24th NAVAJO NATION COUNCIL
LEGISLATION SPONSORSHIP WITHDRAWAL

I, Nathaniel Brown, Primary Sponsor of proposed legislation hereby withdraw my sponsorship of the proposed legislation. The legislation tracking number is 0120-19. An action relating to RDC; Approving the Lease Modification to Novate Lease for MJ Mike Enterprise, Inc.

(NNDOT streamline all the lease novation process and no longer Requires RDC approval,

If there are any co-sponsors, they may re-sponsor the same bill by beginning a new legislation.

SPONSOR SIGNATURE: _____
Nathaniel Brown -

DATE: 01/22/20

Office of Legislative Services • Post Office Box 3390 • Window Rock, AZ 86515
(928) 871-6380 / 7254 • Fax (928) 871-7259

LEGISLATIVE SUMMARY SHEET
Tracking No. 0120-19

DATE: May 10, 2019

TITLE OF RESOLUTION: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE; APPROVING THE LEASE MODIFICATION TO NOVATE LEASE NO. TC-95-145 FOR MJ MIKE ENTERPRISE, INC. TO A NAVAJO NATION LEASE TO BE GOVERNED BY NAVAJO NATION BUSINESS SITE LEASE REGULATIONS

PURPOSE: The purpose of the resolution is to approve Lease Modification to Novate Lease No. TC-95-145 for MJ Mike Enterprise, Inc. to be governed by Navajo Nation Business Site Lease Regulations.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: Leon Bates
Website Posting Time/Date: 5.14.19 8:55pm
Posting End Date: 5.19.19
Eligible for Action: 5.20.19

Resources & Development Committee

PROPOSED STANDING COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL -- First Year, 2019

INTRODUCED BY

Herman M. Daniels

(Prime Sponsor)

TRACKING NO. 0120-19

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE; APPROVING THE LEASE MODIFICATION TO NOVATE LEASE NO. TC-95-145 FOR MJ MIKE ENTERPRISE, INC. TO A NAVAJO NATION LEASE TO BE GOVERNED BY NAVAJO NATION BUSINESS SITE LEASE REGULATIONS

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. MJ Mike Enterprise, Inc. has requested that the Resources and Development Committee modify its Business Site Lease No. TC-95-145 such that it be governed by the Navajo Nation Business Site Lease Regulations.

B. The MJ Mike Enterprise, Inc. lease Business Site Lease No. TC-95-145 is attached as **Exhibit B**.

C. The Lease Modification for MJ Mike Enterprise, Inc. Business Site Lease No. TC-95-145 is attached as **Exhibit A**.

Section Three. Approval

A. The Navajo Nation hereby approves the Lease Modification to Novate Lease No. MJ Mike Enterprise, Inc. TC-95-145 as set forth in the documents as **Exhibit A**, to be governed by Navajo Nation Business Site Lease Regulations.

B. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute this Lease Modification to Novate and all other documents necessary to effectuate the intent of this resolution.



LEASE MODIFICATION FIVE
Lease No. TC-95-145

THIS LEASE AMENDMENT to Lease No. TC-95-145 is made and entered into this _____ by and between the Navajo Nation, P.O. Box 308, Window Rock, Navajo Nation (Arizona) 86515, hereinafter Lessor, MJ Mike Enterprise, Inc., hereinafter Lessee.

WHEREAS on or about November 2, 1994, Navajo Nation approved Lease No. TC-95-145 for MJ Mike Enterprise, Inc. for a term of 25 years.

WHEREAS Lessee consents and agrees to be governed by the Navajo Nation Business Site Leasing Regulations of 2005 and Lessee desires to amend certain sections to Lease No. TC-95-145 to eliminate the Secretary of Interior and has negotiated said amendments with Lessor.

NOW THEREFORE, it is hereby agreed by and between the Lessor and the Lessee that Lease No. TC-95-145 be amended and modified as follows:

Paragraph 1

1. Amend "25 U.S.C., Sections 415 and 635, as implemented by the regulations contained in 25 C.F.R. Part 162" **to read** "25 U.S.C., Section 415(e) as implemented by the Navajo Nation Business Leasing 2005 (hereinafter "Tribal Regulations)"

Section 1. DEFINITION

1. Delete "A. Secretary" means the Secretary of the Interior or his authorized representative, delegate or successor".

2. Delete "B." Its Entirety.

Section 3. PURPOSE, UNLAWFUL USES

1. Amend " written consent of Lessor and the Secretary" **to read** "written consent of Lessor"

2. Amend "sole discretion of Lessor and the Secretary" **to read** "sole discretion of Lessor"

Section 4. TERM

1. Amend "approved by the Secretary" **to read** "approved by the Lessor"

Section 6. RENTAL

1. Amend "the Secretary may in his discretion" **to read** "the Lessor may in his discretion"

2. Amend "rental shall be paid to the Secretary or his authorized representative" **to read** "rental shall be paid to the Lessor"

Section 7. ACCOUNTING

1. Amend "submit to Lessor and the Secretary individually" **to read** "submit to Lessor"

2. Amend "acceptance by the Lessor or the Secretary" **to read** "acceptance by the Lessor"

3. Amend "paid to Lessor or the Secretary" **to read** "paid to Lessor"

4. Amend "the Lessor or the Secretary shall be entitled" **to read** "the Lessor shall be entitled"

5. Amend "submission to the Lessor or the Secretary" **to read** "submission to the Lessor"

Section 9. PLANS AND DESIGN

1. Amend "approved by the Secretary" **to read** "approved by the Lessor"

Section 12. RENTAL AND PERFORMANCE BOND

1. Amend "Upon approval of this Lease by the Secretary" **to read** "Upon approval of this Lease by the Lessor"

2. Amend "acceptable to Lessor and the Secretary" **to read** "acceptable to Lessor"

3. Amend "deposited with the Secretary" **to read** "deposited with the Lessor"

4. Amend "at the discretion of Lessor and the Secretary" **to read** "at the discretion of Lessor"

5. Amend "shall be furnished the Secretary by Lessee" **to read** "shall be furnished the Lessor by Lessee"

6. Amend "Lessor and the Secretary reserve the right" **to read** "Lessor reserve the right"

Section 13. CONSTRUCTION BOND

1. Amend "bond to be deposit with the Secretary" **to read** "bond to be deposited with the Lessor"

2. Amend "Depositing in escrow with the Secretary" **to read** "Depositing in escrow with the Lessor"

3. Amend "acceptable to the Secretary and Lessor" **to read** "acceptable to the Lessor"

4. Amend "satisfactory to Lessor and Secretary" **to read** "satisfactory to Lessor"

5. Amend "at the option of Lessor and the Secretary" **to read** "at the option of Lessor"

Section 14. SUBLEASE, ASSIGNMENT, MANAGEMENT AGREEMENT, TRANSFER

1. Amend "written approval of Lessor, the Secretary and sureties" **to read** "written approval of Lessor and sureties"

2. Amend "approval of Lessor and the Secretary" **to read** "approval of Lessor"

3. Amend "subject to the approval of the Secretary" **to read** "subject to the approval of the Lessor"

Section 15. ENCUMBRANCE

1. Amend "written approval of the Lessor, the Secretary and sureties" **to read** "written approval of the Lessor and sureties"

2. Amend "encumbrance that the Lessor and the Secretary may deem necessary" **to read** "encumbrance that the Lessor may deem necessary"

3. Amend "approved by the Secretary, the Lessor" **to read** "approved by the Lessor"

4. Amend "the encumbrancer shall give to Lessor, the Secretary" **to read** "the encumbrancer shall give to Lessor"

5. Amend "approved by the Secretary" **to read** "approved by the Lessor"

6. Amend "approval by Lessor and the Secretary" **to read** "approval by Lessor"

7. Amend "the encumbrancer shall give to Lessor and the Secretary" **to read** "the encumbrancer shall give to Lessor"

8. Amend "approved by the Secretary" **to read** "approved by the Lessor"

9. Amend "approval by Lessor and the Secretary" **to read** "approval by Lessor"

Section 16. LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES

1. Amend "shall furnish Lessor and the Secretary" **to read** "shall furnish Lessor"

Section 17. LESSOR'S PAYING CLAIMS

1. Amend "written notice from the Lessor or Secretary" **to read** "written notice from the Lessor"

Section 19. PUBLIC LIABILITY INSURANCE

1. Amend "shall be furnished Lessor and the Secretary" **to read** "shall be furnished Lessor"

Section 20. FIRE AND DAMAGE INSURANCE

1. Amend "notification to the Lessor and the Secretary" **to read** "notification to the Lessor"

2. Amend "deposited with Lessor and the Secretary" **to read** "deposited with Lessor"

3. Amend "approved by Lessor and the Secretary" **to read** "approved by Lessor"

Section 22. DEFAULT

1. Amend "acted upon by the Secretary" **to read** "acted upon by the Lessor"

2. Amend "Title 25, Chapter 1, Part 162.14 of the Code of Regulations" **to read** "Tribal Regulations"

3. Amend "Lessor or the Secretary may exercise" **to read** "Lessor may exercise"

4. Amend "any right of Lessor and the Secretary" **to read** "any right of Lessor"

5. Amend "Lessor or the Secretary may sue" **to read** "Lessor may sue"

6. Amend "exercised by Lessor or the Secretary" **to read** "exercised by Lessor"

Section 23. ATTORNEY'S FEE

1. Amend "may be incurred by Lessor or the Secretary" **to read** "may be incurred by Lessor"

Section 28. PAYMENTS AND NOTICES

1. Amend "send to the Secretary or his authorized representative at Western Navajo Agency, Bureau of Indian Affairs, P.O. Box 127, Tuba City, Arizona 86045" **to read** "Navajo Nation Division of Economic Development, P.O. Box 663, Window Rock, Navajo Nation (Arizona), 86515"

Section 29. INSPECTION

1. Amend "The Secretary and Lessor" **to read** "The Lessor"

Section 33. MINERAL

1. Amend "to be determined by the Secretary" **to read** "to be determined by the Lessor"

Section 36. VALIDITY

1. Amend "approved by the Secretary" **to read** "approved by the Lessor"

All other terms and conditions, not specifically set forth herein, for Business Site Lease No. TC-95-145 shall remain in full force and effect.

IN WITNESS THEREOF:

_____
Surety

_____
MJ Mike Enterprise., Lessee
President

DATE: _____

_____
MJ Mike Enterprise, Lessee
Secretary

Date:_____

NAVAJO NATION, LESSOR

_____
President, Navajo Nation or designee

NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM

RECEIVED
APR 15 2019
DEPARTMENT OF JUSTICE
RECEPTIONIST DESK

DOJ
4-15-19 @ 11:30
DATE / TIME
☐ 7 Day Deadline
DOC #: 011658 #2
SAS #:
UNIT: ECDR

☐ RESUBMITTAL
(April 2019)

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

CLIENT TO COMPLETE

DATE OF REQUEST:	4/15/2019	DIVISION:	ECONOMIC DEVELOPMENT
CONTACT NAME:	Genevieve Keetso-Bighorse, EDS	DEPARTMENT:	Western RBDO
PHONE NUMBER:	928-283-3013	E-MAIL:	gkeetsobighorse@navajobusiness.com

TITLE OF DOCUMENT: *RESUBMITTAL (Document #: 011658): Lease Modification Novate Lease No. TC-95-145MJ Mike Enterprise*

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT: 4/16/19 @ 10:19a REVIEWING ATTORNEY/ADVOCATE: Lillian Schwales

DATE TIME OUT OF UNIT:

DOJ ATTORNEY / ADVOCATE COMMENTS

Legally sufficient

REVIEWED BY: (*Print*)	Date / Time	SURNAMED BY: (*Print*)	Date / Time
Lillian L. Schwales	4/16/19 11:19am	LPS	4/16/19 1128am

DOJ Secretary Called: Jennifer Jones for Document Pick Up on 4/16/19 at 2:58p By: ns

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

NNDOJ/DRRF-July 2013

RECEIVED
APR 16 2019
DEPARTMENT OF JUSTICE

EXHIBIT B

L E A S E

THIS LEASE, in sextuplicate, is made and entered into this 14th day of September, 1994, by and between THE NAVAJO NATION, hereinafter called Lessor, whose address is Post Office Box 308, Window Rock, Navajo Nation (Arizona) 86515, and MJ MIKE ENTERPRISE, INC., an Arizona Corporation, (Richard Paul Mike, C# 4701-60% and Nina Marie Heflin-40%) hereinafter called the Lessee, whose address is Post Office Box 1217, Kayenta, Arizona 86033, in accordance with the provisions of 25 U.S.C., Sections 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 sale 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:

Commencing at a Limbaugh Engineering and Aerial Survey, Inc. Kayenta Horizontal Control System, brass cap, "KAY-27" having Arizona State Plane Coordinates, East Zone, X-472,885.08 feet and Y- 2,076,596.41 feet,

Thence on a Geodetic bearing of North 80° 22′ 25" East a calculated distance of 1,732.14 feet to the Northwest Corner and the True Point of Beginning of the aforementioned Tract,

Thence North 79° 08′ 57" East a disance of 295.16 feet to the Northeast Corner,

Thence South 10° 51′ 03" East a distance of 295.16 feet to the Southeast Corner,

Thence South 79° 08′ 57" West along the northerly right-of-way line of U.S. Highway No. 160 a distance of 295.16 feet to the Southwest corner,

Thence North 10° 51′ 03" West a distance of 295.16 feet to the Northwest Corner and the True Point of Beginning.

The above described tract of land contains 2.00 acres more or less in area and being subject to any and all existing easements for underground utilities therein.

All of the above land is located in Kayenta, County of Navajo, 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:

The sale of gasoline and general merchandise.

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 30 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.

Business Years	**1-5**	**6-15**	**16-30**
Gasoline(cents/gal)	1.5 c/gal	1.5 c/gal	2 c/gal
General Merchandise	2.0%	2.5%	3.0%

(b) The sum of $25,000.00 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, whichever amount is greater.

The Lessee must make monthly rental 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 of the minimum rental. Monthly payments based on the percentage rental rate on gross receipts shall be paid not later than the tenth (10th) day after the end of the month for which 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 ten percent (10%) per annum from the date it becomes due until paid, but this provision shall not be construed to relieve the Lessee from any default in making any rental payment at that time and in the manner herein specified. The rents called for hereunder shall be paid without prior notice or demand.

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, convenants and agrees that Lessee will construct permanent improvements at a cost of and having a reasonable value of $720,000.00 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 law 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 15 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 $ 15,000.00 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 this Lease by the Secretary, Lessee agrees to post a corporate surety bond or other security acceptable to Lessor and the Secretary in a penal sum of $25,000.00, 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, 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 improvement on the leasehold premises, the Lessee will cause his construction contractor to post a construction bond in favor of Lessor and Lessee. If the construction contractor cannot post

such a bond, the Lessee shall post the construction bond. The purpose of the construction bond is to guarantee the completion of the improvements and payment in full of valid claims of all persons for work performed in or materials furnished for construction of the improvements. The construction contractor or the Lessee may provide security by either:

A. Posting a corporate surety bond in an amount equal to the cost of each improvement, said bond to be deposited with the 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, MANAGEMENT AGREEMENT, TRANSFER

Notwithstanding the provisions of 5 N.T.C. Section 2313(c), Lessee shall not sublease, assign, place under a management agreement, or in any manner whatsoever transfer this Lease or any right to or interest in this Lease or any of the improvements on the leased premises, or sell, assign or transfer more than forty-nine percent (49%) of the corporate stock of any corporation named as Lessee without the written approval of Lessor, the Secretary and sureties, if any, and no such sublease, assignment, sale, amendment or transfer shall be valid or binding without such approval, and then only upon the condition that the Sublessor, 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 Sublessor, 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 or 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 sale expenses incurred to the date of such execution, upon the same terms and conditions as originally provided by the approved encumbrance, and delivering to the encumbrancer a policy of title insurance in the face amount of such promissory note, issued by a reputable title insurance company, and insuring that the new encumbrance is a first lien upon the property described in this Lease subject only to current taxes and to conditions, restrictions and reservations of record at the time of recording the new encumbrance.

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 sale or other proceedings to enforce payment thereof, and all costs in connection therewith. Lessor shall execute and file any appropriate documents with reference to real estate tax exemption of the land when requested by Lessee. In addition to the rents, taxes and other charges herein described, Lessee shall pay charges for water, sewage, gas, electricity, telephone, and other utility services supplied to said premises.

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 ten percent (10%) per annum from the date of Lessor's payment until repayment is made. Failure to make such repayment on demand shall constitute a breach of this Lease.

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. PUBLIC LIABILITY INSURANCE

At all times during the term of this Lease, Lessee shall carry a public liability insurance policy in the amount of $500,000 for personal injury to one person and $1,000,000 per occurrence, and $720,000 for property damage or its replacement value, whichever is higher. 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 officers, agents or employees, shall be liable for any loss, damage, death or injury of any kind whatsoever to the person or property of Lessee or any other person whomsoever, caused by any use of the leased premises, or by any defect in any structure existing or erected thereon, or arising from any 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 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.

20. 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 improvement or building in a good and substantial manner according to the plan and elevation of the improvement or building so destroyed or damaged or in accordance with any modified plan approved in writing by the Lessor prior to commencement of repair or reconstruction. Repair or reconstruction shall commence as soon as possible and, in any event, within one (1) year after the damage occurs and shall be pursued diligently. Insurance proceeds shall be deposited in an escrow account with an institution approved by Lessor 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 (75%) or more of the total value of all improvements on the leased premises during the last five (5) years of the term of this Lease, Lessee shall have the option to reconstruct said improvements. Lessee shall provide Lessor with a written notice of the exercise of Lessee's reconstruction option within thirty (30) days of the event of damage giving rise to Lessee's reconstruction option. Should Lessee exercise its option to reconstruct, Lessee shall commence reconstruction of the damaged improvements within ninety (90) days of Lessee's exercise of its reconstruction option and shall diligently pursue the reconstruction to completion. Should Lessee not exercise its option to reconstruct, this 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 30. 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 obligation to repair and/or replace the damaged improvement to a condition as good or better than before the damage occurred.

21. 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.

22. 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

by the Secretary in accordance with Title 25, Chapter 1, Part 162.14 of the Code of 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.

23. ATTORNEY'S FEES

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

24. NO PARTNERSHIP

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

25. TERMINATION OF FEDERAL TRUST

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

26. 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.

27. 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 tenancies.

28. 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 or his authorized representative at Western Navajo Agency, Bureau of Indian Affairs, P.O. Box 127, Tuba City, Arizona 86045.

29. 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.

30. 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.

31. 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.

32. 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 NTC 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.

33. 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 representatives at any time, to enter upon the land and prospect for, mine, and remove same, paying just compensation for any damage or injury caused to Lessee's personal property or improvements constructed by Lessee; said compensation to be determined by the Secretary.

34. LEASE BINDING

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

35. 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.

36. 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.

37. 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.

38. AGREEMENT TO ABIDE BY NAVAJO AND FEDERAL LAWS

The Lessee and the Lessee's employees, agents, and sublessees and their employees and agents agree to abide by all laws, regulations, and ordinances of the Navajo Nation, and all applicable laws, regulations and ordinances of the United States, now in force and effect or as may be hereafter in force and effect.

39. JURISDICTION AND GOVERNING LAW

The laws of the Navajo Nation and applicable laws of the United States shall govern the construction, performance and enforcement of this Lease. Lessee, Lessee's employees, 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 law.

40. SOVEREIGN IMMUNITY

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

41. UNCONDITIONAL LEASE GUARANTY

In order to induce the Lessor to execute and deliver the above Lease to the Lessee the undersigned hereby unconditionally and irrevocably guaranties to the Lessor and the Secretary the performance by the Lessee of all the obligations of the Lessee under the above Lease, including but not limited to the obligation to pay rent, and will pay all the Lessor's expenses, including attorney's fees, incurred in enforcing said obligations, or incurred in enforcing this guaranty.

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

10-27-94
Richard P. Mike (C#4701) - Guarantor DATE

10-27-94
Nina M. Heflin - Guarantor DATE

NAVAJO NATION, LESSOR

BY: _____
FOR President, Navajo Nation

DATE APPROVED: -2 NOV 1994

JAN 12 1995
APPROVED _____
pursuant to Secretarial Redelegation Order 209 DM8 and 230 DM3 and Navajo Area Addendum to 10 BIAM 3.3E

_____
ACTING
Superintendent, _____ Agency
Bureau of Indian Affairs

Document No. 011658 Date Issued: 12/17/2018

EXECUTIVE OFFICIAL REVIEW

Title of Document: Novate Lease No. TC-95-145 MJ Mike Ent. Contact Name: KEETSO-BIGHORSE, GENEVIEVE

Program/Division: DIV. OF ECONOMIC DEVELOPMENT

Email: gkeetsobighorse@navajobusiness.com Phone Number: 928-283-3013

			Sufficient	Insufficient
☑ **Business Site Lease**				
1. Division:		Date: 12-17-18	☑	☐
2. Office of the Controller: 12/19/18		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: 4-3-19	☑ 4/16/19	☐
☐ **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:	☐	☐

RECEIVED
JAN - 3 2019
ACCOUNTS RECEIVABLE SECTION
BY: TIME:

☐ **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)**

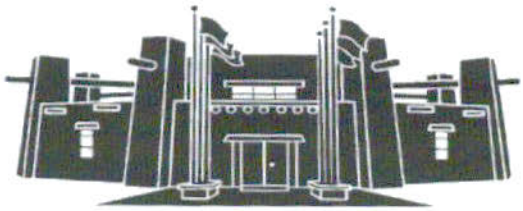
1. NLD		Date:	☐	☐
2. F&W		Date:	☐	☐
3. HPD		Date:	☐	☐
4. Minerals		Date:	☐	☐
5. NNEPA		Date:	☐	☐
6. DNR		Date:	☐	☐
7. DOJ		Date:	☐	☐
8. OPVP		Date:	☐	☐

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Office of Legislative Counsel
Telephone: (928) 871-7166
Fax # (928) 871-7576



Honorable Seth Damon
Speaker
24th Navajo Nation Council

MEMORANDUM

TO: Honorable Nathaniel Brown
Chilchinbeto, Dennehotso, Kayenta Chapters

FROM: Mariana Kahn
Mariana Kahn, Attorney
Office of Legislative Counsel

DATE: May 10, 2019

SUBJECT: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE; APPROVING THE LEASE MODIFICATION TO NOVATE LEASE NO. TC-95-145 FOR MJ MIKE ENTERPRISE, INC. TO A NAVAJO NATION LEASE TO BE GOVERNED BY NAVAJO NATION BUSINESS SITE LEASE REGULATIONS

As requested, I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting. Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge. Please ensure that his particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.

The Office of Legislative Counsel confirms the appropriate standing committee(s) based on the standing committees powers outlined in 2 N.N.C. §§301, 401, 501, 601 and 701. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. §164(A)(5).

If the proposed resolution is unacceptable to you, please contact me at the Office of Legislative Counsel and advise me of the changes you would like made to the proposed resolution.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION

LEGISLATION NO: 0120-19 SPONSOR: Nathaniel Brown

TITLE: An Action Relating To Resources And Development Committee; Approving The Lease Modification To Novate Lease No. TC-95-145 For MJ Mike Enterprise, Inc. To A Navajo Nation Lease To Be Governed By Navajo Nation Business Site Lease Regulations

Date posted: May 14, 2019 at 8:55 PM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7586

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. *§374 et. seq.*

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY

LEGISLATION NO.: 0120-19

SPONSOR: Honorable Nathaniel Brown

TITLE: An Action Relating To Resources And Development Committee; Approving The Lease Modification To Novate Lease No. TC-95-145 For MJ Mike Enterprise, Inc. To A Navajo Nation Lease To Be Governed By Navajo Nation Business Site Lease Regulations

Posted: May 14, 2019 at 8:55 PM

5 DAY Comment Period Ended: May 19, 2019

Digital Comments received:

Comments Supporting	*None*
Comments Opposing	*None*
Inconclusive Comments	*None*

Legislative Tracking Secretary
Office of Legislative Services

5-20-19 9:38am
Date/Time