease Number TC-97-174, entered into between the NAVAJO NATION, Lessor, and Timothy P. Lange & Diana Lange, Lessee, on February 02, 1997, and approved by the Bureau of Indian Affairs on August 01, 1997, and became valid and binding under the terms of the Lease and applicable provisions of the law; and

The parties hereto represents that the provision of this Termination Agreement have been knowingly entered into.

Lessee abandoned and neglected the business operation causing the business to go into default with an outstanding rent of \$28,283.75 as of March 24, 2016. Under Section 6. b. Rental of the Lease, the Lease requires a rental of \$5,000 GMAR for the barbershop & car wash operation and \$4.00 per square feet per year for the office space rental. Lessee has failed to pay the required rental and has put the Lease in delinquent status.

Lessee is in breach on the following sections of the Lease: Section 12 requires a Performance Bond on the Lease at all time and the Lease does not have a Performance Bond on file. Section 20 requires a Public Liability Insurance at all time and there is no Public Liability Insurance on file.

Lessee has been given plenty of opportunities by certified letters to address and clear rental debt and to submit a Performance Bond and Public Insurance but Lessee fail to address the deficiencies of the Lease.

Lessor agrees that it is in the best interest of all parties to terminate Business Site Lease TC-97-174, and therefore so terminate this Lease under the following terms and conditions:

1. This termination shall warrant that all permanent buildings and improvements on the Lease property shall thereupon become the property of Lessor.
2. Nothing contained herein shall relieve Lessee of any financial obligations to the Navajo Nation which incurred prior to the termination, nor shall it prohibit the Lessor from seeking relief from Lessee's financial obligation to the Navajo Nation under applicable provisions of the Navajo Nation law.

The termination of the Lessee's leasehold interest is hereby accepted and approved on behalf of the Navajo Nation.

IN WITNESS WHEREOF, the parties hereto have executed this Termination Agreement, this ____ day of _____, 20__.

NAVAJO NATION, LESSOR

By: _____
President, Navajo Nation

Date: _____

Approved this _____ day of _____, 20 __, pursuant to Secretarial Re-delegation Order 209 DM 8, 230 DM 1 and 3 IAM 4.

By: _____
Regional Director, Navajo Region
Bureau of Indian Affairs

L E A S E



THIS LEASE, in sextuplicate, is made and entered into this 2nd day of February, 19 96 by and between THE NAVAJO NATION, hereinafter called Lessor, whose address is Post Office Box 308, Window Rock, Navajo Nation (Arizona) 86515, and Timothy P. Lange & Diana Lange (C#306,641), hereinafter called the Lessee, whose address is P.O. Box 1812 Page, Arizona 86040, in accordance with the provisions of 25 U.S.C., Section 415 and 635, 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. 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 sales of fixtures, or good will, or the sale of improvements, including, but not limited to, corrals, buildings, livestock scales and holding pins.

2. LAND DESCRIPTION

For and in consideration of the rents, covenants, and agreements hereinafter set out, the Lessor hereby leases to the Lessee the following described premises:

A PARCEL OF LAND SITUATED WITHIN THE SOUTHEAST QUARTER (SE $\frac{1}{4}$) OF SECTION 29, TOWNSHIP 32 NORTH, RANGE 11 EAST, GILA AND SALT RIVER MERIDIAN, IN THE VICINITY OF TUBA CITY, COCONINO COUNTY, STATE OF ARIZONA AND IS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE at the Northeast Section Corner of Section 29, a found Bureau of Land Management Cadastral Survey Brass Cap dated 1962;

THENCE run S 36° 23' 42" W, 3,438.45 feet to the POINT OF BEGINNING of the herein described parcel of land;

THENCE S 44° 22' 00" E, 150.00 feet;

THENCE S 45° 38' 00" W, 285.72 feet;

THENCE N 44° 22' 00" W, 150.00 feet;

THENCE N 45° 38' 00" E, 285.72 feet to the Point of Beginning.

Being 0.9839 acre(s), more or less, in area, and being subject to any and all existing easements for underground utilities located therein.

Surveyed March 8, 1995 by the Navajo Land Department, The Navajo Tribe, Window Rock, Navajo Nation, Arizona.

All of the above land is located in Tuba City, County of Coconino State of Arizona, subject to any prior, valid, existing rights-of-way. There is reserved from the perimeter of the demised premises a right of way for utilities constructed by or on authority of the Lessor.

3. PURPOSE, UNLAWFUL USES

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

1. Provide hair care service to include but not limited to hair cutting, hair styling and facial care. Sale of hair care and facial care products. Manicure and Pedicure products and service.
2. Car Wash operation

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

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

4. TERM

The term of this Lease shall be 25 years, beginning on the date this Lease is approved by the Secretary.

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

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 Controller of the Navajo Nation, for the use and benefit of the Lessor, the greater of the following amounts as annual rental hereunder.

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

- 1.) Year 1 - 2 = No percentage rental (Development Period)
- 2.) Year 3 - 25 = 3.0% of gross receipt on all sales from Barbershop and Car Wash operation.

Rental Payments shall be sent to: The Navajo Nation Financial Services
Accounts Receivable Section
P.O. Box 3150
Window Rock, Arizona 86515

(b) The sum of \$ 5,000.00 as a Guaranteed Minimum Annual Rental (GMAR) hereunder.

It is acknowledged and agreed that Lessee's rental obligation hereunder is an obligation to pay either the percentage rental amounts more specifically defined in Section 6(a) above or the guaranteed minimum annual rent (GMAR) as more specifically set forth in Section 6(b) above, which ever amount is greater.

The Lessee must make monthly payments in advance equal to at least one-twelfth of the aforementioned minimum annual rental not later than the tenth (10th) day after the first day of the

month for which the rental is due. Lessee may elect to pay monthly rental in an amount based on the percentage rental rate on the month's gross receipts; however, no payment shall be less than one-twelfth on 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 the rental is due. All rental shall be deposited with the Controller of the Navajo Nation. When the annual accounting required by Section 7 of this lease is completed, the Lessee shall pay any balance due on any percentage rental, or if there is overpayment, the overpayment shall be credited toward future rents.

Rental unpaid ten (10) days after the due date shall bear interest at five percent (5%) per annum, in excess of the prime rate of interest as published by the Wall Street Journal, 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.

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

In the event a sublease, assignment, management agreement or transfer of this Lease or any right to or interest in this Lease or any improvements on the leased premises shall be entered into, the rent and other terms of this Lease shall be subject to renegotiation and the provisions of Section 14 of this Lease.

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 and the Lease may be subject to cancellation. With said statements, Lessee shall tender payment of any balance due for the preceding calendar year under the percentage rental fee as set forth in Section 6 above. Said statement shall be prepared by a Certified Public Accountant, licensed in the State of Arizona, New Mexico, or Utah, in conformity with standard accounting procedures. Any duly authorized representative of the United States Government, or any qualified accounting agent or agents appointed by the Lessor, shall have access to and the right to examine and audit any

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

8. IMPROVEMENTS

The Lessee, in consideration for the granting of this Lease, covenants and agrees that Lessee will construct a 112' x 70' building for barbershop and car wash with parking area at a cost of and having a reasonable value of \$ 350,000.00 or more. 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, who may require Lessee, at Lessee's expense, to remove improvements and restore the premises to its original state upon termination of this Lease. 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.

9. PLANS AND DESIGNS

Within one hundred eighty (180) days from the date this Lease is approved by the Secretary, Lessee shall submit to Lessor for approval, a general plan and architect's design for the complete development of the entire leased premises, together with a phased Program, by specific areas, of the developments included as a part of the general plan. Approval or disapproval of the general plan, architect's design or phased development programs shall be within the sole discretion of Lessor. Lessor's review of all plans or specifications pursuant to this Section is solely to protect the interests of the Lessor in the leased premises and the Lessor shall not be the guarantor of, nor be responsible for, the accuracy or correctness of any such plans. No change will be made in the general plan, architect's design, plots, surveys, or specifications without the consent of Lessor. 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 laws and Lessee shall comply with all applicable Tribal laws and regulations. Upon completion of the proposed improvements the Lessee shall provide the Lessor "as built" drawings depicting the improvements as a completed structure.

10. COMPLETION OF DEVELOPMENT

The Lessee shall complete the full improvement and development of the leased premises in accordance with the general plan and architect's design, submitted in accordance with Section 9 above, within 24 months from the beginning date of the term of this Lease. If Lessee fails to complete full development within such period, 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, 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 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. Lessee shall have the right during the term of this Lease to make limited alterations, additions or repairs to improvements on the premises in an amount not to exceed \$ 25,000.00 per year. Alterations, additions or repairs in excess of the above amount or any removal or demolition of an improvement shall not be made without the prior written approval of Lessor. Lessee shall indemnify and hold harmless the Lessor and the United States Government against liability for all claims arising from Lessee's failure to maintain said premises and the improvements thereon as hereinabove provided, or from Lessee's non-observance of any law, ordinance or regulation applicable thereto.

12. RENTAL AND PERFORMANCE BOND

Upon approval of the Lease by Secretary, Lessee agrees to post a corporate surety bond or other security acceptable to Lessor and the Secretary in a penal sum of \$ 5,000.00 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, a copy of which certificate shall be furnished the Secretary by Lessee. If U.S. Treasury Bonds are provided, Lessee agrees to make up any deficiency in the value of the bonds. Interest on said U.S. Treasury Bonds shall be paid to Lessee. Should waiver of bond or security be granted during the term of this Lease, 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.

13. CONSTRUCTION BOND

At Lessor's option, prior to the commencement of construction of any improvements 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 Secretary 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.

B. Depositing in escrow with the Secretary or an institution acceptable to the Secretary and Lessor, negotiable United States Treasury Bonds, or cash, or furnishing a non-revocable letter of credit satisfactory to Lessor and Secretary in an amount sufficient to pay the entire cost of construction of each building or other improvement then to be erected on the premises. If United States Treasury Bonds are provided, Lessee or his construction contractor shall make up any deficiency of the value deposited that might occur due to a decrease in the value of said bonds. Interest on said bonds shall be paid to Lessee or his construction contractor. The funds so deposited may then be used, at the option of Lessor and the Secretary, 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.

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 the difference between the amount of the loan and the total cost of the improvement.

14. SUBLEASE, ASSIGNMENT, 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 the 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.

Approval or disapproval of any sublease, assignment, management agreement, or transfer, for any purpose whatsoever, by the Lessee shall be within the sole discretion of Lessor. Approval of any sublease, assignment, management agreement, or transfer is subject to the approval of the Secretary. Lessor reserves the right to adjust the rental provisions of this Lease upon any sublease, assignment or transfer.

15. ENCUMBRANCE

This Lease, or any right to or interest in this Lease or any of the improvements on the leased premises, may not be encumbered without the written approval of the Lessor, the Secretary and sureties and no such encumbrance shall be valid without said approval.

An encumbrance must be confined to the leasehold interest of the Lessee or the subleasehold interest of a Sublessee, and shall not jeopardize in any way Lessor's interest in the land. Lessee agrees to furnish as requested any financial statements or analyses pertinent to the encumbrance that the Lessor and the Secretary may deem necessary to justify the amount, purpose and terms of said encumbrance.

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

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

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

(a) 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.

(b) To execute in favor of the encumbrancer a promissory note and a new encumbrance, which new encumbrance must be approved by the Secretary, for the full unpaid principal amount of the approved encumbrance, plus unpaid interest accrued to the date of such execution plus sale expenses incurred to the date of such execution, upon the same terms and conditions as originally provided by the approved encumbrance, and delivering to the encumbrancer a policy of title insurance in the face amount of such promissory note issued by a reputable title insurance company, and insuring that the new encumbrance is a first lien upon the 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.

If Lessee or Lessor exercises either of the above 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 Lessee or Lessor shall, on the same date, acquire the subleasehold; however, the acquisition of the subleasehold by Lessee or Lessor under these circumstances shall not serve to extinguish the sublease by merger with the Lease or otherwise.

In the event Lessee or Lessor does not avail himself of the above rights and any sale under the approved encumbrance occurs, whether by power of sale or foreclosure, the purchaser at such sale shall succeed to all of the rights, title, and interest of the Sublessee in the subleasehold covered by said encumbrance. It is further agreed that if the purchaser at such a sale is the encumbrancer, the encumbrancer may sell and assign the subleasehold without any further consent, provided that the

assignee shall agree in writing to be bound by all the terms and conditions of the sublease. If the encumbrancer is the purchaser, it shall be required to perform the sublease only so long as it retains title thereto. If a sale under the approved encumbrance occurs and the purchaser is a party other than the encumbrancer, approval by Lessor and the Secretary of any assignment will be required and said purchaser, as successor in interest to the Sublessee, shall be bound by all the terms and conditions of the sublease and will assume in writing all the obligations thereunder.

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

(a) To pay to the encumbrancer the full unpaid principal amount of the approved encumbrance plus unpaid interest accrued to the date of such payment, plus sale costs incurred to the date of such payment.

(b) To execute in favor of the encumbrancer a promissory note and a new encumbrance, which new encumbrance must be approved by the Secretary, for the full unpaid principal amount of the approved encumbrance, plus unpaid interest accrued to the date of such execution, plus sales 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.

If Lessor exercises either of the above 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.

In the event Lessor does not avail himself of the rights set forth in this Section and any sale under the approved encumbrance occurs, whether by power of sale or foreclosure, the purchaser at such sale shall succeed to all of the rights, title, and interest of the Lessee in the leasehold estate covered by said approved encumbrance. It is further agreed that if the purchaser at such sale is the encumbrancer, the encumbrancer may sell and assign the leasehold interest without any further consent, provided that the assignee shall agree in writing to be bound by all the terms and conditions of this Lease. If the encumbrancer is the purchaser, it shall be required to perform this Lease only so long as it retains title thereto. If a sale under the approved encumbrance occurs and the purchaser is a party other than the encumbrancer, approval by Lessor and the Secretary of any assignment will be required and said purchaser, as successor in interest to the Lessee, shall be bound by all the terms and conditions of this Lease and will assume in writing all the obligations thereunder.

16. LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES

Lessee shall not permit to be enforced against the leased premises or any part thereof, any liens arising from any work performed, materials furnished, or obligations incurred by Lessee. Lessee shall discharge all such liens before any action is brought to enforce same; further, Lessee shall pay before becoming delinquent, all taxes, assessments, licenses, fees, and other like charges levied during the term of this Lease upon or against the leased land and all interests therein and property thereon, for which either Lessee or Lessor may become liable. Upon request Lessee shall furnish Lessor and the Secretary written evidence duly certified that any and all taxes required to be paid by Lessee have been paid, satisfied, or otherwise discharged. Lessee shall have the right to contest any claim, asserted tax, or assessment against the property, by posting bond to prevent enforcement of any lien resulting therefrom, and Lessee agrees to protect and hold harmless Lessor, 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 sales 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.

17. LESSOR'S PAYING CLAIMS

Lessor shall have the option to pay any lien or charge payable by Lessee under this Lease, or settle any action therefor, if the

Lessee after written notice from the Lessor or Secretary fails to pay or to post bond against enforcement. All costs and other expenses incurred by Lessor in so doing shall be paid to Lessor by Lessee on demand, with interest at the rate of five percent (5%) per annum in excess of the prime rate of interest as published by the Wall Street Journal 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.

18. SANITATION

Lessee hereby agrees to comply with all applicable sanitation codes, requirements, or laws which may be related to the purpose of this document as set forth in Section 3 hereinabove. 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.

19. HAZARDOUS SUBSTANCES

Lessee shall not cause or permit any hazardous substance to be used, stored, generated or disposed of on or in the premises without first obtaining Lessor's written consent. If hazardous substances are used, stored, generated or disposed of on or in the premises except as permitted above, or if the premises become contaminated in any manner for which Lessee is legally liable, Lessee shall indemnify and hold harmless the Lessor 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 tenant. This indemnification includes, without limitation, any and all costs incurred due to any investigation of the site or any cleanup, removal or restoration mandated by the federal government or Navajo Nation. Without limitation of the foregoing, if Lessee causes or permits the presence of any hazardous substance on the premises and such results in contamination, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the premises to the condition existing prior to the presence of any such hazardous substance on the premises. Lessee shall first obtain Lessor's approval for any such remedial action.

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 \$ 100,000.00 for personal injury to one person and \$ 200,000.00 per

occurrence, and \$ 50,000.00 for property damage. Said policy shall be obtained from a reliable insurance company licensed to do business in the State in which the leased premises are located and shall be written jointly to protect Lessee, Lessor and the United States of America and shall provide for notification to Lessor prior to any cancellation or non-renewal of said policy for any reason including non-payment of premiums. A copy of said policy shall be furnished 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 discretion of Lessor, such adjustment is necessary for the protection of Lessor or the United States. Neither Lessor nor the United States Government, nor their officer, agents or employees, shall be liable for any loss, damage, death or injury of any kind whatsoever to the persons or property of Lessee or any other person whomsoever, caused by any use of the leased premises, or by any defect in any structure existing or erected thereon, or arising from any accidents, fire, or from any other casualty on said premises or from any other cause whatsoever and Lessee, as a material part of the consideration for this Lease, hereby waives on Lessee's behalf all claims against Lessor and the United States Government and agrees to hold Lessor and the United States Government free and harmless from liability for all claims for any loss, damage, injury or death arising from the condition of the premises or use of the premises by Lessee, together with all costs and expenses in connection therewith.

21. FIRE AND DAMAGE INSURANCE

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

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

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 terms 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 Lease shall terminate one hundred and twenty (120) days after the event of damage giving rise to Lessee's reconstruction option. The leased premises shall be cleared of debris at Lessee's expense prior to termination of the Lease. Lessee shall not be charged rent during the period of debris removal unless Lessee occupies the leased premises beyond the Lease termination date, after which the Lessee will be charged hold over rental as provided in Section 31. In the event Lessee does not reconstruct, all insurance proceeds shall be paid to Lessor.

Any encumbrancer shall be named as a beneficiary under all insurance policies required by this paragraph and in the event of loss or damage to the buildings on the leased property while an approved encumbrance remains unpaid, the amount of such loss or damage (but not exceeding the remaining balance of the approved encumbrance) shall be paid to the encumbrancer on the condition that the encumbrancer agrees to comply with the reconstruction obligations set forth herein. If such amount paid to the encumbrancer is sufficient to repair the loss or damage with respect to which it was paid, or if Lessor or Lessee shall within three (3) months after such payment by the insurer to the encumbrancer deposit with the encumbrancer enough money to completely repair the loss or damage, when added to the amount paid by the insurer to the encumbrancer, the encumbrancer shall, upon written order of Lessor or Lessee, pay such monies for such repair, and it shall not be deemed a payment or credit on the encumbrance; but otherwise, at the expiration of such three (3) months said sum so paid by the insurer to the encumbrancer shall

be applied and credited upon the approved encumbrance. It is understood and agreed that nothing stated herein shall relieve Lessee of his obligations to repair and/or replace the damaged improvement to a condition as good or better than before the damage occurred.

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

23. DEFAULT

Time is declared to be of the essence of this Lease. Should Lessee default in any payment of monies when due, fail to post bond or be in violation of any other provision of this Lease, said violation may be acted upon the Secretary in accordance with Title 25, Chapter 1, Part 162.14 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;

A. 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

B. Re-enter the premises 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 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 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 Section shall not exclude recourse to any other remedies, by suit or otherwise, which may be exercised by Lessor or the Secretary, or any other rights or remedies now held or which may be held by Lessor in the future.

If any approved encumbrancer shall give Lessor, before any default shall have occurred in this Lease, a written notice containing the name and address and the interest in the premises of such encumbrancer, Lessor shall thereafter give to such encumbrancer a copy of each notice of default by Lessee at the same time as such notice of default shall be given by Lessor to Lessee. Lessor shall accept such encumbrancer's performance of any of Lessee's covenants or other obligations under this Lease, with the same force and effect as though performed by Lessee. Upon providing such written notice, the encumbrancer shall have standing to pursue any appeals, permitted by applicable federal statute and regulation 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.

24. ATTORNEY'S FEES

Lessee agrees to pay and discharge all reasonable cost, attorney's fees and expenses that may be incurred by Lessor or the Secretary in enforcing provisions of this Lease.

25. NO PARTNERSHIP

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

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 and 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 United States 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 and/or subtenancies, but shall operate as an assignment to Lessor of any and all such subleases and/or subtenancies.

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. Service of any notice or demand shall be deemed complete ten (10) days after mailing or on the date actually received, whichever occurs first. Copies of all notices and demands shall be sent to the Secretary: Area Director, Bureau of Indian Affairs, Navajo Area Office, P.O. Box 1060, Gallup, New Mexico 87303-1060.

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. Lessee agrees to pay as hold over rental a daily rental computed at the rate of double the daily rental charged during the year immediately preceding termination of the Lease, from the day

following the termination date of the Lease until Lessee vacates the premises.

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.

33. NAVAJO PREFERENCE

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 Navajo individuals and certified contractors in compliance with the Navajo Preference in Employment Act, 15 NNC Section 601 et seq. ("NPEA"), and the Navajo Nation Business Preference Law, 5 NTC Section 201 et seq. ("NNBPL"). The terms and provisions of the NPEA and NNBPL are specifically incorporated in, and become a part of this Lease. Violation of such laws by the Lessee shall constitute a breach of this Lease and provide grounds for suspension or termination of the Lease or any other remedy prescribed by the NPEA and NNBPL.

34. MINERALS

All minerals and sand and gravel contained in or on leased premises, in whatever concentration are hereby reserved for the use of Lessor, together with the right of Lessor or its authorized agents or representative 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.

35. LEASE BINDING

This Lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the successor, heirs, assigns, executors, and administrators of the parties hereto.

36. 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.

37. VALIDITY

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

38. USE OF NAVAJO PRODUCED GOODS AND SERVICES

Lessee agrees to make all purchases of materials, equipment, goods, services and transportation from Navajo owned businesses as required by Navajo law.

39. AGREEMENT TO ABIDE BY NAVAJO AND FEDERAL LAWS

The Lessee and the Lessee's employees and 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.

40. JURISDICTION OF 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, 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 the Lessee's employees, agents and successors in interest from enjoying rights and privileges granted them by applicable federal laws.

41. SOVEREIGN IMMUNITY

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

Revised 11/93

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

Wiana Lange 1-21-96
LESSEE DATE
Wm. P. [Signature] 1-21-96
LESSEE DATE

NAVAJO NATION, LESSOR

By: [Signature]
VICE President, Navajo Nation

DATE APPROVED: FEB - 9 1996

~~DATE APPROVED:
Pursuant to Secretarial Redlegation
Order 209 DM8, Secretary's Order Nos.
3150 and 3177, and 10 BIAM Bulletin
13, as amended, and Navajo Area
Addendum to 10 BIAM 3.3E.~~

~~Superintendent, Western Navajo Agency
Bureau of Indian Affairs~~

Pursuant to Secretarial Redlegation Order
209 DM 8, Secretary's Order Nos. 3150 and
3177, and 10 BIAM Bulletin 13, as amended.

Genni Denetzone AUG 01 1997
ACTING Area Director, Navajo Area



LEASE MODIFICATION

It is hereby agreed by and between the NAVAJO NATION, Lessor, and Timothy P. Lange & Diana Lange, Lessees, and Frontier Insurance Company, 4250 Executive Square, Suite 200, La Jolla, CA. 92037, Surety, that the Lease covering the Tuba City Barbershop and Car Wash, Tuba City, Arizona, TC-97-174, be modified this 04 day of January, 2000 to provide:

Address Change, new address is as follow:

P.O. Box 4135
Tuba City, Arizona 86045

ARTICLE 3. Purpose, unlawful uses.

3. Professional Office and Retail spaces.
4. Residential spaces for owner/management people and for business security purposes. No permanent structure will be allowed on business site lease.

ARTICLE 6. Rental

Professional and retail space rental to be set at \$4.00 per square footage per year.

ARTICLE 40. Jurisdiction of Governing Law of Business Site Lease TC-97-174 is superseded by the following:

GOVERNING LAW AND CHOICE OF FORUM

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

The following additional clauses are included in the modification to protect the sovereign immunity of the Navajo Nation:

CONSENT TO JURISDICTION.

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

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 a similar challenge 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.

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.

This modification does not change any of the terms and conditions, or stipulations except as specified set forth herein. All other terms and conditions shall remain in force and effect.


Surety FRONTIER INSURANCE CO.
Y. LOPEZ - ATTORNEY-IN-FACT



Lessee (s)

THE NAVAJO NATION, LESSOR

BY:  1-4-2000
President, Navajo Nation

DATE: AUG 15 2000

Pursuant to Secretarial Redlegation Order 209
DM 8, Secretary's Order Nos. 3150 and 3177,
and 10 BIAM Bulletin 13, as amended.

ACTING 

By Regional Director, Navajo Bureau of Indian Affairs

542/Business Leasing

XXXXXXXXXXXXX
NAVAJO REGION
P. O. Box 1060
Gallup, New Mexico 87305

AUG 15 2000



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Timothy P. and Diana Lange
P. O. Box 4135
Tuba City, Arizona 86045

Dear Mr. and Ms. Lange:

Enclosed for your use and information is approved lease modification No. One to business site lease No. TC-97-174 entered into between the Navajo Nation and Timothy P. and Diana Lange. The lease is modified as follows:

Article 3, Purpose, unlawful uses. Adds: 3. Professional office and retail spaces, and 4. Residential space for owner/management and for security purposes. No permanent structures will be allowed on business site lease premises.

Article 6. Rental. Adds and sets professional and retail space rental at \$4.00 per square foot per year.

Article 40. Adds "Governing Law and Choice of Forum" term.

Also adds the following terms: "Consent to Jurisdiction"; "Covenant Not To Contest Jurisdiction", and "No Waiver of Sovereign Immunity".

Please note that other concerned parties will be provided a copy of the approved documents. If there are any questions, please call Frances Totsoni at (520) 871-5921.

Sincerely,

/S/ OMAR C. BRADLEY

ACTING Regional Director

Enclosure

cc: Land Titles and Records Office
Director, Division of Economic Development
Director, Financial Services, Accounts Receivable
Director, Land Department
Program Manager, Tuba City RBDO
Tuba City, RES

FILE COPY



THE NAVAJO NATION


RUSSELL BEGAYE
JONATHAN NEZ



March 24, 2016

MEMORANDUM

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

FROM: 
Lena D. Arviso, Accounting Manager
Accounts Receivable Section, OOC

SUBJECT: "Navajo Business and Procurement Act clearance check"

Pursuant to your memorandum dated March 22, 2016 (*Received in Account Receivable on 03/23/2016 @ 10:00 a.m.*) seeking a procurement clearance check on the following individual/ Business is as follows:

Name	Address/ BSL No./ Store Location	A. R. Debt Due	Action
Tuba City Barber Shop Post Office Box 2019 Tuba City, AZ 86045 <i>Timothy P Lange, and Diana Lange, Lessees</i>	BSL# TC97-174 AB# 186230 Post Office Box 4135 Tuba City, AZ 86045	\$ 28,283.75	Procurement not cleared. The business site lease account has a delinquent balance due of \$28,283.75 at 03/24/2016. The profit & loss statements for CY2000 through CY2015 also have not been submitted yet.

Thank you for complying with the "NNB&P ACT". Our office requests that all relevant information of the individual(s) / business (es) is provided to ensure accurate clearance check. The information contained in this memorandum is privileged and confidential. Therefore, when disseminating this information through the 164 review, block out information that are not applicable to the package if this procurement memo is to be included.

Should you have any questions, please contact Accounts Receivable Section at 871-6770. Thank you.

mj

CC: Accounts Receivable

THE NAVAJO NATION



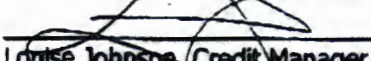
BEN SHELLY PRESIDENT
REX LEE JIM VICE PRESIDENT

Louise Johnson, Credit Manager

VIA: FACSIMILE

MEMORANDUM

TO: Dolly Lane, PEDS
Tuba City Regional Business Development Office
Division of Economic Development

FROM : 
Louise Johnson, Credit Manager
Navajo Nation Credit Services Department
OFFICE OF THE CONTROLLER

DATE: May 6, 2015

SUBJECT: **PROCUREMENT CLEARANCE**

Pursuant to your memo requesting for procurement clearance on the individual(s)/business is as follows:

XX The Individual(s)/business listed *do not have* loans outstanding with the *Navajo Nation Credit Services Department*.

Tuba City Hairworks Diana Lange, Owner/ Operator Business Site Lease: TC-97-174	P.O. Box 2019 Old address: P.O. Box 4135 Tuba City, AZ 86045	PROCUREMENT CLEARED
---	--	---------------------

Should you have any questions, please contact our office at (928) 871-6749.

Xc: File/Chrono



THE NAVAJO NATION

DR. JOE SHIRLEY, JR.
PRESIDENT

BEN SHELLY
VICE PRESIDENT

June 18, 2009

Diane Lange
Barbershop/Hairworks
P. O. Box 1435
Tuba City, AZ 86045

Re: Insurance renewal

Dear Mr. Lange:

Please be informed that our office needs a current copy of Certificate of Liability Insurance on your business site lease located in Tuba City, Arizona for BSL TC-97-174.

Your insurance for your business site we have on file expired. Please provide a copy of your new insurance policy for the current year. You need to provide a copy of your insurance policy on a yearly basis for liability, fire & casualty insurance. Please read your lease.

The certificate holder is BIA, Navajo Area Office of Real Estate, P. O. Box 1060, Gallup, NM 87305. BIA will need a copy for their records, and we need a copy for our client file.

Please fax a copy to our office at (928) 283-3015. If you have any questions, call me at (928)-283-3013.

Your assistance will be greatly appreciated.

Sincerely,


Genevieve Keetso-Bighorse
Principal Economic Development Specialist



THE NAVAJO NATION

DR. JOE SHIRLEY, JR.
PRESIDENT

BEN SHELLEY
VICE PRESIDENT

June 29, 2009

Diane Lange
Hairworks Barbershop
P. O. Box 2019
Tuba City, AZ 86045

Re: Performance Bond

Dear Ms. Lange:

Please be informed that our office needs a current copy of your performance bond for your business site located in Tuba City, Arizona for BSL TC-97-174.

Your performance bond for your business site we have on file has expired. Please provide a copy of your performance bond for the current year. You need to provide a copy of your performance bond on a yearly basis.

Please fax a copy to our office at (928) 283-3015. If you have any questions, call me at (928) 283-3013.

Your assistance will be greatly appreciated.

Sincerely,


Genevieve Keetso-Bighorse
Economic Development Specialist



**THE
NAVAJO
NATION**



November 8, 2010

Diana Lange
Tuba City Hairworks
P.O. Box 4135
Tuba City, AZ 86045

Dear Ms. Lange:

Our office received the attached Procurement Clearances from Sandra Yellowhair, Supervisor, Accounts Receivable Section/OOC dated October 14, 2010. According to this clearance, as of October 14, 2010, Business Site Lease TC-97-174 had a delinquent rental of \$3,713.34.

This is not a collection but be inform that if there is an outstanding rental account with the Navajo Nation, any business site lease transaction for approval cannot be processed. Therefore the expired sublease of Beckwith Insurance Agency cannot be processed until the delinquent rental is paid and cleared.

Again, please review the attached letter dated September 22, 2010 and pay special attention to the number of things that needed to be completed before the new sublease of Beckwith Insurance Agency can be processed. Our office will be submitting a request for a new procurement clearance on the Business and Industrial Development Fund Loan of Timothy P. & Diana Lange. When the information becomes available, it will be shared with you.

Your immediate attention is requested. If you have any question, contact our office at (928)-283-3012.

Sincerely,

Dolly Lane,
PEDS

Enclosures
Business Site Lease TC-97-174 file



THE NAVAJO NATION
OFFICE OF THE CONTROLLER
Accounts Receivable Section
P.O. Box 3150, Window Rock, AZ 86515

Telephone No: (928) 871- 6770, 6411, 6769 • Fax No: (928) 871-6026

Joe Shirley, Jr.
President

Bennie Shelly
Vice President

October 14, 2010

MEMORANDUM

RECEIVED

TO: Dolly Lane, Acting Program Manager
Tuba City Regional Business Development Office
Division of Economic Development

OCT 25 2010

FROM:

Sandra Yellowhair 10/14/10
Sandra Yellowhair, Supervisor
Accounts Receivable Section/OOC

Tuba City - RBDO

SUBJECT: **"Navajo Business and Procurement Act" clearance check"**

Pursuant to your request dated October 08, 2010 (Received in Accounts Receivable Section on 10/08/2010 at 2:40 p.m.) seeking procurement clearance check on the following individual/ Business is as follows:

Name Address	BSL# / Account Information	A R Debt Due	Action
Timothy P. & Diana Lange	TC97-174 AB# 186230 Tuba City Barber Shop PO Box 4135 Tuba City, AZ 86045	\$3,713.34	The business site lease has an outstanding balance of \$3,713.34 as of 10/08/2010. The Profit and Loss statements are not received for CY 2000 – 2009.

Thank you for complying with the "NNB&P ACT". Our office requests that all relevant information of the individual(s) / business (es) is provided to ensure accurate clearance check. The information contained in this memorandum is privileged and confidential. Therefore, when disseminating this information to the 164 reviewers, block out information that are not applicable to the SAS package if this procurement memo is to be included. Should you have any questions please contact our office at 871-6771, 6322 & 6769.



BEN SHELLY PRESIDENT
REX LEE JIM VICE PRESIDENT

CERTIFIED LETTER - RETURN RECEIPT REQUIRED

May 15, 2014

Diane Lange
Tuba City Hairworks
P.O. Box 2019
Tuba City, Arizona 86045

RE: Outstanding delinquent accounts with the Navajo Nation

Dear Ms. Lange:

Our office received the Procurement Clearance Checks from Navajo Nation Office of the Controller, Accounts Receivable Section for the business site lease rental and the Division of Economic Development, Support Services Department for the small business loan. The amount owing on each account is as follow:

- 1.) Accounts Receivable Section – Rental on Business Site Lease TC-97-174 = \$17,585.29
As of April 15, 2014
- 2.) Business and Industrial Development Fund, Loan # 8276 – Past Due = \$4,500
Balance = \$32,563.72
As of May 02, 2014

There are two options to resolving these outstanding delinquent accounts with the Navajo Nation, and they are as follow:

- 1.) Do a settlement agreement on each of the delinquent account, this will require you to pledge an amount that will be acceptable by Navajo Nation Department of Justice, for the rental account an acceptable amount can be \$5,000 or more, the remaining amount will be written-off. On the Loan, an acceptable amount can be \$10,000 or more and the rest would have to be put on a new payment plan. Upon approval of the Settlement Agreements by the Navajo Nation, our office will process a Mutual Termination of Business Site Lease TC-97-174, (voluntary relinquishment of the Lease).
- 2.) If option 1 is not feasible, our office will have to pursue a Unilateral Termination of Business Site Lease TC-97-174. This is a force termination and all outstanding delinquent accounts will become part of your record. You and any other person named on the Lease will not be able to do business with the Navajo Nation until these outstanding accounts are cleared.

Western Regional Business Development Office
Small Business Development Department/DIVISION OF ECONOMIC DEVELOPMENT
P.O. Box 485 Tuba City, (Navajo Nation) Arizona 86045
Phone (928) 283-3014 ♦ Fax (928) 283-3015

Certified Letter to Diane Lange

RE: Outstanding delinquent accounts with the Navajo Nation

05-15-14

Pg. 2

Our office is giving you thirty (30) days from the date of this letter to submit a written response explaining how you plan to address these delinquent accounts. If our office does not receive a written response within the 30 days, our office will pursue a unilateral termination.

If you have any question, contact our office at (928)-283-3014.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dolly Lane", is written over a light gray rectangular background.

Dolly Lane

Principal Economic Development Specialist

Enclosures

Cc: Business Site Lease TC-97-174 file

SEND TO ADDRESSEE **COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Diane Lange
Tuba City Hair Works
P.O. Box 2019
Tuba City, Arizona 86045

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

Diane Lange

12/1/03

D. Is delivery address different from item 1?

☒ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Tr from service label)

7008 3230 0003 4854 2287

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

CERTIFIED LETTER - RETURN RECEIPT REQUIRED

June 8, 2015

Diane Lange
Tuba City Hairworks
P.O. Box 2019
Tuba City, Arizona 86045

RE: Unilateral Termination of Business Site Lease TC-97-174

Dear Ms. Lange:

Our office received an updated procurement clearance from Navajo Nation Credit Services Department and Navajo Nation Office of the Controller, Accounts Receivable Section. Accounts Receivable Section provided a Procurement Clearance with a balance of \$23,378.51, an increase of \$5,793.22 from April 15, 2014.

On May 2, 2014, there was also a balance of \$32,563.72 with a Past Due of \$4,500 on the Business and Industrial Development Fund Loan (BIDF) Account with Division of Economic Development, Support Services Department, Loan #8276.

This will serve as an official notification to Lessee, Diane Lange & Timothy Lange that Business Site Lease TC-97-174 is going to be unilaterally terminated. **Our office will give you 30 days from the date of this letter to provide a written letter with information on how the outstanding rental is being resolved or if paid off, provide a receipt of the full payment.** Any information on the re-payment of the loan should be provided to our office as well.

Although Division of Economic Development, Support Services Department's Procurement Clearance is not required for the unilateral termination of the Business Site Lease under the Bureau of Indian Affairs Business Site Lease Regulations, the outstanding delinquent loan of \$32,563.72+ will become the record of the Lessee and Lessee cannot do business with the Navajo Nation until the Lease rental and the BIDF loan debts are paid off with the Navajo Nation.

If you have any question, contact our office at (928)-283-3014.

Sincerely,

Dolly Lane
Principal Economic Development Specialist

cc; Business Site Lease TC-97-174 file

Western Regional Business Development Office
Small Business Development Department ♦ DIVISION OF ECONOMIC DEVELOPMENT
P.O. Box 485 Tuba City, Navajo Nation (Arizona) 86045 • (928) 283-3011/3014 • Fax: (928) 283-3015

7012 2920 0001 8793 5037

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
Registered Mail Only; No Insurance Coverage Provided

For delivery information visit our website at www.usps.com®

TUBA CITY, AZ 86045

Postage	\$	\$3.45
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees		\$6.25



Sent To **Tuba City Hair Works**
Diane Lange
Street, Apt. No.,
or PO Box No. **P.O. Box 2019**
City, State, ZIP+4 **Tuba City, AZ 86045**

PS Form 3800, August 2006

See Reverse for Instructions



THE NAVAJO NATION

RUSSEL BEGAYE, PRINCIPAL
JONATHAN NEZ, VICE PRINCIPAL

MAILED
STUZZO

May 14, 2015

MEMORANDUM

TO: Dolly Lane, Principal EDS
Regional Business Development Office
Division of Economic Development

FROM: *Lena D. Arviso*
Lena D. Arviso, Accounting Manager
Accounts Receivable Section, OOC

SUBJECT: "Navajo Business and Procurement Act clearance check"

RECEIVED

MAY 19 2015

Western Regional
Business Development Office

Pursuant to your memorandum dated May 6, 2015 (Received in Account Receivable on 05/07/15 at 4:00 p.m.) seeking a procurement clearance check on the following individual/ Business is as follows:

Tuba City Hairworks Post Office Box 4135 Tuba City, AZ 86045 <i>Diana Lange, Owner Operator</i>	BSL# TC97-174 AB# 186230 Post Office Box 2019 Tuba City, AZ 86045	\$ 23,378.51	Procurement not cleared. This business site lease has a delinquent balance of \$23,378.51 as of 05/14/15. This balance includes GMAR and interest through May 11, 2015. The profit & loss statements are not submitted for CY 2000 through CY 2014.
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Thank you for complying with the "NNB&P ACT". Our office requests that all relevant information of the individual(s) / business (es) is provided to ensure accurate clearance check. The information contained in this memorandum is privileged and confidential. Therefore, when disseminating this information to the 164 reviewers, block out information that are not applicable to the SAS package if this procurement memo is to be included.

Should you have any questions, please contact Accounts Receivable Section at 871-6771 or 6127. Thank you.

mj

Accounts Receivable File



THE NAVAJO NATION

RUSSELL BEG. E

JONATHAN NEZ

V. J. D. S.

CERTIFIED LETTER - RETURN RECEIPT REQUIRED

October 27, 2015

Diane Lange
Tuba City Hairworks
P.O. Box 2019
Tuba City, Arizona 86045

RE: Unilateral Termination of Business Site Lease TC-97-174

Dear Ms. Lange:

Our office has made several attempts to allow you to address the delinquent rental account of Business Site Lease TC-97-174 (Lease). As of October 22, 2015 the accumulated rental has increased to \$25,813.75 with no record of any payments. The certified letter dated June 8, 2015 (copy enclosed) informed you that our office was giving you 30 days from the date of the letter to address and pay off all outstanding rental account with the Navajo Nation. There was no written response or any type of written communication from you regarding the delinquent rental.

Base on the updated procurement clearance dated 10-22-15 and the certified letter dated 06-08-15, our office will pursue with a unilateral termination of Lease. This unilateral termination of the Lease does not relieve you, Tuba City Hairworks and any person named on the Lease from any outstanding debts with the Navajo Nation, this includes the BIDE Loan #8276.

If these outstanding debts have been paid in full, please provide our office with a written receipt of full payments within 30 days from the date of the letter. Contact our office at (928)-283-3014 for any questions.

Sincerely,

Dolly Lane

Principal Economic Development Specialist

Enclosures

Cc: Business Site Lease TC-97-174 file

Western Regional Business Development Office
Small Business Development Department ♦ DIVISION OF ECONOMIC DEVELOPMENT
P.O. Box 485 Tuba City, Navajo Nation (Arizona) 86045 • (928) 283-3011/3014 • Fax: (928) 283-3015

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Diane Lange
Tuba City Hairworks
P.O. Box 2019
Tuba City, AZ 86045

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Tamara Tabery* ☐ Addressee

B. Received by (Printed Name)

Tamara Tabery

C. Date of Delivery

2/22/04

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7012 2920 0001 8793 5105

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



THE NAVAJO NATION

RUSSELL BIGAYE

JONATHAN NIZ

October 22, 2015

MEMORANDUM

TO: Dolly Lane, Principal EDS
Regional Business Development Office
Division of Economic Development

FROM:

Leta D. Arviso
Leta D. Arviso, Accounting Manager
Accounts Receivable Section, OOC

SUBJECT: "Navajo Business and Procurement Act clearance check"

Pursuant to your memorandum dated October 9, 2015 (*Received in Account Receivable on 10/19/15 @ 9:02 a.m.*) seeking a procurement clearance check on the following individual/ Business is as follows:

Tuba City Hair Works Address: Post Office Box 2019 Tuba City, AZ 86045	BSL: TC97-174 AB# 186230 Post Office Box 4135 Tuba City, AZ 86045	\$ 25,813.75	Procurement not cleared. This business site lease has a delinquent balance due of \$25,813.75 as of 10/22/2015. The profit & loss statements (P&L) for CY 2000 through CY2014 have not been submitted. <i>The P&L statements are due on or by April 15th of each calendar year as stipulated in the lease agreement.</i>
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Thank you for complying with the "NNB&P ACT". Our office requests that all relevant information of the individual(s) / business (es) is provided to ensure accurate clearance check. The information contained in this memorandum is privileged and confidential. Therefore, when disseminating this information through the 164 review, block out information that are not applicable to the package if this procurement memo is to be included.

Should you have any questions, please contact Accounts Receivable Section at 871-6770. Thank you.

m1

Accounts Receivable



BEN SHELLY P... E...
REX LEE JIM V C... R... SIDENT

CERTIFIED LETTER - RETURN RECEIPT REQUIRED

November 25, 2014

Diane Lange
Tuba City Hairworks
P.O. Box 2019
Tuba City, Arizona 86045

Dear Ms. Lange,

Our office received information that you will be closing your business in December 2014. I made a site visit to Tuba City Hair Works business establishment on November 17, 2014 to obtain additional information but you were not in so I just left a message with a worker to contact me when you returned.

Our office would like to obtain additional information on your plans for business site lease TC-97-174. In our May 15, 2014 certified letter, our office provided information on how you could address the delinquent rental account and the delinquent loan account with the Navajo Nation.

At our meeting on June 19, 2014 you informed our office that you might sell your building to Tuba City Insurance. I provided you information on how to proceed with an Assignment of the business site lease if this was the case. I also stated there needs to be a Purchase Agreement which I volunteered to provide a sample copy but later I found out this Purchase Agreement has to come from the bank that will finance the building for the buyer. If there is going to be a purchase involved, you need to know that in order to process an Assignment of the Business Site Lease, our office will have to request for Procurement Clearances. This means all outstanding account with the Navajo Nation has to be cleared. Tim Lange has to sign off on the Assignment too.

If another entity is going to purchase the business building and take over the building, our office recommends that you offer some of this money to the Navajo Nation to settle the two outstanding accounts, see letter dated May 15, 2014, option 1. Our office will request for an updated Procurement Clearances and determine an amount that might be acceptable by Navajo Nation Department of Justice to clear the rental account and to do a new payment schedule on the Loan if this has not been done within the last 5 years for the loan account (Loan #8276).

Western Regional Business Development Office
Small Business Development Department/DIVISION OF ECONOMIC DEVELOPMENT
P.O. Box 485 Tuba City, (Navajo Nation) Arizona 86045
Phone (928) 283-3014 ♦ Fax (928) 283-3015

Certified Letter to Diane Lange
RE: Business Closure
November 25, 2014
Page 2

As stated in May 15, 2014 letter, the last option is for our office to pursue a unilateral termination of Business Site Lease TC-97-174. If our office proceeds with this last option, all outstanding debt with the Navajo Nation will become the record of the Lessees and Lessees will not be permitted to do business with the Navajo Nation.

Please contact our office to discuss further how you plan to take care of this matter. Our office will give you 30 days from the date of this letter to submit a written response. If you have any question, contact our office at (928)-283-3014.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dolly Lane".

Dolly Lane,
Principal Economic Development Specialist

Enclosures
Cc: Business Site Lease TC-97-174 file

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Diane Lange
Tuba City hairworks
P.O. Box 2019
Tuba City, AZ 86045

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

R. J. Smith

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☒ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7008 3230 0003 4854 2430

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE



MEMORANDUM

TO : 164 Reviewers
The Navajo Nation

FROM : *Dolly Lane* *Halt 2/25/16*
Dolly Lane, PEDS
Western Regional Business Development Office
Division of Economic Development

DATE : February 25, 2016

SUBJECT : Executive Summary - Termination of Business Site Lease TC-97-174

Business Site Lease TC-97-174 (Lease) was approved by the Bureau of Indian Affairs on August 01, 1997, Lessees being Timothy P. & Diana Lange (Lessees). It was first discovered that the Lease had a delinquent rental account of \$3,713.34 on October 14, 2010 after a procurement clearance was requested to OOC-Accounts Receivable Section. A letter dated November 8, 2010 was mail to Lessee requesting payment on the delinquent rental.

Letters dated June 18, 2009 and June 29, 2009 requested for current Performance Bond and current insurance policies for the Lease. In the letters, Lessee was informed to submit current Performance Bond and Insurance on a yearly basis. There was no response to this request from Lessee.

In 2011 & 2012, Western Regional Business Development Office (WRBDO) and Mrs. Lange tried to work out the delinquent rental through a settlement agreement but Mr. Lange never provided a written agreement to a Settlement Agreement and Mrs. Lange did not come up with any funds to proceed with a Settlement Agreement.

The delinquent rental increased over the years, as of October 25, 2015 the delinquent rental has increased to \$25,813.75 with no proof of any payment from Lessee. There are other businesses that have expressed an interest in the business site and it is in the best interest of the Navajo Nation to terminate the Lease and put another business into the business site.

All supporting documents are here attached. Your favorable consideration and approval to terminate the said Lease will be appreciated. If you have any question, contact our office at (928)-283-3014.

Enclosures
Cc: BSL TC-97-174

Western Regional Business Development Office
Small Business Development Department ♦ DIVISION OF ECONOMIC DEVELOPMENT
P.O. Box 485 Tuba City, Navajo Nation (Arizona) 86045 • (928) 283-3011/3014 • Fax: (928) 283-3015



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

March 29, 2016

Honorable Walter Phelps
The 23rd Navajo Nation Council
Window Rock, AZ 86515

RE: Legislation sponsorship-Business Site Lease TC-97-174 Termination

Dear Honorable Delegate Phelps:

Document No. 5574 completed the 164 review process with Navajo Nation Department of Justice being the last to review the document. The document consists of a Business Site Lease TC-97-174 termination for the following cause; 1.) Section 6.b. Rental – outstanding rental of \$28,283.75 as of March 24, 2016, 2.) Section 12. Rental & Performance Bond – there is no Performance Bond on file, 3.) Section 20. Public Liability Insurance – there is no current Public Liability Insurance on file and Lessee has been provided plenty of opportunities by certified letters to cure all deficiencies but failed to correct the deficiencies.

This particular business site lease is an approved Bureau of Indian Affairs (BIA) Business Site Lease and Lessees being Timothy & Diana Lange dba: Tuba City Hair Work, business is located in Tuba City, Arizona.

Western Regional Business Development Office has exhausted all efforts to allow Lessee to address the deficiencies and it is in the best interest of all parties involved to terminate Business Site Lease TC-97-174. This Lease Termination will open up an opportunity to other interested business people to utilize the business site which will benefit the community and generate revenue for the Navajo Nation through future lease rental payments.

Your approval to sponsor this document for Legislation will be appreciated. If you have any question, I can be contacted at (928)-283-3014.

Sincerely,

Dolly Lane
Principal Economic Development Specialist

Enclosures

Cc: Business Site Lease TC-97-174 file

No. 5574

Date Issued: 3/1/2016

EXECUTIVE OFFICIAL REVIEW

Title of Document: Termination BSL #TC-97-174 Timothy P. & Diane Lange

Contact Name: Dolly Lane, Principal Economic Development Specialist

Program/Division: REGIONAL BUSINESS DEVELOPMENT OFFICE – Western Navajo/DED

Email/Phone Number: djl_lane@hotmail.com (928) 283-3014

Business Site Lease

Sufficient Insufficient

- | | | | | | | | |
|-------------------------------------|---|----------------------------------|-------|----------------|-------------------------------------|--------------------------|--------------------------|
| <input checked="" type="checkbox"/> | 1. Division: | <u>EL Dan</u> | Date: | <u>3-04-16</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| <input type="checkbox"/> | 2. Office of the Controller: | <u>Jenna D. Arneson</u> | Date: | <u>3-8-16</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) | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | 3. Office of the Attorney General: | <u>UOT See yellow post sheet</u> | Date: | <u>3/20/16</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

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

- | | | | | | | |
|--------------------------|------------------------------------|-------|-------|-------|--------------------------|--------------------------|
| <input type="checkbox"/> | 1. Division: | _____ | Date: | _____ | <input type="checkbox"/> | <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

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

Navajo Housing Authority Request for Release of Funds

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

Lease Purchase Agreements

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

Grant Applications

- | | | | | | | |
|--------------------------|-------------------------------------|-------|-------|-------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> | 1. Office of Management and Budget: | _____ | Date: | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | 2. Office of the Controller: | _____ | Date: | _____ | <input checked="" type="checkbox"/> | <input checked="" 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

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

Relinquishment of Navajo Membership

<input type="checkbox"/> 1. Land Department:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 2. Elections:	_____	Date: _____	<input type="checkbox"/>	<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

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

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

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

Rights of Way

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

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

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

Assignment of Mineral Lease

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

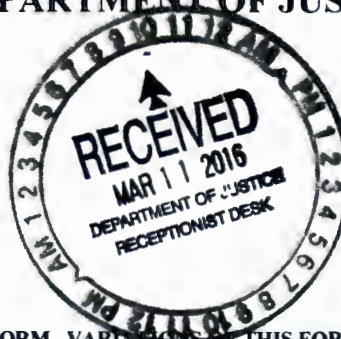
ROW (where there has been no delegation of authority to the Navajo Land Department to grant the Nation's consent to a ROW)

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



NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM



DOJ
3/11/16 9:48 a.m.
DATE / TIME
<input type="checkbox"/> 7 Day Deadline
DOC #: 5574
SAS #:
UNIT: ECDU

☐ RESUBMITTAL

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

CLIENT TO COMPLETE

DATE OF REQUEST:	3/9/2016	DIVISION:	Division of Economic Development
CONTACT NAME:	Dolly Lane	DEPARTMENT:	Western RBDO
PHONE NUMBER:	(928)-283-3014	E-MAIL:	Djj_lane@hotmail.com

TITLE OF DOCUMENT: Approving Business Site Lease TC-97-174 Termination for non-payment of rental, no performance bond and no insurance.

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT:	3/11/16 @ 11am	REVIEWING ATTORNEY/ADVOCATE:	Latoria
--------------------	----------------	------------------------------	---------

DATE TIME OUT OF UNIT:

DOJ ATTORNEY / ADVOCATE COMMENTS

emailed Dolly on 3/11 @ 1030am. Dolly is going to obtain an updated PC form OOC. The amt and date should be

REVIEWED BY: (Print)	Date / Time	SURNAMED BY: (Print)	Date / Time
LBJ	3/21/16 2pm	LBJ	3/21/16 2pm

DOJ Secretary Called: _____ for Document Pick Up on _____ at _____ By: _____

PICKED UP BY: (Print) LBJ Lane Dolly Lane DATE / TIME: 3/21/16 2pm

NNDJ/DRRF-July 2013



will drop off document.
- attach it
& return to LBJ

reflected in the Termination.