RDCAP-21-16

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

AN ACTION
RELATING TO RESOURCES AND DEVELOPMENT; APPROVING BUSINESS SITE LEASE NO. NN-ENA-CRIP-001-2016 FOR THOMPSON'S ACQUISITIONS, LLC., ON FEE LAND WITHIN THE CHURCH ROCK INDUSTRIAL PARK, CHURCHROCK CHAPTER, NAVAJO NATION (MCKINLEY COUNTY, NEW MEXICO)

BE IT ENACTED:

SECTION ONE. AUTHORITY

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

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

SECTION TWO. FINDINGS

A. Thompson's Acquisitions, L.L.C., has requested that the Resources and Development Committee approve Business Site Lease No. NN-ENA-CRIP-001-2016, attached as **Exhibit A**, to be used to house a mini-mart, a self-serve gasoline station, a franchise fast food restaurant and possible United States Post Office.

B. The location of the Business Site Lease No. NN-ENA-CRIP-001-2016 is within the Church Rock Industrial Park on fee land. See legal description on pages one and two of **Exhibit A** and **Exhibit B**.

C. The Leasehold Credit Rules and Listing of Improvements are attached as **Exhibit C**. The Environmental Summary is attached as **Exhibit D**. The Procurement Clearance is attached as **Exhibit E**. Senior Appraiser's letter is attached as **Exhibit F**. The Certificate of Good Standing is attached as **Exhibit G**. Churchrock Chapter resolution CRC-060820 is attached as **Exhibit H**.

D. It is in the best interest of the Navajo Nation to approve Business Site Lease No. NN-ENA-CRIP-001-2016, attached as **Exhibit A.**

SECTION THREE. APPROVAL

A. The Navajo Nation Council's Resources and Development Committee hereby approves Business Site Lease No. NN-ENA-CRIP-001-2016, attached as **Exhibit A,** between the Navajo Nation and Thompson's Acquisitions, LLC.

B. The Navajo Nation hereby authorizes the Navajo Nation President to execute Business Site Lease Number NN-ENA-CRIP-001-2016 as approved by this resolution.

C. The Navajo Nation hereby directs the Economic Development Division to ensure NN-ENA-CRIP-001-2016 is properly recorded and distributed.

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 Nation Council, (Navajo Nation) Window Rock, Arizona, at which quorum was present and that same was passed by a vote of 3 in favor, 0 opposed, 2 abstained this 5th day of April, 2016.

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

Motion: Honorable Leonard H. Pete
Second: Walter Phelps

(NOTE: Chairman Alton Joe Shepherd stated he will vote in favor of the legislation based on the discussion and documentation presented confirms the matter was properly processed in the internal executive review process. Further, 5 N.N.C. §2302 and 12 N.N.C. §1702 were cited as references citations).

Lease Agreement

OFF RESERVATION
LEASE (FEE LAND)

LEASE NO. NN-ENA-CRIP-001-2016

THE NAVAJO NATION
and
THOMPSON'S ACQUISITIONS, LLC

THIS LEASE is made and entered into this _____ day of February, 2016, by and between THE NAVAJO NATION, hereinafter called the "Lessor," whose address is Post Box 9000, Window Rock, Navajo Nation (New Mexico) 86515, and the Thompson's Acquisitions, LLC hereinafter called the "Lessee," whose address is P. O. Box 85, Church Rock, New Mexico 87311, in accordance with the provisions of 2 N.N.C. § 501(B)(2).

1. **DEFINITIONS.**

(A) *"Approved Encumbrance"* means an encumbrance approved in writing by Lessor and the Secretary in accordance with the terms and conditions of this Lease.

(B) *"Encumbrancer"* means the owner and holder of an Approved Encumbrance, including all successors and assigns.

(C) *"Hazardous Substance"* means any "hazardous substance" as defined under the provisions of section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601(14), including all amendments or successors thereto, and "petroleum" as defined under the provisions of section 9001(8) of the Resource Conservation and Recovery Act, 42 U.S.C. § 6991(8).

(D) *"Storage Tank"* means an "underground storage tank" as defined under the provisions of section 6991(1) of the Resource Conservation and Recovery Act, 42 U.S.C. 6901 *et seq.*, including all amendments and successors thereto, notwithstanding what percent of volume is located beneath the surface of the ground.

2. **LEASED PREMISES.**

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

A parcel of land located in Tract #37 of Section 14, Township 15 North, Range 17 West, N.M.P.M. McKinley County, New Mexico

situated in the Church Rock area and being more particularly described as follows:

Commencing at the Point of Beginning a point of intersection of the Northerly Right of Way line of U.S. Interstate 40 and Westerly Right of Way line of Route 566 which bears South 83°46'48" West, a distance of 2.049.25 feet from the East Quarter (1/4) corner of said Section 14:
thence North 85°46'59" West, a distance of 757.28 feet along said northerly Right of Way line of U.S. Interstate 40 to a Rail Right of Way marker;
thence North 04°46'59" East, a distance of 293.17 feet;
thence North 73°19'21" East, a distance of 175.63 feet;
thence North 82°46'00" East, a distance of 607.11 feet to the westerly Right of Way line of Route 566;
thence along westerly right of Way of Route 566, South 04°47'04" West, a distance of 476.53 to the Point of Beginning. Said Parcel containing 6.89 Acres more or less in area and being subject to any restrictions, easements and reservation of record.

Said Property is shown on the attached survey plat marked as Exhibit "A", which by reference is made part hereof.

3. **PURPOSE, UNLAWFUL USES.**

(A) Lessee shall develop, use and occupy the Leased Premises for the purpose of:

House a mini-mart, a self-serve gasoline station, a franchise fast food restaurant and possible United States Post Office.

(B) The Leased Premises shall not be used by Lessee for any other purpose, except with the prior written consent of Lessor. The consent of Lessor may be withheld, granted or granted upon conditions, in the sole discretion of Lessor.

(C) Lessee agrees not to use or permit to be used any part of the Leased Premises for any unlawful conduct or purpose.

4. **TERM.**

The term of this Lease shall be thirty-five (35) years, beginning on the date this Lease is approved by the Lessor.

Lessee may exercise options to renew for one additional term of twenty-five (25) years, and a second additional term of

ten (10) years. Both options may be granted provided the Lease is not in default. Lessee shall give written notice of its intent to renew this Lease to the Division Director of the Division of Economic Development ~~or successor or the General Manager of the Navajo Nation Shopping Center, Inc. or successor, whichever applicable,~~ at least one year, prior to the expiration date of this Lease. Renewal of this Lease is subject to the written approval of the Navajo Nation President and applicable provisions of Navajo Nation law and the Tribal Regulations, including all amendments and successors thereto.

5 RENTAL.

1. The Lessee, in consideration of the foregoing, covenants and agrees to pay in lawful money of the United States of America to the Navajo Nation Business Industrial Development Fund, Post Office Box 663, Window Rock, Arizona 86515 for the use and benefit of the Lessor the following:

   $57,060.00 per annum ($4,755.00 per month)

   less leasehold credits in the amount of $825,047.00.

   The Lessee shall be granted leasehold credits for their portion of the cost of any future improvements. Leasehold credits shall not exceed $4,755.00 per month and the leasehold credits for fourteen (14) years and five (5) months. See Exhibit "B" Leasehold Credit Rules. *(Leasehold credits for 14.5 years.)*

2. Lessee must make monthly rental payments and all rental shall be deposited with the Navajo Nation Business Industrial Development Fund. When the annual accounting required by Section 1.3, Part II, of this Lease is completed, the Lessee shall pay any balance due on any rental or percentage rental, if applicable, or if there is an overpayment, the overpayment shall be credited toward future rents.

3. Rental shall be paid on the 1st of each month, if rental is unpaid ten (10) days after the due date, the Lessee shall be subject to a late charge. Should the Lessee not pay rent within thirty (30) days after the due date, the Lessee shall be subject to a late charge

of 18% of the monthly amount due, however such amount shall be prorated for each day the rent is not paid until the thirtieth day after the due date, the amount above shall be paid in full. If the Lessee does not pay the full amount within sixty (60) days the Lessee shall be subject to an additional late charge of 10% of the monthly amount due. If the Lessee does not pay the full amount within ninety (90) days, the Lessee shall be subject to an additional late charge of 10% of the amount due, and the lease shall be subject to termination.

4. In the event a sublease, assignment, amendment or transfer of this Lease, or any right to or interest in this Lease, or any improvements are made to the leased premises, the rent and other terms of this Lease shall be subject to renegotiation. In addition, if the Lessee exercises any options to renew, the Lessor reserves the right to renegotiate the rent, for any change in economic conditions and other terms of the Lease.

5. Lessor reserves the right to inspect the books and records of Lessee and any Sublessee or Assignee to verify the accuracy of the rentals paid.

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

6. **IMPROVEMENTS.**

(A) All buildings and other improvements, if any, on the Leased Premises, excluding removable personal property and trade fixtures, shall remain on the Leased Premises after termination of this Lease. At its option, Lessor may require Lessee to remove said buildings and other improvements and to restore the Leased Premises to its original state upon termination of this Lease.

(B) 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.

(C) As used in this Section, the term "removable personal property" shall not include property which normally would be attached or affixed to buildings, other improvements or land in such a way that it would become a part of the realty, regardless of whether such property in fact is so attached or affixed.

(D) All Hazardous Substances, Hazardous Substance storage systems or conveyance facilities, including but not limited to Storage Tanks, placed on or under the Leased Premises are the property of Lessee and shall remain the property of Lessee upon termination of this Lease. Within a reasonable time prior to termination of this Lease, Lessee shall remove any such substances or improvements, shall assess the Leased Premises for contamination, shall remediate all contamination, if any, and shall address any third party damages occasioned by any contamination or otherwise by the use or storage of such substances or improvements on the Leased Premises. Should Lessee fail to complete such responsibilities prior to the termination of this Lease, Lessee shall remain responsible therefor, and shall be required to post a bond in an amount reasonably required to ensure that such responsibilities are completed within a reasonable time after termination of this Lease.

7. **CONSTRUCTION; MAINTENANCE; REPAIR; ALTERATION.**

(A) All buildings and other 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 or other improvements visible to the public or from adjacent premises shall present a pleasant appearance and all service areas shall be screened from public view.

(B) Lessee shall maintain the Leased Premises and all buildings and other improvements thereon and any alterations, additions or appurtenances thereto, in good order and repair and in a safe, sanitary and neat condition.

9. CONSTRUCTION BOND

Prior to the commencement of construction of any improvement on the leasehold premises, the Lessee shall require its construction contractor to post a construction bond. The Bond shall be written to protect Lessor and Lessee. Copies of the bonds shall be submitted to Lessor upon written request.

10. **LIENS; TAXES AND ASSESSMENTS; UTILITY CHARGES.**

(A) Lessee shall not permit any liens arising from any work performed, materials furnished, or other obligations incurred by Lessee to be enforced against the Leased Premises, any interest therein or improvements thereon. Lessee shall discharge all such liens before any action is brought to enforce same.

(B) Lessee shall pay, before becoming delinquent, all taxes, assessments and other like charges levied upon or against the Leased Premises, any interest therein or improvements thereon, for which Lessee is liable. Upon request by Lessor, Lessee shall furnish Lessor written evidence duly certified that any and all such taxes, assessments and other like charges required to be paid by Lessee have been paid, satisfied or otherwise discharged. Lessee agrees to protect and hold harmless Lessor and the Leased Premises and all interests therein and improvements thereon from any and all such taxes, assessments and like charges and from any lien therefor, any sale or other proceedings to enforce payment thereof, and all costs in connection therewith.

(C) Lessee shall pay, before becoming delinquent, all charges for water, sewage, gas, electricity, telephone and other utility services supplied to the Leased Premises.

(D) Lessor shall have the right to pay any lien, tax, assessment or other charge payable by Lessee under this Lease, or to settle any action therefor, if, within a reasonable time after written notice thereof from Lessor, Lessee fails to pay or to post bond against enforcement thereof. All costs and other expenses incurred by Lessor in so doing shall be repaid by Lessee to Lessor on demand, together with interest at the legal rate from the date of payment or incursion thereof by Lessor until repayment is made by Lessee.

11. SUBLEASES AND ASSIGNMENTS.

Lessee shall not assign, convey or otherwise transfer this Lease, or any interest therein, without the prior written approval of Lessor and then only upon the condition that the assignee or other successor in interest shall agree, in writing, to be bound by each and every covenant, agreement, term and condition of this Lease. Any such attempted assignment, conveyance, or transfer, without such written approval shall be void and of no effect. The approval of Lessor may be granted, granted upon conditions, or withheld at the sole discretion of Lessor.

12. QUIET ENJOYMENT.

Lessor hereby covenants and agrees that, upon performing each of its covenants, agreements, terms and conditions contained in this Lease, that Lessee shall peaceably and quietly have, hold and enjoy the Leased Premises without any hindrance, interruption, ejection or molestation by Lessor or by any other person or persons claiming from or under Lessor.

13. ENCUMBRANCE.

(A) This Lease or any interest therein may not be encumbered without the prior written approval of Lessor and no such encumbrance shall be valid or binding without such prior written approval.

14. DEFAULT.

Time is declared to be of the essence in this Lease. Should Lessee default in any payment of monies when due under this Lease, fail to post bond or be in violation of any other provision of this Lease, said violation may be acted upon by Lessor accordance with applicable law.

(B) No waiver of a breach of any of the terms and conditions of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other term or condition of this Lease. Exercise of any of the remedies herein shall not exclude recourse to any other remedies, by suit or otherwise, which may be exercised by Lessor.

15. SANITATION.

Lessee hereby agrees to comply with all applicable sanitation laws and regulations. Lessee agrees to dispose of all solid waste in compliance with applicable laws. Lessee further agrees at all times to maintain the entire Leased Premises in a safe and sanitary condition.

16. HAZARDOUS SUBSTANCES.

Lessee shall not cause or permit any Hazardous Substance to be used, stored, generated or disposed of on or in the Leased Premises without the prior written approval of Lessor, which approval may be given, given upon conditions or denied in the sole discretion of Lessor. Without limitation of the foregoing, if Lessee causes or permits the presence of any Hazardous Substance on the Leased Premises and such results in contamination to the Leased Premises or any building or other improvement thereon, Lessee shall promptly take any and all actions necessary or appropriate to restore the Leased Premises or building or other improvement to the condition existing prior to the presence of any such Hazardous Substance on the Leased Premises. Lessee shall obtain written approval from Lessor prior to commencement of any such remedial action.

17. PUBLIC LIABILITY INSURANCE.

(A) At all times during the term of this Lease, Lessee shall carry a public liability insurance policy in the amount of at least $1,000,000 for personal injury to one (1) person and $2,000,000 per occurrence, and $500,000 for damage to property. Said policy shall be obtained from a reliable insurance company authorized to do business in the State of New Mexico and shall be written to protect Lessee and Lessor and shall provide for notification to Lessor prior to any material change, cancellation or non-renewal of said policy for any reason, including non-payment of premiums. Upon written request therefor, copies of said policy shall be furnished to Lessor.

(B) Lessor may require that the amount of the insurance policy required by subsection (A) of this Section be increased at any time, whenever Lessor shall determine that such increase is reasonably necessary for the protection of Lessor.

(C) With the prior written approval of Lessor, the insurance obligation under this Section may be satisfied by a

self-insurance program maintained by Lessee or by other means of alternative performance satisfactory to Lessor.

18. NON-LIABILITY.

Neither Lessor nor its officers, agents, or employees, shall be liable for any loss, damage, death or injury of any kind whatsoever to the person or property of Lessee or any other person whomsoever, caused by any use of the leased premises by Lessee, or by any defect in any structure existing or erected thereon, or arising from accident, fire, or from any other casualty on said premises or from any other cause whatsoever and Lessee, as a material part of the consideration for this Lease, hereby waives on Lessee's behalf all claims against Lessor and agrees to defend and hold Lessor 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 to the full extent permitted by Arizona law.

19. PROPERTY DAMAGE, FIRE AND CASUALTY INSURANCE.

At all times during the term of this Lease, Lessee shall carry fire and casualty insurance with an extended coverage endorsement covering not less than the full insurable value of all improvements, if any, on the Leased Premises. Said policy shall be obtained from a reliable insurance company authorized to do business in the State of New Mexico, and shall be written to protect Lessee and Lessor and shall provide for notification to Lessor prior to any material change, cancellation or non-renewal of said policy for any reason, including non-payment of premiums. Upon written request therefor, copies of said policy shall be furnished to Lessor.

20. INSPECTION.

The Navajo Nation 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 Leased Premises and any buildings and other improvements erected or placed thereon.

21. INDEMNIFICATION.

To the extent permitted by New Mexico law, Lessee shall defend, indemnify and hold harmless the Navajo Nation and their authorized agents and employees against any liability for loss of life, personal injury and property damages arising from the construction on or maintenance, operation, occupancy or use of the Leased Premises by Lessee.

22. MINERALS.

All minerals, including sand and gravel, contained in or on the Leased Premises which are owned by Lessor are reserved for the use of Lessor. Lessor also reserves the right to enter upon the Leased Premises and search for and remove minerals located thereon, paying just compensation for any damage or injury caused to Lessee's personal property or improvements constructed by Lessee.

23. EMINENT DOMAIN.

If the Leased Premises or any part thereof is taken under the laws of eminent domain at any time during the term of this Lease, Lessee's interest in the Leased Premises or the part of the Leased Premises taken shall thereupon cease. Compensation awarded for the taking of the Leased Premises or any part thereof, including any improvements located thereon, shall be awarded to Lessor and Lessee as their respective interests may appear at the time of such taking.

24. DELIVERY OF PREMISES.

At the termination of this Lease, Lessee shall peaceably and without legal process deliver up the possession of the Leased Premises in good condition, usual wear and tear excepted. Upon the written request of the Navajo Nation, Lessee shall provide to the Navajo Nation, at Lessee's sole cost and expense, an environmental audit assessment of the Leased Premises at least sixty (60) days prior to delivery of said premises.

25. HOLDING OVER.

Holding over by Lessee after termination of this Lease shall not constitute a renewal or extension thereof or give Lessee any rights hereunder or in or to the Leased Premises or to any improvements located thereon.

26. ATTORNEY'S FEES.

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

27. GOVERNING LAW AND CHOICE OF FORUM.

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, to the extent authorized by Navajo law, 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.

28. DISPUTE RESOLUTION.

In the event that a dispute arises under this Lease, the Parties agree to, prior to pursuing litigation, use their good faith efforts to resolve such disputes through mediation, informal discussion, or other non-binding methods of dispute resolution.

29. 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.

30. NOTICES AND DEMANDS.

(A) Any notices, demands, requests or other communications to or upon either party or the Secretary provided for in this Lease, or given or made in connection with this Lease, (hereinafter referred to as "notices,") shall be in writing and shall be addressed as follows:

To or upon Lessor:

President
The Navajo Nation
Office of the President/Vice-President
Post Office Box 9000
Window Rock, Navajo Nation (Arizona) 86515

Telefax: (928) 871-4025

To or upon Lessee:

Thompson's Acquisitions, LLC
P. O. Box 85
Church Rock, New Mexico 87311

Telefax: (505)905-5374

Copies to:

Division Director
Division of Economic Development
P. O. Box 663
Window Rock, Navajo Nation (Arizona) 86515

Telefax: (928)871-7381

(B) All notices shall be given by personal delivery, by registered or certified mail, postage prepaid, or by facsimile transmission, followed by surface mail. Notices shall be effective and shall be deemed delivered: if by personal delivery, on the date of delivery if during normal business hours, or if not during normal business hours on the next business day following delivery; if by registered or certified mail, or by facsimile transmission, followed by surface mail, on the next business day following actual delivery and receipt.

31. SUCCESSORS AND ASSIGNS.

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

32. EFFECTIVE DATE; VALIDITY.

This Lease shall take effect on the date it is approved by the Lessor. This Lease, and any modification of or amendment to this Lease, shall not be valid or binding upon either party until it is approved by the Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first above written.

THOMPSON'S ACQUISITIONS, LLC, LESSEE

By:_____
Ivan Thompson, Member

DATE:_____

By:_____
Alvin F. Thompson, Member

DATE:_____

THE NAVAJO NATION, LESSOR

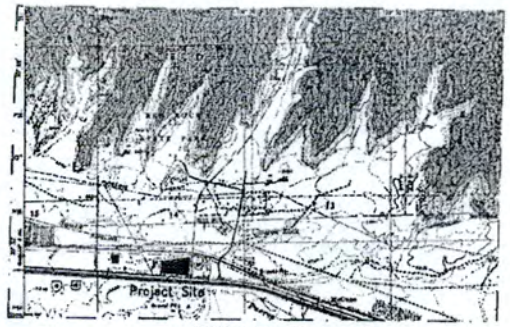
By:_____
Navajo Nation, President

DATE:_____

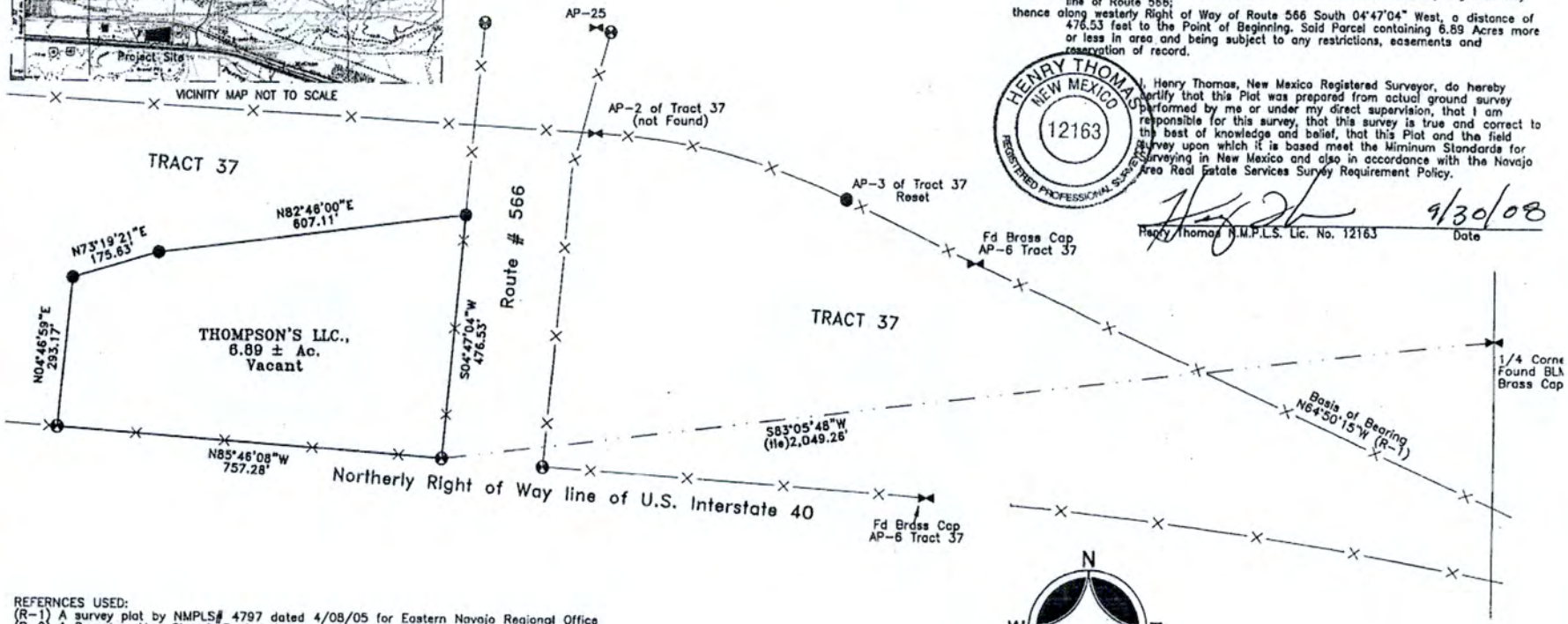
EXHIBIT B

tabbies

A Record of survey located in Tract 37 a portion of Section 14 T15N, R17W NMPM Church Rock, McKinley County, New Mexico



VICINITY MAP NOT TO SCALE



Legal Description.
A parcel of land located in Tract #37 of Section 14, Township 15 North, Range 17 West, N.M.P.M. McKinley County, New Mexico situated in the Church Rock area and being more particularly described as follows:

Commencing at the Point of Beginning a point of intersection of the Northerly Right of Way line of U.S. Interstate 40 and Westerly Right of Way line of Route 566 which bears South 83°05'48" West, a distance of 2,049.26 feet from the East Quarter (1/4) corner of said Section 14;
thence North 85°46'08" West, a distance of 757.28 feet along said northerly Right of Way line of U.S. Interstate 40 to a Rail Right of Way marker;
thence North 04°46'59" East, a distance of 293.17 feet;
thence North 73°19'21" East, a distance of 175.63 feet;
thence North 82°46'00" East, a distance of 607.11 feet to the westerly Right of Way line of Route 566;
thence along westerly Right of Way of Route 566 South 04°47'04" West, a distance of 476.53 feet to the Point of Beginning. Said Parcel containing 6.89 Acres more or less in area and being subject to any restrictions, easements and reservation of record.

HENRY THOMAS NEW MEXICO 12163 REGISTERED PROFESSIONAL SURVEYOR

I, Henry Thomas, New Mexico Registered Surveyor, do hereby certify that this Plat was prepared from actual ground survey performed by me or under my direct supervision, that I am responsible for this survey, that this survey is true and correct to the best of knowledge and belief, that this Plat and the field survey upon which it is based meet the Miminum Standards for Surveying in New Mexico and also in accordance with the Navajo Area Real Estate Services Survey Requirement Policy.

Henry Thomas N.M.P.L.S. Lic. No. 12163 — Date 9/30/08

REFERNCES USED:
(R-1) A survey plat by NMPLS# 4797 dated 4/08/05 for Eastern Navajo Regional Office
(R-2) A Boundary Map Church Rock Industrial park by NMPLS #5978 dated 8-8-89
(R-3) Boundary Survey of 17.97 acres in Church Rock Industrial Park by NMPLS 13606 dated 2-4-03
(R-4) Plat of Survey Parcel 1 within Church Rock Industrial park by NMPLS 6540 dated 12-13-99
(R-5) Plat of Survey Parcel 3 within Church Rock Industrial park by NMPLS 6540 dated 12-16-99
(R-6) Final Plat of a Lease Land Division in Church Rock Industrial Park by NMPLS #13606 dated 4-22-03
(R-7) A Warranty Deed from Santa Fe Pacific Railroad to United States of America In Trust for the Navajo Tribe on 5-14-29
(R-8) BLM Township Plat T15N, R17W Tract 37 survey
(R-9) BLM Township Plat T15N, R17W Tie Correction of NW cor. Tr. 37 to NW cor Section 15

SURVEYOR'S NOTES:
Basis of Bearing: A northerly line of (R-1)
● Denotes set 1/2"x18" rebar with plastic Cap NMPLS#12163
○ Denotes Found Aluminum Cap
⊙ Denotes Found Rebar (used)
Distance are ground distances

N W E S

1"=200'

RVS#08-121

RED VALLEY SURVEY
P.O. BOX 2827, Shiprock, New Mexico 87420
505-320-0476

A Record of Survey of the THOMPSON'S LLC., located in the Tract 37, Sec. 14, T15N, T17W N.M.P.M. Church Rock, McKinley County, New Mexico

Drwn B HT
Ap'rvd HT
DATE 8-27-
SCALE 1"=20

[redacted] Leasehold Credits/Rules and Listing of Improvements

EXHIBIT
C

Leasehold Credit Rules

The following is how the Division of Economic Development implements leasehold credits regarding business site leases on the Navajo Nation:

1. The Navajo Nation encourages private investment on the Navajo Nation for economic development purposes. The Division of Economic Development acknowledges private investment of a Lessee through leasehold credits. The Division negotiates with the Lessee the amount of the improvements needed for the Lessee to begin their business on the Navajo Nation by amortizing the improvements amount over the monthly rental amount and by the number of months of a calendar year.

2. Elements for leasehold credits include amount of investment by the Lessee; amount of rental negotiated per month and the months of a calendar year determined the number of year's leasehold credits is imposed.

3. The following is the equation to determine leasehold credits:

Dollar Amount of the Improvements/Amount of Monthly Rental Negotiated = **Number of Year's of Leasehold Credits**
12 Months (months in calendar year)

For the Thompson's LLC:

$825,047 Improvements/$4,755 Monthly Rental Negotiated = 14.45 Years
12 Months

Thus, for fourteen years and five months, the Lessee, Thompson's LLC, will receive leasehold credits for the amount of their investment of $825,047 improvements to the Navajo Nation's asset, a Lot in the Church Rock Industrial Park.

Church Rock Convenience Store Development – Church Rock Industrial Park

THOMPSON'S ACQUISITIONS LLC CONVENIENCE STORE CONSTRUCTION COST

The attached chart is a cost estimate breakdown of the investment Thompson's Acquisitions LLC is contributing to the Navajo Nation Convenience store project in Churchrock, New Mexico. The total construction cost breakdown is as follows:

BUILDING-SITE DEVELOPMENT COST (Facility /On-site work)	$ 1,413,169.32
OFF-SITE / INFRASTRUCTURE COST	$ 1,270,378.33
TOTAL CONSTRUCTION COST	$ 2,683,547.65
NAVAJO NATION INVESTMENT	
Business & Industrial Development Fund	$ 1,500,000.00
Navajo Nation Department of Transportation	$ 325,000.00
TOTAL NAVAJO NATION INVESTMENT	$ 1,825,000.00
TOTAL COST OF CONSTRUCTION	$ 2,683,547.65
NAVAJO NATION INVESTMENT (subtract)	$ 1,825,000.00
BALANCE AFTER NAVAJO NATION INVESTMENT	$ 825,047.61
THOMPSON'S ACQUISITIONS LLC INVESTMENT (GREAT WESTERN BANK LOAN)	$ 1,900,000.00
THOMPSON'S CONSTRUCTION INVESTMENT	***$ 825,047.61***
THOMPSON'S REMAINING INVESTMENT	$ 1,074,952.35

The remaining balance of $ 825,047.61 of the construction cost will be the amount Thompson's Acquisitions LLC invests into the Churchrock C-store project as shown in column one of the Thompson's Investment chart.

The remaining amount of the loan acquired by Thompson's $1.074.952.35 will be invested to store equipment, inventory and working capital.

	Thompson's LLC Investment
Building & Fixtures	$825,047.65
Equipment	$611,800.00
Initial Inventory	$614,000.00
Startup & Working Capital	$146,452.00
Total Expense	$2,197,299.65

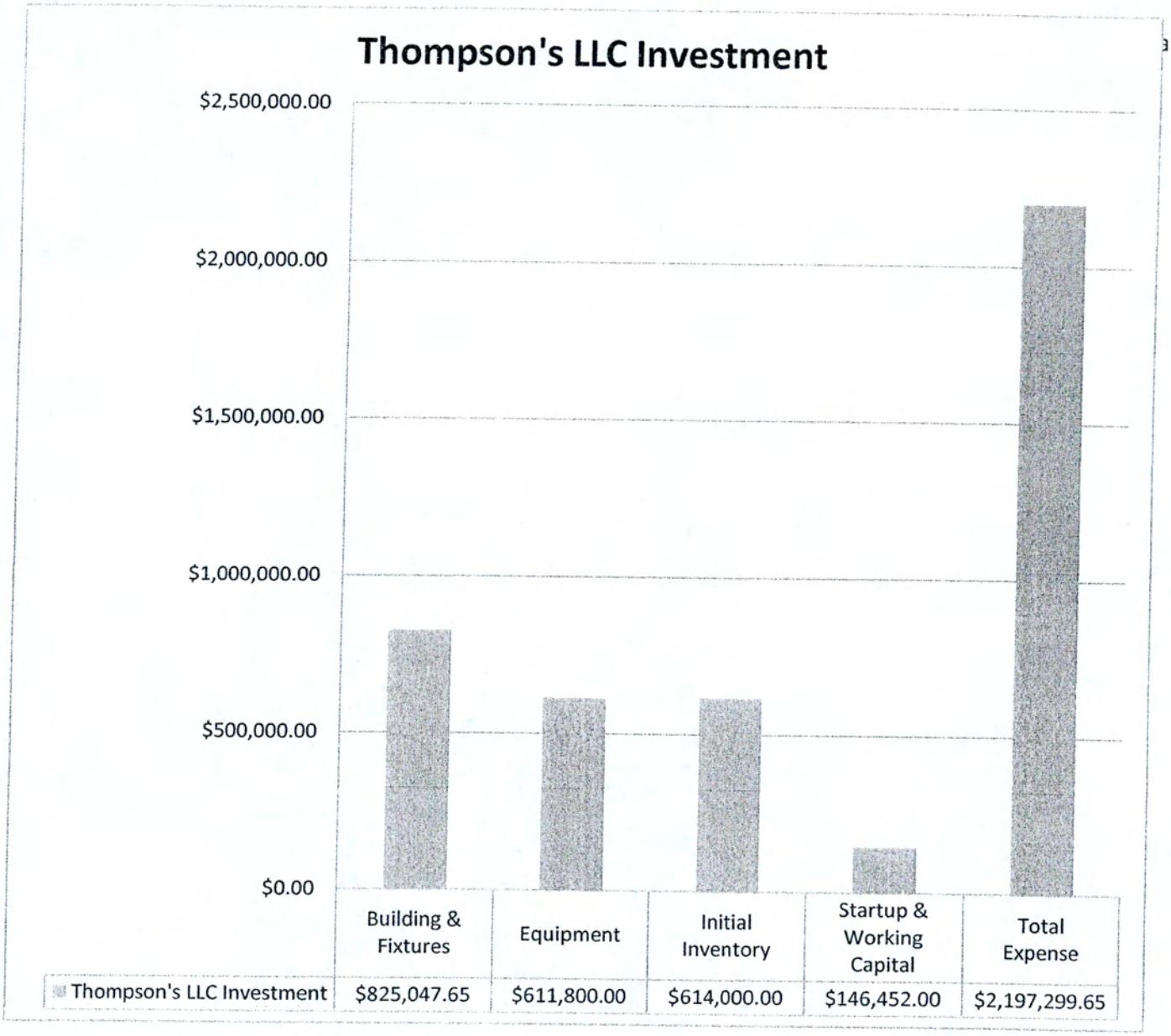


EXHIBIT D

ENVIRONMENTAL SUMMARY

DATE: 2-14-14

Requesting Party: Shirlene Begay-Platero
Reviewed by Rita Whitehorse-Larsen

Summary of Compliance Determinations (if non-NEPA environmental review process)

1. Historic Preservation

2. Fish and Wildlife

3. Navajo Environmental Protection Agency

Summary of Compliance with Environmental Laws:
Supporting documentation for the following determinations are found in *An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site, EAS-0813* attached to this Environmental Summary. The 6.89-acre± Thompson's LLC business site tract is located at Church Rock, New Mexico, New Mexico.

1. National Historic Preservation:
In compliance with *National Historic Preservation Act of 1988, as amended, Section 106* consultation and *26 CFR 800.9 (b)*. Waseta Archaeological Services conducted an archaeological inventory and cultural resource surveys for Thompson's LLC business site. The inventory was the subject of the final report *A Cultural Resource Inventory of the Church Rock Business Retail Complex, Church Rock Chapter, McKinley County, New Mexico (WAS 05-04). Cultural Resource Compliance Form NNHPD No. HPD HPD-05-1253* was issued for this undertaking. (An Environmental Investigation Report for *An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site: Section III. Description of the Affected Environment, E. Cultural Resources, Historic Preservation [36 CFR Part 800]*).

2. Floodplain Management:
The Navajo Nation has not been included in the National Flood Insurance Program (NFIP) and there are no floodplain maps published which identify Special Flood Hazard Areas (SFHA) on the Navajo Nation. The proposed Thompson's LLC business site is located above the 100-year frequency flood plain of the South Fork of the Rio Puerco. The Thompson's LLC business site is not subject to flooding. (*An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site: Section III. Description of the Affected Environment, B. Water Resources, a. Floodplain Management [Executive Order 11988]*).

3. Wetlands Protection:

Potential impacts to wetlands by the proposed undertaking have been evaluated in accordance with *Executive Order 11990*. None of the jurisdictional wetlands characteristics as defined by the U. S. Fish and Wildlife Service and the U. S. Army Corps of Engineers are present at Thompson's LLC business site. The soils at Thompson's LLC business site are not hydric soils as defined in *AD-A176734, Corps of Engineers Wetlands Delineation Manual, Jan 87. (An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site: Section IV. Environmental Consequences of the Proposed Action and Mitigation Measures, B. Water Resources, c. Wetland Protection [Executive Order 11990]).*

4. Endangered Species Act:

The Navajo Nation Natural Heritage Program (NNNHP), Navajo Fish and Wildlife Department (NFWD) were consulted regarding the effect of the lease of Thompson's LLC business site on federally listed threatened or endangered species: or any tribally listed species or other species of concern. The NFWD have determined that the development and use of Thompson's LLC business site is not expected to affect any federally listed threatened or endangered species: or any tribally listed species or other species of concern (*An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site: Section III. Description of the Affected Environment, D. Biotic Resources).*

5. Air Quality

Ambient air quality may be regarded as good to excellent, that is, near pristine. Primary pollution in the project area is primarily wind blown dust from loose topsoil common during times of high winds and dust from vehicular traffic along unimproved roads in the area. *Thompson's LLC* business site is not in a nonattainment area, an area that exceeds EPA air quality standards for pollutants (*An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site: Section III. Description of the Affected Environment, C. Air Resources).*

6. Sole Source Aquifer:

There are no designated sole source aquifers within the Navajo Nation. (*An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site: Section III. Description of the Affected Environment, B. Water Resources, 2. Ground Water, a. Sole Source Aquifers [40 CFR 149].*

7. Abandoned Mine Lands:

There are no abandoned mines; and no Abandoned Mine Lands (AML) project funding involved in the Thompson's LLC business site undertaking.

8. Navajo Nations Solid Waste Act:

A contract with the local solid waste management contractor will be acquired to dispose of solid waste generated by the development of and operations. Petroleum product and solvent wastes generated by Thompson's LLC business operations will be collected and disposed of in conformance with applicable federal and Navajo Nation laws and regulations. (*An Environmental Investigation Report for Thompson's LLC, Church Rock Business Site).*

I certify that the Environmental Review Process and the Compliance Determination Process in good faith has been complied with:

_____ DATE: 7/3/2014

Environmental Reviewer
Division of Economic Development

ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF EXECUTIVE DIRECTOR/ ADMINISTRATION
OFFICE OF ENVIRONMENTAL REVIEW
PO BOX 339 WINDOW ROCK ARIZONA 86515 Office: 928/871-7188 Fax: 928/729-4323
Website: www.navajonationepa.org

M E M O R A N D U M

TO: Sharlene Begay-Platero, IDS
Project Development Department
Division of Economic Development

FROM:
Rita Whitehorse-Larsen, Senior Environmental Specialist
Office of Environmental Review

DATE: June 30, 2014

SUBJECT: **Environmental Summary for Proposed Development of the Thompson's LLC Business Site, within the Church Rock Industrial Park, Church Rock, McKinley County, New Mexico**

The Navajo Nation Environmental Protection Agency Office of Environmental Review (NNEPA OER) reviewed and recommended ***conditional approval*** pursuant the Title 4, NNC Chapter 9 Navajo Nation Environmental Policy Act, Subchapter 1, §904. Thompson's LLC proposes to develop, operate and maintain an automotive service station and a convenience store along State Route Highway 66, east of the Firerock Casino, Southwest Cabinets and the recently constructed buildings for the Latex Glove Manufacturing facility.

After review, NNEPA recommends ***conditional approval*** for the proposed automotive service station and convenience store in Church Rock, New Mexico.

1. *Navajo Nation Clean Water Act:*
   a. In recent recommendations for other business lease sites, NNEPA recommends a 250 feet buffer zone from the ordinary high water mark. Avoid development within the 250 feet buffered zone from the existing South Fork Puerco River.
   b. ***NNEPA Water Quality determines the waters of the US and Navajo Nation.***
   c. Section 401- A Section 401 certification is required if any drainage with discernable ordinary high water mark will be crossed/disturbed as determined by Patrick

Antonio, Principal Hydrologist, NNEPA Water Quality Program on previous proposed projects.

d. Section 402 –Land surface disturbance in excess of 1.0 acre will require compliance with the federal General Construction Permit requirements for storm water discharges. USEPA Region 9 has the authority for Section 402. A copy shall also be provided to Patrick Antonio, Principal Hydrologist with NNEPA Water Quality Program. His office phone is 928/871-7185.

e. Section 404 – Boring under and or work in the drainage will require a Section 404 as determined by Patrick Antonio, Principal Hydrologist, NNEPA Water Quality Program. Contact the US Army Corps of Engineers.

2. ***Navajo Nation Air Pollution Prevention and Control Act:***

   a. The business is located within an area designated as Class II which is unclassified for the National Ambient Air Quality Standards (NAAQS) ~ attainment of the NAAQA;

   b. Visibility is good to excellent.

   c. A Navajo Natio Air Quality Control Program Activity Application is enclosed for the proposed project. Please complete and return to NNEPA Air Quality Operating Permit Program.

3. ***Navajo Nation Safe Drinking Water Act:***

   a. The existing drinking water lines must be marked before commencing any construction to lessen and minimize impacts to the pubic drinking water system.

   b. The NNEPA - Public Water Systems Supervision Program (PWSSP) recommends all proposed drinking water projects (extensions, upgrades, new wells, new public water systems, etc.) must also comply with the design review and construction permit of the PWSSP pursuant the Navajo Nation Primary Drinking Water Regulations.

   c. The new business owner/operator and water utility company are subject to submit the proposed domestic waste water and public drinking water lines to Mr. Delfred Gene, Civil Engineer, NNEPA PWSSP, he can be contacted at 928/871-7758 or visit the website at www.navajopublicwater.org.

   d. Assessing the existing sewer lagoons to ensure the existing lagoon(s) will hold additional waste water and not to exceed the holding capacity of the lagoon(s) will lessen the impacts to the public. The sewer lines should be working appropriately. If a need for a septic system, it must be controlled to prevent discharge and prevent ground water/soil contamination.

4. ***Navajo Nation's Solid Waste Act:***

   a. Do not allow public to take construction waste, cumulatitively NNEPA gets complaints and reports on illegal trash dumpings on rural areas and in the waters of the US and Navajo Nation.

   b. The new business owner/operator will need to control the solid waste bin to reduce injuries or fatalities of business related waste to human, wildlife and domestic animals.

5. ***Navajo Nation Comprehensive, Environmental Response, Compensation and Liability Act:***

   a. Approved by the Navajo Nation Council, CF-07-08, February 26, 2008, the NN CERCLA includes petroleum (including crude oil or any fraction thereof, natural gas,

natural gas liquids, liquefied natural gas or synthetic gas usable for fuel (or mixtures of natural gas and synthetic gas)) unlike the US CERCLA or the Superfund Law and mandates petroleum, operator and guarantor to report petroleum release ≥ 25 gallons at the site and/or during transport immediately to the Navajo Nation Department of Emergency Management within the Navajo Nation Division of Public Safety.

6. *Navajo Nation Storage Tank Act:*
   a. The proposed action includes installing and selling gasoline to customers. Thompson's LLC is subject to install gasoline tanks accordingly to the Navajo Storage Tank specifications.
   b. The proposed designs must be submitted for NNEPA Storage Tank Program for review until the final design is approve.
   c. Any aboveground storage tanks (AST) greater than 100 gallons must meet the design and installation specifications as described in the NN Storage Tank Act.
   d. UST staff will need to be onsite to monitor during tank installation.
   e. Mr. Warren Roan, UST Specialist, is the contact for UST/AST issues. He can be reached at 928/871-7995.
7. *Federal Insecticide Fungicide and Rodenticide Act (FIFRA)/NN Pesticide Act:*
   a. Contact the NNEPA Pesticide Program at 928/871-7815/7810 before applying any pesticides and herbicides to control noxious and invasive plant species to ensure the product is in compliance and appropriately applied by a certified and licensed applicator.
   b. Pesticide staff will also may need to be onsite to monitor during pesticide/herbicide application.
8. *Others To Contact Within Navajo Nation:*
   a. A copy of the memorandum will be forwarded to Mr. John Plummer, NNEPA Radon Program. There is a possibility for building to be designed accordingly to meet radon specifications.
   b. Jack Utter, Division of Natural Resources, Deparment of Water Resources, Water Code Program at 928/871-6595 to ensure sufficient water is available for the new and proposed automotive repair service and convienience store.

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

Cc: NNEPA Water Quality; PWSSP; Air Quality; OPP; Pesticide; Radon; RCRP; Superfund; Storage Tank Program; Administration chrono file

THE NAVAJO NATION

EXHIBIT E

RUSSELL BEGAYE
PRESIDENT

OFFICE OF THE NAVAJO TAX COMMISSION
Post Office Box 1903 • Window Rock, Navajo Nation (Arizona) 86515-1903
(928) 871-6681 • (928) 871-7608 FAX

JONATHAN NEZ
VICE-PRESIDENT

MEMORANDUM

TO : Sharlene Begay-Platero, IDS
Project Development Department
Division of Economic Development

FROM : Larieta L. Tso Senior Tax Compliance Officer
Office of the Navajo Tax Commission

DATE : January 4, 2016

SUBJECT : Thompson's Acquisitions, LLC/Alvin F. Thompson

Per your request, our office has reviewed The Office of the Navajo Tax Commission files for Thompson's Acquisitions, LLC/Alvin F. Thompson. Thompson's Acquisitions, LLC/Alvin F. Thompson *is currently registered* with our office under the sales tax and possessory interest tax requirements.

If you have any questions or need further clarification, contact me directly at (928) 871-7131.

cc: Ethel O. House, Sr. Minerals Assessment Specialist/ONTC
Taxpayer File
Chrono

THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

Louise Johnson, Credit Manager

VIA: FACSIMILE

MEMORANDUM

TO: Sharlene Begay-Platero
Project Development Department
DIVISON OF ECONOMIC DEVELOPMENT

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

DATE: January 7, 2016

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.***

Ivan Thompson Alvin E. Thompson dba: Thompson's Acquisitions	PO Box 85 Churchrock, NM 87311	Procurement Cleared

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

Ye;lj;br
Xc: File/Chrono

CREDIT SERVICES DEPARTMENT
P.O. Box 2405 ♦ Window Rock, Arizona 86515 *** Phone (928) 871-6749 ♦ Fax (928) 871-6008

NAVAJO NATION SHOPPING CENTERS INCORPORATED

CROWNPOINT

PINEHILL

NAVAJO PINE

WINDOW ROCK

ST. MICHAELS

PINON

DILKON

TUBA CITY

KAYENTA

SHIPROCK

Providing Over 30 Years of Unique Business Opportunities for the Navajo People

January 6, 2016

JAN 2016

Sharlene Begay-Platero, IDS
Project Development Department
Division of Economic Development
P. O. Box 663
Window Rock, AZ 86515

Navajo Business/Procurement Act Clearance Check

Dear Ms. Begay-Platero;

I am in receipt of your letter dated December 8, 2015 regarding a Navajo Business and Procurement Clearance check on Thompson's acquisitions, LLC Tax ID No. 26-3791624.

Navajo Nation Shopping Centers, Inc. is not conducting business with Thompson's Acquisitions, LLC therefore they are cleared for procurement.

Sincerely,

Elizabeth S. Tso, Controller
NNSCI

xc: Juanita Yazzie, Leasing Mgr, NNSCI
Nathaniel Begay, CEO, NNSCI

PO Box 478 | Window Rock, AZ 86515 | Phone 928.871.2218 | Fax 928.871.4217

THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

RECEIVED
DEC 2015

M E M O R A N D U M

TO: Sharlene Begay-Platero, IDS
Project Development Department
Division of Economic Development

FROM: _____
for Raymond Nopah, Chief Financial Officer
Division of Economic Development

DATE: December 16, 2015

SUBJECT: Procurement Clearance

Your request was received on **December 9, 2015** at the Support Services Department. The information is provided on the individual you requested for a Procurement Check and Clearance.

XXX The individual listed **do not** have any loans outstanding with the Navajo Nation Business Industrial Development Fund.

Ivan Thompson
Alvin E. Thompson
D.B.A. Thompson's Acquisitions, LLC.
PO BOX 85
Church Rock, NM 87311

_____ The Following individual(s) listed **do** have outstanding balances with the Navajo Nation Business Industrial Development Fund.

If you have any questions, please do not hesitate to call me at (928) 871-7382.

THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

December 16, 2015

MEMORANDUM

To : ALL CONCERNED

From : Raymond Nopah /py
Raymond Nopah, Chief Financial Officer
DED / Support Services

Subject : Delegation of Authority

Tyrone Chee, Administrative Services Officer for the Support Services Department is delegated the authority to act in the capacity of the Chief Financial Officer. Mr. Chee will be responsible for all routine duties pertaining to the office.

This Delegation of Authority will commence at 8:00 am, December 16, 2015 and ending 5:00 pm, December 18, 2015.

Your cooperation with Mr. Chee will be appreciated.

SIGNATURE:

Tyrone Chee, Administrative Services Officer
DED / Support Services

Division of Economic Development · Post Office Box 663 · Window Rock, Arizona · 86515
Phone (928) 871-6544 · Fax (928) 871-7381 · www.navajobusiness.com

THE NAVAJO NATION RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

December 10, 2015

MEMORANDUM

TO: Sharlene Begay-Platero, IDS
Project Development Department
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"**

Pursuant to your request dated December 8, 2015 *(Received in Account Receivable on 12/08/2015 @ 11:30 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
Thompson's Acquisitions, LLC Tax ID# 26-3791624 *Ivan Thompson, Member* *Alvin E. Thompson, Member*	Post Office Box 85 Church Rock, NM 87311	$ 0.00	Procurement cleared

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

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

December 8, 2015

MEMORANDUM

TO : Judy Cordero, Accounts Receivable Section
Office of the Controller, Division of Finance

: Marty Ashley, Executive Director
Navajo Tax Commission

: Louise Johnson, Credit Manager
Credit Services Program, Office of the Controller

: Raymond Nopah, CFO
Support Services Department/DED

: Nathan Begay, CEO
Navajo Nation Shopping Center, Inc.

FROM : Sharlene Begay-Platero
Sharlene Begay-Platero, IDS
Project Development Department
Division of Economic Development

SUBJECT : **Procurement Clearance Request for Thompson's Acquisitions, LLC of Church Rock, New Mexico**

The Project Development Department requests your assistance in providing a Procurement Clearance for Thompson's Acquisitions, LLC of Church Rock, New Mexico. The address is:

Thompson's Acquisitions, LLC
Ivan Thompson, Member
Alvin E. Thompson, Member
P. O. Box 85
Church Rock, New Mexico 87311
Tax ID#: 26-3791624

Your assistance is greatly appreciated. Please fax the Procurement Clearance to 505/905-6401 or email me at srbp@navajoadvantage.com Should you have any questions, please contact me 505/905-6414.

Your assistance is greatly appreciated.

MDR-10-06-23 (New Thompson Property, Church Rock)

The Navajo Nation

DR. JOE SHIRLEY, JR.
President

BEN SHELLY
Vice President

EXHIBIT
tabbies
F

RECEIVED
JUN 30 2010
PROJECT DEVELOPMENT

June 24, 2010

Ms. Sharlene Begay-Platero, Industrial Development Specialist
Project Development Department
Post Office Box 663
Window Rock, Arizona 86515

RE: MDR 10-06-23 (New Thompson Property, Church Rock)

Dear Ms. Begay-Platero:

This analysis is for the Project Development Department and the Division of Economic Development (the Division). It is for the exclusive use of the Division, and its internal entities.

This analysis will be used as market rent analysis to negotiate a lease.

This property is located at Church Rock Industrial Park, within the Navajo Nation chapter boundaries of Church Rock. The property is at the northwest intersection of New Mexico Highway 566 and U.S. Highway 118. It contains approximately 2.00 acres.

The real property interest analyzed was fee simple.

The type of value attained in this report is a "Fair Annual Lease Value." The Fair Annual Lease Value means the most probable dollar amount a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from the lessor to lessee under conditions whereby:

a. Lessee and lessor are typically motivated;
b. Both parties are well informed or well advised, and acting in what they consider their best interest;
c. A reasonable time is allowed for exposure in the open market;
d. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and

e. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Navajo Nation Business Site Leasing Regulations of 2005 § 103, A, 12

The effective date and report date is June 23, 2010.

The scope of my work was to provide Market Data Research and suggest a Fair Annual Lease Value within a range.

Sales comparison approach: Five similar properties were found. The rental per acre for the subject property was approximately $5,000.00 ($/AC). That amount multiplied by 6.89 acres gives an annual lease of $32,000.00 for the subject property. See the MDR enclosure. *Cost approach*: The land is vacant with no improvements. *Income approach*: If the property generates an income of $32,000.00, and that amount is divided by the 20 year U.S. Treasury Rate of 3.97%, then the value of the subject property may be approximately $830,000.00, despite the $1,600,000.00 development cost stated by the prospective lessee. After analyzing the data, it is my opinion that the Fair Annual Lease Value for the subject property is between **$30,000.00 and $32,000.00 per year**.

Currently, the property is vacant and available for lease. However, there seems to be a demand for a service station and mini-mart with additional retail space. The *highest and best use* of this property is "As If Improved." 1. *Physically possible*: After speaking with the lessor, it seems physically possible to build a service station at the site, after considerable improvement. 2. *Legally permissible*: This property is located within an industrial park, and it is assumed that it is legally permissible to construct a service station on the property. 3. *Financially feasible*: It is assumed that the prospective lessee and lessor have financing to complete the development and the prospective lesee has the means to pay the rent. 4. *Maximally productive*: Currently the property collects no income, so it would be maximally productive to improve the property for lease.

In regards to ***extraordinary assumptions***, it is assumed that the property has no environmental hazards or archeological findings, and the site is available for lease. In regards to ***hypothetical conditions***, I used the prospective lessee's development cost of $1,600,000.00 as a hypothetical to achieve a market lease value.

Finally, I acknowledge that, to the best of my knowledge and belief: The statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusion are limited only by the reported assumptions and limiting conditions and they are my personal,

impartial, and unbiased professional analyses, opinions, and conclusions. I have no present or prospective interest in the property that is the subject of this analysis, and I have no personal interest with respect to the prospective lessee or the Navajo Nation. I have no bias with respect to the property that is the subject of this report or to the lessee and the Navajo Nation. My engagement in this assignment was not contingent upon developing or reporting predetermined results. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Navajo Nation, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this analysis. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*. I have made a personal inspection of the property that is the subject of this analysis. No one provided significant real property appraisal assistance for me.

If you have any questions, please contact me at (505) 371-5110 or mgsells@hotmail.com.

Sincerely,

Michael Sells

Michael Sells
Senior Appraiser

Enclosure: 1. 10-06-23 MDR (New Thompson Property, Church Rock)

10-06-23 MDR New Thompson Property, Church Rock

Client: Project Development Department, Division of Economic Development

Use: Market Rent Analysis

Identity: SEC 14, T15N, R17W, NMPM, McKinley County, NM, 6.89 AC +/-

DBA	Location	Chapter	Property	Term	Percentage Rental	Value	Rental/AC	Acreage	Rental	Date of Value
Future convenience store	US HWY 118	Church Rock	VACANT	20	0.00%	**$ 829,978.81**	$ 4,661.85	6.89	**$ 32,120.18**	6/23/2010

DBA	Location	Chapter	Property	Term	Percentage Rental	Value	Rental/AC	Acreage	Rental	Verified
Mustang	NM HWY 566, Steadsprings	N/A	Improvements	25	N/A	$ 145,830.00	$ 2,821.81	2.00	$ 5,643.62	5/10/10
Tiis Tsoh Mini-Mart	NM HWY 169/Navajo Route 54	Church Rock	6,000 convenience store & laundry	25	0.00%	$ 387,596.90	$ 7,500.00	2.00	$ 15,000.00	6/24/10
Giant	AZ HWY 77	Whitecone	5,000 SF building, laundry, post office	20	0.00%	$ 710,594.32	$ 6,875.00	4.00	$ 27,500.00	6/23/10
Future convenience store	US HWY 118	Church Rock	VACANT	20	0.00%	$ 1,600,000.00	$ 8,986.94	6.89	$ 61,920.00	5/7/2010
Cabinets Southwest	Church Rock Industrial Park	Church Rock	warehouse	10	0%	$ 18,000.00	$ 1,374.36	13.10	$ 18,000.00	6/23/10
Navajo Land Development	US HWY 118	Church Rock	Improvements	25	N/A	$ 1,074,600.00	$ 413.02	100.69	$ 41,587.02	8/25/08

AVERAGE	$ 656,103.54	$ 4,661.85
MEDIAN	$ 549,095.61	$ 4,848.41
MODE	#N/A	#N/A
MIN	$ 18,000.00	$ 413.02
MAX	$ 1,600,000.00	$ 8,986.94
STD DEV	601,448.27	3,575.06

This data was verified with the McKinley County Assessor's Office and the Navajo Nation Real Estate Department, Division of Economic Development

Project Development, and the

EXHIBIT
G

NAVAJO NATION
CORPORATION CODE

CERTIFICATE OF GOOD STANDING

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, the Director of the Business Regulatory Department, DO HEREBY CERTIFY that ***THOMPSON'S ACQUISITIONS, LLC***
File Number: 102035

a Corporation organized under the laws of the Navajo Nation Corporation Act, did incorporate on December 07, 2015 .

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Navajo Nation Corporation Code. Done at Window Rock, the Capital of the the Navajo Nation, this 16th day of December, 2015 A.D.

Clarence Chee
Director, Business Regulatory
Division of Economic Development

7306 BUTLER'S

Church Rock Chapter Support Resolution

THE NAVAJO NATION
CHURCHROCK CHAPTER
P.O. BOX 549
CHURCHROCK, NEW MEXICO 87311
(505) 488-5949
Fax: (505) 488-6561

EXHIBIT H

Johnny Livingston, PRESIDENT
Johnson Kelly, VICE PRESIDENT
Leanna Washee, SECRETARY/TREASURER

Ernest Yazzie, COUNCIL DELEGATE
Charles S. Damon II, COUNCIL DELEGATE
Vanessa Begay-Lee, LAND BOARD MEMBER

RESOLUTION OF THE
CHURCHROCK CHAPTER
CRC- 060820-J

Accepting the Recommendation of the Churchrock Community Land-Use Planning Committee and Approving Amendments to the Churchrock Chapter Land-Use Plan to Incorporate the Establishment of the Business Development Incubator Service Churchrock Gateway and Indian Market Center and relocation of the Thompson Store and Affiliated Enterprises to withdrawn land at the Junction of U.S. Historic Highway 66 and New Mexico Highway 566

WHEREAS:

1. Pursuant to Sections 1.B and 2.22 of the Navajo Local Governance Act, the Churchrock Chapter is established to make decisions about local government matters, to conduct local government operations and to provide for the general health, safety and welfare of its membership; and

2. Pursuant to Churchrock Chapter Resolutions, CRC-060319-B and CRC-060316-C, the Churchrock Community Land-Use Planning Committee was established to plan and seek fund for commercial and economic development; and

3. Pursuant to its Articles of Incorporation, the Churchrock Tourism Action Council, Inc., (CTAC) was established as a non-profit corporation to provide technical assistance to the Churchrock Chapter to develop tourism related businesses and community infrastructure to facilitate progress; and

4. In cooperation with the Eastern Navajo Regional Business Development Office, the Churchrock Chapter and CTAC developed plans for and obtained withdrawn lands for the Gateway Business Incubator Service and Indian Market Center to include a motel, and convention center, office building, training center, and Thompson Store and affiliated enterprises at the junction of U.S. Historic Highway 66 and New Mexico Highway 566; and

5. The Churchrock Chapter membership confirms the plans are consisted its long-term goals for business and economic development and recommends approval of the resolution.

NOW THEREFORE BE IT RESOLVED THAT:

1. Based upon the Chapter membership endorsements, the Churchrock Chapter accepts

Joe Largo, COMMUNITY SERVICES COORDINATOR

Vacant, OFFICE SPECIALIST

the recommendation of the Community Land-Use Planning Committee and approves amendments of the Churchrock Chapter Land-Use Plan to incorporate the establishments of the Churchrock Gateway Business Development Incubator Service and Indian Market Center and relocation of the Thompson Store and affiliated enterprises to withdrawn land at the junction of U.S. Historic Highway 66 and New Mexico State Highway 566.

CERTIFICATION

We, the undersigned, hereby certify that the foregoing resolution was presented to the Churchrock Chapter, at a duly called meeting at which a quorum was present, and it was approved by a vote of 76 in favor, 00 opposed with 05 abstaining at Churchrock (Navajo Nation), New Mexico on the **20th** day of August 2006. The main motion was made by **Julie A. Livingston** and the supporting motion was made by **Elizabeth Whitmen**.

Johnny Livingston,
PRESIDENT

Robinson Kelly,
VICE PRESIDENT

Deeanna Washee,
SECRETARY/TREASURER

Document No. **005255** Date Issued: **01/11/2016**

EXECUTIVE OFFICIAL REVIEW

Title of Document: Aprvng a Lease Agreement NN & Thompson's Contact Name: BEGAY-PLATERO, SHARLENE R.

Program/Division: DIV. OF ECONOMIC DEVELOPMENT

Email: srbp@navajoadvantage.com Phone Number: (505) 905-6404

			Sufficient	Insufficient
☒ **Business Site Lease**				
1. Division:		Date: 1-12-16	☑	☐
2. Office of the Controller:	N/A	Date:	☐	☐
(only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review)				
3. Office of the Attorney General:		Date: 1/25/16	☑	☐
4. Office of the President		Date:	☒	☐
☐ **Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions**				
1. Division:		Date:	☐	☐
2. Office of the Attorney General:		Date:	☐	☐
☐ **Fund Management Plan, Expenditure Plans, Carry Over Requests, Budget Modifications**				
1. Office of Management and Budget:		Date:	☐	☐
2. Office of the Controller:		Date:	☐	☐
3. Office of the Attorney General:		Date:	☐	☐
☐ **Navajo Housing Authority Request for Release of Funds**				
1. NNEPA:		Date:	☐	☐
2. Office of the Attorney General:		Date:	☐	☐
☐ **Lease Purchase Agreements**				
1. Office of the Controller: (recommendation only)		Date:	☐	☐
2. Office of the Attorney General:		Date:	☐	☐
☐ **Grant Applications**				
1. Office of Management and Budget:		Date:	☐	☐
2. Office of the Controller:		Date:	☐	☐
3. Office of the Attorney General:		Date:	☐	☐
☐ **Five Management Plan of the Local Governance Act, Delegation of an Approving Authority from a Standing Committee, Local Ordinances (Local Government Units), or Plans of Operation/Division Policies Requiring Committee Approval**				
1. Division:		Date:	☐	☐
2. Office of the Attorney General:		Date:	☐	☐
☐ **Relinquishment of Navajo Membership**				
1. Land Department:		Date:	☐	☐
2. Elections:		Date:	☐	☐
3. Office of the Attorney General:		Date:	☐	☐

Pursuant to 2 N.N.C. § 164 and Executive Order Number 07-2013

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

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

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

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

☐ **Rights of Way**

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

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

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

☐ **Assignment of Mineral Lease**

1. Minerals	_____	Date: _____	☐	☐
2. DNR	_____	Date: _____	☐	☐
3. DOJ	_____	Date: _____	☐	☐

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

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

☐ **OTHER:**

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

NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM

☐ RESUBMITTAL

RECEIVED JAN 12 2016 DEPARTMENT OF JUSTICE RECEPTIONIST DESK

DOJ
01-12-16 @ 159pm
DATE / TIME
☐ 7 Day Deadline
DOC #: 005255
SAS #:
UNIT: ECDU

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

CLIENT TO COMPLETE

DATE OF REQUEST: 1/12/16
ENTITY/DIVISION: Div of Econ. Dev.
CONTACT NAME: Sharlene Begay-Platero
DEPARTMENT: Proj. Dev Dept.
PHONE NUMBER: 505-905-6414
E-MAIL: srbp@navajoadvantage.com

TITLE OF DOCUMENT: Approving a Lease Agreement b/t the NN & Thompson's Acquisitions, LLC

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT: 1/12/16 @ 410pm
REVIEWING ATTORNEY/ADVOCATE: Latonia

DATE/TIME OUT OF UNIT:

DOJ ATTORNEY / ADVOCATE COMMENTS

emailed Sharlene 11/25 @ 1120AM
sufficient

REVIEWED BY: (*PRINT*)	DATE / TIME	SURNAMED BY: (*PRINT*)	DATE / TIME
LBJ	1/25/16 325pm	LBJ	1/25/16 325pm

DOJ Secretary Called: Sharlene for Document Pick Up on 1/25/16 at 4:17 By: ah

PICKED UP BY: (*PRINT*)
DATE / TIME:

NNDOJ/DRRF-July 2013

RECEIVED JAN 12 2016

Executive Summary
164 Document # 5255

An Action Relating to the Resource and Development Committee; Approving a Lease Agreement between the Navajo Nation, Lessor and Thompson's Acquisitions, LLC, Lessee for Business Site Lease in the Church Rock Industrial Park

LESSEE:	Thompson's Acquisitions, LLC P. O. Box 85 Church Rock, New Mexico 87311
RENTAL:	$57,060.00 per year ($4,755.00 per month) Less Leasehold Credits in the Amount of $825,047.00 Leasehold credits shall not exceed $4,755.00 per Month and Leasehold Credits for 14 Years and five Months for the $825,047.00 investment to the site. (MDR by NN RED, June 2010)
TERM:	One Option to Renew for an additional term of 25 years. Lessee must not be in default of this Lease at the time any option is extended.