

## LEGISLATIVE SUMMARY SHEET

Tracking No. 0220-20

**DATE:** September 8, 2020

**TITLE OF RESOLUTION:** AN ACTION RELATING TO THE BUDGET AND FINANCE, RESOURCES AND DEVELOPMENT, AND NABIK'IYATI' COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING THE PURCHASE OF PROPERTY OFFERED FOR SALE TO THE NAVAJO NATION BY THE OWNER OF 11 D STREET, S. E., WASHINGTON D.C.; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO THE PURCHASE PROPERTY; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO PAY FOR REPAIR AND RENOVATION OF THE 11 D STREET PROPERTY

**PURPOSE:** The purpose of the resolution is to approve expenditure of the Land Acquisition Trust Fund "fund principal" in the amount of \$5,140,281.50 for the purchase, closing costs, renovation, architect design, and construction; to waive Section VI. (C) of the Navajo Nation Land Acquisition Rules and Regulations. The expenditure of principle of the Navajo Nation Land Acquisition Trust Fund requires a two-thirds (2/3) vote of the full membership of the Navajo Nation Council.

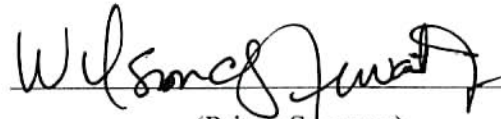

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: Johnson  
Website Posting Time/Date: 7:20pm 09-08-20  
Posting End Date: 09-13-20  
Eligible for Action: 09-14-20

Budget & Finance Committee  
Thence  
Resources & Development Committee  
Thence  
Naabik'iyati' Committee  
Thence  
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
24<sup>th</sup> NAVAJO NATION COUNCIL -- Second Year, 2020

INTRODUCED BY

  
(Prime Sponsor) 

TRACKING NO. 0220-20

AN ACTION

RELATING TO THE BUDGET AND FINANCE, RESOURCES AND  
DEVELOPMENT, AND NABIK'IYATI' COMMITTEES, AND NAVAJO NATION  
COUNCIL; APPROVING THE PURCHASE OF PROPERTY OFFERED FOR SALE  
TO THE NAVAJO NATION BY THE OWNER OF 11 D STREET, S. E.,  
WASHINGTON D.C.; APPROVING THE EXPENDITURE OF FUND PRINCIPAL  
OF THE LAND ACQUISITION TRUST FUND TO THE PURCHASE PROPERTY;  
APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND  
ACQUISITION TRUST FUND TO PAY FOR REPAIR AND RENOVATION OF  
THE 11 D STREET PROPERTY

BE IT ENACTED:

**Section One. Authority**

- A. Pursuant to 16 N.N.C. § 4 the Resources and Development Committee, on the recommendation of the Budget and Finance Committee, will grant final approval for acquisition or disposition of real property(ies) between the sum of \$5,000,000.00 and up to and including \$20,000,000.00 per calendar year. CAU-44-16 (August 10, 2016).
- B. The Resources and Development Committee, after a recommendation by the Budget and Finance Committee shall approve price, acreage and location for the acquisition or disposition of real property; be limited to the total expenditures of

1 \$20,000,000 per calendar year and issue a resolution for approval or disapproval of  
2 such acquisition or disposition of real property. *See* 16 N.N.C. § 4, CAU-44-16  
3 (August 10, 2016); Navajo Nation Land Acquisition Rules and Regulations,  
4 IV(B)(1)(2)(3), RDCO-78-16 (Oct. 25, 2016).

5 C. Proposed legislation that requires final action by the Navajo Nation Council shall be  
6 assigned to the standing committees have authority over the subject matter and the  
7 Naabik'iyáti' Committee. 2 N.N.C. § 164 (A)(9).

8 D. Pursuant to 16 N.N.C. § 204, the Fund principal shall not be expended except  
9 pursuant to a two-thirds vote of the full membership of the Navajo Nation Council.

## 10 11 **Section Two. Findings**

12 A. The Navajo Nation Acquisition of Lands Act, 16 N.N.C. §2. (A) (5), states "The  
13 Navajo Nation's major purposes in acquiring new lands shall be to: . . . (5) Provide  
14 land necessary for approved Navajo Nation economic development." 16 N.N.C. §2  
15 (A) (5), Resolution No. CAU-44-16.

16 B. The Navajo Nation shall acquire and dispose of real property subject to land  
17 acquisition regulations as approved by the Resources and Development Committee  
18 of the Navajo Nation Council. 16 N.N.C. § 3, Resolution No. CAU-44-16.

19 C. The Resources and Development Committee approved the Navajo Nation Land  
20 Acquisition Rules and Regulations ("Rules and Regulations") on October 25, 2016,  
21 by approving Resources and Development Committee Resolution No. RDCO-78-  
22 16.

23 D. The Navajo Nation Land Acquisition Rules and Regulations authorize the  
24 Executive Director of the Division of Natural Resources ("DNR") to:

- 25 1. Strategize and evaluate properties for acquisition or disposition through  
26 coordination with appropriate Divisions, Chapters, and Enterprises;
- 27 2. Conduct a preliminary assessment of the property in terms of location, value to  
28 the Navajo Nation, title, and environmental issues;
- 29 3. Coordinate with interested Divisions or Chapters to complete the assessment of  
30 the property for acquisition or disposition;



- 1       4. Hire consultants, such as but not limited to, real estate brokers and agents to
- 2       assist the Navajo Nation in the acquisition or disposition of real property;
- 3       5. Negotiate the purchase price for the subject property; and
- 4       6. Authorize the Navajo Land Department to conduct additional administrative
- 5       duties that are not already identified herein.

6       *See* Rules and Regulations, III, Authorization, (B)(1-6).

7       E. The Rules and Regulations provide, among other provisions, that the “Navajo  
8       Nation should purchase fee simple title to real property that is insurable. All steps  
9       should be taken to obtain clear and marketable title that is free of questions of fact,  
10      free of questions of law, free of any clouds on title, not subject to liens, and vested  
11      in the seller of the property, except in special circumstances that are deemed to  
12      benefit the Navajo Nation. The purchase price for the land must be fair and  
13      reasonable.” *See* Rules and Regulations, V, Real Property Purchase Requirements,  
14      (B)(C).

15      F. The Rules and Regulations provide general procedures for the purchase of real  
16      property where the Navajo Land Department shall conduct a preliminary inspection  
17      involving an on-site inspection of the property to identify the land, any title issues,  
18      inventory, readily identifiable environmental concerns, or any other issue that may  
19      exist and shall review preliminary title documents, if available, for identification of  
20      any liens, encumbrances, or title issues. *See* Rules and Regulations, VI, General  
21      Procedure for Purchase of Real Property, (C)(1)(2).

22      G. 16 N.N.C. § 201 established the Land Acquisition Trust Fund (“LATF”) to be  
23      managed by the Navajo Land Department for the purchase of lands for the Navajo  
24      Nation in accordance with the Navajo Nation Land Acquisition Act, 16 N.N.C. §1  
25      *et seq.* and Policy and Procedures adopted by the Resources and Development  
26      Committee of the Navajo Nation Council.

27      H. The Division of Natural Resources approved the 11 D Street, S. E., Washington  
28      D.C. land acquisition on May 7, 2020. The agreed purchase price with the Seller is  
29      \$4,800,000.00 plus closing costs. *See* Real Estate Purchase Approval  
30



Memorandum dated May 7, 2020 and Offer to Purchase Letter dated May 12, 2020, which are attached hereto and incorporated herein by this reference as **Exhibit "A."**

I. The Navajo Nation Washington Office ("NNWO") maintains a presence in Washington, D.C. and exists as an extension of the Navajo Nation government to represent the Navajo Nation government's concerns to the United States Congress, White House, and federal agencies, to advance issues of critical importance to the Navajo Nation people as authorized by 2 N.N.C. §1151. The NNWO memorandum dated June 16, 2020 recommending the real estate purchase is attached as **Exhibit "B."**

J. Over the Memorial Day Holiday, the current office building utilized by the Navajo Nation Washington Office was severely damaged by water from a broken water tank located on top of the building. The NNWO is in desperate need of office space immediately and this land acquisition would address that need. In order for the NNWO to occupy the proposed 11 D Street facility, minor repairs and preparations for opening the NNWO will be needed. The renovation expenses are expenses outside of this real estate purchase. The Navajo Nation Washington Office wishes to hire a General Contractor or their equivalent in the amount of \$100,000 to make minimal repairs to bring the office to code and occupy the building immediately. The NNWO has submitted a memorandum dated July 8, 2020 requesting that DNR utilize funds from the LATF to pay renovation and repairs costs and a cost estimate, which is attached hereto as **Exhibit "C."**

K. The Navajo Nation, from November 2003 through December 2019, has spent approximately over \$3,500,000 in office space rental. The current monthly rent is approximately \$24,691.62 and is adjusted each year depending on a variety of market variables, including a minimal three percent (3%) annual escalation. This land and office building acquisition will be a solid investment for the future of the Navajo Nation, provides quick and easy access to Congress, enhances Tribal-Federal Government Affairs, provides a suitable facility, and alleviates the future expense of paying rent, which is also a cost savings to the Navajo Nation.

Moreover, this facility will be the first American Indian Tribal Embassy established in our Nation's Capital.

- L. The Resources and Development Committee and the Budget and Finance Committee, by their respective approval, recommend and approve price, acreage and location of the property in Washington, D.C.
- M. The Resources and Development Committee, the Budget and Finance Committee, and Naabik'íyáti' Committee, by their respective approval, recommend the purchase of the property in Washington, D.C. utilizing the expenditure of Fund Principal funds from the Land Acquisition Trust Fund, plus closing costs and expenses.
- N. The Resources and Development Committee must approve the waiver of Section VI. (C) (Preliminary Inspection) the Navajo Nation Land Acquisition Rules and Regulations requiring an on-site inspection report from the Navajo Land Department for this real property land acquisition, which was not possible because of the travel prohibitions set forth by Executive Orders and Emergency Public Health Orders issued because of the COVID 19/Corona Virus Pandemic.
- O. The property offered for sale includes a 3,728 square feet, two-unit, two story, mixed use building, situated on a 0.15-acre site, at 11 D. Street, Washington, D.C., whose fair market value was appraised at \$4,300,000 as of February 28, 2020. The Appraisal Report, which also provides maps, property description, land status, and photographs of the property, is attached hereto and incorporated herein as **Exhibit "D."** There is room to expand the improvements to the Property.
- P. The Navajo Nation Washington Office wishes to hire an architect to convert the acquired property into the Navajo Nation Embassy. The Navajo Nation Embassy should be reflective of the Navajo people so a Navajo architect would be subcontracted to help infuse Navajo thought and culture into design elements of the Embassy. Such services would be procured in the amount of \$150,000 to design and produce renderings that would be submitted to the District of Columbia for needed permits and construction. See **Exhibit "C."**



- 1 Q. Principal Funds are available from the Land Acquisition Trust Fund Business Unit  
2 415000 to purchase the property. A copy of the funds availability from Office of  
3 Controller is attached hereto and incorporated herein as **Exhibit "E."**
- 4 R. On May 26, 2020, the Controller of the Office of the Controller advised the  
5 Division of Natural Resources that the "... unaudited unreserved amount available  
6 for use in the fund balance is \$167,410,942. However, 16 N.N.C. § 204 would  
7 govern this amount as it would be Fund Principal." The Controller further  
8 concluded that "... the budget available for purchase of Real Property is  
9 \$1,344,180.67; the 16 N.N.C. §205 Expenditure of Fund Income would govern this  
10 portion as this amount is income that should be used for land acquisition."  
11 Memorandum from Controller to DNR Executive Director, dated May 26, 2020, is  
12 attached hereto and incorporated herein by this reference as **Exhibit "E."** Pursuant  
13 to 16 N.N.C. § 4 (Resolution No. CAU-44-16; Aug. 10, 2016), the Executive  
14 Director of the Division of Natural Resources "... is ... delegated a limited grant  
15 of final approval for the acquisition ... of real property(ies) not to exceed an  
16 accumulated sum of \$5,000,000 per calendar year."
- 17 S. The last land acquisition approved by the Executive Director was approved on  
18 December 27, 2019 for an amount below the \$5,000,000 limit, within calendar year  
19 2019. For calendar year 2020, the 11 D Street, S.E., Washington D.C., Property  
20 was approved for a purchase price within the Executive Director's purchase  
21 authority limit. The Controller advised the Executive Director that "... At the time  
22 of calculating the FY 2020 Budget, our office used FY2018 interest income of  
23 \$5,042,124.40." See **Exhibit "E."** It appears that Land Acquisition Trust Fund  
24 expenditure availability was calculated based upon the FY 2020 Budget, rather than  
25 on a calendar year basis. In any event, the Controller has advised the Division of  
26 Natural Resources that there are insufficient funds available to purchase the  
27 Washington D.C. property, unless the Land Acquisition Trust Fund Principal is  
28 authorized to purchase the aforementioned Property.
- 29 T. Navajo Land Department Land Acquisition Trust Fund, FY2020 BU 415000, does  
30 not have sufficient income funds to cover the purchase cost. However, the Land



1 Acquisition Trust Fund "Fund Principal" has sufficient funds, the expenditure of  
2 which requires two-thirds (2/3) approval votes by the Navajo Nation Council  
3 pursuant to Title 16 N.N.C. § 204.

4 U. The Commercial Real Estate Purchase Agreement is attached as **Exhibit F**.

5 V. Executive Official Review Document No. 014560 is attached as **Exhibit G**.

6 W. The Navajo Nation finds that the acquisition of this property is in the best interests  
7 of the Navajo Nation which will provide property necessary for advocating the  
8 position of the Navajo Nation, efforts to access funding for Navajo government  
9 services, and to display the sovereignty of the Navajo Nation.

### 11 **Section Three. Approval**

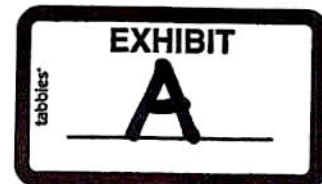
12 A. The Navajo Nation Council hereby approves the expenditure of the Land  
13 Acquisition Trust Fund "fund principal" in the amount of \$4,800,000.00 for the  
14 purchase of the 11 D. Street, S.E., Washington, D.C., plus any closing costs  
15 (\$90,281.50), the renovation and repair of the Property to occupy the building that  
16 will house NNWO (\$100,000) and the cost to hire architects to design the Navajo  
17 Nation Embassy (\$150,000). Total amount for the purchase, closing costs,  
18 renovation, architect design, and construction is \$5,140,281.50.

19 B. The Budget and Finance Committee of the Navajo Nation Council hereby  
20 recommends that the Resources and Development Committee approve the purchase  
21 of the real property offered for sale to the Navajo Nation, located at 11 D Street, S.  
22 E, Washington D.C.

23 C. The Resources and Development Committee of the Navajo Nation Council hereby  
24 approves the purchase of the real property offered for sale to the Navajo Nation,  
25 located at 11 D. Street, S. E., Washington D.C. and waives Section VI. (C)  
26 (Preliminary Inspection) the Navajo Nation Land Acquisition Rules and  
27 Regulations requiring the Navajo Land Department conduct a preliminary on-site  
28 inspection for this real property land acquisition.

29 D. The Navajo Nation directs the Division of Natural Resources Executive Director to  
30 initiate and complete the requirements for the purchase of real property before

1       October 31, 2020, through the Commercial Real Estate Purchase Agreement  
2       negotiated in this matter, with related documents as described in the Navajo Nation  
3       Land Acquisition Rules and Regulations, VI. General Procedure for Purchase of  
4       Real Property, (E) Purchase Agreement and Opening Escrow.  
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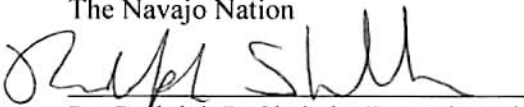


# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

## MEMORANDUM

TO: The Honorable Jonathan Nez, President  
The Navajo Nation

FROM:   
Dr. Rudolph R. Shebala, Executive Director  
Division of Natural Resources

DATE: May 7, 2020

SUBJECT: **REAL ESTATE PURCHASE APPROVAL FOR AN OFFICE BUILDING IN WASHINGTON, D.C. FOR THE NAVAJO NATION WASHINGTON OFFICE**

Pursuant to Section 4 of the Navajo Nation Land Acquisition Act and Section VI. D. 2. a. of the Navajo Nation Land Acquisition Rules and Regulations, the Executive Director of the Division of Natural Resources (DNR) hereby approves the purchase of a building and residence located at 11 D Street, S.E., Two Unit-Two Story, 3,728 sq. ft., GBA 2 Unit Mixed Use Building (Parcel I.D. No. 06930848), situated in Washington, D.C. for the Navajo Nation's Embassy office building.

**LEGAL LAND DESCRIPTION:** 11 D Street, S.E., Washington D.C. 20003-Parcel ID #06930848-6,657 square feet, as specifically described in the land description attached hereto and incorporated herein as Exhibit "A."

**PROPERTY DESCRIPTIONS:** The subject Property fronts D Street, SE, Washington, DC. The building is situated on a 0.15-acre site located at the corner of D Street and Capital Street in Washington DC, an urban community in the DC Metropolitan Statistical Area. The building improvement is a two unit-two story mixed use dwelling with office; the first unit is a residential detached carriage house. Both structures are approximately 3,728 square feet gross building area. The improvements were originally constructed circa 1830 as a detached residential dwelling. The building was later expanded and converted to a 2-unit office/residence. The Property is demised into two units with two levels each. The first -unit is vacant and has been previously configured as office/commercial space. The second unit is configured as a one-bedroom apartment with one bath. Unit 2 is presently vacant space.

The Property is owned by the following persons and described as follows:

## DIVISION OF NATURAL RESOURCES

POST OFFICE BOX 9000 · WINDOW ROCK, AZ 86515 · PHONE: (928) 871-6592 · FAX: (928) 871-7040



Stephen Tanner and Sophia Mellos, as tenants by the entirety, as to an undivided Fifty-five Percent (55%) interest by Deed from William H. Boswell and Myra E. Boswell, dated July 26, 2001 and recorded with DC Treasurer on July 27, 2001 as Instrument #2001068020 and Sophia Mellos, as to the remaining undivided Forty-five Percent (45%) interest, as tenants in common, as to the whole by Deed of Gift from Sophia Mellos, Evan Mellos and Chau Duong, Co-Personal Representatives of the Estate of Helen M. Mellos, who died on or about September 12, 2003, dated May 1, 2007 and recorded with DC Treasurer on May 11, 2007 as Instrument #2007064008.

ALTA Commitment for Title Insurance, dated 5/1/2020, from Logan Title, LLC (2308 14<sup>th</sup> Street NW, Washington D.C. 20009), Commitment No. 20-441 at p. 4 of 10.

**NAVAJO LAND DEPARTMENT EVALUATION OF PROPERTY:** Pursuant to Sections V. A. and B. of the Navajo Nation Land Acquisition Rules and Regulations, the land must be desired for acquisition. The Navajo Nation Washington Office has identified a suitable office building at 11 D Street, S.E., Washington D.C., from which to conduct the business of the Navajo Nation with the federal government. Over the years, the Washington Office has spent over \$3.5 million in office space rental funds from November 2003 through December 2019.<sup>1</sup> The current monthly rent is approximately \$24,691.62 and is adjusted each year depending on a variety of market variables including a minimal 3% annual escalation. This land acquisition and office building acquisition will provide the Navajo Nation with a suitable facility and alleviate the future expense of paying rent. This is a cost savings to the Navajo Nation.

**LAND TITLE EVALUATION:** Pursuant to the requirements of Section V.B.1 of the Navajo Nation Land Acquisition Rules and Regulations, the land to be purchased must be insurable by a conventional land title insurance policy. On May 1, 2020, an ALTA Commitment for Title Insurance was issued by Logan Title LLC (2308 14<sup>th</sup> Street NW, Washington D.C. 20009), underwritten by First American Title Co., Commitment No. 20-441, with Proposed Insured named as Navajo Nation of Indians, a Sovereign Indian Nation. This Commitment for Title Insurance is an offer to sell a Title Insurance Policy to the Navajo Nation at the time the Navajo Nation purchases the Property and receives the conveyance of the land with improvements.

**PURCHASE PRICE OF PROPERTY:** Pursuant to the requirements of Section V.C. of the Navajo Nation Land Acquisition Rules and Regulations, the land purchase price must be both fair and reasonable as determined by a real estate appraisal of the entire property. An Appraisal of Property report and evaluation was prepared for the 11 D Street, SE Property on August 5, 2019 by Mr. Wayne Rogers, CGA, FAB Appraisals Inc. (7905 Deepwell Dr., Bethesda, MD 20817), License Number: 40005034, conducted under the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The "Market Value 'As-Is'" is \$4,300,000, effective 2/28/20, for the Fee Simple Interest Appraised. The Purchase Price of the Property is reasonable, because it is approximately 11.6 % above the appraised value determination, but also, more importantly, the Seller accepted a price that is far below the last price offered by a competitor foreign government of \$6,500,000.00.

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<sup>1</sup> Data prior to November 2003 was not available from the Office of the Controller. This amount was not adjusted for inflation nor does it properly account for rent paid since the Office's inception during the late 1970s. Therefore, nearly 20 years of rent paid is not factored in.

**DESCRIPTION OF TRANSACTION:** The purchase price of the Property is \$4,800,000.00 with a five percent (5%) deposit of \$240,000.00 due within five (5) days of signing the Real Estate Purchase Agreement and opening of escrow. The Closing of Escrow will occur forty-five (45) days from execution of the Purchase and Sale Agreement, allowing the Navajo Nation to conduct due diligence investigations during the forty-five (45) day period. All Closing costs shall be assigned between the parties in accordance with customary closing practices in Washington D.C. for commercial real estate transactions. The purchase agreement is contingent on closing without cancelation or termination from the State Department, National Capital Planning Committee-NCPC, or any other government entity. If any Government termination occurs, the Navajo Nation will be refunded our Earnest Money Deposit.

Furthermore, the Property is encumbered by two (2) Deeds of Trust, securing indebtedness for loans made as follows: (1) "Deed of Trust from Stephen M. Tanner and Sophia Mellos to Erika Brooke Schiller, Trustee, securing an indebtedness to First Savings Mortgage Corporation, a Virginia Corporation, in the amount of \$480,000.00, dated February 7, 2017 and recorded on February 17, 2017 as Instrument #2017019041 in the official records of DC Treasurer to be satisfied and released"; and (2) a "Deed of Trust from Sophia Mellos to Wells Fargo Financial National Bank, Trustee, securing an indebtedness to Wells Fargo Bank, N.A., in the amount of \$300,000.00, dated March 1, 2013 and recorded on December 9, 2013 as Instrument #2013136117 in the official records of DC Treasurer to be satisfied and released. Subordination Agreement recorded February 17, 2017 as Instrument #2017019042." Commitment for Title Insurance, Commitment No. 20-441, dated 5/1/20, at pg. s 6 of 10 and 7 of 10. These encumbrances, as well as any other unauthorized encumbrance will have to be removed at or prior to Closing of Escrow, which will be required by the real estate purchase agreement issued in this matter and the title insurance company.

**PURCHASE FUNDS AND CONDITIONS PRECEDENT TO CLOSING:** The Navajo Land Department advises that there are sufficient funds in the Navajo Nation Land Acquisition Trust Fund to close the purchase of this Property, purchase a land title insurance policy, and pay any other expenses associated with the purchase of this Property.

The Executive Director is authorized to purchase property in the annual cumulative amount of \$5,000,000.00. The cash purchase payment, the title insurance policy, and other closing expenses for this land purchase transaction fall within the annual cumulative amount of \$5,000,000.00, and, therefore, the Executive Director of the Division of Natural Resources is authorized and empowered to expend land acquisition funds in this matter.


Specific conditions, mentioned above, prior to closing escrow include the following:

1. Approval by the Navajo Nation of the Warranty Deed conveying the property to ownership of the Navajo Nation.
2. Approval of the joint escrow instructions.
2. Approval and payment of the Closing Invoice.




DNR authorizes the realty team, which includes the Navajo Land Department, and Luke C. Joyce, Vice President, McWilliams Ballard, Inc., consulting broker for the Navajo Nation, to work with DNR Principal Attorney, Robert Allan, the Office of the Controller (OOC), the Office of the President and Vice President, and the Navajo Nation Department of Justice on completing the closing process, pursuant to the Navajo Nation Land Acquisition policies, rules, and regulations.

**CONCURRENCE and APPROVAL:**

  
\_\_\_\_\_  
Jonathan Nez, President  
The Navajo Nation



 <b>First American Title™</b>	<b>ALTA Commitment for Title Insurance</b>
<b>Exhibit A</b>	ISSUED BY <b>First American Title Insurance Company</b>
	COMMITMENT NUMBER <b>20-441</b>

Commitment No.: 20-441

The Land referred to herein below is situated in the City of Washington, District of Columbia, and is described as follows:

Lot 54 in Square 693 in a subdivision made by Alvin M. Meeker, as per plat recorded in Liber 19 at folio 60 in the Office of the Surveyor for the District of Columbia.

-ALSO-

Part of original Lot 13 in Square 693, as per plat recorded in "Record of Squares" Book No. 3 at page 693 in said Surveyor's Office, being more particularly described as follows:

BEGINNING for the same at a point in the south line of D Street, S.E., at the northwest corner of said lot, and running thence East along said line of said street, 22.00 feet; thence South and parallel with the west line of said lot, 79.25 feet to a point in the north line of a 25 foot wide public alley; thence West along said line of said alley, 22.00 feet to a point in said west line of said lot; and thence North along said west line of said lot, 79.25 feet to the point of beginning.

SUBJECT TO a right of way over the following part of the above described property: BEGINNING for the same at a point at the southeast corner of said Lot 54 in said square, and running thence South, 11.25 feet to a point in said line of said alley; thence East along said line of said alley, 3.00 feet; thence North and parallel with said west line of Lot 13, 14.25 feet; thence West and parallel with said line of said alley, 3.00 feet to a point in said west line of said Lot 13; and thence South along said last mentioned line, 3.00 feet to the point of beginning.


-ALSO-

Lot 82 in Square 693 in a subdivision made by William H. Boswell, as per plat recorded in Liber 165 at folio 178 in the Office of the Surveyor for the District of Columbia.

NOTE: At the date hereof all of the above described property is known for assessment and taxation purposes as Lot 848 in Square 693.

Property Address: 11 D Street, SE, Washington, DC 20003

Tax Parcel ID: Square 0693 Lot 0848

 <b>First American Title™</b>	<b>ALTA Commitment for Title Insurance</b> ISSUED BY <b>First American Title Insurance Company</b>
<b>Commitment</b>	AGENT'S FILE NUMBER <b>20-441</b>

**COMMITMENT FOR TITLE INSURANCE**

Issued By

**FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT—READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within 180 days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**

Agency Office



Dennis J. Gilmore, President

Logan Title LLC  
 2308 14th Street NW  
 Washington, DC 20009



By: PRO FORMA

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## COMMITMENT CONDITIONS

### 1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

- 2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
- 3. The Company's liability and obligation is limited by and this Commitment is not valid without:
  - (a) the Notice;
  - (b) the Commitment to Issue Policy;
  - (c) the Commitment Conditions;
  - (d) Schedule A;
  - (e) Schedule B, Part I—Requirements;
  - (f) Schedule B, Part II—Exceptions; and
  - (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

### 4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

### 5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.

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- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

Arbitration provision intentionally removed.

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 <b>First American Title™</b>	<b>ALTA Commitment for Title Insurance</b>
<b>Schedule A</b>	ISSUED BY <b>First American Title Insurance Company</b>  COMMITMENT NUMBER <b>20-441</b>

**Transaction Identification Data for reference only:**

Issuing Agent: Logan Title LLC  
20009  
ALTA® Universal ID:  
Commitment No.: 20-441  
Property Address: 11 D Street SE, Washington, DC 20003  
Revision No.:

Issuing Office: 2308 14th Street NW, Washington, DC

Loan ID No.:  
Issuing Office File No.: 20-441

**SCHEDULE A**

Please read the exceptions and the terms shown or referred to herein carefully. The exceptions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this form is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

1. Commitment Date: 05/01/2020 at 8:00 AM
2. Policy to be issued:
  - (a) ALTA Owner's Policy (6-17-06)  
Proposed Insured: **Navajo Nation of Indians, a Sovereign Indian Nation**  
Proposed Policy Amount: **\$4,800,000.00**
3. The estate or interest in the Land described or referred to in this Commitment is fee simple
4. Title to the fee simple estate or interest in the Land is at the Commitment Date vested in:  
Stephen Tanner and Sophia Mellos, as tenants by the entirety, as to an undivided Fifty-five Percent (55%) interest by Deed from William H. Boswell and Myra E. Boswell, dated July 26, 2001 and recorded with DC Treasurer on July 27, 2001 as Instrument #2001068020 and Sophia Mellos, as to the remaining undivided Forty-five Percent (45%) interest, as tenants in common, as to the whole by Deed of Gift from Sophia Mellos, Evan Mellos and Chau Duong, Co- Personal Representatives of the Estate of Helen M. Mellos, who died on or about September 12, 2003, dated May 1, 2007 and recorded with DC Treasurer on May 11, 2007 as Instrument #2007064008.
5. The Land is described as follows:  
Property description set forth in Exhibit A attached hereto and made a part hereof.

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**FIRST AMERICAN TITLE INSURANCE COMPANY**

Logan Title LLC  
2308 14th Street NW  
Washington, DC 20009  
(202) 400-2508 - (202) 403-3095 fax

By:

PRO FORMA

**Authorized Signatory**

Patrick John Tangney, License #: 2890243

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 <b>First American Title™</b>	<b>ALTA Commitment for Title Insurance</b> ISSUED BY <b>First American Title Insurance Company</b>
<b>Schedule BI</b>	COMMITMENT NUMBER <b>20-441</b>

Commitment No.: 20-441

## SCHEDULE B, PART I

### Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Pay all taxes, charges, assessments, levied and assessed against the Land, which are due and payable.
6. Provide a survey acceptable to Company or Exception 3 will remain in the Owner's Title Policy.
7. The Company must be furnished with satisfactory proof that the Land is owner occupied, occupied by the proposed purchaser, or vacant. In the event of a transfer of any or all interest of a direct or indirect owner of the Land or of a sale or lease of the Land, and if occupied by residential tenants, further proof satisfactory to the Company is required that the requirements of Title IV and Title V of D.C. Law 3-86, "Rental Housing Conversion and Sale Act of 1980" as amended, have been complied with.
8. This Company must be provided with an Owner's Affidavit in satisfactory form at closing.
9. Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to wit:
10. Duly authorized and executed Deed from Stephen M. Tanner and Sophia J. Mellos, to Navajo Nation of Indians, a Sovereign Indian Nation, to be executed and recorded at closing.
11. A Deed of Trust from Stephen M. Tanner and Sophia Mellos to Erika Brooke Schiller, Trustee, securing an indebtedness to First Savings Mortgage Corporation, a Virginia Corporation, in the amount of \$480,000.00, dated February 7, 2017 and recorded on February 17, 2017 as Instrument #2017019041 in the official records of DC Treasurer to be satisfied and released.

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<b>Schedule BI</b>	COMMITMENT NUMBER <b>20-441</b>

Commitment No.: 20-441

**SCHEDULE B, PART I**  
**Requirements (Continued)**

12. A Deed of Trust from Sophia Mellos to Wells Fargo Financial National Bank, Trustee, securing an indebtedness to Wells Fargo Bank, N.A., in the amount of \$300,000.00, dated March 1, 2013 and recorded on December 9, 2013 as Instrument #2013136117 in the official records of DC Treasurer to be satisfied and released. Subordination Agreement recorded February 17, 2017 as Instrument #2017019042.

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 <b>First American Title™</b>	<b>ALTA Commitment for Title Insurance</b> ISSUED BY <b>First American Title Insurance Company</b>
<b>Schedule BII</b>	COMMITMENT NUMBER <b>20-441</b>

Commitment No.: 20-441

## SCHEDULE B, PART II

### Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Unrecorded easements, discrepancies or conflicts in boundary lines, shortage in area and encroachments which an accurate and complete survey would disclose.
2. Any claim arising out of the transaction insured by reason of creditor right laws.
3. Rights of Tenants under the Rental Housing Conversion and Sales Act of 1980.
4. Any and all matters affecting title to the herein described property as would be disclosed by Domestic Relations litigation filed in the Superior Court of the District of Columbia on or after January 1, 1999.
5. Covenants, Conditions and Restrictions, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but not discriminate against handicapped persons.  
 NOTE: There have been no violations of these restrictions and any future violation will not cause a forfeiture or reversion of title.
6. Subject to any Restrictive Covenants, Rights-of-Way, Utility Agreements, Servitudes and Easements appearing among the public records.
7. Right of others in and to the use or any and all bodies of water, party walls, roadways and other thoroughfares that traverse the subject property.
8. Unpaid Water Rent and Assessments, a lien not yet due and payable.
9. Building and Zoning Regulations in force in the District of Columbia.

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<b>Schedule BII</b>	COMMITMENT NUMBER <b>20-441</b>

Commitment No.: 20-441

**SCHEDULE B, PART II**

**Exceptions (Continued)**

10. Grantor(s) and/or Grantee(s) appear in the chain of title with no marital status, subject to any dower interest that may exist.

NOTE: Breen information is not updated on the computer at the Records of Deeds, therefore this Company suggests that you call Breen to verify if there are any taxes outstanding.

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 <b>First American Title™</b>	<b>ALTA Commitment for Title Insurance</b>
<b>Exhibit A</b>	ISSUED BY <b>First American Title Insurance Company</b>
	COMMITMENT NUMBER <b>20-441</b>

Commitment No.: 20-441

The Land referred to herein below is situated in the City of Washington, District of Columbia, and is described as follows:

Lot 54 in Square 693 in a subdivision made by Alvin M. Meeker, as per plat recorded in Liber 19 at folio 60 in the Office of the Surveyor for the District of Columbia.

-ALSO-

Part of original Lot 13 in Square 693, as per plat recorded in "Record of Squares" Book No. 3 at page 693 in said Surveyor's Office, being more particularly described as follows:

BEGINNING for the same at a point in the south line of D Street, S.E., at the northwest corner of said lot, and running thence East along said line of said street, 22.00 feet; thence South and parallel with the west line of said lot, 79.25 feet to a point in the north line of a 25 foot wide public alley; thence West along said line of said alley, 22.00 feet to a point in said west line of said lot; and thence North along said west line of said lot, 79.25 feet to the point of beginning.

SUBJECT TO a right of way over the following part of the above described property: BEGINNING for the same at a point at the southeast corner of said Lot 54 in said square, and running thence South, 11.25 feet to a point in said line of said alley; thence East along said line of said alley, 3.00 feet; thence North and parallel with said west line of Lot 13, 14.25 feet; thence West and parallel with said line of said alley, 3.00 feet to a point in said west line of said Lot 13; and thence South along said last mentioned line, 3.00 feet to the point of beginning.

-ALSO-

Lot 82 in Square 693 in a subdivision made by William H. Boswell, as per plat recorded in Liber 165 at folio 178 in the Office of the Surveyor for the District of Columbia.

NOTE: At the date hereof all of the above described property is known for assessment and taxation purposes as Lot 848 in Square 693.

Property Address: 11 D Street, SE, Washington, DC 20003

Tax Parcel ID: Square 0693 Lot 0848

Logan Title LLC  
2308 14th Street NW  
Washington, DC 20009  
(202) 400-2508

ALTA Combined Settlement Statement

<b>File #:</b>	20-441	<b>Property</b>	11 D Street SE	<b>Settlement Date</b>	<b>Disbursement Date</b>
<b>Prepared:</b>	06/05/2020		Washington, DC 20003		
<b>Escrow Officer:</b>	Patrick John Tangney	<b>Buyer</b>	Navajo Nation of Indians, a Sovereign Indian Nation		
		<b>Seller</b>	Stephen M. Tanner and Sophia J. Mellos		
		<b>Lender</b>			

Seller			Buyer	
Debit	Credit		Debit	Credit
		<b>Primary Charges &amp; Credits</b>		
	\$4,800,000.00	Sales Price of Property	\$4,800,000.00	
		<b>Loan Charges</b>		
		e-Recording Fee to DC Treasurer	\$5.00	
		<b>Payoffs/Payments</b>		
		Payoff to Wells Fargo		
		Payoff to Wells Fargo Bank, N. A. HELOC		
		<b>Government Recording and Transfer Charges</b>		
		Recording Fees	\$31.50	
		---Deed: \$31.50		
		---Mortgage: \$0.00		
		Recordation Tax (State Deed Taxes) to DC Treasurer	\$69,600.00	
\$69,600.00		Transfer Tax (State Deed Taxes) to DC Treasurer		
		<b>Title Charges</b>		
		Title - Settlement Fee to Logan Title LLC	\$650.00	
		Title - Owner's Title Policy to First American Title Insurance Company	\$19,770.00	
		<b>Miscellaneous Charges</b>		
\$350.00		Seller Settlement Fee to Logan Title LLC		
		Survey Fee to Landtech	\$225.00	
\$300.00		Water Escrow to Logan Title - Escrow		
Seller			Buyer	
Debit	Credit		Debit	Credit
\$70,250.00	\$4,800,000.00	<b>Subtotals</b>	\$4,890,281.50	\$0.00
		Due from Buyer		\$4,890,281.50
\$4,729,750.00		Due to Seller		
\$4,800,000.00	\$4,800,000.00	<b>Totals</b>	\$4,890,281.50	\$4,890,281.50

See signature addendum



# Signature Addendum

## Acknowledgement

We/I have carefully reviewed the Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the Settlement Statement.

We/I authorize Logan Title LLC to cause the funds to be disbursed in accordance with this statement.

Navajo Nation of Indians, a Sovereign Indian Nation

By: \_\_\_\_\_ Date \_\_\_\_\_  
Robert O. Allen, Attorney

\_\_\_\_\_  
Stephen M. Tanner Date

\_\_\_\_\_  
Sophia J. Mellos Date

\_\_\_\_\_  
Settlement Agent Date



Mr. Stephen M. Tanner  
[Insert address]

Ms. Sophia Mellos  
[Insert address]  
May 12, 2020

**Offer to Purchase 11 D Street SE., Washington D.C. 20003**

Mr. Tanner and Ms. Mellos:

I am pleased to submit for your consideration this letter regarding the purchase of 11 D Street SE. The following are business terms and conditions upon which I would acquire a free and clear interest in the Property:

- 1) **Property-** 11 D Street, SE, a property consisting of parcel/s, listed below:

1. 11 D Street S.E. Washington D.C. 20003 – Parcel ID #06930848 – 6,657 SF

**Sellers-** Stephen Tanner and Sophia Mellos, as tenants by the entirety, as to an undivided Fifty-five Percent (55%) and Sophia Mellos, as to the remaining undivided Forty-five Percent (45%) interest, as tenants in common, as to the whole.

- 2) **Purchaser-** The Navajo Nation, a sovereign Indian nation (c/o Navajo Nation Division of Natural Resources, Post Office Box 9000, Window Rock, AZ 86515 or Indian Route #100, Building #1-2636, South Wing OPVP, Window Rock, AZ 86515)
- 3) **Purchase Price-** \$4,800,000
- 4) **Brokerage Fee-** Seller shall pay McWilliams Ballard per a separate agreement.
- 5) **Earnest Money Deposit-** \$240,000 (5%) Purchaser shall make an earnest money deposit of \$240,000.00 (5%) within five (5) days of execution of Purchase and Sale Agreement. This Earnest Money Deposit shall be held in escrow until closing of the purchase. If the Purchase and Sale Agreement is terminated due to the Permitting Contingency stated below, the Earnest Money Deposit will be refunded to the Buyer.
- 6) **Purchase and Sale Agreement-** The Purchase and Sale Agreement will be prepared by the seller upon acceptance of this offer.
- 7) **Closing-** Closing shall occur forty-five (45) days from execution of Purchase & Sale Agreement. During this time, Buyer shall have access to the site for due diligence purposes.
- 8) **Costs-** All closing costs shall be assigned between the parties in accordance with customary closing practices in Washington D.C., for commercial real estate transactions.
- 9) **Property Conditions-** "As is."
- 10) **Financing Contingency-** None.



- 11) **Government Contingency**- This Agreement is contingent on closing without cancellation or termination from the State Department, National Capital Planning Committee – NCPC, or any other government entity. If any Government termination occurs, The Navajo Nation will be refunded their Earnest Money Deposit.
- 12) **Warranty Deed and Title Policy**- At the closing, Seller shall convey the property by Warranty Deed, free and clear of all unauthorized title encumbrances. Seller shall also release the two (2) Deeds of Trust encumbering the property totaling approximately \$780,000 and any other liens at closing of the sale with the proceeds of the purchase price. Furthermore, a title insurance policy shall also be purchased at closing.

If the foregoing meets with your approval, please so acknowledge by signing below. Following timely receipt of this letter executed by Seller, Seller will submit to Purchaser the Purchase and Sale Agreement, which shall reflect the business terms and conditions described above. This letter constitutes an offer only. No obligations of the parties shall be deemed made hereunder unless and until the parties execute and deliver the Purchase and Sale Agreement.

Thank you for your consideration. I look forward to receiving a positive response and moving ahead with the contemplated transaction.

Sincerely,

By: 

Name: Dr. Rudy R. Shebala

Executive Director, Navajo  
Nation Division of Natural  
Resources  
May 12, 2020

Agreed and Accepted:

By: \_\_\_\_\_

Name: Stephen M. Tanner  
Owner

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Sophia Melos  
Owner

Date: \_\_\_\_\_



# THE NAVAJO NATION

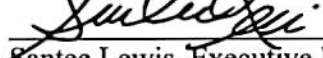
JONATHAN NEZ | PRESIDENT   MYRON LIZER | VICE PRESIDENT



## MEMORANDUM

TO: Dr. Rudy Shebala, Division Director  
Navajo Nation Division of Natural Resources

Mike Halona, Department Director  
Land Department

FROM:   
Santee Lewis, Executive Director  
Navajo Nation Washington Office

DATE: June 16, 2020

SUBJECT: **RECOMMEND REAL ESTATE PURCHASE (11 D STREET SE) FOR  
THE NAVAJO NATION WASHINGTON OFFICE**

Among other purposes, the Navajo Nation Washington Office was created in 1984 to "[e]xist as an extension of the Navajo Nation government in Washington, D.C., representing the Navajo Nation government's concerns to the United States Congress and federal agencies,"<sup>1</sup> to "maintain a Navajo presence in Washington, DC"<sup>2</sup>, and to "provide for the Navajo Nation government easy and rapid access to Congress, the Administration, and federal agencies."<sup>3</sup> After an extensive and thorough search of properties in greater Washington, DC metropolitan area, this memorandum serves to ***strongly recommend*** the purchase of property located at 11 D Street SE, Washington, DC 20003 for the Navajo Nation Washington Office, Navajo Nation government and the Navajo people. This property will help fulfill the purposes for which the Navajo Nation Washington Office was created and save money for the Navajo people in the long term. To further elaborate and support this acquisition, I offer the following additional considerations:

1. **Rent Savings & Investment Potential** – Although the history of the Navajo Nation Washington Office is relatively unknown to me, I have heard some say that the Navajo Nation Washington Office existed during the 1970s which eventually led to the office's official creation and codification in Navajo Nation Code. If that is truly the case, that would mean that the Navajo Nation has been paying rent since the late 1970s and depending on the office's establishment date, for nearly 50 years! From November 2003 through December 2019, the Navajo Nation paid over \$3.5 million in rental fees. Unfortunately, this amount does not account for inflation or other fees. Due to system and record limitations, the Office of the Controller was not able to provide the total rent and

<sup>1</sup> See 2 N.N.C. § 1151.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

NAVAJO NATION WASHINGTON OFFICE

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fees paid by the Navajo Nation since this office's creation. The current monthly rent is approximately \$24,691.62 and is adjusted each year depending on a variety of market variables including a minimal 3% annual escalation.

The acquisition of this office building would alleviate the need to pay rent and move when our existing lease expires with our current landlord. It would also serve as an investment for the benefit of the Navajo people. Over the last decade, the Navajo Nation Washington Office has had to move twice – from another location to our present office location and from one floor to another floor within the building we presently occupy. For each of the moves, the Navajo Nation spent at least \$1 million to renovate and prepare the office for occupancy. In order to keep from paying exorbitant moving and remodeling costs, the Navajo Nation should invest in real property where amounts spent on remodeling would add to the property value and later recouped when such real estate is sold. The appraisal completed on the subject property projects a "subject to" market value of \$13,499,000. Given the above, the prospect of earning a return on this investment is nearly certain and would defray the expenses of renting.

2. **Location** – The property located at 11 D Street SE, Washington, DC is located across the street from the three U.S. House of Representatives' Administrative Offices. In general, this property is especially unique and offers many attractive features (e.g. lot size, parking, outdoor space, and carriage house) that are rare and especially rare when considering its proximity to the U.S. Congress. For illustrative purposes, here is a photo taken from the second floor of the main building. The building straight ahead is the Longworth House Office Building.



The property would not only provide "easy and rapid access to Congress," but it would help draw recognition of the Navajo Nation and bring awareness to our issues by establishing a physical presence in a high trafficked area. In addition to serving as an effective advocacy tool, the office has enormous potential to generate revenue for the Navajo Nation if the office is renovated to include meeting spaces that could be rented out. Additionally, the Navajo Nation Washington Office would also save money by walking to the respective House Office Building for meetings instead of taking taxis or

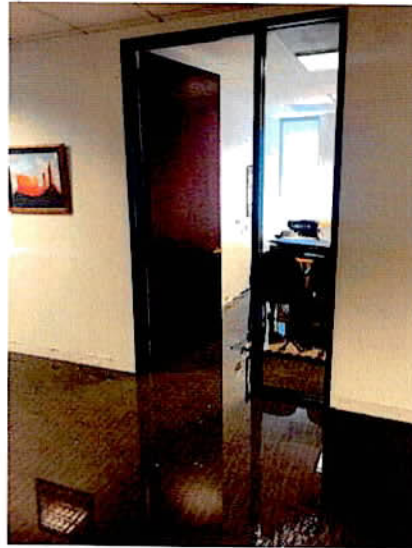
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ordering ride share services to attend meetings. To summarize, the location and property is "one of a kind" and offers an abundance of possibilities.

3. **Current Office is Unusable** – On May 25, 2020, the Navajo Nation Washington Office was informed that a water heater erupted on the 11<sup>th</sup> floor of the building we presently occupy. The water leaked and impacted our office resulting in significant damage (see photos below). Since late May, the Navajo Nation Washington Office has been working with several Navajo Nation offices to address the situation. Until our office is repaired, the Navajo Nation Washington Office cannot be occupied. If the property located at 11 D Street SE is acquired, the Navajo Nation Washington Office could move into the new building while repairs are made to our current office. The Navajo Nation could also begin negotiations on exiting our current lease that is scheduled to increase in rent and fees in the remaining term.



For the reasons provided herein, I strongly recommend for purchase, property located 11 D Street SE, for the Navajo Nation. Should you have any questions, please do not hesitate to reach me at [santelewis@navajo-nsn.gov](mailto:santelewis@navajo-nsn.gov) or by phone at (202) 981-4331. Ahéhee', thank you.

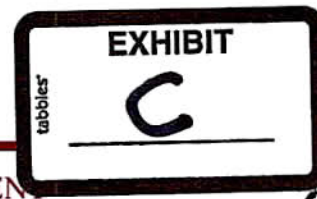
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# THE NAVAJO NATION

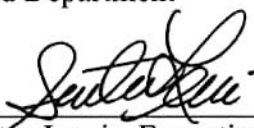
JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



## MEMORANDUM

TO: Dr. Rudy Shebala, Division Director  
Navajo Nation Division of Natural Resources

Mike Halona, Department Director  
Land Department

FROM:   
Santee Lewis, Executive Director  
Navajo Nation Washington Office

DATE: July 8, 2020 (Revised Aug. 4, 2020)

SUBJECT: **RECOMMENDED PROVISIONS FOR NAVAJO NATION  
LEGISLATION RELATED TO THE PURCHASE OF PROPERTY FOR  
THE NAVAJO NATION WASHINGTON OFFICE**

The purpose of this memorandum is to recommend and justify the inclusion of the following two provisions in the proposed Navajo Nation legislation that would approve the expenditure of the Land Acquisition Trust Fund principal for the purchase of property offered for sale to the Navajo Nation by the owner of 11 D St. SE, Washington, D.C.

### **Recommended Provision 1:**

The Navajo Nation Washington Office wishes to hire a General Contractor or their equivalent in the amount of \$100,000 to make minimal repairs to bring the office to code so staff may occupy the building immediately.

**Justification:** It will take some time for an Architect to design and produce renderings (see *Recommended Provision 2* below) to modify property acquired at 11 D St. SE, to be the Navajo Nation Embassy. Once renderings are produced, the Navajo Land Department and the Navajo Nation Washington Office will need to come forward with another legislative request for funding to fully build and construct the embassy. Property located at 11 D St. SE has aged quite a bit and is in need of some care and attention in order for Navajo Nation Washington Office staff to occupy the building. During our tours, we noticed a few steps and locks needing replacement. We would need to ensure the building has proper ventilation and cooling/heating for health and safety of staff. The Navajo Nation Washington Office will be frugal to ensure the proper expenditure of the fund to maximize savings and limit unnecessary costs. A portion of this fund will also be used to cover moving expenses.

---

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**Recommended Provision 2:**

The Navajo Nation Washington Office wishes to hire a D.C. Certified Architecture Firm in the amount of \$150,000 to design and draw up renderings for the Navajo Nation Embassy that would be submitted to the District of Columbia for needed permits and construction. A certified Navajo Architecture Firm will be subcontracted to help design and draw up renderings for the Navajo Nation Embassy.

Justification: It is envisioned that this property be modified and converted to the "Navajo Nation Embassy." The Navajo Nation Embassy will be the permanent home for the Navajo people in Washington, DC. A home is the heart of a family – like a mom and dad – it gives life and brings about good fortune. A place you go to be safe and protected. The Navajo Nation Embassy will become the place our Navajo leaders, lawmakers, and the general public will visit to convene, make plans (nahat'á), think (nitsáhákees), give life (iiná) and assurance (sishasin). In order for the Navajo Nation Embassy to represent the Navajo Nation, it should be reflective of who we are as Diné and exist as an extension of the Navajo people and the Navajo Government.

As such a certified Navajo Architecture Firm will be hired as a subcontractor to help bring elements that represent the Diné into the building. We want the plans to be approved when they are submitted to the District of Columbia for final approval and construction which is why the D.C. Certified Architecture Firm will remain the primary advisor for this project. For these reasons, I request an additional fund to design and draw up renderings for the Navajo Nation Embassy.

The fund(s) to be created by these provisions are merely informed estimates. NNWO met with three DC architecture firms. Unfortunately, each firm has refused to furnish a quote without the prospect of procuring their services or allowing them to bid. Ultimately, it would be unfair and dishonest to request a quote when the Navajo Nation does not intend to procure their services. Until a fund is made available, NNWO will pursue the bidding process so the Navajo Nation secures these services at the best rate possible.

In closing, I strongly recommend the two provisions be placed and retained in the legislation related to the purchase of 11 D St. SE. Should you have any questions, please do not hesitate to reach me at [santeelewis@navajo-nsn.gov](mailto:santeelewis@navajo-nsn.gov) or by phone at (202) 981-4331. Ahéhee', thank you.



## Appraisal of Real Property

11 D Street, SE

Two Unit - Two-story , 3,728-GBA 2 Unit Mixed Use Building  
11 D Street, SE  
Washington, DC 20003  
Washington DC

Effective date(s): 02/28/2020

\*\*\*\*\*

Prepared for:

Luke Joyce  
McWilliams|Ballard  
1485 9th Street NW  
Washington, DC 20001  
DC 202.280.2396 | VA 703-535-5550  
C 301-785-2875

Prepared by:

Wayne Rogers, CGA  
FAB Appraisals Inc  
7905 Deepwell Dr, Bethesda, MD 20817  
License Number: [40005034](#)

7905 Deepwell Dr, Bethesda, MD  
20817  
Call: 301-717-8137  
[fabappraisals@gmail.com](mailto:fabappraisals@gmail.com)

August 05, 2019

Re: 11 D Street, SE  
Two Unit - Two-story , 3,728-GBA 2 Unit Mixed Use Building  
11 D Street, SE  
Washington, DC 20003  
Washington DC



## VALUE CONCLUSIONS

Valuation Scenario	Interest Appraised	Effective Date of Value	Value Conclusion
Market Value "As-Is"	Fee Simple	02/28/2020	\$4,300,000
Subject To Market Value	Fee Simple	02/28/2020	\$13,499,000

The analysis leading to the value conclusion(s) is presented in the enclosed report. The report, in its entirety, is an integral part of, and is inseparable from, this letter.

This appraisal has been prepared in accordance with client guidelines, the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of ~~1989~~ (FIRREA) updated in ~~1994~~ and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in ~~2010~~.


The intended use and user are specifically identified in the enclosed report. No other use or user of the report is permitted by any other party for any purpose whatsoever. FAB Appraisals, LLC is not responsible for unintended use of the report or reliance by any party other than the identified intended users.

It has been a pleasure to assist you in this assignment. If there are any questions or comments regarding the enclosed report, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

**Wayne Rogers, GCA**

FAB Appraisals, LLC



**Principle Wayne Rogers**  
**General certified appraiser**

Maryland Certification No. CGA 40005034

Phone: (301) 717-8137

Email: fabappraisals@gmail.com

Borrower	The Navajo Nation	File No.	KR02282020K1
Property Address	11 D St SE		
City	Washington	County	District Of Columbia
		State	DC
		Zip Code	20003
Lender/Client	McWilliams Ballard		

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## As-Is Valuation of 11 D Street, SE



### LOCATED AT

11 D St SE  
Washington, DC 20003

### FOR

11 D Street, SE

### OPINION OF VALUE

\$4,300,000

### AS OF

02/28/2020

### BY

Wayne Rogers, General Certified



## EXECUTIVE SUMMARY

### GENERAL INFORMATION

Property Name	11 D Street, SE
Property Type	2 Unit Mixed Used dwelling
Location	Washington DC
Municipality	Washington DC
County	Washington DC
State	Washington DC
Zip/Postal Code	20003
Regional Market Area	Washington DC
Assessor's Parcel Number	0693//0848
Owner of Record	Stephen M Tanner & Sophia J Mellos

### SITE INFORMATION

Land Area	Acres	Square Feet
Gross	0.015 ac	6,657 sf
Shape	Rectangular	
Topography	Mostly Level	
Flood Zone Status	No	
FEMA Flood Zone Designation	X	
Flood Map Number	110001019C	
Flood Map Date	09/27/2010	

### IMPROVEMENT INFORMATION

Gross Building Area (GBA)	3,728
Number of Buildings	2
Number of Stories	2
Year Built	1830
Condition	Average
Land to Building Ratio	2:1
Parking Type	Street
Parking Ratio	Street parking is ample & typical for the market

## EXECUTIVE SUMMARY

### MUNICIPAL INFORMATION

#### Assessment Information

Assessing Authority	Washington DC
Current Tax Year	2020

Taxable Assessment (Total)	\$1,974,590
----------------------------	-------------

Tax Liability	\$15,959
---------------	----------

Zoning Information	RF3
--------------------	-----

Zoning Authority	Washington DC
------------------	---------------

Current Use Compliance	Legal (Non-conforming) Grand Fathered Use
------------------------	---

### HIGHEST AND BEST USE

As Vacant	Current Use
-----------	-------------

As Improved	Office/Mixed or Value in Use
-------------	------------------------------

### EXPOSURE TIME & MARKETING TIME

Exposure Time	0-180 days
---------------	------------

Marketing Period	3-9 months
------------------	------------

### OCCUPANCY INFORMATION

Tenancy Type	Vacant plus residency
--------------	-----------------------

Current Occupancy	Vacant
-------------------	--------

**SUBJECT PROPERTY**

**VISUAL PHOTOGRAPH**

**DESCRIPTION ADDENDA**



### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject Front Unit 1**



**Subject Rear Unit 1**



**Subject Street**

### Subject Photo Page

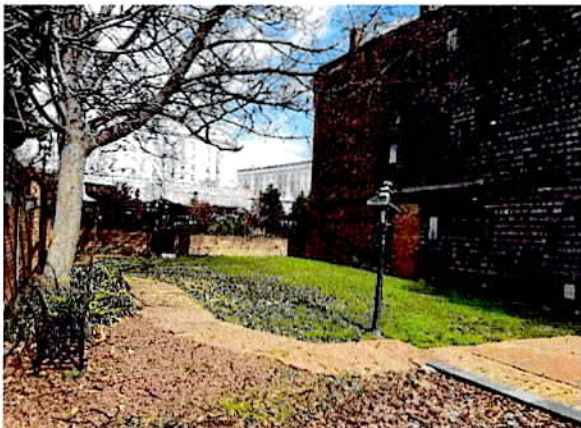
Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject Front Unit 2**



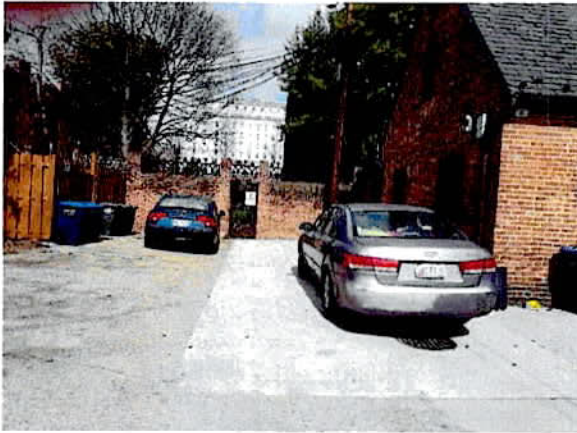
**Subject Back Unit 2**



**Subject**

### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject**



**Subject**



**Subject Unit 1**



### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject Unit 1**



**Subject Unit 1**



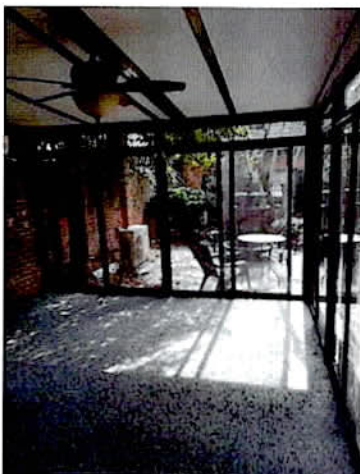
**Subject Unit 1**

### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams/Ballard					



**Subject Unit 1**



**Subject Unit 1**



**Subject Unit 2**

### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject Unit 2**

11 D St SE



**Subject Unit 2**



**Subject Unit 2**



### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject Unit 2**



**Subject Unit 1**



**Subject Unit 1**

### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams/Ballard					



**Subject Unit 1**



**Subject Unit 1**



**Subject Unit 1**

### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject Unit 1**



**Subject Unit 1**



**Subject Unit 1**



### Subject Photo Page

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					



**Subject**

## Introduction/Scope of Work

File No. KR02282020K1

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					

### Introduction

## INTRODUCTION

### Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- >the client and intended users;
- >the intended use of the report;
- >the type and definition of value;
- >the effective date of value;
- >assignment conditions;
- >typical client expectations; and
- >typical appraisal work by peers for similar assignments.

### SCOPE OF WORK

Inspection:

Market Area and Analysis of Market Conditions:

Highest and Best Use Analysis:

Type of Value:

Valuation Analyses

Cost Approach:

Sales Comparison Approach:

A complete interior and exterior inspection of the subject property has been made, and photographs taken.

A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

A limited 'as vacant' and 'as improved' highest and best use analysis

## Introduction/Scope of Work

File No. KR02282020K1

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					

### Report Option Description

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

### Property Identification

The subject is a Two unit - two-story mixed used dwelling with office in the first unit and a residential detached carriage house. Both structures are approximately 3,728 gross building area.

The subject fronts D Street, SE, Washington DC. The improvements were originally constructed circa 1830 as a detached residential dwelling. The building was later expanded and converted to a 2 unit office/residence. The building is situated on a 0.15-acre site located at the corner of D Street and Capital Street in Washington DC, an urban community in the DC Metropolitan Statistical Area. The subject's building is demised into two units with two levels each. The first-unit is vacant and has been previously configured as office/commercial space. The second unit is configured as a one bedroom apartment with one bath. Unit 2 is presently vacant space. The subject is more fully described, legally and physically, within the enclosed report. A legal description of the subject property is presented in the Addendum.

### Ownership and Recent History

Title to the subject property is currently held by Stephen M Tanner & Sophia J Mellos the . (grantee). According to this deed, transfer tax was exempt and there was zero consideration. The subject property was originally constructed as a detached residential dwelling. Later it was converted to a 2 unit mixed use dwelling. The space is demised into two unit with two levels. The first-unit is used as office space. The second-unit is currently vacant and will be used as a bedroom apartment. The subject property is an as-is appraisal to determine fair market value. The subject has also been made subject to completion per plans and specs

This is an as-is appraisal to determine market value. The subject has also been made subject to completion per plans and specs. No contract or sale information provided.



**Introduction/Scope of Work**

File No. KR02282020K1

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					

for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

**Market Value**

The report is made as-is

The Cost Approach was applied.

A Sales Approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach was applied.

Information Not Available: A recent preliminary title report was not available.

**Introduction/Scope of Work**

File No. KR02282020K1

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					

**Introduction****Purpose of the Appraisal****OBJECTIVE(S)**

The problem to be solved is to estimate the 'As-is' market value for financing purposes.

**DEFINITION(S) OF VALUE**

**Market value** means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- > Buyer and seller are typically motivated;
- > Both parties are well informed or well advised, and acting in what they consider their own best interests;
- > A reasonable time is allowed for exposure in the open market;
- > Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- > The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Introduction/Scope of Work**

File No. KR02282020K1

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					

**Dates of Inspection and Valuation**

The effective date of the subject to and as-is valuation is August 5, 2019 the date on which FAB Appraisals personnel physically inspected the subject property.

**Client, Intended Use and Users**

This appraisal is prepared for :

Luke Joyce

McWilliams|Ballard

1485 9th Street NW

Washington, DC 20001

DC 202.280.2396 | VA 703-535-5550

C 301-785-2875

The intended use is for mortgage financing This appraisal is intended for the use of the client.



## Introduction/Scope of Work

File No. KR02282020K1

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					

### Introduction

## Extraordinary Assumptions

An Extraordinary Assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. (USPAP 2018-2019 Edition, p. 4)

> There are no Extraordinary Assumptions for this appraisal.

## Hypothetical Conditions

A Hypothetical Condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP 2018-2019 Edition, p. 4)

> There are Hypothetical Conditions for this appraisal. The appraiser is under the extraordinary assumption that the Navajo Nation are willing to pay the as-is value for the property with the intent to build an embassy for value in use purposes. Depending on the as-is contract price and settle price the subject to value could be effected.

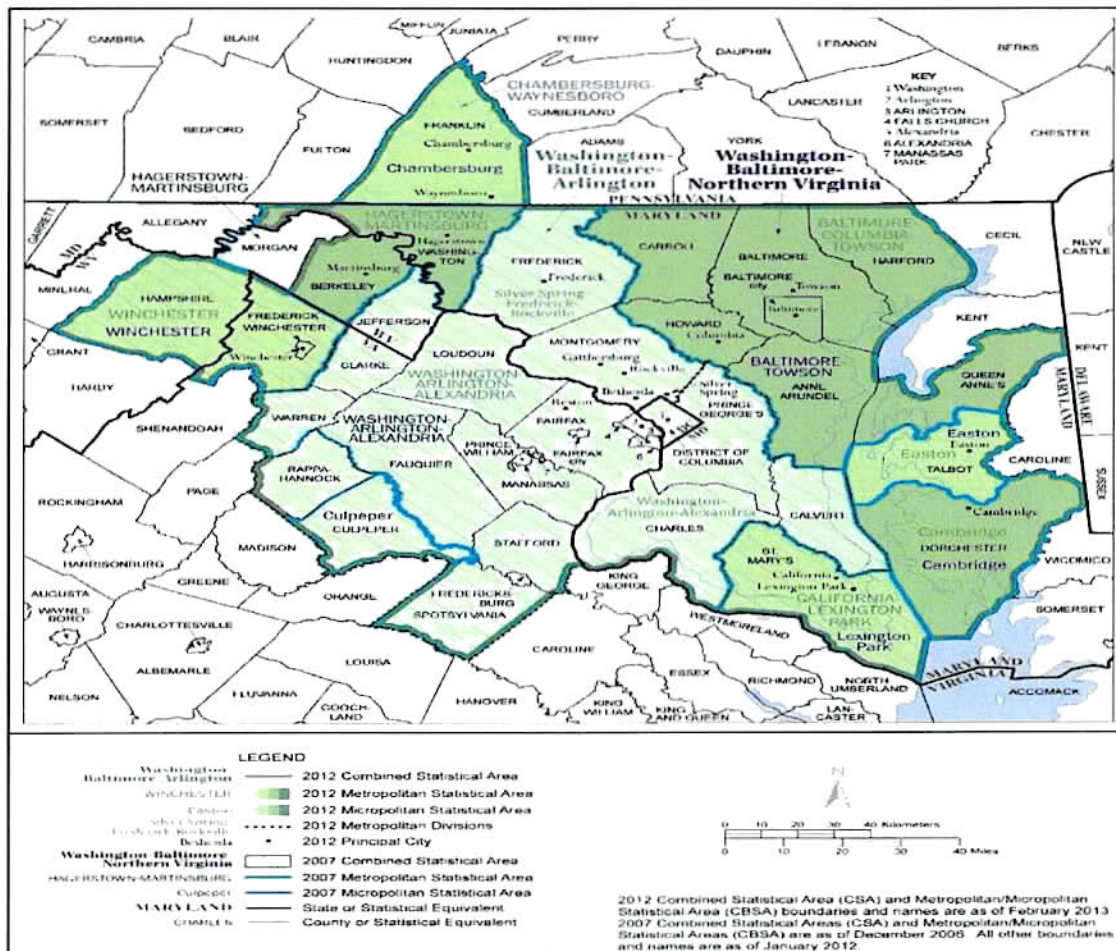
## MARKET ANALYSIS

### Greater Baltimore/Washington Regional Analysis

This section of the appraisal report provides an analysis that outlines the general economic conditions, outlook and trends of the subject market area.

#### INTRODUCTION

The subject property is located within the Greater Baltimore/Wash. region as delineated by the Maryland Department of Labor and Industry. The following map depicts the counties within the region.



Situated in the northeastern corner of Maryland, the Greater Baltimore/Wash. region comprises the City of Baltimore and the suburban counties of Baltimore, Baltimore City, Howard and Montgomery and Washington DC.

## Market Analysis

### CHARACTER AND INFLUENCES

**Baltimore** (/ˈbɔːltɪmɔːr/) is the largest city in the U.S. state of Maryland, and the 30th-most populous city in the United States.

Baltimore was established by the Constitution of Maryland [9] and is an independent city that is not part of any county. With a population of 611,648 in 2017, Baltimore is the largest independent city in the United States.



As of 2017, the population of the Baltimore metropolitan area was estimated to be just under 2.808 million, making it the 20th largest metropolitan area in the country. [10] Baltimore is located about 40 miles (60 km) northeast of Washington, D.C., making it a principal city in the Washington-Baltimore combined statistical area (CSA), the fourth-largest CSA in the nation, with a calculated 2017 population of 9,764,315. [11]

Founded in 1729, Baltimore is the second-largest seaport in the Mid-Atlantic. [12] The city's Inner Harbor was once the second leading port of entry for immigrants to the United States, when most were coming from Europe. It was also a major manufacturing center. [13] After a decline in major manufacturing, heavy industry, and restructuring of the rail industry, Baltimore has shifted to a service-oriented economy. Johns Hopkins Hospital (founded 1889) and Johns Hopkins University (founded 1876) are the city's top two employers. [14]

With hundreds of identified districts, Baltimore has been dubbed a "city of neighborhoods". Famous residents have included writers Edgar Allan Poe, Edith Hamilton, Frederick Douglass, and H. L. Mencken; jazz musician James "Eubie" Blake; singer Billie Holiday; actor and filmmaker John Waters; and baseball player Babe Ruth. During the War of 1812, Francis Scott Key wrote "The Star-Spangled Banner" in Baltimore after the bombardment of Fort McHenry. His poem was set to music and popularized as a song; in 1931 it was designated as the American national anthem. [15]

Baltimore has more public statues and monuments per capita than any other city in the country, [16] and is home to some of the earliest National Register Historic Districts in the nation, including Fell's Point, Federal Hill, and Mount Vernon. These were added to the National Register between 1969–1971, soon after historic preservation legislation was passed. Nearly one third of the city's buildings (over 65,000) are designated as historic in the National Register, which is more than any other U.S. city

The city has 66 National Register Historic Districts and 33 local historic districts. Over 65,000 properties are designated as historic buildings and listed in the NRHP, more than any other U.S. city. [17] The historical records of the government of Baltimore are located at the Baltimore City Archives.

The **Baltimore–Washington metropolitan area** is a combined statistical area consisting of the overlapping labor market region of the cities of Washington, D.C. and Baltimore, Maryland. The region includes Central Maryland, Northern Virginia, three counties in the Eastern Panhandle of West Virginia, and one county in South Central Pennsylvania. It is the most educated, highest-income, and fourth largest combined statistical area in the United States. [1][2]

Officially, the area is designated by the Office of Management and Budget (OMB) as the **Washington–Baltimore–Arlington, DC–MD–VA–WV–PA Combined Statistical Area**. It is composed primarily of two major metropolitan statistical areas (MSA), the Washington–Arlington–Alexandria, DC–VA–MD–WV MSA and the Baltimore–Columbia–Dowson, MD MSA. In addition, six other smaller urban areas not contiguous to the main urban area but having strong commuting ties with the main area are also included in the metropolitan area. [3] These are: the Hagerstown–Martinsburg, MD–WV MSA, the Chambersburg–

Waynesboro, PA MSA, the Winchester, VA–WV MSA, the California–Lexington Park, MD MSA, the Easton, MD micropolitan statistical area (μSA), and the Cambridge, MD μSA.

Some counties such as Caroline and King George County, Virginia are not officially designated by the OMB as members of this metropolitan area, but still consider themselves members anyway. [4][5][6][7][8] This is mostly due to their proximity to the area, the size of their commuter population, and by the influence of local broadcasting stations. The population of the entire Washington-Baltimore Combined Statistical Area as of the Census Bureau's 2012 Population Estimates is 9,331,587. [9][10][11][12][13][14][15] The most populous city is

Washington, DC, with a population of 681,170. <sup>[16]</sup> The most populous county is Fairfax County, Virginia, with a population exceeding 1.1 million.

Wikipedia 2018

**REGIONAL DEMOGRAPHICS**

The following table displays basic information about counties in the Baltimore/Wash. region. In terms of land area, Baltimore is one of the largest county in the region, Baltimore City and Washington DC re the smallest county in the region. Baltimore City and Washington DC have the highest population densities and the smallest land areas.



## Market Analysis

### GREATER BALTIMORE WASHINGTON REGION

#### Geography and Demographic Overview

County	County Seat	Land Area (mi2)	Population 2019	Population Density(mi2)
Baltimore	Baltimore	682	832,468	1,021
Baltimore City	Baltimore City	92.28	611,648	6,628
Howard	Columbia	253	321,113	1,269
Montgomery	Rockville	507	1,059,000	2,088
Washington DC	Washington DC	68.34	693,972	10,155

Data Source: Google Census Bureau

## Population

The following table presents an analysis of population levels in the Greater Baltimore Washington Area as compared to the state of Maryland. The Baltimore Washington Region has experienced a steady increase in population since 2000 after experiencing population declines from the 1960s, through the 1990s. All counties in the region are expected to show increases in population through 2022, with Baltimore County projected to show the highest annual growth rate.

### GREATER BALTIMORE WASHINGTON REGION

	Population by County			Annual Growth/Decline	
	2010	2018	2022	2010 to 2018	2018 to 2022
County		(est)	(proj)		
Baltimore	806,405	832,468	857,442	0.3%	0.3%
Baltimore City	621,026	611,648	611,648	-0.1%	0.0%
Howard	288,605	349,974	349,974	0.1%	0.1%
Montgomery	976,140	1,156,614	1,156,614	0.1%	0.1%
Washington DC	1,526,006	1,739,761	1,719,761	0.1%	0.1%
Total Region	4,218,182	4,652,590	4,652,590	0.5%	0.6%
Maryland	5,786,000	6,008,000	6,180,248	0.3%	0.2%
Region as % of MD	27.9	26.6	24.8		

Data Sources: Google and US Census

## Households

The following table displays household statistics for the Greater Baltimore Washington area. Baltimore Co. is expected to have the highest annual household growth rate in the region through 2022.

## Market Analysis

### GREATER BALTIMORE WASHINGTON REGION

Households by County					
	2010	2017 (est)	2022 (proj)	Annual Growth	Annual Decline
County				2010-2017	2017-2022
Bal more	312,826	336,824	339,182	0.7%	0.7%
Bal more City	242,416	294,496	299,796	1.8%	1.8%
Howard	116,834	119,834	119,834	0.0%	0.0%
Montgomery	367,764	390,016	392,365	0.6%	0.6%
Washington DC	276,546	281,475	281,759	0.1%	0.1%
Total Region	1,5533,935	1,578,757	1,588,300	0.6%	0.6%
Maryland	1,980,859	2,448,998	2,463,692	2.0%	2.0%
Region as % of MD	22.6%	35.6%	35.6%		



Data Sources: Google US Census

### Income Characteristics

The following table shows median household income statistics for the counties in the Greater

Washington Baltimore area. The median household income levels for Baltimore, Baltimore City, Howard , Montgomery Counties and Washington DC are significantly lower than Maryland as a whole. However, The Greater Baltimore Washington Area has consistently experienced median household incomes that lag behind the state's average.

#### GREATER BALTIMORE WASHINGTON REGION

##### Median Household Income by County

	2017	2022	Annual Growth/Decline(%)
County	(est)	(proj)	2017 to 2022
Bal more	\$68,989	\$70,231	1.8
Bal more City	\$44,262	\$45,014	1.7
Howard	\$113,800	\$116,645	2.5
Montgomery	\$100,352	\$102,359	2.0
Washington DC	\$72,935	\$74,758	2.5
Greater Balt/Wash/Region	\$72,940	\$74,472	2.1
Maryland	\$75,847	\$77,667	2.4
Region as % of Maryland	96.16%	95.88%	

Data Source: Google US Census

## Market Analysis

Overall, median household income growth rates are expected to increase in all five counties of the Greater Philadelphia Region.

### Unemployment

The following table compares adjusted unemployment rates for all counties in Maryland. Howard County has the lowest unemployment rate in the state, while Somerset County has one of the highest. The Baltimore Washington Area counties have historically had unemployment rates lower than the state average.

#### MARYLAND UNEMPLOYMENT RATES BY COUNTY

Rates as of December 2017

Unemployment		Unemployment	
County	Rate	County	Rate

### Early Development

[illegible]

Data Source: Bureau of Labor Statistics

Note that the rates presented above are not seasonally adjusted

## Market Analysis

## EDUCATION

The Baltimore Washington Area has world-class educational institutions including nationally recognized colleges and universities, technical institutions, and quality public and private schools.

Schools of higher education in the region include the University of Maryland, Johns Hopkins, Loyola, American and Georgetown Universities in Maryland/Washington DC;

## HISTORY, CULTURE AND TOURISM

Baltimore and the region of Washington DC offers historical attractions attractive



to national and

international tourists. As a large metropolitan area, the region offers cultural and tourist attractions that comprise a vital component of the regional economy, attracting new companies to the area, retaining students and workers, and strengthening the appeal of the area. In addition to the National Harbor and downtown DC.

Historical attractions relating to the American Revolution are in the suburbs, including The Smithsonian National Park in Washington DC and Maryland Counties.

## **TRANSPORTATION**

### **Highways**

The Balto/Washington region has an extensive system of highways. These highways include interstates, toll roads and other highways which connect the region to neighboring counties and states. The Capital Beltway (Interstate 495 and Interstate 95) runs east to west across Montgomery And Prince George Counties and north of Maryland. Extending to Virginia in the west, it stretches across the state and connects directly with the Capital Beltway. The Capital Beltway also has a Northeast Extension (Interstate 495), which connects with the beltway in College Park and reaches north to Delaware State. South of College Park, Interstate 495 is known as the "The Capital Beltway ."This highway runs south through Baltimore-Washington where it connects with Interstate 95 near Regan and BWI International Airport.

Two principal beltways highways run around the City of Baltimore and Washington DC, with interstate 95 connecting 695 and 495 together to complete the Baltimore/Washington corridor.

## Market Analysis

Other important roadways in the region include US Routes 1, 301 and 50. Route 1 roughly parallels Interstate 95 down the east coast. Route 1 connects Baltimore – home of Maryland's professional sports – with Baltimore County before it continues through Baltimore City, central Howard County, and southern Montgomery County into DC. Route 50 stretches west across the country, and east into The Atlantic Ocean, while passing through Anne Arundel, Queen Anne & Talbot Counties. Route 301 is a major office corridor that connects the state of Maryland with Virginia.

## Rail, Air and Water

Amtrak's Northeast Corridor has a station in Baltimore which provides regular train service to areas to the north including New York, New Haven and Boston and areas to the south including Wilmington, Baltimore, Virginia and Washington DC.

Locally, the Southeastern Maryland Transit Authority (MTA) operates numerous bus routes throughout the metropolitan area.

The Baltimore International Airport (BWI) is the main gateway to the region. It is easily accessible to the greater region because of its location near Interstates 100, 95 and 175. Rail service to the airport is available from Baltimore City, while connections to the rail line from the regional rail lines can be made.

Finally, Baltimore/Washington is an important port city and a major center for international commerce. The Two principal ports are Baltimore and National Harbor.

## CONCLUSION

The Greater Baltimore/Washington area is easily accessible by a variety of transportation to New York, Washington DC, and the greater Northeast Corridor of the United States.

Montgomery is the most densely populated County in the Balto/Wash Metropolitan Statistical Area.

Median household income levels for all five of the region's suburban counties greatly exceed

corresponding income measures for the state of Maryland as a whole. Baltimore County and Baltimore City's

median household income level falls below the state's level. One could assume that therefore it has the maximum potential for growth

In summary, the outlook for the region is positive given the diversified nature of its individual counties, its regional accessibility, and its wealth of historical and cultural attractions that contribute to its growing tourism industry.



# PROPERTY ANALYSIS

## Site Description

### SITE DETAILS

Location	On the corner of D Street, SE and Capital Street
Current Use of the property	Mixed use. (office/Residential)
Site Size	0.15 acres or 6,657 square feet
Shape	Rectangular
Frontage/Access;	
Visibility;	Excellent
Topography;	Mostly Level
Soil Conditions;	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities	Electricity: The site is served by public electricity. Sewer: DC Water and Sewer Authority Water: DC Water and Sewer Authority Natural Gas: Pepco  Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements	Asphalt street parking
Flood Zone	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.  FEMA Map Number: 1100010019C FEMA Map Date: <b>09/27/2010</b> The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
Wetlands/Watershed	There are no known wetlands or watersheds that affect the subject site.  Please reference Limiting Conditions and Assumptions.

Environmental Issues;	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions
Encumbrance/Easements;	Although there are no known written easements, it was noted during the inspection that the adjacent property owner utilizes the subject's parking lot.
Site Comments;	The subject site is suitable for commercial/res. development and use. The site is generally level with excellent visibility from D Street. The subject has two access points, <b>including access from D Street the alley way o of Capital Street.</b>

### **Property Analysis**

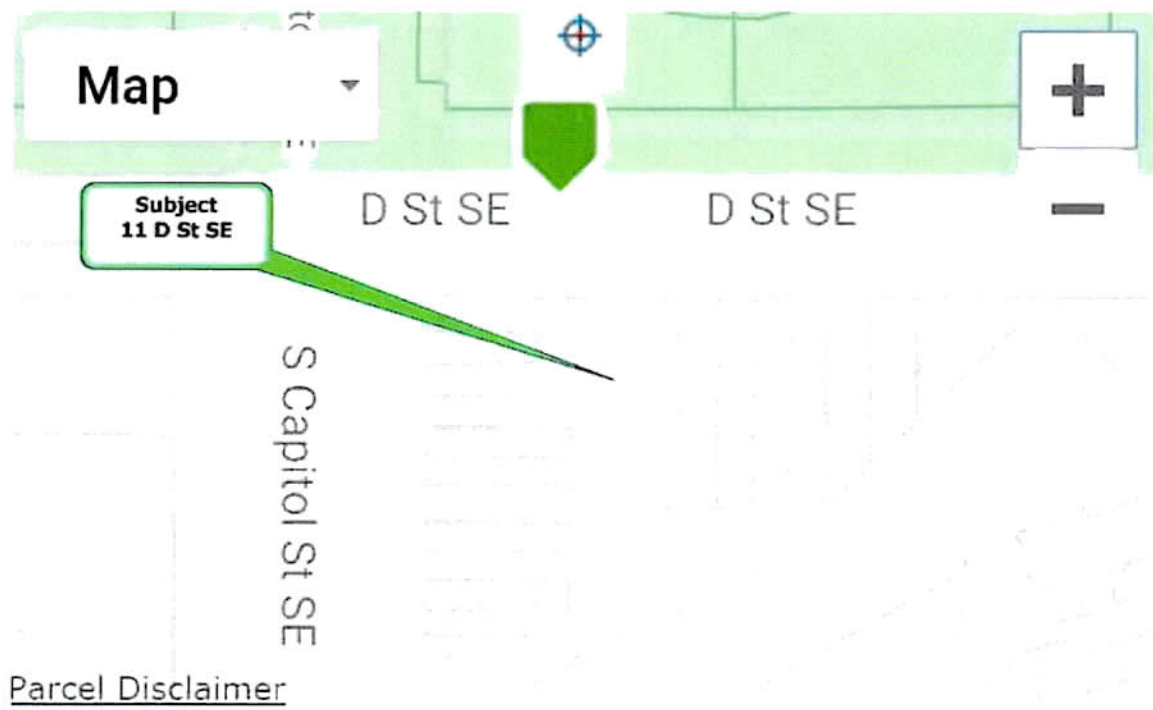
There are no known wetlands or watersheds that affect the subject site.

Please reference Limiting Conditions and Assumptions.

There are no known adverse environmental conditions on the subject site.

Please reference Limiting Conditions and Assumptions.

# Tax Map





## Improvements Description

### GENERAL INFORMATION

Building Description: The subject site is improved with a two-story retail/residential building containing a gross building area (GBA) of 3,728 square feet, based on measurements taken during the property inspection. DC tax assessment records indicate that the building contains a GBA of 3,728 square feet; [Additionally the tax assessment GBA was used for the GBA when valuing this assignment.](#)

The first unit The building appeared to be constructed as a detached residential dwelling; it was later expanded and converted to office/retail space, demised into two units with one on each level. The first unit is vacant in average condition. The first unit is be commercial/office. Visibility is good. The condition of the property is average.

The second unit is a 1 bedroom, 1 bath unit with a full kitchen. The condition of the unit 2 is average.

Construction Quality: **Average**

Year Built: 1830

Condition: Average

Appeal/Appearance: Average

Areas, Ratios & Numbers: Average

Average

Number of Stories: 2.00

Gross Building Area: 3,728 sf

Number of Units: 2

### FOUNDATION, FRAME & EXTERIOR

Foundation: **Stone/Block/Masonry**

Basement/Sublevels:	<b>Basement/Frame/Full</b>
Basement Use:	<b>Unfinished</b>
Structural Frame:	<b>Masonry/stick-built/Avg</b>
Exterior:	<b>Brick/Avg</b>
Windows:	<b>Typical - Commercial/Residential</b>
Roof/Cover:	<b>Flat Roof/Pitched Roof</b>

## **INTERIOR**

Interior Layout:	<b>Unit 1 typical layout. Unit 2 is assumed to be a 4-1-1.0 room count</b>
Floor Cover:	<b>Sub Floor/wood</b>
Walls & Ceilings:	<b>Brick/Drywall/Plaster</b>
Lighting:	<b>Typical</b>
Restrooms:	<b>Typical</b>

## **MECHANICAL SYSTEMS**

Heating:	<b>Typical</b>
Cooling:	<b>None observed</b>
Electrical:	<b>Typical</b>
Plumbing Condition:	<b>Typical</b>
Sprinkler:	<b>None observed</b>
Elevators/Escalators:	<b>None observed</b>

## **PROPERTY ANALYSIS**

Design & Functional Utility:	The building was originally constructed as a residential dwelling and later converted to office/residential space. As a result, the floor
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plan exhibits a moderate level of functional obsolescence. However, the exterior of the building exhibits a classic colonial design, attractive materials (stone and brick), and good curb appeal. The building's overall appeal and functional utility are commensurate with typical 'dwelling-to-retail conversion' properties in the market.

Deferred Maintenance: The improvements exhibit a moderate level of deferred maintenance. Several short-lived building components are at or near the end of their useful lives.

### **Americans With Disabilities Act**

Please reference the Limiting Conditions and Assumptions section of this report on page 50.

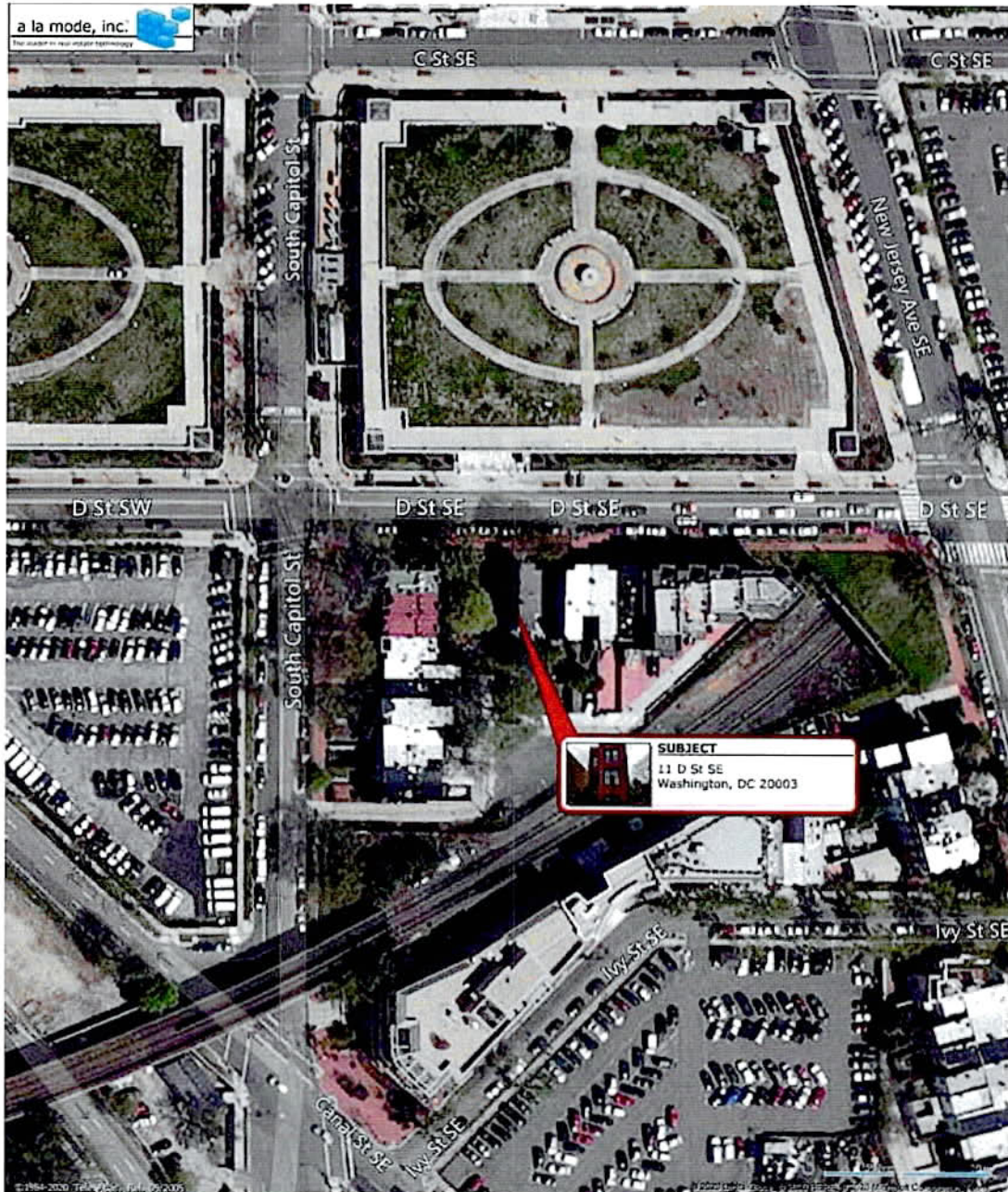
### **Hazardous Substances**

Please reference the Limiting Conditions and Assumptions section of this report on page 50.



## Aerial Map

Borrower	The Navajo Nation					
Property Address	11 D St SE					
City	Washington	County	District Of Columbia	State	DC	Zip Code 20003
Lender/Client	McWilliams Ballard					





## Assessment and Taxation

The following is a summary of the subject's tax assessment and liability.

### Real Estate Assessment and Taxes

			Total	City	County	Other	Tax	
Tax ID	Land	Improvements	Assessment	Rate	Rate	Rate	Rate	Taxes
0693//0848	1,108,590	866,000	1,974,590	S	N/A	N/A	S	15,569

As assessed, annual real estate taxes for the subject property are approximately \$15,569. It is noted that the subject property is one contiguous tax parcel which comprises one section. The sections are identified as lot 848 (District 6, Lot 848, Block 0693, Map 009-A, Washington DC).

The subject is taxed by Washington, DC and the DC School

District. The city fiscal years run from January 1 to December 31, while the school district fiscal year runs from July 1 to June 30. The city and municipal tax rates have been stable in recent years.

Each county in Maryland has an annual common level ratio. This is the ratio between the assessment and the current implied market value. The ratio is based on the previous year's sales activity.

### Real Estate Assessment Analysis

		Total	Per SF	Equaliza on	Implied
Tax ID	Assessment	GBA	Ra o	Value	
0693//0848	15,659	3,728	2:1	1,947,590	

With an assessment of \$15,659, the implied assessor's market value is \$1,947,590. The subject's real estate tax expense is projected at \$15,569 in the Income Capitalization Approach. This estimate is based on the subject's existing tax liability. Equalization

## Zoning Analysis

### LAND USE CONTROLS

Zoning Code

#### **RF-3**

Zoning Description

The RF-3 zone permits a maximum of 2 dwelling units that may both be located within the principal structure, or 1 dwelling unit that may be located in the principal structure and 1 dwelling unit in an accessory structure.<sup>310</sup>

#### ACCESSORY USES (RF)

**310.1** The following accessory uses in this section shall be permitted as a matter of right in an RF zone subject to any applicable conditions:

- (a) Any accessory use permitted in the R zones under Subtitle U § 250;
- (b) Accessory parking spaces or an accessory parking garage subject to all the applicable provisions of Subtitle C, Chapter 7; and
- (c) Other accessory uses buildings or structures customarily incidental to the uses permitted in RF zones under the provisions of this chapter.

Zoning Density/FAR

#### **Typical**

Current Use Legally Conforming

#### **Legal Non-conforming**

Set Back Distance

#### **Typical**

Set Back Distance

#### **Typical**

Side Yard Distance

#### **Typical**

Zoning Comments

**The zoning is common and typical for the market. The green area represents " " zoning.**

# Zoning Description - Page 1

3/3/2020

RF-3 – DC Zoning Handbook

District of Columbia Zoning Handbook

## Capitol Precinct Residential Flat (RF) Zone RF-3

The purpose of the RF-3 zone is to provide for areas adjacent to the U.S. Capitol precinct predominantly developed with attached houses on small lots within which no more than 2 dwelling units are permitted.

The RF-3 zone is intended to:

- Promote and protect the public health, safety, and general welfare of the U.S. Capitol precinct and the area adjacent to this jurisdiction, in a manner consistent with the goals and mandates of the United States Congress in Title V of the Legislative Branch Appropriation Act, 1976 (Master Plan for Future Development of the Capitol Grounds and Related Areas), approved July 25, 1975 (Pub. L. No. 94-59, 89 Stat. 288), and in accordance with the plan submitted to the Congress pursuant to the Act;
- Reflect the importance of and provide sufficient controls for the area adjacent to the U.S. Capitol;
- Provide particular controls for properties adjacent to the U.S. Capitol precinct and the area adjacent to this jurisdiction, having a well-recognized general public interest; and
- Restrict some of the permitted uses to reduce the possibility of harming the U.S. Capitol precinct and the area adjacent to this jurisdiction.

The RF-3 zone permits a maximum of 2 dwelling units that may both be located within the principal structure, or 1 dwelling unit that may be located in the principal structure and 1 dwelling unit in an accessory structure.

Development Standards							
	Height (ft.) <sup>1, 2, 3</sup>	Stories	Lot Occupancy	Front Setback	Rear Yard (ft.)	Side Yard (ft.) <sup>4, 5, 6, 7</sup>	Zoning Regulation Reference
RF-3	60 (place of worship)	3	60% for detached dwellings, semi-detached dwellings, row dwellings and flats, and places of worship	A front setback shall be provided that is within the range of existing front setbacks of all structures on the same side of the street in the block where the building is proposed.	20	None	Subtitle E, Chapter 5
	40 (all other structures)		40% for all other structures				
References							
1. Height of principal structure	2. Height of accessory structure		3. Maximum lot area		4. Front setback		5. Side yard setback
Subtitle U, Chapter 2	Subtitle E § 204		Subtitle E § 205		Subtitle C, Chapter 7		Subtitle C, Chapter 10



## Zoning Description - Page 2

3/3/2020

RF-3 – DC Zoning Handbook

<sup>1</sup> An institutional building or structure may be erected to a height not exceeding 90 ft., provided that the building or structure shall be removed from all lot lines of its lot a distance of not less than 1 ft. for each 1 ft. of height in excess of that authorized in the district in which it is located.

<sup>2</sup> Except as provided in Subtitle F §§ 203.2 and 203.3, a building or other structure may be erected to a height not exceeding 90 ft., provided that the building or structure shall be removed from all lot lines of its lot for a distance equal to the height of the building or structure above the natural grade.

<sup>3</sup> The maximum permitted height of a an allowed penthouse shall be 12 ft. and 1 story. A permitted non-residential building shall be permitted a mechanical penthouse to a maximum height of 18 ft. 6 in.

<sup>4</sup> When a new dwelling or flat is erected that does not share a common division wall with an existing building or a building being constructed together with the new building, it shall have a side yard on each resulting free-standing side.

<sup>5</sup> A side yard shall not be required along a side street abutting a corner lot in an RF zone.

<sup>6</sup> No side yard is required for a principal building; however, any side yard provided on any portion of a principal building shall be at least 5 ft. except as provided in this section.

<sup>7</sup> In the case of a building existing on or before the effective date of this title, with a non-conforming side yard, an extension or addition may be made to the building; provided, that the width of the existing side yard shall not be decreased; and provided further, that the width of the existing side yard shall be a minimum of 2 ft.

District of Columbia Municipal Regulations

**320 SPECIAL EXCEPTION USES (RF)**

320.1 The uses in this section shall be permitted as a special exception if approved by the Board of Zoning Adjustment under Subtitle X, Chapter 9 subject to any applicable provisions of each section:

- (a) Any use or structure permitted under Subtitle U § 203 subject to any modification by this chapter.
- (b) A community service center to accommodate organizations created for the purpose of improving the social or economic well-being of the residents of the neighborhood in which the center is proposed to be located which may include but not be limited to centers for job training, family counseling, consumer cooperatives, and such other facilities as are similar in nature and purpose, subject to the following conditions:
  - (1) A community service center shall be located so that it is not likely to become objectionable to neighboring properties because of noise or other objectionable conditions;
  - (2) The use shall be reasonably necessary or convenient to the neighborhood in which it is proposed to be located; and
  - (3) A community service center shall not be organized for profit, and no part of its net income shall inure to the benefit of any private shareholder or individual;
- (c) A corner store use in a RF-1, RF-2, or RF-3 zone not meeting the matter-of-right conditions of Subtitle U § 254, subject to the special exception conditions of Subtitle U § 254.14;
- (d) Parks and recreation uses not meeting the conditions of Subtitle C, Chapter 16 subject to the following conditions:
  - (1) A building housing such a use may be erected to a height not to exceed forty-five feet (45 ft.); and
  - (2) A public recreation and community center may be permitted a lot occupancy not to exceed forty percent (40%), if approved by the Board of Zoning Adjustment as a special exception pursuant to Subtitle C § 1610 and provided that the agency shows that the increase is consistent with agency policy of preserving open space; and
- (e) Any use permitted within a District of Columbia former public school

Zoning Regulations of 2016:

Use Permissions

**11-U DCMR § 320**

District of Columbia Municipal Regulations

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building that does not comply with the matter-of-right conditions of Subtitle U § 252, subject to the special exception conditions of Subtitle X, Chapter 9.

320.2 Conversion of an existing residential building existing on the lot prior to May 12, 1958, to an apartment house shall be permitted as a special exception in an RF-1, RF-2, or RF-3 zone if approved by the Board of Zoning Adjustment under Subtitle X, Chapter 9, subject to the following conditions:

- (a) The maximum height of the residential building and any additions thereto shall not exceed thirty-five feet (35 ft.), except that the Board of Zoning Adjustment may grant a special exception from this limit to a maximum height of forty feet (40 ft.) provided the additional five feet (5 ft.) is consistent with Subtitle U §§ 320.2(f) through 320.2(i);
- (b) The fourth (4<sup>th</sup>) dwelling unit and every additional even number dwelling unit thereafter shall be subject to the requirements of Subtitle C, Chapter 10, Inclusionary Zoning, including the set aside requirement set forth at Subtitle C § 1003.6;
- (c) There must be an existing residential building on the property at the time of filing an application for a building permit;
- (d) There shall be a minimum of nine hundred square feet (900 sq. ft.) of land area per dwelling unit;
- (e) An addition shall not extend farther than ten feet (10 ft.) past the farthest rear wall of any adjoining principal residential building on any adjacent property;
- (f) Any addition, including a roof structure or penthouse, shall not block or impede the functioning of a chimney or other external vent compliant with any District of Columbia municipal code on an adjacent property. A chimney or other external vent must be existing and operative at the date of the building permit application for the addition;
- (g) Any addition, including a roof structure or penthouse, shall not significantly interfere with the operation of an existing solar energy system of at least 2kW on an adjacent property unless agreed to by the owner of the adjacent solar energy system. For the purposes of this paragraph the following quoted phrases shall have the associated meaning:
  - (1) "Significantly interfere" shall mean an impact caused solely by the addition that decreases the energy produced by the adjacent solar energy system by more than five percent (5%) on an annual basis,

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Zoning Regulations of 2016:

Use Permissions

**11-U DCMR § 320**

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District of Columbia Municipal Regulations

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as demonstrated by a comparative solar shading study acceptable to the Zoning Administrator; and

- (2) "Existing solar energy system" shall mean a solar energy system that is, at the time the application for the building permit for the adjacent addition is officially accepted as complete by the Department of Consumer and Regulatory Affairs or an application for zoning relief or approval for the adjacent addition is officially accepted as complete by the Office of Zoning, either:
  - (A) Legally permitted, installed, and operating; or
  - (B) Authorized by an issued permit; provided that the permitted solar energy system is operative within six (6) months after the issuance of the solar energy system permit not including grid interconnection delays caused solely by a utility company connecting to the solar energy system;
- (h) A roof top architectural element original to the house such as cornices, porch roofs, a turret, tower, or dormers shall not be removed or significantly altered, including shifting its location, changing its shape or increasing its height, elevation, or size. For interior lots, not including through lots, the roof top architectural elements shall not include identified roof top architectural elements facing the structure's rear lot line. For all other lots, the roof top architectural elements shall include identified rooftop architectural elements on all sides of the structure;
- (i) Any addition shall not have a substantially adverse effect on the use or enjoyment of any abutting or adjacent dwelling or property, in particular:
  - (1) The light and air available to neighboring properties shall not be unduly affected;
  - (2) The privacy of use and enjoyment of neighboring properties shall not be unduly compromised; and
  - (3) The conversion and any associated additions, as viewed from the street, alley, and other public way, shall not substantially visually intrude upon the character, scale, and pattern of houses along the subject street or alley;
- (j) In demonstrating compliance with Subtitle U § 320.2(i) the applicant shall use graphical representations such as plans, photographs, or elevation and section drawings sufficient to represent the relationship of the conversion and any associated addition to adjacent buildings and views from public

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Zoning Regulations of 2016:

Use Permissions

**11-U DCMR § 320**



District of Columbia Municipal Regulations

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ways;

- (k) The Board of Zoning Adjustment may require special treatment in the way of design, screening, exterior or interior lighting, building materials, or other features for the protection of adjacent or nearby properties, or to maintain the general character of a block;
- (l) The Board of Zoning Adjustment may modify or waive not more than three (3) of the requirements specified in Subtitle U §§ 320.2(e) through § 320.2(h) provided, that any modification or waiver granted pursuant to this section shall not be in conflict with Subtitle U § 320.2(i); and
- (m) An apartment house in an RF-1, RF-2, or RF-3 zone, converted from a residential building prior to June 26, 2015, or converted pursuant to Subtitle A §§ 301.9, 301.10, or 301.11 shall be considered a conforming use and structure, but shall not be permitted to expand either structurally or through increasing the number of units, unless approved by the Board of Zoning Adjustment pursuant to Subtitle X, Chapter 9, and this section.

320.3 Conversion of a non-residential building or other structure to an apartment house and not meeting one (1) or more of the requirements of Subtitle U § 301.2, shall be permitted as a special exception in an RF-1, RF-2, or RF-3 zone if approved by the Board of Zoning Adjustment under Subtitle X, Chapter 9 subject to the following provisions:

- (a) No special exception relief shall be available from the requirements of Subtitle U § 301.2(a);
- (b) Any addition shall not have a substantially adverse effect on the use or enjoyment of any abutting or adjacent dwelling or property, in particular:
  - (1) The light and air available to neighboring properties shall not be unduly affected;
  - (2) The privacy of use and enjoyment of neighboring properties shall not be unduly compromised; and
  - (3) The conversion and any associated additions, as viewed from the street, alley, and other public way, shall not substantially visually intrude upon the character, scale, and pattern of houses along the subject street or alley;
- (c) In demonstrating compliance with Subtitle U § 320.3(b), the applicant shall use graphical representations such as plans, photographs, or elevation and section drawings sufficient to represent the relationship of the conversion and any associated addition to adjacent buildings and views

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Zoning Regulations of 2016:

Use Permissions

**11-U DCMR § 320**

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District of Columbia Municipal Regulations

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from public ways; and

- (d) The Board may require special treatment in the way of design, screening, exterior or interior lighting, building materials, or other features for the protection of adjacent or nearby properties, or to maintain the general character of a block.

SOURCE: Final Rulemaking published at 63 DCR 2447, 3338 (March 4, 2016 – Part 2); as amended by Final Rulemaking published at 63 DCR 10981 (August 26, 2016); as amended by Final Rulemaking published at 63 DCR 10932 (August 26, 2016); as amended by Final Rulemaking published at 64 DCR 4055 (April 28, 2017); as amended by Final Rulemaking published at 64 DCR 8416 (August 25, 2017) ; as amended by Final Rulemaking published at 65 DCR 11927 (October 26, 2018).

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Zoning Regulations of 2016:

Use Permissions

**11-U DCMR § 320**

**ZONING MAP (GREEN = RF-3 ZONING)**



# VALUATION

## Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

## HIGHEST AND BEST USE OF THE SITE

As described previously, the subject's building improvement is located in the RF3 zoning district. The RF3 zoning district permits

commercial development, but the site would not be suitable for residential development given its size and location near a high traffic corridor. Moreover, residential development would conform with the surrounding neighborhood. For the RF3 section of the subject property, there are several permitted uses including residential, office, multi-unit.

The subject's site size, access and visibility from D Street allows for residential/commercial uses at the site, including office and residential. The uses surrounding the subject's site are commercial/Residential uses so a commercial/residential use would conform with the neighborhood.

The highest and best use of the site, as vacant, is for development with a office/residential use.



### **HIGHEST AND BEST USE AS IMPROVED**

As discussed above, the subject's building improvement is located in the RF3 zoning district. The RF3 zoning district permit residential, office, and multi-unit

As improved, the subject does not conform to applicable zoning requirements with respect to dimensional requirements. The minimum setback is 10' from Reisterstown Rd and the subject is set back approximately 10' from Reisterstown Rd. However, the subject was legally conforming when constructed and is considered 'grandfathered.' Moreover, the subject physically conforms with other small commercial/residential

spaces along D Street and the other busy roads in the market area. The subject's access and visibility from D Street allows for commercial uses, including residential, office and multi units. The uses surrounding the subject's site are commercial/residential uses.

Based on land to building ratios in the local market, it appears that the subject site may be capable of supporting a larger building than what is presently constructed. While a full site analysis and engineering study are beyond the scope of this assignment, it noted that there may be additional development or redevelopment potential than what is presently in existence at the subject property. The highest and best use of the subject as improved is continued a 2 unit mixed use retail/residential dwelling or a value in use dwelling (church/embassy/government/etc.).

## Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

### **COST APPROACH**

The Cost Approach is summarized as follows:

Cost New- Depreciation + Land Value= Value

### **SALES COMPARISON APPROACH**

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

### **INCOME APPROACH**

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

### **FINAL RECONCILIATION**

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

### **ANALYSES APPLIED**

A cost analysis was considered and was not developed because the age of the improvements makes

the depreciation difficult to accurately measure.

A sales comparison analysis was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An income analysis was developed.

The cost approach was applied.

## | Valuation

### Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- > The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- > The most pertinent data is further analyzed and the quality of the transaction is determined.
- > The most meaningful unit of value for the subject property is determined.
- > Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- > The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

### COMPARABLES

We have researched four comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified.



# Comparable Sale - Page 1

**1418 Pennsylvania Ave SE, Washington, DC  
20003**

**Closed**

**Commercial Sale**

**\$705,000**



MLS #: DCDC433860  
Available SqFt: 1,400.00  
Price / Sq Ft: 516.48  
Business Use: Medical  
Tax ID #: 1065/NE/0037  
County: Washington, DC  
Year Built: 1900

Type: Office  
Ownership Interest: Fee Simple  
Lot Acres / SQFT: 0.02a / 860sf / Appraiser

## Taxes, Assessment, Fees

Tax Annual Amt / Year: \$8,976 / 2019  
Tax Assessed Value: \$586,870 / 2019  
Land Assessed Value: \$153,250

## Association / Community Info

HOA: No

## Building Info

Building Total SQFT: 1,365 / Assessor

## Features

Interior Features: Accessibility Features: None  
Parking: Driveway Parking, 1-Car Parking  
Utilities: Ceiling Fan(s), Cooling Fuel: Electric, Heating: Forced Air, Heating Fuel: Electric, Hot Water: Electric, Water Source: Community, Sewer: Public Septic

## Remarks

Agent: Fantastic investment opportunity, this beautiful office space is currently collecting \$3500 monthly in rent. Renovated in the upscale style for today office needs. Modern space features exposed AC vents, skylights, wood floor, IT room. Prestigious Pennsylvania Ave. Take over current lease and start generating income today. Near Potomac Avenue Metro and Harris Teeter.  
Public: Fantastic investment opportunity, this beautiful office space is currently collecting \$3500 monthly in rent. Renovated in the upscale style for today office needs. Modern space features exposed AC vents, skylights, wood floor, IT room. Prestigious Pennsylvania Ave. Take over current lease and start generating income today. Near Potomac Avenue Metro and Harris Teeter.

## Listing Office

Listing Agent: Kyle Meeks (3218635) Lic# sp98378926 (202) 906-8989  
Listing Office: TTR Sotheby's International Realty (TTR55) (Lic# Unknown)  
Co-Listing Agent: Lou Cardenas (3054411) (202) 669-4083

## Compensation

Buyer Agency Comp: 3% Of Gross  
Sub Agency Comp: 3% Of Gross

## Listing Details

Original Price: \$905,000 Previous List Price: \$905,000 DOM / CDOM: 95 / 95  
Listing Agrmnt Type: Exclusive Agency Safe Type: Standard Listing Terms: All Negotiation Thru Lister  
Listing Term Begins: 07/10/2019 Owner Name: C/O Kyle Meeks

## Sale/Lease Contract

Selling Agent: Mike Aubrey (107390) (Lic# 583580 - MD) (301) 873-9807  
Selling Office: Compass (COMPS9) (Lic# Unknown)  
Concessions: Yes Concessions Amount: \$2,000  
Concession Remarks: Home inspection.  
Agreement of Sale Dt: 10/11/19 Close Date: 10/28/19  
Close Sale Terms: Standard Sale Close Price: \$705,000.00  
Buyer Financing: Cash

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## Comparable Sale - Page 2

**304 Pennsylvania Ave SE, Washington, DC  
20003**

**Closed**

**Commercial Sale**  **\$4,000,000**



MLS #:	1001963260	Type:	Office
Available SqFt:	6,413.00	Ownership Interest:	Condominium
Price / Sq Ft:	623.73	Lot Acres / SQFT:	0.09a / 3,860sf
Tax ID #:	0789//2002		
County:	Washington, DC		
Year Built:	1930		
Property Condition:	As-is condition		

### **Taxes, Assessment, Fees Association / Community Info**

Tax Annual Amt / Year:	\$41,138 / 2017	HOA:	Yes
Tax Assessed Value:	\$2,730,650 / 2017	Condo/Coop Assoc:	No
Land Assessed Value:	\$872,360		

### **Income and Expenses**

Gross Income:	\$0
Operating Expense:	\$0

### **Building Info**

Building Total SQFT: 6,413 / Estimated

### **Features**

Parking:	No Parking, Covered Parking
Utilities:	Water Source: Public, Sewer: Public Sewer

### **Remarks**

Agent:	Prime location. Office building in the heart of Capitol Hill. Zoned mixed use and located along commercial strip on Pennsylvania Ave. with restaurants and shops. Three levels with lobby on entry level and 2nd and 3rd floors with reception areas, offices, conference rooms and kitchen areas. Four parking spaces in the rear. 6413 gross building area per the tax record.
Public:	Prime location. Office building in the heart of Capitol Hill. Zoned mixed use and located along commercial strip on Pennsylvania Ave. with restaurants and shops. Three levels with lobby on entry level and 2nd and 3rd floors with reception areas, offices, conference rooms and kitchen areas. Four parking spaces in the rear. 6413 gross building area per the tax record.

### **Listing Office**

Listing Agent:	<a href="#">Carol Eickert</a> (141826) Lic# Unknown (301) 526-0613
Listing Office:	<a href="#">Long &amp; Foster Real Estate, Inc.</a> (LNG194) (Lic# Unknown)
Co-Listing Agent:	<a href="#">R. Scott Mattingly</a> (3951) (301) 980-9916

### **Compensation**


Buyer Agency Comp:	2.5%
Sub Agency Comp:	2.5%

### **Listing Details**

Original Price:	\$3,500,000	Sale Type:	Standard	DOM / CDOM:	0 / 0
Listing Agrmnt Type:	Exclusive Right	Owner Name:	UTUIA		
Listing Term Begins:	04/19/2018				

### **Sale/Lease Contract**

Selling Agent:	<a href="#">Non Member Member</a> (12345) (Lic# Unknown) (301) 838-7100		
Selling Office:	<a href="#">Non Subscribing Office</a> (NON1) (Lic# Unknown)		
Concessions:	No		
Agreement of Sale Dt:	04/19/18	Close Date:	05/29/18
Buyer Financing:	Cash	Close Price:	\$4,000,000.00

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# Comparable Sale - Page 3

525 2nd St NE, Washington, DC 20002		Closed	Commercial Sale	 \$1,950,000
	MLS #:	1000124765	Type:	Office
	Available SqFt:	2,800.00	Ownership Interest:	Fee Simple
	Price / Sq Ft:	696.43	Lot Acres / SQFT:	0.04a / 1,542sf
	Tax ID #:	0754//0105		
	County:	Washington, DC		
	Year Built:	1890		
	Property Condition:	As-is condition		
<b>Taxes, Assessment, Fees Association / Community Info</b>				
Tax Annual Amt / Year:		\$25,774 / 2016	HOA:	Yes
Tax Assessed Value:		\$1,738,680 / 2016	Condo/Coop Assoc:	No
Land Assessed Value:		\$346,330		
<b>Income and Expenses</b>				
Gross Income:		\$0		
Operating Expense:		\$0		
<b>Building Info</b>				
Building Total SQFT:		2,800 / Estimated		
<b>Features</b>				
Parking:	Driveway Parking, Off Street Parking, 2 Assigned Parking Spaces, Private 1-10 Spaces, Shared Driveway			
Utilities:	Central A/C, Cooling Fuel: Electric, Heating: Forced Air, Heating Fuel: Natural Gas, Hot Water: Natural Gas, Water Source: Public, Sewer: Public Sewer			
<b>Remarks</b>				
Agent:	Renovated 2-story townhouse w/8 offices, reception area, conf rm, kitchenette, 1.5 baths. Hardwood floors, phone/data ready, security system built-ins & 2 gas fp. Bsmnt 300 sq ft storage space w/2 parking spaces in rear. On 2nd between E & F, 1 block to Union Station, easy walk to Senate Offices, Supreme Court & SEC. Office, restaurant, beauty and other usages. 100% tenant occupied, call for appt			
Public:	Renovated 2-story townhouse w/8 offices, reception area, conf rm, kitchenette, 1.5 baths. Hardwood floors, phone/data ready, security system built-ins & 2 gas fp. Bsmnt 300 sq ft storage space w/2 parking spaces in rear. On 2nd between E & F, 1 block to Union Station, easy walk to Senate Offices, Supreme Court & SEC. Office, restaurant, beauty & other usages. Bldg can be 2 spaces w/sep entry/utill			
<b>Listing Office</b>			<b>Compensation</b>	
Listing Agent:		Tyler Nguyen (3020476) Lic# Unknown (703) 574-1033	Buyer Agency Comp: 2.5%	
Listing Office:		Cardinal Realty Partners, LLC (CDRP1) (Lic# Unknown)	Sub Agency Comp: 0.0%	
<b>Listing Details</b>				
Original Price:	\$2,150,000	Previous List Price:	\$2,150,000	DOM / CDOM: 401 / 401
Listing Agrmnt Type:	Exclusive Right	Sale Type:	Standard	Owner Name: Zen Consulting LLC
Listing Term Begins:	07/31/2017			
Inclusions:	Parking Included In ListPrice,Parking Included In SalePrice			
<b>Sale/Lease Contract</b>				
Selling Agent:		Abdu Tuku (3230539) (Lic# 0225231938 - VA) (703) 389-4344		
Selling Office:		Samson Properties (SAMP1) (Lic# Unknown)		
Concessions:	Yes	Concessions Amount:	\$1,500	
Agreement of Sale Dt:	09/01/18	Close Date:	10/15/18	
		Close Price:	\$1,950,000.00	
Buyer Financing:	Conventional			

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# Comparable Sale - Page 4

3/3/2020

Matrix

**2384-2386 Champlain St NW, Washington, DC 20009**

**Closed**

**Commercial Sale**

**\$5,789,474**



MLS #: 1000186757  
Available SqFt: 152,000.00  
Price / Sq Ft: 787.90  
Business Use: Other  
Tax ID #: 2560//0827  
County: Washington, DC  
Year Built: 1941  
Property Condition: As-is condition

Type: Five Or More Units  
Ownership Interest: Fee Simple  
Lot Acres / SQFT: 0.17a / 7,348sf / Assessor

## Taxes, Assessment, Fees

Tax Annual Amt / Year: \$28,289 / 2016  
Tax Assessed Value: \$4,366,470 / 2016  
Land Assessed Value: \$661,320

## Association / Community Info

HOA: No  
Condo/Coop Assoc: No

## Commercial Sale Information

Current Use: Commercial, Multi Residential

## Income and Expenses

Gross Income: \$0  
Operating Expense: \$0

## Building Info

Building Total SQFT: 7,348 / Estimated

Flooring Type: Other, Tile/Brick, Wood

## Features

Interior Features: No Fireplace, Accessibility Features: 2+ Access Exits  
Parking: Other Parking, Private 1-10 Spaces  
Utilities: Other, Cooling Fuel: None, Heating: Radiator, Heating Fuel: Natural Gas, Hot Water: Natural Gas, Water Source: Public, Sewer: Public Septic, Public Sewer

## Remarks

Agent: Price Reduced ! 30 unit apartment building Adams Morgan area near hotels restaurants shop and entertainment. Property is awaiting a new owner. For showing and contact please email: 2384.2386Champlain@gmail.com  
Public: 30 unit apartment building Mt Pleasant area near hotels restaurants shop and entertainment. Property is awaiting a new owner.

## Listing Office

Listing Agent: Wanda Venson (84127) Lic# SP102636 (240) 554-4009  
Listing Office: EXIT Right Realty (EXRT1) (Lic# Unknown)

## Compensation

Buyer Agency Comp: 1% Of Gross  
Sub Agency Comp: 0% Of Gross

## Listing Details

Original Price: \$8,000,000  
Listing Agrmnt Type: Exclusive Agency  
Listing Term Begins: 05/24/2017  
Inclusions: Parking Included In ListPrice,  
Previous List Price: \$8,000,000  
Sale Type: Standard

DOM / CDOM: 99 / 99  
Owner Name: A

## Sale/Lease Contract

Selling Agent: Wanda Venson (84127) (Lic# SP102636 - DC) (240) 554-4009  
Selling Office: EXIT Right Realty (EXRT1) (Lic# Unknown)  
Concessions: No  
Agreement of Sale Dt: 08/29/17  
Close Sale Terms: Standard Sale  
Buyer Financing: Other  
Close Date: 11/07/19  
Close Price: \$5,789,473.68

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# Comparable Sale - Page 5

3/19/2020

Matrix

23 D St SE, Washington, DC 20003



MLS #: DCDC310560  
Tax ID #: 0693//0856  
County: Washington, DC  
In City Limits: Yes  
Legal Subdivision: CAPITOL HILL  
Subdiv / Neigh: CAPITOL HILL  
School District: District Of Columbia Public Schools  
High School: Eastern Senior  
Year Built: 2009  
Tax Annual Amt: \$19,924 / 2017  
Assessment: \$2,370,980 / 2017  
Land Assessment: \$625,220

Closed Residential \$3,900,000

	Beds	Baths
TOTAL	4	4 Full 2 Half
Main Level		1 Half
Upper Level 1		1 Half
Upper Level 2	2	2 Full
Lower Level 1	2	2 Full
Structure Type:	Row/Townhouse	
Style:	Contemporary	
Levels/Stories:	3+	
Ownership Interest:	Fee Simple	
Abv Grd Fin SQFT:	3,400 / Assessor	
Below Grade Fin SQFT:	1,091 / Assessor	
Blw Grd Unfin SQFT:	57 / Assessor	
Lot Acres / SQFT:	0.05 / 2,276 / Assessor	

## Rooms

Master Bathroom: Lower 1:

## Features

Constr Materials: Brick  
Cooling/Fuel: Central A/C / Electric  
Heating/Fuel: Forced Air, Zoned / Natural Gas  
Water/Sewer: Public / Public Sewer  
Basement: No

Accessibility Feat: None  
Fireplace Count: 2

Waterfront/Type: No  
Zoning: RF-3

## Remarks

Agent: Seller was unrepresented. Entered for comparable purposes only.  
Public: For comp purposes

## Listing Office

Listing Agent: Non Member Member (12345) Lic# Unknown (301) 838-7100  
Listing Office: Non Subscribing Office (NON1) (Lic# Unknown)

## Compensation

Buyer Agency Comp: 4.5% Of Gross  
Sub Agency Comp: 0% Of Gross

## Listing Details

Original Price: \$3,900,000  
Listing Agrmnt Type: Excl Right  
Listing Agreement Dt: 01/18/2019  
Owner Name: ASHFORD PROPERTIES SE LLC  
Sale Type: Standard  
DOM / CDOM: 0 / 0

## Sale / Lease Contract

Selling Agent: Lee Murphy (80708) Lic# SP98358325 - DC (202) 277-7477  
Selling Office: Washington Fine Properties, LLC (WFP3) (Lic# Unknown)  
Concessions: No  
Buyer Financing: Cash  
Agreement of Sale Dt: 04/05/18  
Close Date: 01/16/19  
Close Price: \$3,900,000  
Close Sale Terms: Standard Sale

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### **ANALYSIS GRID MARKET DATA APPROACH (SALES COMPARISON APPROACH)**

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

1. Property Rights Sold
2. Financing
3. Conditions of Sale
4. Market Trends
5. Location
6. Condition
7. Design/Appeal
8. Building Size (GBA)
9. Zoning
10. Land to Building Ratio

## Valuation

### COMPARABLE SALE ADJUSTMENTS

A qualitative analysis was performed. Adjustments were factored from typical investors reactions and market reactions within the subject neighborhood. All adjustments were qualitative.

#### **Property Rights**

This category accounts for different property rights between the subject and the comparable sales.

#### **Financing**

This category accounts for atypical financing arrangements for comparable sales. The subject property is appraised in terms of cash in US dollars or in terms of financial arrangements comparable thereto.

#### **Conditions of Sale**

This category considers factors that may have impacted the sale price due to motivations by the buyer or seller, or other transactional conditions that influence sale prices. For example, it is common for buyers of neighboring properties to pay a premium to control adjacent properties. In these cases, the prices may be superior to the subject. As another example, listings regularly exhibit higher asking prices than their ultimately achieved sale prices. Therefore, listings will often require a downward adjustment to account for conditions of sale.

#### **Economic Trends**

This category accounts for changing market conditions from the date of each comparable sale to the effective date of this appraisal. For example, sales that occurred during a weaker market may require an upward adjustment to account for inferior market conditions.

#### **Location**

This category is based on the relative strength of the surrounding land uses, accessibility to major

activity centers and access ways, strength of local economy and amount of competition.

### **Condition**

This category accounts for differences between the comparable sales and the subject in terms of overall property condition. For example, a newer, better maintained comparable sale may require a downward adjustment to account for its superior condition relative to the subject.

### **Design/Appeal**

This category accounts for the usability of the property for its highest and best use. In office buildings, design features, layout, adequacy of fenestration, presence of elevators in multi-story buildings, etc. are considered.

### **Building Size (GBA)**

Building size considerations are based on the concept of economies of scale, as larger buildings often sell for lower unit prices with all other factors being equal. Therefore, if the comparable sale is significantly larger than the subject, it may require an upward adjustment.

### **Zoning**

This category addresses differences in zoning districts. Note that while zoning districts may have similar names in different municipalities, the permitted uses and limitations in those zones may be very different.

### **Land-to-Building Ratio**

This category addresses differences in land-to-building ratios. Properties with higher land-to-building ratios may require a downward adjustment, as they may have expansion potential. Properties with lower land-to-building ratios may require an upward adjustment.

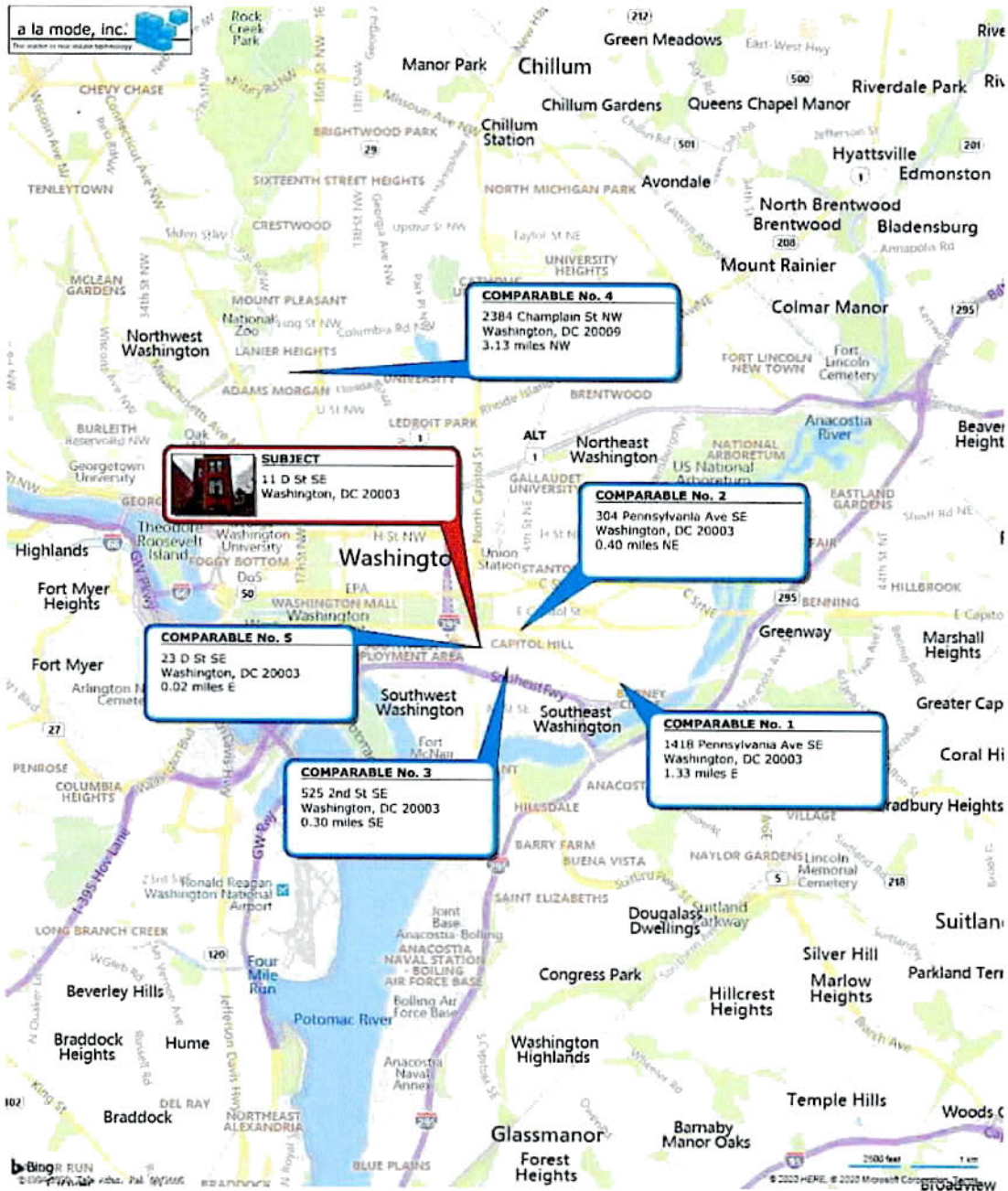


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# Sales Comparison Location Map

Borrower	The Navajo Nation				
Property Address	11 D St SE				
City	Washington	County	District Of Columbia	State	DC
Lender/Client	McWilliams/Ballard	Zip Code	20003		



**SALES COMPARISON (MARKET DATA) APPROACH CONCLUSION**

**VALUE CONCLUSION**

**\$4,049,000**

**Four Million Forty Nine Thousand Dollars and 00/100**

**As of February 28, 2020**

All of the value indications have been considered, and in the final analysis, All sales were given greatest weight in the sales comparison approach. The as-is value is only based on the sales comparison approach. Only Comps #1, 2, 3, 4 and 5 unadjusted price per sq ft were considered . The as-is price per sq ft is estimated at \$1086.00. Therefore that value indicted by the sales comparison approach 's indicated value is \$4,049,000. The final reconciled as-is value is \$4,049,000 as of 02/28/2020.

# Leased Comparable Sale - Page 1

3/19/2020

Matrix

**611 Pennsylvania Ave SE, Washington, DC  
20003**

**Closed**

**Commercial Lease**

**\$3,375.00**



MLS #: DCDC403876  
Leasable SQFT: 900  
Business Use: Medical, Restaurant/Bar  
Tax ID #: 0874/0029  
County: Washington, DC  
Legal Subdivision: CAPITOL HILL  
Year Built: 1930

Price / Sq Ft: \$3.75  
Date Available: 03/26/19

## Taxes, Assessment, Fees

## Association / Community Info

HOA:

No

## Commercial Lease Information

Current Use: Office

## Building Info

Building Total SQFT: 2,096

## Features

Interior Features: Accessibility Features: None  
Utilities: Central A/C, Heating: Central, Heating Fuel: Natural Gas, Hot Water: Electric, Water Source: Public, Sewer: Public Sewer

## Remarks

Agent: FOR LEASE. 2nd Floor Space - Large Open Office in front provides opportunity for creative use/ yoga studio. Kitchenette and Bathroom plus another office in the rear. Newly renovated and freshly painted ready for immediate occupancy. Tons of natural light! Commercial Townhome located on main strip of Capitol Hill. 5 Blocks from US Capitol and 1 Block from Eastern Market Metro Station. Tenant responsible for electric which is separately metered.  
Public: FOR LEASE. 2nd Floor Space - Large Open Office in front provides opportunity for creative use/ yoga studio. Kitchenette and Bathroom plus another office in the rear. Newly renovated and freshly painted ready for immediate occupancy. Tons of natural light! Commercial Townhome located on main strip of Capitol Hill. 5 Blocks from US Capitol and 1 Block from Eastern Market Metro Station. Tenant responsible for electric which is separately metered.

## Listing Office

Listing Agent: Kitty Kaupp (10435) Lic# B017562 (202) 255-0952  
Listing Office: Coldwell Banker Residential Brokerage (CBRB52) (Lic# Unknown)  
Co-Listing Agent: Alex Golding (3030502) (202) 276-2590

## Compensation

Buyer Agency Comp: 3% Of Yearly Rent  
Sub Agency Comp: 3% Of Yearly Rent

## Listing Details

Original Price: \$3,375.00  
Listing Agrmnt Type: Exclusive Agency  
Listing Term Begins: 03/26/2019

DOM / CDOM: 290 / 290  
Owner Name: L & S REAL ESTATE LLC

## Sale/Lease Contract

Selling Agent: Kitty Kaupp (10435) (Lic# Unknown) (202) 255-0952  
Selling Office: Coldwell Banker Residential Brokerage (CBRB52) (Lic# Unknown)  
Concessions: No  
Signed Lease Date: 12/31/19  
Close Sale Terms: Standard Sale

Close Date: 01/01/20  
Close Price: \$3,375.00

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## Leased Comparable Sale - Page 2

3/19/2020

Matrix

**1426 Pennsylvania Ave SE, Washington, DC  
20003**

**Closed**

**Commercial Lease**

**\$3,600.00**



MLS #: 1004322109  
Leasable SQFT: 900  
Business Use: Medical  
Tax ID #: 1065/NE/0035  
County: Washington, DC  
Legal Subdivision: OLD CITY #1  
Subdiv / Neigh: OLD CITY #1  
Year Built: 1900  
Property Condition: As-is condition

Price / Sq Ft: \$4.00  
Date Available: 02/06/18  
Lot Acres / SQFT: 0.03a / 1,180sf

### Taxes, Assessment, Fees

### Association / Community Info

HOA: No  
Condo/Coop Assoc: No

### Building Info

Building Total SQFT: 900 / Estimated

Flooring Type: Partially Carpeted,  
Wood

### Features

Utilities: Central A/C, Electric Service: 120/240V, Heating: Forced Air, Heating Fuel: Natural Gas, Hot Water: Natural Gas, Sewer: Public Sewer

### Remarks

Agent: IMMEDIATE OCCUPANCY - Office spaces, new paint & carpet with a lovely conference room on the main floor, nice kitchen and powder room. Utilities and Cleaning are tenants responsibility. Bathroom on every level for convenience. 2 car parking spaces at rear available at a reasonable fee for tenant's use also. Half a block from Metro and close to all transportation. Alarm system & Security Camera  
Public: IMMEDIATE OCCUPANCY - Office spaces, new paint & carpet with a lovely conference room on the main floor, nice kitchen and powder room. Utilities and Cleaning are tenants responsibility. Bathroom on every level for convenience. 2 car parking spaces at rear available at a reasonable fee for tenant's use also. Half a block from Metro and close to all transportation. Alarm system & Security Camera

### Listing Office

Listing Agent: Demeji Awe-Johnson (94269) Lic# Unknown (301) 537-6520  
Listing Office: Keller Williams Preferred Properties (KWPP1) (Lic# Unknown)

### Compensation

Buyer Agency Comp: 0.4%  
Sub Agency Comp: 0

### Listing Details

Original Price: \$3,750.00  
Listing Agrmnt Type: Exclusive Agency  
Listing Term Begins: 12/14/2017

DOM / CDOM: 114 / 114  
Owner Name: Public Record

### Sale/Lease Contract

Selling Agent: Demeji Awe-Johnson (94269) (Lic# Unknown) (301) 537-6520  
Selling Office: Keller Williams Preferred Properties (KWPP1) (Lic# Unknown)  
Concessions: No  
Signed Lease Date: 03/31/18

Close Date: 04/06/18  
Close Price: \$3,600.00

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# Leased Comparable Sale - Page 3

3/19/2020

Matrix

503 2nd St NE, Washington, DC 20002

Closed

Commercial Lease

\$6,750.00



MLS #: DCD452426  
Leasable SQFT: 1,476  
Business Use: Other, Professional  
Tax ID #: 0754/0029  
County: Washington, DC  
Legal Subdivision: OLD CITY I  
Subdiv / Neigh: CAPITOL HILL  
Year Built: 1890  
Property Condition: Renov/Remod  
Recent Change: 03/13/2020 : Closed : ACT->CLS

Price / Sq Ft: \$4.57  
Date Available: 02/01/20  
Unit Entry Floor: 2

## Taxes, Assessment, Fees

## Association / Community Info

HOA:

No

## Commercial Lease Information

Current Use: Office

## Building Info

Building Total SQFT: 1,490

## Features

Interior Features:

Accessibility Features: None

Utilities:

Central A/C, Heating: Central, Heating Fuel: Natural Gas, Hot Water: Natural Gas, Water Source: Public, Sewer: Public Sewer

## Remarks

Agent:

Office space for lease (available February 2020) in highly desirable location steps to Union Station, SEC headquarters, Senate Office Buildings, the Supreme Court & the US Capitol. Approximately 1,480 square feet on top 2 levels. Street level entrance. 3 rooms per level with kitchenette on each level. Rear access on both levels to lovely brick courtyard. Minimum lease 1 year. Tenant pays utilities and taxes/insurance increases beyond base year. Parking for rent nearby for \$200-250/mo. Call Listing Agent Gary @ 202-439-6009 for questions and showings.

Public:

Office space for lease (available February 2020) in highly desirable location steps to Union Station, SEC headquarters, Senate Office Buildings, the Supreme Court & the US Capitol. Approximately 1,480 square feet on top 2 levels. Street level entrance. 3 rooms per level with kitchenette on each level. Rear access on both levels to lovely brick courtyard. Minimum lease 1 year. Tenant pays utilities and taxes/insurance increases beyond base year. Parking for rent nearby for \$200-250/mo. Call Listing Agent Gary @ 202-439-6009 for questions and showings.

## Listing Office

Listing Agent: Gary Jankowski (120986) Lic# SP98357614 (202) 439-6009

Listing Office: Coldwell Banker Residential Brokerage (CBRB52) (Lic# Unknown)

Co-Listing Agent: Julian Welch (3098859) (240) 393-7522

## Compensation

Buyer Agency Comp: 50% of Monthly Rent

Sub Agency Comp: 50% of Monthly Rent

## Listing Details

Original Price: \$7,000.00

Listing Agrmnt Type: Exclusive Right

Listing Term Begins: 12/17/2019

DOM / CDOM:

88 / 88

Owner Name:

Redding Properties  
Llc

## Sale/Lease Contract

Selling Agent: Non Member Member (9999) (Lic# Unknown) (301) 838-7100

Selling Office: Metropolitan Regional Information Systems, Inc. (MRIS1) (Lic# Unknown)

Concessions:

No

Signed Lease Date: 03/13/20

Close Date:

03/13/20

Close Sale Terms: Standard Sale

Close Price:

\$6,750.00

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## **INCOME APPROACH**

The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property. There are two primary methods of estimating value based on the Income Capitalization Approach including direct capitalization and yield capitalization (discounted cash flow analysis). Direct capitalization requires market-derived capitalization rates from similar properties and transactions and then applies them to the subject property's stabilized net operating income without explicit attention to "return on" and "return of" capital. Discounted cash flow analysis is more complex and requires interpreting expectations and attitudes into cash flows and concluding a present value estimate.

### **DIRECT CAPITALIZATION ANALYSIS**

A direct capitalization analysis has been developed for this valuation of the subject property. The following steps have been employed:

- > Develop the subject's Potential Gross Income (PGI) through analysis of competitive current market income rates.
- > Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
- > Develop and subtract operating expenses to derive the Net Operating Income (NOI).
- > Develop the appropriate capitalization rate ( $R_o$ ). The selection of an appropriate capitalization technique and rate is based upon the characteristics of the subject's income stream and the nature of the investment. The most appropriate method is dictated by practices most commonly used by the typical purchaser of properties like the subject. Direct capitalization through derivation from comparable sales and national surveys have been applied.
- > Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

### **POTENTIAL GROSS INCOME (PGI)**

#### **Current Income**

The subject property is presently vacant on the first-floor and owner-occupied on the second-floor.

As such the subject property does not have an established operating history with respect to lease income. Accordingly, market rent has been estimated by utilizing the rent roles provided by the lender attached within this report.

#### Valuation

### MARKET RENT

#### Market Rent Comparables

We have researched four comparables for this analysis; these are documented in the following table.

A location map is presented on the following page.

#### LEASE COMPARABLES

Location	NRA	Lease date	Lease Term	Base Rent	Expenses	Comments
611 Pennsylvania Ave, SE	900 sf	01/2020	2 Years	\$3.75	Modified Gross	Good Visibility free standing building
1426 Pennsylvania Ave, SE	900 sf	04/2018	2 Years	\$4.00	Modified Gross	Good Visibility free standing building
503 2nd Street, NE	1,476 sf	03/2020	2 Years	\$4.57	Modified Gross	Good Visibility free standing building
	Min	900 sf		\$3.75		
	Max	1426 sf		\$4.57		
	Avg	1092		4.11		

As illustrated on the above table, the surveyed comparable rents range from \$3.75 to \$4.57 on a

Per square foot basis. It is noted that the borrower has prepared a rent role to

commence at the subject property sometime after acquisition as a hypothetical. The basic term of the lease are as follows: The

commercial lease would be dated for a two to five

year term. The rent is would be a flat with no escalations. The landlord would be responsible for taxes and building

insurance, while the tenant is responsible for utilities and maintenance. The term of the lease would be



market-oriented and has been given consideration in projecting market rent at the subject. As such, market rent has been estimated to be \$4.50 per square foot.

#### Valuation

#### POTENTIAL GROSS INCOME SUMMARY

Based on the above analysis, we have reconciled to a market rent of \$4.50 ' , as of 02/28/2020, for the subject. As such, potential gross income has been modeled as \$201,312 annually.

#### VACANCY AND COLLECTION LOSS

Based on a review of market conditions and historical operating data for properties similar to the subject property, we have projected vacancy and collection loss at 5.00%.

#### Valuation

#### EFFECTIVE GROSS INCOME

Potential Gross Income	\$201,312
Other Income(Seasonal Tree Stand)	\$0
Less: Vacancy & Collection Loss	-5.00% (-2,170)
Effective Gross Income	\$191,246

#### EXPENSES

Comparable lease properties in the subject's market tend to operate on a modified gross, or "gross + utilities" lease expense structure. As such, the estimated market rental rate developed for this analysis is based on a modified gross expense structure. A modified gross lease is defined as "a lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net lease*, *partial net lease*, or *semi-gross lease*." (Appraisal Institute, 2015)

#### Taxes

This expense category includes all local, county, and state property tax levies, including special assessments. This expense is treated as the landlord's responsibility in this analysis.

#### Insurance

Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils. This expense is treated as the landlord's responsibility in this analysis.

**Utilities**

Utilities expenses typically include electric, gas, water, sewer, and trash removal. As these expenses are passed through the tenant or reimbursed in the market rent estimate, this expense item has been omitted from the analysis.

**General Repair & Maintenance**

All expenses incurred for the general repairs and maintenance of the building including common areas and general upkeep. Repairs and maintenance expense includes HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items. As these expenses are passed through the tenant or reimbursed in the market rent estimate, this expense item has been omitted from the analysis.

**Valuation****Reserves**

An allowance that provides for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced periodically during the building's useful or economic life. Reserves are also called reserve(s) for replacement or replacement allowance. These components may include one or more of the following: roof covering; carpeting; kitchen, bath, and laundry equipment; compressors, elevators, and boilers; specific structural items and equipment that have limited economic life expectancies; interior improvements to tenant space that are made periodically by the landlord, usually at lease renewal; sidewalks, driveways; parking areas; and exterior painting.

**NET OPERATING INCOME**

Effective Gross Income	\$191,246
Less: Expenses (10%)	-\$6,184
Net Operating Income	\$172,122

**CAPITALIZATION RATE**

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$$\text{NOI} \div \text{Sale Price} = \text{Capitalization Rate}$$

For example, if a property sells for \$500,000, and has a stabilized NOI of \$50,000, the indicated capitalization rate is 10%.

**Market Extracted Rates**

The table below details capitalization rates extracted from the market.

## Valuation

## Leased Fee Office Sales (capitalization rate extraction)

Location	Sale Date	Sale Price	NRA	Year Built	Net Operating Income NOI	Cap Rate
Comps						
1400 North Capitol NW	10/2018	1,490,000	4,960	1900	66,000	4.0
225 Pennsylvania Ave, SE	04/2018	2,600,000	4,434	1850	155,904	5.9
500 13th Street, SE	05/2018	1,300,000	4,410	1927	50,000 est	3.8

	Sales Price	NOI	Cap Rate
Min	1,300,000	50,000	3.8
Max	2,600,000	155,904	5.9
Avg		90,635	4.5



**Valuation**

It is important to note that the PwC survey gauges responses from investors who are most often interested in "institutional grade" real estate investments. This characterization may not be appropriate for the subject property given its size, location, and the nature of its leases.

**Capitalization Rate Conclusion**

The capitalization rate for the subject property is concluded to be 4.0% The capitalization rate utilized herein recognizes the strength of the subject's location along D Street and the potential for redevelopment in the future.

**CAPITALIZATION TO VALUE****INCOME CAPITALIZATION ANALYSIS**

Unit/Space Type	Income	Method/Cap Rate		Annual	% of PGI
Warehouse	\$16,776	4.0%	Units/SF	\$201,312	100.0%

Total Rental Income:

Expense Reimbursements: 0

Other Income: 0

Potential Gross Income: \$201,312

Vacancy & Collection Loss: 5%

Effective Gross Income (EGI): \$191,264

Expense	Amount	Method	Annual	\$/SF
Taxes	\$15,659	\$/Year	15659	0.01
Insurance	\$2,500	\$/Year	2500	0.003
Reserves	2.0%	% of EGI	2000	0.05

Total Expenses:

Expense Ratio (Expenses/EGI): 18,159

Net Operating Income (NOI): 173,105

Capitalization Rate: 4.0%

Value (NOI/Cap Rate): 4,327,625

Less Tis:	N/A
Total:	4,327,625
Rounded	4,327,000

**DIRECT CAPITALIZATION ANALYSIS CONCLUSION**

Based on the above analysis detailed above, as of February 28, 2020 we have reconciled to a direct capitalization approach value of:

\$4,327,000

Four Million Three Hundred Twenty Seven Thousand Dollars and 00/100

Borrower	The Navajo Nation						
Property Address	11 D St SE						
City	Washington	County	District Of Columbia	State	DC	Zip Code	20003
Lender/Client	McWilliams/Ballard						



**Subject To Valuation of 11 D Street, SE**



11 D STREET, SE  
CONCEPTUAL DESIGN STUDIES  
1-16-15

[illegible]

## POSSIBLE RELIEF AREAS

Figure 1	Figure 2
Figure 3	Figure 4
Figure 5	Figure 6

THE PURPOSE OF CONCRETE PAVEMENT SHALL BE TO PROVIDE A DURABLE, STABLE, AND SMOOTH SURFACE FOR THE PROPOSED TRAFFIC AND TO PROVIDE A DRAINAGE SYSTEM FOR THE PROPOSED TRAFFIC.



**LOCATED AT**  
11 D St SE  
Washington, DC 20003

**FOR**  
McWilliams|Ballard

**OPINION OF VALUE**  
\$13,499,000

**AS OF**  
02/28/2020

**BY**  
Wayne Rogers, General Certified





11 D STREET, SE  
CONCEPTUAL DESIGN STUDIES  
1-16-15

SITE AND BUILDING DATA	
ZONE	CAP / R-4
SITE AREA	6,857 SF
MAX. BUILDABLE AREA	11,982 SF
MAX. F.A.R.	1.8
	1/16 PROVIDED
LOT COVERAGE %	MAX. 40% (40% PROVIDED)
BUILDING GSF (NO. BAYS)	10,530 SF
BUILDING GSF (NO. BAYS)	10,530 SF
BUILDING HEIGHT	40' ALLOWED (42' PROVIDED)
PERMITTED USES	PRIVATE CLUB / LIBRARY
FLOOR AREAS	
CELLAR	2,200 SF
BASMENT LEVEL (B1)	2,850 SF
1ST FLOOR	2,850 SF
2ND FLOOR	2,850 SF
3RD FLOOR	1,980 SF
TOTAL	12,730 SF
PARKING	1 PM 800 SF (12 PM / 800 + 21) 21 REQUIRED

POSSIBLE RELIEF AREAS	
PARKING	1 PROVIDE NO PARKING
LOT COVERAGE %	ALLOW 42%
USE	ALLOW BUSINESS USE

\*FOR PURPOSES OF COUNTING FAR, GROSS FLOOR AREA DOES NOT INCLUDE:  
1. BAYS PROJECTING OVER THE PROPERTY LINE (ON D STREET)  
2. PARKING ACCESS RAMP  
3. SPACES WITH STRUCTURAL HEADROOM CLEARANCE LESS THAN 4' 0" ABOVE GRADE LEVEL  
4. NOTE: PARKING REQUIREMENT MAY BE WAIVED FOR PRE-1958 BUILDING CONSTRUCTION. CONFIRM WITH LAND-USE COUNCIL.



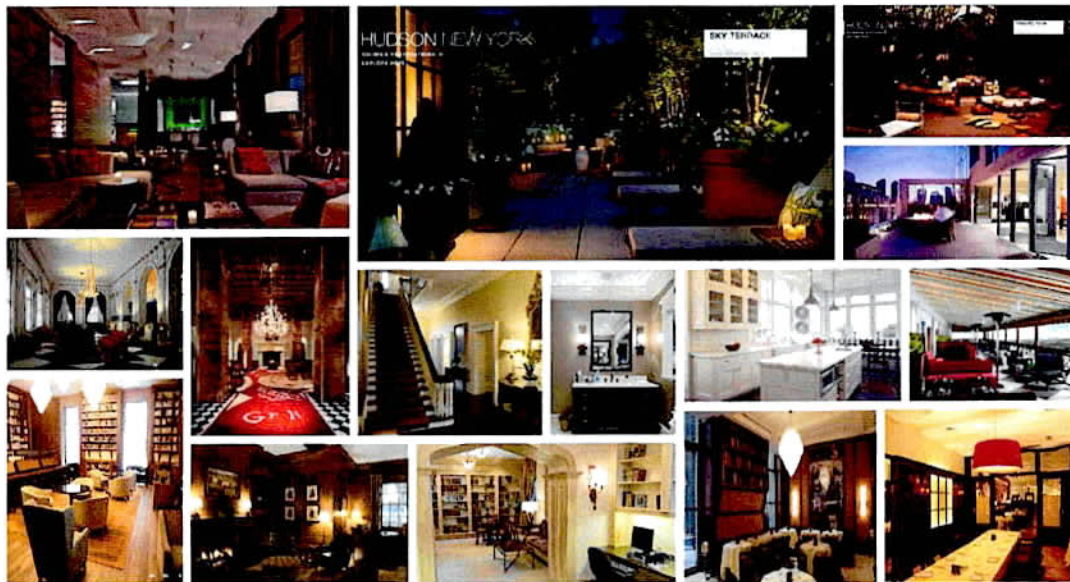


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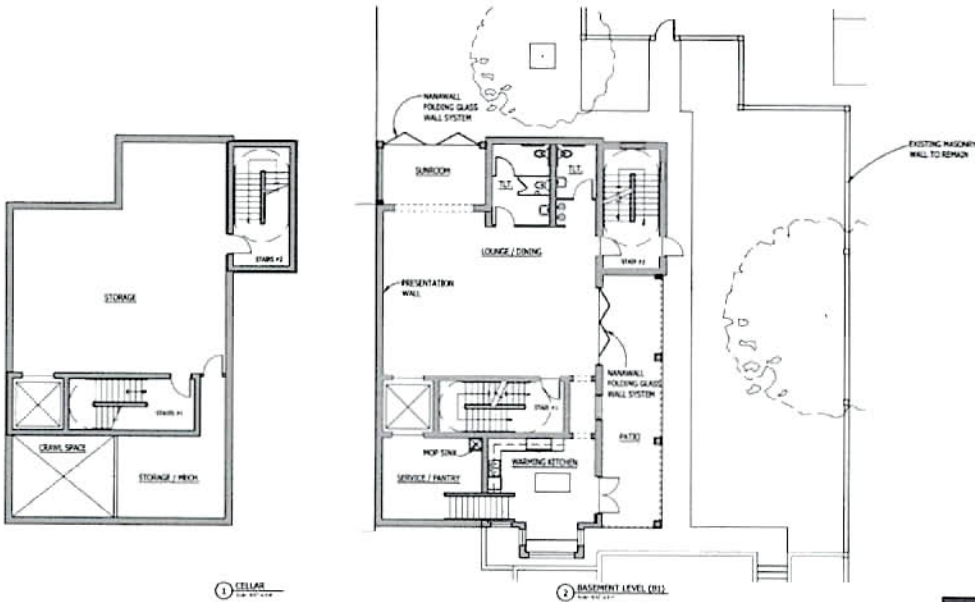


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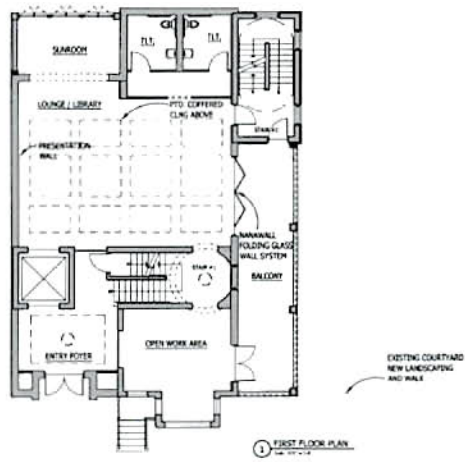
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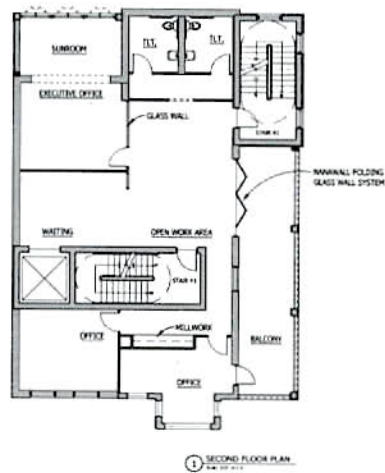


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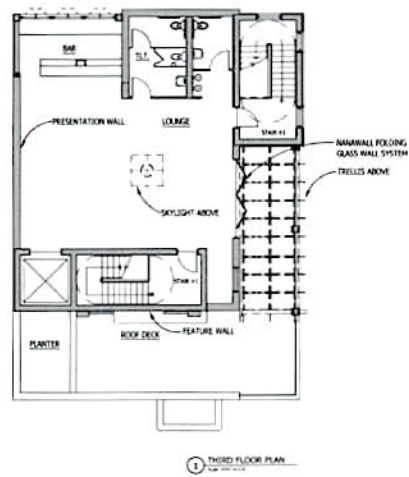


## 11 D STREET, SE - CONCEPTUAL DESIGN STUDIES

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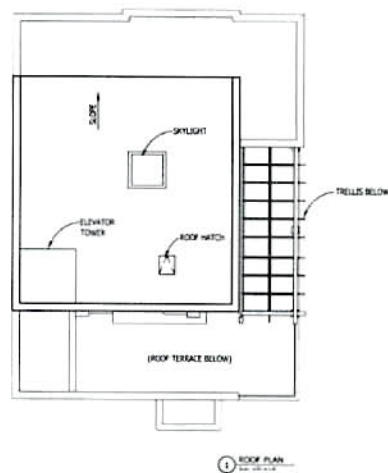
③ THIRD FLOOR PLAN  
Scale: 1/8" = 1'-0"

11 D STREET, SE - CONCEPTUAL DESIGN STUDIES

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1 ROOF PLAN

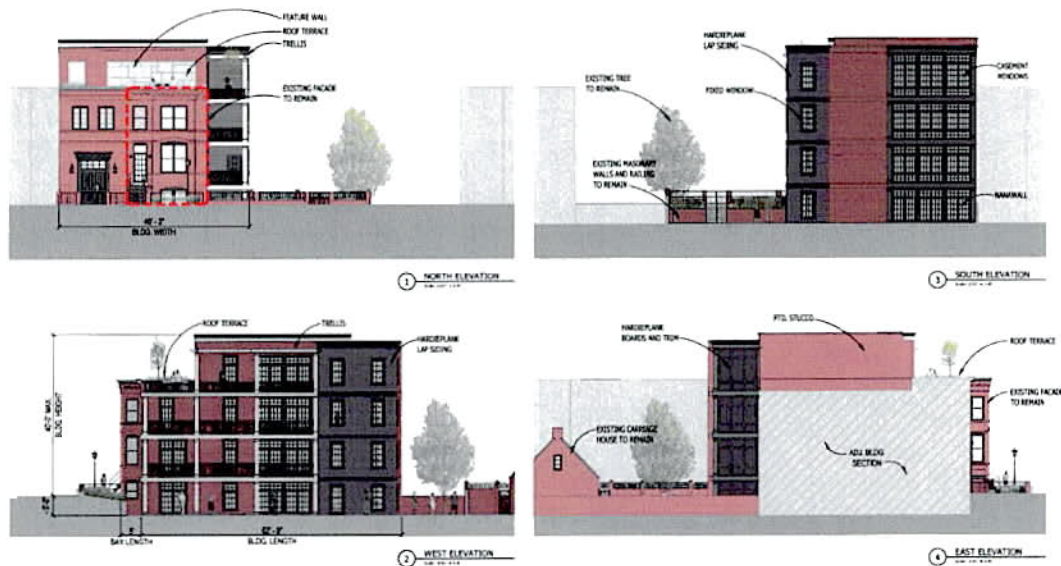
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1 AERIAL PERSPECTIVE  
DWG. WT. 6.1.10

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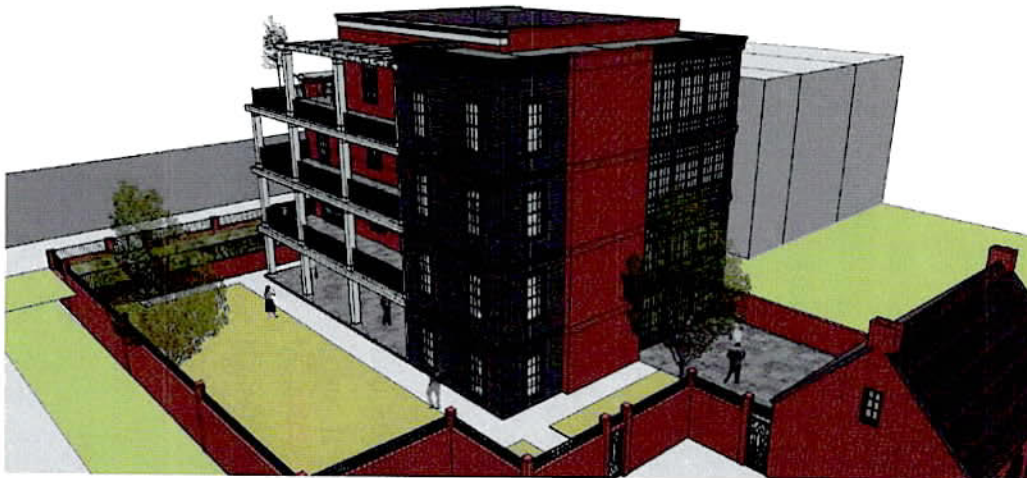
1 AERIAL PERSPECTIVE  
FROM WEST SIDE

11 D STREET, SE - CONCEPTUAL DESIGN STUDIES

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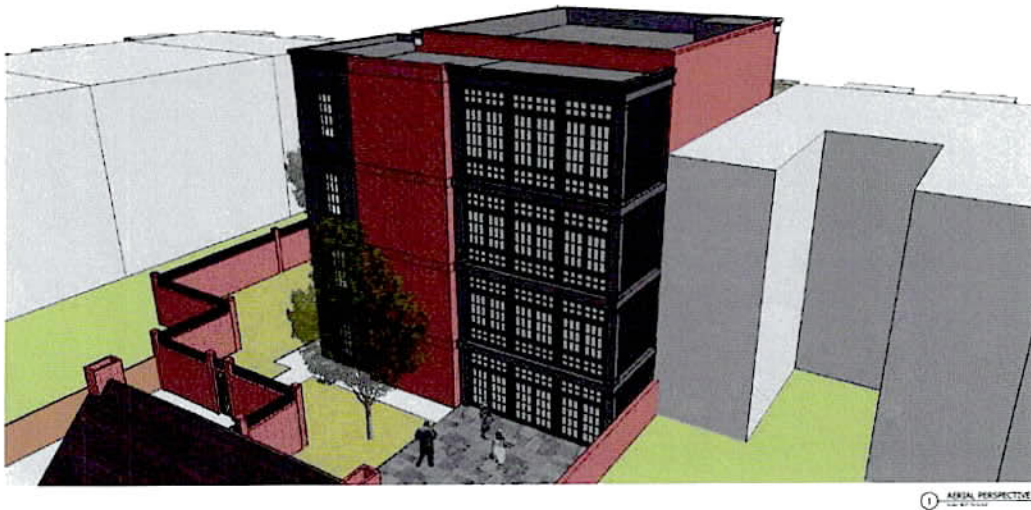
11 D STREET, SE - CONCEPTUAL DESIGN STUDIES

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1 AERIAL PERSPECTIVE

11 D STREET, SE - CONCEPTUAL DESIGN STUDIES

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## COST APPROACH

The Cost Approach is defined as:

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.  
Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

The applied process is as follows:

1. Estimate the land value according to its Highest and Best Use. I have utilized the Sales Comparison Approach to estimate land value; the process is as follows:

Comparable sales, contracts for sale and current offerings are researched and documented.

Each comparable is analyzed and adjusted to equate with the subject property.

The value indication of each comparable is analyzed and the data reconciled for a land value indication.

2. Estimate the replacement cost of the building and site improvements.

3. Estimate the physical, functional and/or external depreciation accrued to the improvements.

4. Sum the depreciated value of the improvements with the value of the land for an indication of value.

### Land Value

The subject's land value has been developed via the sales comparison approach.

I have researched and analyzed:

all area land sale comparables of similar highest and best use for this analysis. Due to land sale scarcity in the subject market area, the use of dated sales, market extracted land sales, and distant sales may be required.

The land sale comparables are detailed following, followed by an analysis narrative, and a site value conclusion.

### Site Analysis

The land sales have been analyzed and compared with the subject property.

I have considered adjustments in the areas of:

- Property Rights Sold - Economic Trends (time)
- Financing - Location
- Conditions of Sale - Physical Characteristics

Following are land sale comparable grids, and discussion regarding the adjustments applied.

### Adjustment Notes

The available land sales have been adjusted for divergent characteristics, as follows:

#### Economic Trends

There have been few sale/re-sale pairs of improved commercial properties countywide with which to calculate a market conditions adjustment.

Values in the subject market area are viewed as stable as of the date of appraisal without a requisite market conditions adjustment

Due to a lack of commercial sales activity with which to analyze market conditions, residential market conditions have been considered in lieu thereof.

In general, the Ravalli County residential market is indicative of the following:

- i. Prices began to stabilize in 2012 following several years of recessionary decline.
- ii. As long as interest rates remain low, this stabilization may be reasonably expected to continue.

Should interest rates rise, prices, sales volume, and the ancillary recovery could decrease.

iii. Supply of residential properties exceeds demand; there is presently a 1-year± available residential supply.

The commercial market is indicative of the following conclusions:

- i. Supply exceeds demand; hence, lease terms favor lessees rather than lessors.
- ii. Further stabilization of the commercial property market is viewed as likely given residential trends and continued low interest rates.

Appreciation is not currently evident.

iii. The 2008-2012 period was a period of value decline in the subject market area.

iv. Lack of demand mitigates any potential rental rate increases in the subject market area.

v. Occupancy rates are estimated as stable in the 1-5 year time horizon.

vi. There is minimal demand for new commercial construction in the 1-5 year time horizon.

vii. Days on market (DOM) is expected to stabilize in the 1-5 year time horizon.

viii. The market conditions adjustment indicated in the 2008-2012 time period is declining and viewed as stable in the 2020-present time period.

ix. Price appreciation is unlikely given the lack of indicated demand in the subject market area.

#### 1 Market Conditions Conclusion

Based on the foregoing, rental rates, occupancy rates, and values are viewed as stable in the 2013-present time period following recessionary declines in the 2008-2012 time period.

The current market is viewed as stable; increasing unemployment or interest rates have the potential to stall any pending recovery.

#### Metric of Comparison

Lot area, as adjusted, provides as higher correlation with sale price than does lot front footage.

#### The Coefficient

of Determination (RF) of land sales is higher for lot area than front footage, indicating that more of the variance in sale price is explained by lot area as opposed to frontage.

As such, land sales are analyzed herein based upon area rather than frontage.

#### Land Value Conclusion

The indicated site value range is \$40,000 - \$18,000,000 for commercial lots in the subject market area, given limited commercial land sales activity.

The subject church building and related compound and outbuildings will be located on the subject site ; site value is estimated at \$4,300,000

Based on the preceding analysis, I have reconciled to a cumulative site value, given the commercial use within an RF zoning district, of \$4,300,000, as of 02/28/2020, subject to all Limiting Conditions and Assumptions of this appraisal.

#### Cost Analysis

The next step in the Cost Approach is to estimate the replacement cost of the buildings and site improvements.

Replacement cost is defined as:

#### Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.  
Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

The replacement cost of the subject site and building improvements are based on Marshall and Swift Valuation Service, a nationally recognized cost service. Construction costs are compiled on a national basis and adjusted for time and location through use of multipliers.

Where appropriate and available, I have used local cost data to supplement the Marshall and Swift calculator cost data.

Where appropriate, I have included the following soft costs:

#### Engineering

Engineering costs are included in the costs presented by Marshall Valuation Service.

#### Permits and Legal

Permitting costs are included in the costs presented by Marshall Valuation Service.

17 'Excess' land is defined as separately sellable land not required for the commercial use; it is excess ancillary



land that can be sold and transferred.

Interest on Interim Construction Financing  
Is included in the costs presented by Marshall Valuation Service.

Contractor Overhead & Profit  
"Contractor" overhead and profit is included in the base cost presented by Marshall Valuation Service.

Entrepreneurial Incentive  
This factor reflects the profit necessary for a developer to undertake the management, responsibility and risks of construction associated with a project.  
Current valuation theory states that the four components that create value are land, labor, capital, and coordination.

The subject market is characterized as a predominantly owner occupied market<sup>20</sup>; commercial properties in the subject market area are not typically constructed with planned re-sale speculation.

As such, entrepreneurial incentive is characterized as atypical of the subject market area.

Due to the subject location in a predominantly owner occupied market and due to lack of market support, and lack of development with re-sale speculation, "developer" profit has not been included as an additional soft cost.

Adjustment for Property Rights Appraised  
An adjustment for property rights or the leased-fee interest is not required.

Adjustment for Income Stabilization  
An adjustment for income stabilization is not required.

Depreciation Analysis  
Depreciation is defined as:  
Depreciation

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

<sup>19</sup> Historically referenced as 'developers profit'.

<sup>20</sup> Owner-users account for ~31%± of multi-unit office usage and ~65%± of single unit office space in the City of Hamilton, per historic occupancy surveys.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence, and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

There are three principal methods which may be utilized to estimate depreciation: the economic age-life method, the market extraction method, and the breakdown method. The age-life and market extraction methods are considered herein.

#### Economic Age/Life Method

Depreciation as estimated by the age-life method is calculated as 1-year ÷ 45-year Economic Life = 2.2%± annual straight line depreciation rate

#### Market Extraction Method

The market extraction method relies on the availability of comparable sales from which depreciation estimates can be extracted.

It makes use of direct comparisons with market sales.

Depreciation comparables have been presented, both from the comparable sales presented in the sales comparison approach, and, with sales outside of the sales comparison approach data set; use of sales from outside of the data set allow greater reliability and eliminates potential inter-breeding of the resultant data.

#### Depreciation Rate Derivation

The depreciation comparables available are indicative of a depreciation rate, from all causes, of 2-4%± annually

#### Depreciation Reconciliation

Depreciation of 2-4%± annually is viewed as reasonable in the subject market area given constraints of available sales as of the date of appraisal.

The land value was derived from the actual potential borrower (The Navajo Nation) as to what they are willing to pay for the subject property. Should the purchase price change then the subject to value would be effected.

#### Cost Approach Summary:

A summary of the cost approach calculation is as follows:



## Cost Approach Summary

11D Street, SE Cost Approach  
FAB Appraisals, Inc.  
Cost Data Source: Local Builders

Quality: Avg  
Condition: Avg  
Year Built: 11830

Effective Age: New  
Gross Building Area (GBA): 24 12,790

Occupancy: Vacant

**Opinion of Site Value 4,300,000**

6.020 Acres

Land value stated from sales comparison method

Replacement Cost New	YEAR 2020	1	2	3
Price Per Square Foot (Provided by client)	\$484.64			
HVAC Adjustment	\$0.00			
Elevator/Other Adjustment	\$0.00			
Adjusted Price Per Square Foot	\$484.64			
SUBJECT'S GBA X REFINED PER PER UNIT 12,790 (X) \$484.64.00 = \$6,198,628				

Soft Costs	AGE	1	2	3
Opinion of Site Value		\$4,300,000.00	\$0.00	\$0.00
Building Cost New (Adjusted Price Per Square Foot)		\$6,198,628.00	\$0.00	\$0.00
Rem		\$0.00	\$0.00	\$0.00
Engineering	0	\$0.00	\$0.00	\$0.00
Permitting	0	\$0.00	\$0.00	\$0.00
Lump Sums	0	\$0.00	\$0.00	\$0.00
Fencing	0	\$1,500,000.00	\$0.00	\$0.00
Outbuildings	0	\$0.00	\$0.00	\$0.00
Landscaping	0	\$750,000.00	\$0.00	\$0.00
Common Areas	0	\$750,000.00	\$0.00	\$0.00
Replacement Cost New		\$13,498,628.00	\$0.00	\$0.00

Depreciation	AGE	1	2	3
Curable Physical Deterioration (Deferred Maintenance)		\$0.00	\$0.00	\$0.00
Incurable Physical - Short Lived Items		\$0.00	\$0.00	\$0.00
Floor Covering	0	\$0.00	\$0.00	\$0.00
Roofing	0	\$0.00	\$0.00	\$0.00
HVAC	0	\$0.00	\$0.00	\$0.00
Paving	0	\$0.00	\$0.00	\$0.00
Exterior Finishes	0	\$0.00	\$0.00	\$0.00
Interior Finishes	0	\$0.00	\$0.00	\$0.00
Electrical & Plumbing Fixtures	0	\$0.00	\$0.00	\$0.00
Total Depreciation		\$0.00	\$0.00	\$0.00

Summary	YEAR	1	2	3
Cost of Building Less Physical Losses (Physically Depreciated Cost)		\$13,498,628.00	\$0.00	\$0.00
Functional Obsolescence (Curable)		\$0.00	\$0.00	\$0.00
Functional Obsolescence (Incurable)		\$0.00	\$0.00	\$0.00
Cost of Building Less Physical & Functional Losses		\$13,498,628.00	\$0.00	\$0.00
Economic Obsolescence (External)		\$0.00	\$0.00	\$0.00
Cost of Building Less Physical, Functional & External Losses		\$0.00	\$0.00	\$0.00
Total Physical, Functional, & Economic Depreciation		\$0.00	\$0.00	\$0.00
Net Contributory Value of Site Improvements		\$0.00	\$0.00	\$0.00
Net Contributory Value of Other Buildings		\$0.00	\$0.00	\$0.00
Land Value		\$0.00	\$0.00	\$0.00
Excess Land Remainder		\$0.00	\$0.00	\$0.00
Fee Simple Value Indication		\$0.00	\$0.00	\$0.00
Adjustment for Priority Rights, if Any		\$0.00	\$0.00	\$0.00
Adjustment for Lease-Up, if Any		\$0.00	\$0.00	\$0.00

<b>Cost Approach Value Indication</b>	
COST APPROACH INDICATION	\$0
COST APPROACH INDICATION OF VALUE AS ROUNDED	\$13,499,000
AS OF 02/28/2020	

**Reconciliation**

File No. KR02282020K1

Borrower	The Navajo Nation				
Property Address	11 D St SE				
City	Washington	County	District Of Columbia	State	DC
Lender/Client	McWilliams Ballard	Zip Code	20003		

**FINAL RECONCILIATION**

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

**Value Indications****VALUATION SUMMARY**

Valuation Scenario	As-is/Subject to
Interest Appraised	Fee Simple
Effective Date of Value	02/28/2020

**SALES COMPARISON APPROACH**

Sales Conclusion AS-IS	\$4,049,000
Sales Conclusion (\$/SF) AS-IS	1086.00

**INCOME CAPITALIZATION APPROACH**

Direct Capitalization	N/A
Direct Capitalization	\$4,327,000
Projected NOI	171,122
Projected NOI (\$/SF)	3.83
Capitalization Rate	4.0%

**INCOME CONCLUSION AS-IS**

Income Conclusion (\$/SF) AS-IS	\$4,327,000
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<b>COST APPROACH</b> (Subject to completion)	\$13,499,000
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**COST APPROACH**

As discussed previously, the Cost Approach has been developed given the subject being subject to new construction

**SALES COMPARISON APPROACH**

In developing the Sales Comparison Approach, we have researched and identified several recent

Signature	<u>Wayne D Rogers</u>	Signature	<u>Wayne D Rogers</u>
Name	Wayne Rogers, General Certified	Name	
Date Signed	03/20/2020	Date Signed	03/20/2020
State Certification #	40005034	State Certification #	
Or State License #		Or State License #	
State	MD	State	

**Reconciliation**

File No. KR02282020K1

Borrower	The Navajo Nation		
Property Address	11 D St SE		
City	Washington	County	District Of Columbia
		State	DC
		Zip Code	20003
Lender/Client	McWilliams Ballard		

sales of commercial buildings considered to be similar to the subject property. Those transactions were analyzed on a price per square foot of building area basis and compared to the subject using this unit of comparison. Several adjustments have been made indicating a value for the subject property. This approach garnered primary consideration given that buyers of small office space, like the subject property, often make purchase considerations with the principal of substitution in mind, which is paramount to this approach.

**INCOME APPROACH – DIRECT CAPITALIZATION**

As discussed previously, the Income Approach has not been developed given the subject's age and level of accrued depreciation and condition

The Income Approach is most important in the valuation of investment types of properties.

Signature Wayne D Rogers  
Name Wayne Rogers, General Certified  
Date Signed 03/20/2020  
State Certification # 40005034 State MD  
Or State License # State

Signature Wayne D Rogers  
Name  
Date Signed 03/20/2020 State  
State Certification #  
Or State License # State

**Reconciliation**

File No. KR02282020K1

Borrower	The Navajo Nation		
Property Address	11 D St SE		
City	Washington	County	District Of Columbia
Lender/Client	McWilliams Ballard	State	DC
		Zip Code	20003

**Final Reconciliation****Value Conclusion**

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), subject to the Limiting Conditions and Assumptions of this appraisal.

**VALUE CONCLUSIONS**

Valuation Scenario	Interest Appraised	Effective Date of Value	Value Conclusion
AS-IS	FEE SIMPLE	02/28/2020	\$4,300,000
SUBJECT TO	FEE SIMPLE	02/28/2020	\$13,499,000

Signature Wayne D. Rogers  
Name Wayne Rogers, General Certified  
Date Signed 03/20/2020  
State Certification # 40005034 State MD  
Or State License # State

Signature Wayne D. Rogers  
Name  
Date Signed 03/20/2020  
State Certification # State  
Or State License # State



**Certification of Appraisal**

File No. KR02282020K1

Borrower	The Navajo Nation		
Property Address	11 D St SE		
City	Washington	County	District Of Columbia
Lender/Client	McWilliams Ballard	State	DC
		Zip Code	20003

**CERTIFICATION OF APPRAISAL**

We certify that, to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.

We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.

We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our 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 client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

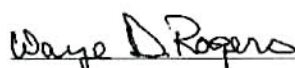

No one provided significant real property appraisal assistance to the person(s) signing this certification.

We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.

The appraisers have not performed any prior services regarding the subject within the previous three years of the appraisal date.

Marcus Dockery a licensed appraiser has provided significant work experience with this file. An inspection of the subject property, and data has been compiled. She has provided significant work on the file.

Wayne Rogers has made an inspection of the subject property.

Signature		Signature	
Name	Wayne Rogers, General Certified	Name	
Date Signed	03/20/2020	Date Signed	03/20/2020
State Certification #	40005034	State Certification #	
Or State License #		Or State License #	
State	MD	State	
State		State	

**Certification of Appraisal**

File No. KR02282020K1

Borrower	The Navajo Nation				
Property Address	11 D St SE				
City	Washington	County	District Of Columbia	State	DC
				Zip Code	20003
Lender/Client	McWilliams Ballard				

**Assumptions and Limiting Conditions****ASSUMPTIONS AND LIMITING CONDITIONS**

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of FAB Appraisals, LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous

Signature



Name Wayne Rogers, General Certified

Date Signed 03/20/2020

State Certification # 40005034

State MD

Or State License #

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Signature



Name

Date Signed 03/20/2020

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**Certification of Appraisal**

File No. KR02282020K1

Borrower	The Navajo Nation				
Property Address	11 D St SE				
City	Washington	County	District Of Columbia	State	DC Zip Code 20003
Lender/Client	McWilliams Ballard				

substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

**Assumptions and Limiting Conditions**

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) FAB Appraisals, LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed.

Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

**Americans with Disabilities Act (ADA) of 1990**

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997.

FAB Appraisals, LLC has not made a determination regarding the subject's ADA compliance or non-compliance. Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.

Signature Wayne D Rogers  
Name Wayne Rogers, General Certified  
Date Signed 03/20/2020  
State Certification # 40005034 State MD  
Or State License # \_\_\_\_\_ State \_\_\_\_\_

Signature Wayne D Rogers  
Name \_\_\_\_\_  
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Or State License # \_\_\_\_\_ State \_\_\_\_\_

**Certification of Appraisal**

File No. KR02282020K1

Borrower	The Navajo Nation				
Property Address	11 D St SE				
City	Washington	County	District Of Columbia	State	DC
Lender/Client	McWilliams Ballard	Zip Code	20003		

**References****REFERENCES**

Appraisal Institute. (2015). *The Dictionary of Real Estate Appraisal* (6th ed.). Chicago: Appraisal Institute.

Appraisal Standards Board. (2018). *Uniform Standards of Professional Appraisal Practice (USPAP)* (2018-2019 ed.). Washington: The Appraisal Foundation.

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[https://en.wikipedia.org/wiki/List\\_of\\_United\\_States\\_cities\\_by\\_population](https://en.wikipedia.org/wiki/List_of_United_States_cities_by_population)

**Addenda****ADDENDA**

Signature



Name Wayne Rogers, General Certified

Date Signed 03/20/2020

State Certification # 40005034

State MD

Or State License #

State

Signature



Name

Date Signed 03/20/2020

State Certification #

State

Or State License #

State



## License

Main File No. WR09152019

## License



# E & O Insurance

## LEXINGTON INSURANCE COMPANY

### WILMINGTON, DELAWARE

Administrative Offices - 99 High Street, Floor 23, Boston, Massachusetts 02110-23110

Certificate Number: 018391153-06

This Certificate forms a part of Master Policy Number: 01839876-06

Renewal of Master Policy Number: 01839876-04

**YOUR RISK PURCHASING GROUP MASTER POLICY IS A CLAIMS MADE POLICY.  
READ THE ATTACHED MASTER POLICY CAREFULLY**

#### THE AMERICAN ACADEMY OF STATE CERTIFIED APPRAISERS

#### CERTIFICATE DECLARATIONS

1. Name and Address of Certificate Holder: FAB Appraisals, Inc. and  
Wayne D. Rogers  
7905 Deepwell Drive  
Bethesda MD 20817
2. Certificate Period: Effective Date: 12/06/18 to Expiration Date: 12/06/19  
12:01 a.m. Local Time at the Address of the Insured.
- 2a. Retroactive Date: 12/06/06  
12:01 a.m. Local Time at the Address of the Insured.
3. Limit of Liability: \$ 1,000,000 each claim  
\$ 1,000,000 aggregate limit
4. Deductible: \$0 each claim
5. Professional Covered Services insured by this policy are: REAL ESTATE APPRAISAL SERVICES
6. Advance Certificate Holder Premium: \$ 543
7. Minimum Earned Premium: 25% or \$ 136

#### Forms and Endorsements:

PRG 3512 (12/15) Real Estate Appraisers Professional Liability Coverage Form, PRG 4020 (12/17) Addendum to the Declarations, PRG 3935 (2/16) Premises Liability Coverage Amended Endorsement, 89644 (6/13) Economic Sanctions Endorsement, 91222 (09/16) Policyholder Notice, 118477 (03/15) Policyholder Notice, 119914 (10/16) Recording and Distribution of Material or Information In Violation of Law Exclusion Endorsement, PRG 3150 (10/05) Real Estate Appraisers Professional Liability Insurance Declarations

#### Additional Endorsements applicable to this Certificate only:

None

Agency Name and Address: INTERCORP, INC.  
1438-F West Main Street  
Ephrata, PA 17522-1345

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE CERTIFICATE HOLDER AGREES TO ALL TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED MASTER POLICY.

THIS POLICY IS ISSUED BY YOUR RISK PURCHASING GROUP INSURER WHICH MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK PURCHASING GROUP INSURER.

*Allen D Barry III*

County: Montgomery

Authorized Representative OR  
Countersignature (in states where applicable)

Date: November 15, 2018

PRG 3152 (10/05)

## 11 D St SE

Land - Capitol Hill Submarket  
Washington, DC 20003

0.15  
AC Lot

6,534  
SF Lot

CAP/R-4  
Zoning

\$6.5M  
Sale Price

\$43.3M  
Price/AC

Summary Lease Analysis Sale Tenant Changes Demographics Assessments Contacts Images Map My Data News

### Sale >>

For Sale \$6,500,000 (\$43,333,333/AC - \$994.80/SF)  
Sale Type Investment

Status

Active

### Land

Type Residential Land  
Zoning CAP/R-4

Land AC - Gross 0.15 AC

Land SF - Gross

6,534 SF

Parcel 0893-0848

Taxes \$2.40/SF (2019)

Walk Score® Very Walkable (81)

Transit Score® Excellent Transit (84)

### Land Notes

Currently two buildings exist on the land one at 3,200 square feet and the other at 1,200 square feet.

### Public Transportation

Transit/Subway	Drive	Walk	Distance
Capitol South Transit Stop (Blue, Orange, Silver Lines)	1 min	3 min	0.1 mi
Federal Center SW Transit Stop (Blue, Orange, Silver Lines)	2 min	9 min	0.4 mi
Eastern Market Transit Stop (Blue, Orange, Silver Lines)	2 min	14 min	0.7 mi
Navy Yard Transit Stop (Green Line)	2 min	15 min	0.7 mi
L'Enfant Plaza Transit Stop (Blue, Green, Orange Lines)	3 min	17 min	0.9 mi

Commuter Rail

### Demographics >>

Population	1 Mi	3 Mi
Households	42,742	322,730
Average Age	23.979	152.526
Median HH Income	38.10	36.00
Daytime Employees	\$107,545	\$90,300
	87,391	482,955

Population Growth '19-'24

Household Growth '19-'24

8.9%

8.2%

### Traffic >>

Collection Street	Cross Street	Traffic Vol	Year	Distance
D St SE	S Capitol St SE W	6,853	2018	0.02 mi
S Capitol St SE	D St SE N	2,481	2018	0.05 mi
Canal St SW	Washington Ave SW	9,932	2018	0.07 mi
Canal St SW	Washington Ave SW	9,200	2017	0.07 mi
New Jersey Ave SE	D St SE S	2,449	2018	0.07 mi

Made with TrafficMetrics® Products

### Assessment >>

2019 Assessment	Improvements
Land	\$824,750
Total Value	\$1,017,590
	\$1,842,340

### Location

Zip	20003
Submarket	Capitol Hill
Submarket Cluster	Capitol Hill Area
Market	Washington, DC
County	District of Columbia



## Shirl McCabe

---

**From:** Mike Halona  
**Sent:** Wednesday, January 08, 2020 9:55 AM  
**To:** Shirl McCabe  
**Subject:** FW: 11 D Street SE, Washington DC, Building Summary  
**Attachments:** 11DBuildingFace.jpg; 11DCarriageHouseCourtyard.jpg; 11DYardSideLot.jpg; 11DCostarSummary .jpg; 11DHillMap.jpg; 11th D Street SE\_Conceptual Design Studies\_15.pdf

**From:** Luke Joyce [mailto:ljjoyce@mcwb.com]  
**Sent:** Monday, January 6, 2020 12:43 PM  
**To:** Randolph R. Shebala <rudyshebala@navajo-nsn.gov>; Mike Halona <m\_halona@dinehbikeyah.org>; Santee D. Lewis <santeelewis@navajo-nsn.gov>; Santee Lewis <slewis@nnwo.org>  
**Subject:** 11 D Street SE, Washington DC, Building Summary

Attached for your review and consideration is a summary for the subject property at 11 D Street SE. This includes a costar summary. Costar is the commercial version of MLS, or multiple listing services, used by residential agents. Also attached are some pictures and a modified location map, showing the property and its proximity to the Capitol building. Below is a summary of building operation costs. Please note that with improvements, energy efficiency can help reduce pricing.

There is no HOA fee or commercial operating expense charges, as it is a free standing building that is not part of any office park or complex.

Utilities the past 13 months:  
Total- \$4,435/ \$343 monthly

Consisting of:  
Water- \$1,028 / \$80 monthly  
Gas- \$1,854 / \$143 monthly  
Electric- \$1,553 / \$120 monthly

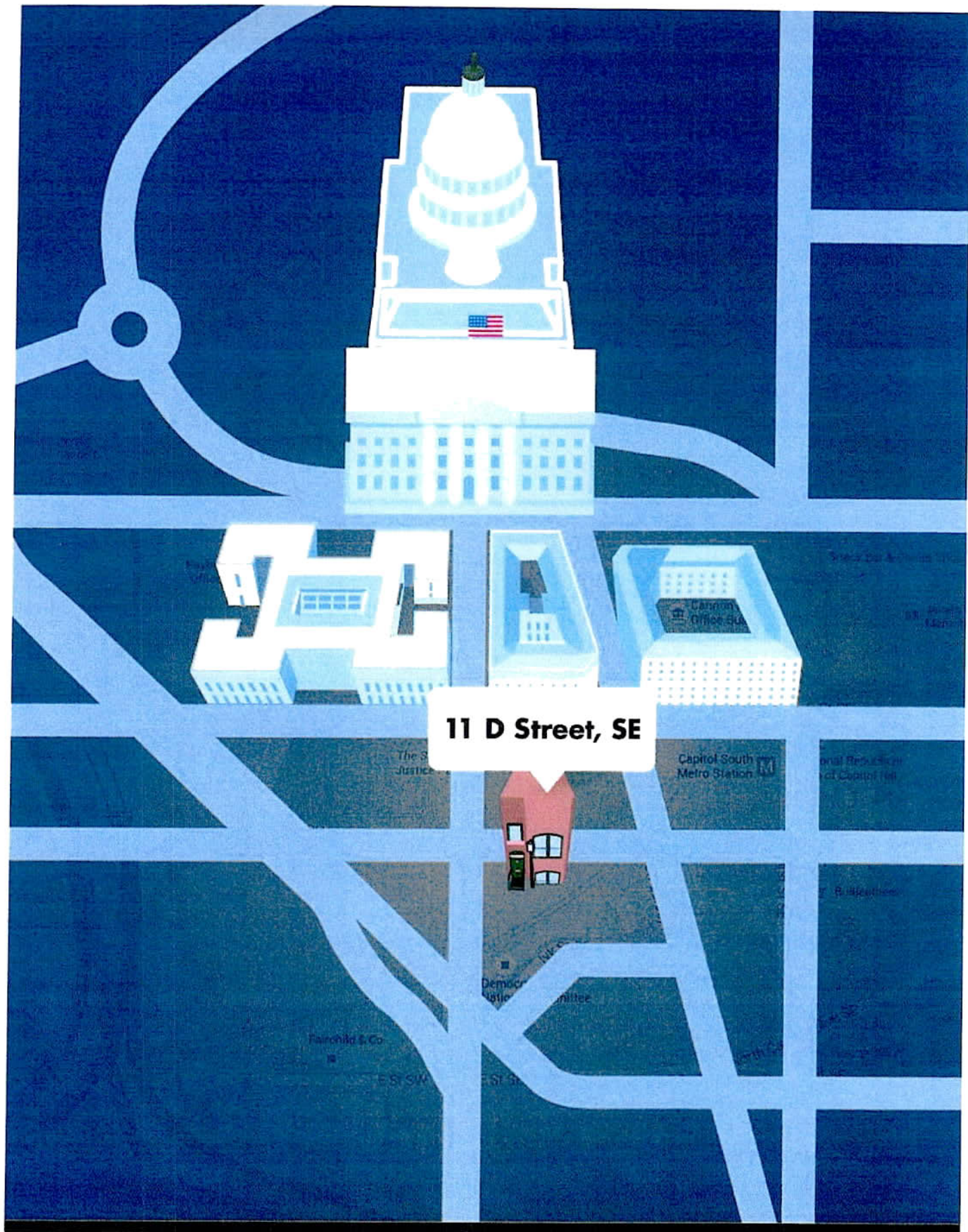
Zoning is categorized as RF-3 in the DC database. The owner has the property under CAP/R-4. As discussed previously, this is a classification for Robert or other personnel on your internal legal team to examine.

Please let me know if there is any additional information you would like me to add to this summary for committee submittal and review.

Happy new year!

-Luke









## 11 D STREET, SE - CONCEPTUAL DESIGN STUDIES

WASHINGTON, DC PROJECT #11.0359 1-16-15

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## 11 D STREET, SE - CONCEPTUAL DESIGN STUDIES

WASHINGTON, DC PROJECT #11.0359 1-16-15

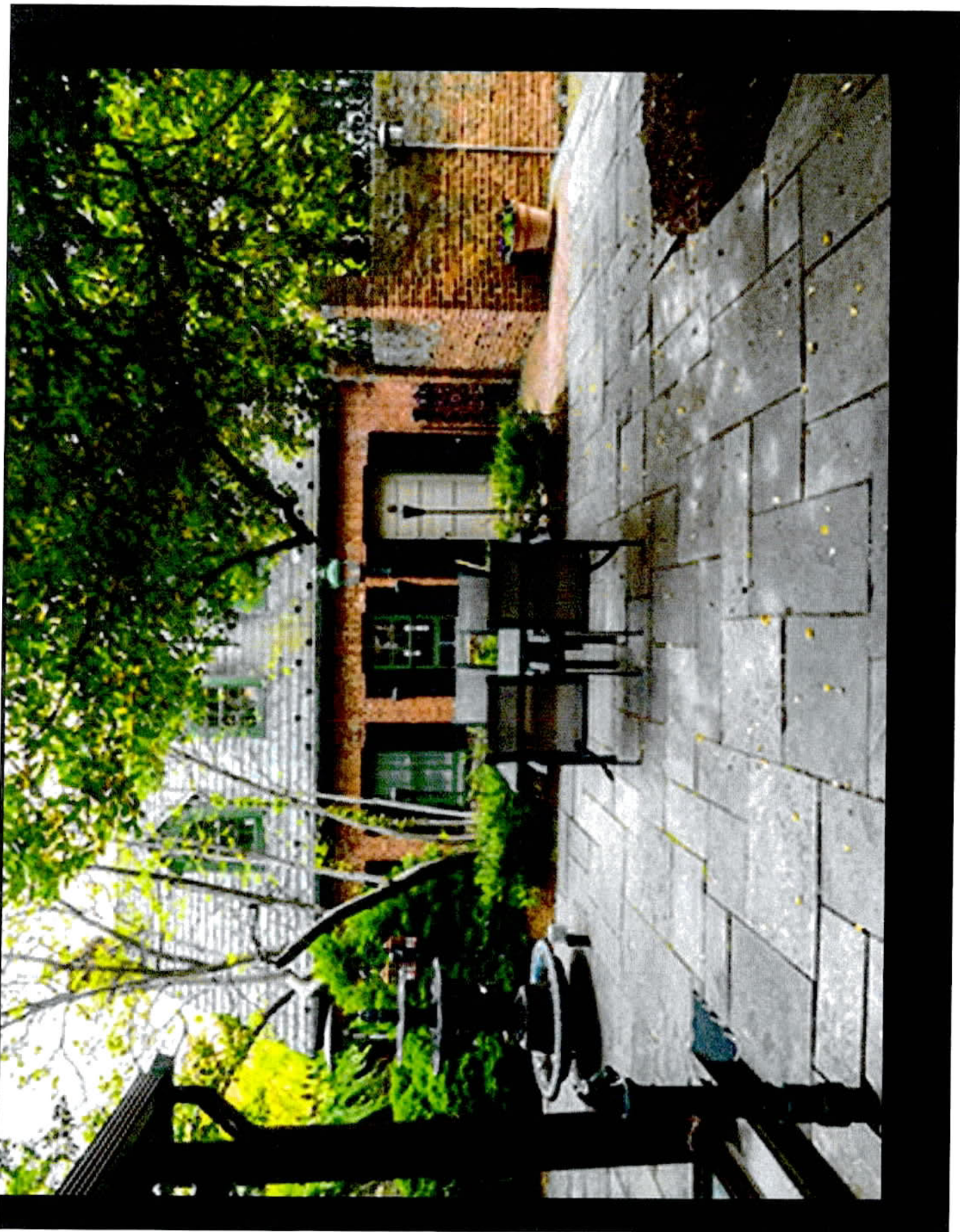
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# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



## Memorandum:

To: Dr. Rudy Shebala, Division Director  
Division of Natural Resources

From:   
Pearline Kirk, Controller  
Office of the Controller

Date: May 26, 2020

Subject: Re: Land Acquisition Trust Fund Account

Per the request made by your office on May 06, 2020, the Office of Controller has calculated the unaudited balance of the Land Acquisition Fund as of March 31, 2020. The unaudited unreserved amount available for use in the fund balance is \$167,410,941. However, 16 NNC §204 would govern this amount as it would be Fund Principal.

The budget available within the business unit 415000 was \$4,597,175.33 as of March 31, 2020. However, note that there was a payment of \$3,252,790.96 made on May 19, 2020 to Pioneer Title Agency so the budget balance available would be \$1,344,180.67. Therefore, after this transaction the budget available for purchase of Real Property is \$1,344,180.67; the 16 NNC §205 Expenditure of Fund Income would govern this portion as this amount is income that should be used for land acquisition.

Per resolution CJY-54-94, 90% of Fund Income goes to the Program and the remaining 10% shall be reinvested back into the Trust Fund. At the time of calculating the FY 2020 Budget, our office used FY 2018 interest income of \$5,042,124.40. Investment Manager fees come out of the 90% calculation.

If you should have any questions please feel free to call me at tribal extension X6125.

NAVAJO NATION OFFICE OF THE CONTROLLER  
P.O.BOX 3150 · WINDOW ROCK, AZ 86515 · PHONE: (928) 871-6398 · FAX: (928) 871-6026

CO 530

**THE NAVAJO NATION**  
**Combining Balance Sheet**  
**March 31, 2020 (Unaudited)**

<b>Assets</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 2,756,852
Investments	44,874,337
Receivables:	
Accounts Receivable	455,769
<b>Total Current Assets</b>	<b>48,086,958</b>
<b>Long Term Assets:</b>	
Investments	123,953,275
Receivables	0
<b>Total Long Term Assets</b>	<b>123,953,275</b>
<b>Total Assets</b>	<b>\$ 172,040,233</b>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities:</b>	
Accounts Payable	\$ -
Accruals	(1)
Other Liabilities	-
<b>Total Liabilities</b>	<b>(1)</b>
<b>Fund Balances:</b>	
Unreserved	(167,410,941) (1)
Committed	(4,614,292)
Assigned	(15,000)
<b>Total Fund Balances</b>	<b>(172,040,232)</b>
<b>Total Liabilities and fund balances</b>	<b>\$ (172,040,233)</b>

**THE NAVAJO NATION**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**March 31, 2020 (Unaudited)**

<b>Revenues:</b>	
Tax Revenue	\$ -
Interest & Dividends	(7,208,451)
Fees & Permits	-
Other Revenue	2,971,369
<b>Total Revenue</b>	<b>(4,237,082)</b>
<b>Expenditures:</b>	
Total Expenditures	(1,120,545)
Excess (deficit) of revenues over expenditures	(5,357,627)
Transfers	-
<b>Net change in fund balances</b>	<b>\$ (5,357,627)</b>

(1) - Unappropriated Balance Available

Prepared by General Accounting  
5/18/2020



Account Range	Original Budget	Revised Budget	Actuals	Encumbrances	Budget Available	% Expensed of Total
00530 LAND ACQUISITION FUND						
415000 LAND ACQUISITION						
2000 Expenses						
2001 Personnel Expenses	158,778.00	161,849.00	53,006.07		108,842.93	32.75
3000 Travel Expenses	40,353.00	40,353.00	9,971.79		30,381.21	24.71
4000 Supplies	16,150.00	16,150.00	653.12		15,496.88	4.04
5000 Lease & Rental	300,000.00	300,000.00	233,210.26		66,789.74	77.74
5500 Communications & Util	22,896.00	22,896.00			22,896.00	
6000 Repairs & Maintenance	111,000.00	113,747.52	2,747.52		111,000.00	2.42
6500 Contractual Services	380,040.00	537,348.42	72,827.66	15,000.00	449,520.76	16.34
7000 Special Transactions	7,286.00	7,286.00	1,724.47		5,561.53	23.67
9000 Capital Outlay	4,532,887.00	4,532,887.00	746,200.72		3,786,686.28	16.46
2000 Expenses	5,569,390.00	5,732,516.94	1,120,341.61	15,000.00	4,597,175.33	19.81
415000 LAND ACQUISITION	5,569,390.00	5,732,516.94	1,120,341.61	15,000.00	4,597,175.33	19.81
415001 LAND ACQUISITION INVE						
2000 Expenses						
5000 Lease & Rental			203.70		(203.70)	
2000 Expenses			203.70		(203.70)	
415001 LAND ACQUISITION INVE			203.70		(203.70)	
00530 LAND ACQUISITION FUND	5,569,390.00	5,732,516.94	1,120,545.31	15,000.00	4,596,971.63	19.81

R55BU500  
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NAVAJO NATION  
Budget Status Report  
As of 6/30/2020

6/8/2020 10:56:26

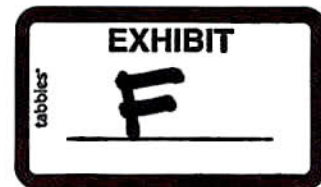
Account Range	Original Budget	Revised Budget	Actuals	Encumbrances	Budget Available	% Expensed of Total
00530 LAND ACQUISITION FUND						
415000 LAND ACQUISITION						
1000 Revenues						
1100 Royalties						
1110 Natural Resources						
1200 Taxes						
1210 Retail						
1260 Non Retail						
1350 Rentals & Leasing Rev						
1351 Natural Resources						
1390 Other Resources						
1400 Financial Revenues, n						
1410 Investment Income						
1420 Interest	5,569,390.00-	5,569,390.00-	1,126,610.41-		4,442,779.59-	20.23
1430 Stock & Bonds			466,138.92-		466,138.92	
1460 Direct Investment I			1,104,882.03-		1,104,882.03	
1410 Investment Income	5,569,390.00-	5,569,390.00-	2,697,631.36-		2,871,758.64-	48.44
1480 Investment Expenses						
1400 Financial Revenues, n						
1500 Fees & Permits						
1510 Fees	5,569,390.00-	5,569,390.00-	2,697,631.36-		2,871,758.64-	48.44
1570 Permits						
1600 Fines & Court Fees						
1601 Court						

R55BU500  
NN0002  
SMCCABE

NAVAJO NATION  
Budget Status Report  
As of 6/30/2020

6/8/2020 10:56:26

Account Range	Original Budget	Revised Budget	Actuals	Encumbrances	Budget Available	% Expensed of Total
9000 Capital Outlay	4,532,887.00	4,532,887.00	3,998,991.68		533,895.32	88.22
9300 Other Income and Expe						
9310 Other Income						
9400 Other Expense						
9500 Matching & Indirect C						
9501 Matching Funds						
9700 Indirect Cost (Overh						
2000 Expenses	5,469,390.00	5,732,516.94	4,460,774.22	15,000.00	1,236,742.72	78.08
415000 LAND ACQUISITION						
00530 LAND ACQUISITION FUND			1,926,155.36-	15,000.00	1,911,155.36	
			1,926,155.36-	15,000.00	1,911,155.36	



## COMMERICAL REAL ESTATE PURCHASE AGREEMENT

11 D STREET, S.E., WASHINGTON, D.C.

This Commercial Purchase Agreement (the "Agreement") is dated as of this \_\_\_ day of June, 2020 (the "Effective Date") by and between Stephen Tanner and Sophia Mellos, whose address is 7628 Enon Church Road, The Plains, VA 20198 (collectively, the "Seller") and the Navajo Nation, a sovereign Indian nation ("Buyer" or "Purchaser"), whose address is c/o Navajo Nation Division of Natural Resources, Post Office Box 9000, Window Rock, AZ 86515 or Indian Route #100, Building #1-2636, South Wing OPVP, Window Rock, AZ 86515. The parties acknowledge that J Street Brokerage Services LLC and McWilliams/Ballard, 1485 9<sup>th</sup> Street NW, Washington D.C. 20001 (collectively, the "Broker") have been the only brokers involved in this transaction. The parties acknowledge that disclosure of the brokerage relationships was made to them by the real estate licensees involved in this transaction when specific assistance was first rendered and confirmed in writing. The Navajo Nation, as an Indian tribal government, possesses sovereign immunity.

**1. SALE OF PROPERTY.** Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon, and all rights and appurtenances thereto belonging, located in the District of Columbia, specifically 11 D Street, S.E., which improvements include a two-unit, two-story, approximately 3,728 square foot building, with a tax parcel identification of Lot 848 in Square 693 and a street address of 11 D Street, S.E., Washington, D.C. 20003 ("Property"). Seller discloses that there are no tenants or other parties in possession of the Property.

**2. PURCHASE PRICE.** The purchase price for the Property is FOUR MILLION EIGHT HUNDRED THOUSAND AND NO/100 U.S. DOLLARS (\$4,800,000.00) (the "Purchase Price") and shall be paid to Seller at Settlement (defined below), subject to the prorations and adjustments described herein, as follows:

**A. EARNEST MONEY DEPOSIT.** Purchaser shall make an earnest money deposit of \$240,000.00 (the "Deposit") to be held by Logan Title, LLC (2308 14<sup>th</sup> Street NW, Washington, D.C. 20009; telephone no.: 202.400.2508; fax no.: 202.403.3095), attention: Mr. Patrick John Tangney, Authorized Signatory (the "Escrow Agent"). Purchaser will pay the Deposit to the Escrow Agent within 5 days after this Agreement is fully executed by both parties. The Deposit shall be non-refundable when made (except as expressly set forth herein) and either applied on account of the Purchase Price at Settlement or paid to Seller as agreed liquidated damages by reason of Purchaser's failure to timely close on the Property when required under this Agreement. If Purchaser fails to pay the Deposit as set forth herein, then Seller may terminate this Agreement by written notice to Purchaser and neither party shall have any further obligation hereunder. The Deposit may be held in an interest bearing account and the Seller waives claim to any such accrued interest. The Deposit shall be applied towards the Purchase Price at Settlement. If Settlement does not occur, the Deposit shall be paid as provided in this agreement. Notwithstanding anything contained herein to the contrary, the parties agree that Escrow Agent shall release to the Seller the Deposit upon the earlier of (i) the date that Buyer provides notice that it has received the Governmental Approvals or (ii) forty-five (45) days subsequent to the Effective Date, and at that



time the Deposit shall become non-refundable unless Seller fails to deliver the Deed at Settlement. The Deposit shall be applied towards the Purchase Price at Settlement.

**B. GOVERNMENT APPROVALS.** Due to the proximity of the Property to the Capitol and Federal buildings, the parties' obligations under this Agreement are contingent on the approval of the State Department, National Capital Planning Committee—NCPC, or any other government entity required by law to consent to the conveyance contemplated hereby (the "Governmental Approvals"). Within five (5) days of the Effective Date, Purchaser shall have commenced, using commercially reasonable efforts, the process for obtaining the Governmental Approvals. Purchaser shall diligently pursue the receipt of the Governmental Approvals using commercially reasonable efforts at all times under this Agreement. Purchaser shall provide reasonable written evidence to Seller of its efforts to obtain the Governmental Approvals both (a) upon request from Seller and (b) upon notice of any feedback from the relevant government entities. Purchaser shall have forty-five (45) days from the Effective Date to obtain the Governmental Approvals (the "Governmental Approvals Period"). Purchaser may terminate this Agreement during the Governmental Approvals Period if Purchaser receives a notification from a relevant governmental entity that such government entity does not consent to the conveyance contemplated hereby. In the event Purchaser has not received the Governmental Approvals within the Governmental Approvals Period, then Purchaser may either (a) terminate this Agreement and receive a refund of the Deposit, subject to the terms and conditions hereby, upon written notice to Seller or (b) shall proceed to an extended Settlement as detailed in Section 3(A). For the avoidance of doubt, Purchaser's failure to provide Seller a notice to terminate at the end of the Governmental Approvals Period shall be deemed an election to proceed to the extended Settlement and Purchaser acknowledges that in such event the Deposit shall be non-refundable and shall automatically be conveyed to Seller as liquidated damages. The Deposit shall be applied towards the Purchase Price at Settlement.

**C. BALANCE.** The balance of the Purchase Price shall be paid by Purchaser at Settlement in certified funds or bank wire.

### **3. SETTLEMENT**

**A. SETTLEMENT OF PROPERTY.** Settlement of the purchase and sale of the Property shall be made no later than forty-five (45) days subsequent to the Effective Date, except as may be extended by an additional fifteen (15) days in accordance with Section 2(B) ("Settlement"). Possession of the Property shall be delivered to Purchaser at Settlement. Settlement may take place on such earlier date as Buyer shall designate by at least fifteen (15) days' advance written notice to Seller. The Settlement shall occur by means of deposits and instructions with the Escrow Agent consistent with the terms, conditions and requirements of this Agreement. It is agreed that the time of Settlement and the obligation of Seller to deliver the Deed at Settlement are of the essence of this Agreement. The Escrow Agent will prepare a settlement statement reflecting the prorations and adjustments required under this Agreement (the "Settlement Statement"). The Settlement Statement, as approved by the parties, will be executed and delivered by Buyer and Seller at Settlement. Seller and Buyer hereby designate Escrow Agent as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Internal Revenue Code.



**B. DELIVERIES BY SELLER AT SETTLEMENT.** At Settlement, Seller shall deliver to Purchaser the following:

(i) A special warranty deed (the "Deed") conveying to the Purchaser good and marketable fee simple title to the Property, in the form attached hereto as Exhibit 3(B)(i), subject to all matters of record, except any lien for real estate taxes not yet due and payable or liens that Seller has agreed to remove in accordance with Section 5 hereof, and any Title Objections for which Purchaser has no objection and/or has waived such objection pursuant to Paragraph 5. Seller shall also release the following two (2) deeds of trust encumbering the Property: (1) A Deed of Trust from Stephen M. Tanner and Sophia Mellos to Erika Brooke Schiller, Trustee, securing an indebtedness to First Savings Mortgage Corporation, a Virginia Corporation, in the amount of \$480,000.00, dated February 7, 2017 as Instrument #2017019041 in the official records of DC Treasurer to be satisfied and released; and (2) a Deed of Trust from Sophia Mellos to Wells Fargo Financial National Bank, Trustee, securing an indebtedness to Wells Fargo Bank, N.A., in the amount of \$300,000.00, dated March 1, 2013 and recorded on December 9, 2013 as Subordination Agreement recorded February 17, 2017 as Instrument #2017019042;

(ii) An affidavit reasonably satisfactory to Purchaser's title company (the "Affidavit") stating that (1) no right to a mechanic's or materialman's lien has accrued with respect to the Property as a result of any act or omission by the Seller AND (2) there are no outstanding leases or agreements with regard to, or other parties in or entitled to possession of, the Property except as disclosed in **SCHEDULE A** attached hereto;

(iii) A Certificate of Non-Foreign Status as required by Section 1445 of the Internal Revenue Code of 1986 and any other certificates required by any governmental authority or agency;

(iv) The Settlement Statement;

(v) Transfer and Recordation Tax Declarations or other similar documents required to be executed in connection with the recordation of the Deed;

(vi) Seller's personal property at the Property shall not convey to the Buyer, such personal property including, but not limited to, the iron fountain in the front of the Property;

(vii) Assignments, if any, of Seller's interests in Leases, Contracts, rights of way, easements, tenancies, licenses, rights of occupancy, or agreements conferring the use or operation for any portion of the Property to Buyer; and

(viii) Assignments or other real estate indentures, if any, conveying appurtenances to the Property to Buyer, including any additional buildings or structures, any and all other fences or other improvements and fixtures of every description presently located on the Property.

**C. DELIVERIES BY PURCHASER AT SETTLEMENT.** At Settlement, Purchaser shall deliver to Seller the following:

- herein;
- (i) Payment of the Purchase Price as required and in the manner described herein;
  - (ii) The Settlement Statement.
  - (iii) Transfer and Recordation Tax Declarations or other similar documents required to be executed in connection with the recordation of the Deed;
  - (iv) Evidence of Purchaser's authority, and the authority of the person executing any documents at Settlement on behalf of Purchaser, acceptable to Seller and the Title Company, to enter into the transactions contemplated by this Agreement.

**D. COSTS AND PRORATIONS.** Seller shall pay the costs of preparing the Special Warranty Deed, the DC Transfer tax thereon and any other expenses incurred by Seller. Purchaser shall pay for the title search, title insurance premiums, any fees charged by the title agent, including as escrow agent under this Agreement, survey expenses, lender fees, the DC Recordation tax and all other settlement expenses incurred by Purchaser. Real estate taxes, rent, CAM and assessments, as applicable, shall be prorated between Seller and Purchaser as of the date of the Settlement. Each party shall pay its own legal, accounting, and other expenses incurred in connection with this Agreement or Settlement.

**E. CONDITION OF PROPERTY.** Purchaser agrees to accept the Property at Settlement in its physical condition at the time this Agreement is fully executed by all parties, except as otherwise provided herein. Seller agrees to maintain the Property in good condition and repair until Settlement. At Settlement, Seller agrees to transfer to Purchaser all existing warranties, if any, on the Property's roof, structural components, HVAC, mechanical, electrical, security and plumbing systems. The Property shall be sold, and Purchaser shall accept the Property, on the date of Settlement "AS IS, WHERE IS, WITH ALL FAULTS," with no right of setoff or reduction in the Purchase Price, and Seller has no obligations to make repairs, replacements, or improvements, or to compensate Purchaser for same.

#### **4. ACCESS AND INSPECTION.**

**A.** Following execution of this Agreement by all parties, Purchaser, its agents and contractors, shall have the right with advance approval to: (i) enter the Property for the purpose of inspecting the Property and performing tests as are desirable to Purchaser in its sole and absolute discretion; (ii) seek zoning information from the local governing authority concerning Purchaser's intended use of the Property; and/or (iii) apply for lender financing to acquire the Property. Seller makes no representations implicit or expressed.

**B.** If Purchaser fails to acquire the Property, Purchaser agrees: (i) to repair any damage arising as a result of its exercise of the right of access granted in this Paragraph 4; (ii) to indemnify and hold Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of Seller's negligence or misconduct or the negligence or misconduct of Seller's agents, employees or contractors. This Paragraph 4B is subject to the provisions of Paragraphs 2 and 15.



**5. TITLE AND SURVEY OBJECTIONS.** Purchaser may, at its sole expense, obtain a title insurance commitment and a survey for the Property. Within thirty-five (35) days of the date hereof, Purchaser shall notify the Seller in writing as to any title or survey objections regarding the Property that the Purchaser is unwilling to accept (collectively the "Title Objections"). Seller shall advise Purchaser in writing within ten (10) days after receipt of such notice, which if any of the Title Objections will not be cured by Seller at or prior to Settlement. If Seller fails to respond to Purchaser within such ten (10) day period or if Seller's response indicates that it does not intend to cure one or more of the Title Objections, then Purchaser may, at its option either (i) terminate this Agreement by giving written notice to Seller; (ii) cure such Title Objections at its own expense and proceed to Settlement without reduction in the Purchase Price; or (iii) waive such Title Objections and proceed to Settlement, with no reduction in the Purchase Price. If Purchaser elects to terminate this Agreement in accordance with the terms of this Section 5, the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 4B., 10, and 11, subject to the provisions of Paragraphs 2 and 15. Notwithstanding the foregoing or anything to the contrary set forth in this Agreement, Seller agrees at or prior to Settlement to satisfy and cause to be released of record the following ("Must-Cure Objections") (expressly excluding any of the following either caused or resulting by reason of any act or omission of Purchaser, or any party claiming by, through or under Purchaser, including, by way of example, any lien caused by Purchaser's failure to pay when due for any labor or materials requested by Purchaser): (i) any mortgage, deed of trust or other security interest encumbering the Property, (ii) any encumbrance on the Property entered into after the Effective Date not consented to in writing by Purchaser and (iii) any mechanic's, materialmen's, tax, judgement or other monetary lien that would survive Settlement and thereafter be enforceable against the Property or Purchaser, as owner of the Property. Seller shall also release the following two (2) deeds of trust encumbering the Property: (1) A Deed of Trust from Stephen M. Tanner and Sophia Mellos to Erika Brooke Schiller, Trustee, securing an indebtedness to First Savings Mortgage Corporation, a Virginia Corporation, in the amount of \$480,000.00, dated February 7, 2017 as Instrument #2017019041 in the official records of DC Treasurer to be satisfied and released; and (2) a Deed of Trust from Sophia Mellos to Wells Fargo Financial National Bank, Trustee, securing an indebtedness to Wells Fargo Bank, N.A., in the amount of \$300,000.00, dated March 1, 2013 and recorded on December 9, 2013 as Subordination Agreement recorded February 17, 2017 as Instrument #2017019042.

**6. REPRESENTATIONS AND WARRANTIES OF THE SELLER.** Seller, represents and warrants unto Purchaser as of the date hereof and on the Settlement date that:

**A. AUTHORITY AND MARKETABLE TITLE.** Seller is the owner of the Property, possesses the requisite power and authority to enter into and perform this Agreement, and has the absolute right to sell, assign, and transfer the Property as specified in Paragraph 3B and Subparagraph B hereof to Purchaser at Settlement. Seller has good, marketable, and insurable title to the Property, subject to matters of record.

**B. NO PENDING LITIGATION OR BANKRUPTCY.** To Seller's knowledge, Seller has received no notice that there are any actions, suits or proceedings at law or in equity pending, threatened against, or affecting the Property before or by any person, entity, or federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality. To Seller's knowledge, Seller has received no notice that there are any bankruptcy



or similar action, whether voluntary or involuntary, is pending or is threatened against Seller, and Seller has no intention of filing or commencing any such action within ninety (90) days following Settlement.

**C. NO OUTSTANDING PURCHASE OPTION.** To Seller's knowledge, Seller has received no notice that there are any options, right of first refusal or other contractual opportunity to purchase the Property has been granted to, or executed with, a third-party that is enforceable against Seller and/or the Property giving such third-party a right to purchase an interest in the Property or any party thereof.

**D. UTILITIES.** The Property is connected to a municipal water and sewer system and has utility meters installed within the Property. Seller makes no representation on whether the capacities of such utilities are sufficient for Purchaser's intended use of the Property.

**E. HAZARDOUS MATERIALS.** To the best of Seller's actual knowledge, no toxic or hazardous materials (as said terms are defined in any applicable federal or state laws) have been used, discharged or stored on or about the Property in violation of said laws, and to the best of Seller's knowledge, no such toxic or hazardous materials are now or will be at Settlement located on or below the surface of the Property.

**F. SOIL CONDITION.** Pursuant to Section 42-608(b) of the District of Columbia Code, Purchaser is hereby advised by Seller that the characteristic of the soil of the Property as described by the Soil Conservation Service of the United States Department of Agriculture in the Soil Survey of the District of Columbia published in 1976, as the same may be amended from time to time, and as shown on the Soil Maps of the District of Columbia at the back of that publication, is Urban Land. For further information, Purchaser can contact a soil testing laboratory, the District of Columbia Department of Environmental Services, or the Soil Conservation Service of the United States Department of Agriculture.

**G. UNDERGROUND STORAGE TANK DISCLOSURE.** In accordance with the requirements of the District of Columbia Underground Storage Tank Management Act of 1990, as amended (the "Act"), Seller has no knowledge that during Seller's ownership of the Property any underground storage tanks were removed from the Land. Seller and Purchaser previously executed and delivered the disclosure required by the Act in the form of Exhibit 6.G attached hereto.

**H. PARTIES IN POSSESSION.** As of the Settlement date, there will be no adverse or other parties in possession of the Property or any part thereof, nor has any party been granted any license, lease or other right or interest relating to the use or possession of the Property or any part thereof, except for the Leases attached hereto and made a part hereof as **SCHEDULE A**.

**I. OTHER CONTRACTS.** Seller is not a party to any contracts relating to the Property that is not terminable at will, except as disclosed on **SCHEDULE A**, which is attached hereto and made a part hereof. Between the date of this Agreement and the Settlement date, Seller will not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, enter into any contract relating to the Property that is not terminable at will.



**J. NO UNDISCLOSED RESTRICTIONS.** Seller has not, nor to the best of Seller's knowledge or belief has any predecessor in title, executed or caused to be executed any document with or for the benefit of any governmental authority restricting the development, use or occupancy of the Property that has not specifically been disclosed to Purchaser or wouldn't be revealed by a title report.

**7. REPRESENTATIONS AND WARRANTIES OF PURCHASER.** To induce Seller to enter into this Agreement, Purchaser makes the following representations and warranties in connection with this Agreement each of which shall be true as of both the date hereof, and the date of Settlement, and shall survive Settlement, and continue in full force and effect thereafter:

- a. Purchaser has full power in accordance with law and equity, corporate, or otherwise, to enter into this Agreement, and to consummate the purchase provided for herein, and to purchase the Property without the agreement of any other party.
- b. Neither the entering into of this Agreement, nor the consummation of this sale will constitute a violation or breach by Purchaser of any contract or other instrument to which it is a party, or to which it is subject, or by which any of its assets or properties may be affected, or of any judgment, order, writ, injunction, or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation or any governmental authority.
- c. Purchaser acknowledges and agrees that the Property is being sold "AS IS" and without any warranty whatsoever, express or implied, about the Property or its condition or use, or as to the terms of any agreements or matter of title, except as expressly set forth in this Agreement or the Settlement documents. Purchaser agrees to accept the Property in the condition existing as of Settlement, subject only to the provisions of this Agreement and the Settlement documents.

**8. RISK OF LOSS.** The risk of loss or damage to the Property by fire or other casualty prior to Settlement shall be borne by the Seller. If such loss or damage materially and adversely affects the use of the Property as of Settlement, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 10 and 11, subject to the provisions of Paragraph 15. In the event Buyer desires to proceed to Settlement, this Agreement shall remain in full force and effect. Seller shall restore or repair such damage as soon as possible (all work to be done in a good and proper manner so that the property shall have been restored to its condition immediately prior to the fire or casualty), unless cost of replacement exceeds insurable value in which event Buyer shall be entitled to receive the proceeds payable under the insurance policies or insurance indemnification contracts covering such damages. If Buyer shall elect, Seller shall refrain from repairing any such damage and Buyer shall accept the conveyance of the property in such damaged condition, and Seller shall assign and transfer to Buyer, at the time of Settlement, all of the policies of insurance covering such damage or casualty and the proceeds thereof.



9. **CONDEMNATION.** If, prior to Settlement, any taking pursuant to the power of eminent domain is proposed or occurs, as to all or any portion of the Property intended to be acquired at Settlement by the Purchaser, or sale occurs in lieu thereof, the Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be refunded in full to Purchaser and the parties shall have no further obligation or liability to one another, except for any liability pursuant to the indemnity provisions of Paragraphs 10 and 11, subject to the provisions of Paragraphs 2 and 15.

10. **ACCESS/COOPERATION.** During the term of this Agreement, Purchaser and his duly authorized agents shall be entitled to reasonable access to the Property for the purpose of surveying, appraising, and making other findings related to the Property. Purchaser agrees to indemnify and hold the Seller harmless from any and all liability of any kind or nature whatsoever as a result of the exercise of such right of access, other than as a result of the Seller's gross negligence or willful misconduct, subject to Paragraph 15.

11. **AGENTS AND BROKERS.** Each party represents and warrants that it did not consult or deal with any broker or agent with regard to this Agreement or the transaction contemplated hereby, except for the Broker, and each party hereto agrees to indemnify and hold harmless the other party from all liability, expense, loss, cost or damage, including reasonable attorneys' fees, that may arise by reason of any claim, demand or suit of any agent or broker arising out of facts constituting a breach of the foregoing representation and warranty, subject to the provisions of Paragraphs 2B and 15. Seller will pay a commission to the Broker at Settlement of six percent (6%) of the Purchase Price to be split between Luke Joyce - McWilliams/Ballard (buyer's broker) and Alex Green - J Street Brokerage Services LLC (listing broker). The fees to the Broker shall be paid in cash at Settlement. Commission is paid only upon successful Settlement.

12. **NOTICES.** Any notice, request, or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if, delivered by hand or messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient, at the intended recipient's address set forth below, or at such other address as the intended recipient may have specified by written notice to the sender given in accordance with the requirements of this Paragraph. Any such notice, request, or demand so given shall be deemed given on the day it is received by the recipient.

For the Seller:

Mr. Stephen Tanner and Ms. Sophia Mellos  
7628 Enon Church Road  
The Plains, VA 20198

With a copy to:

Meridith Moldenhauer, Esq.  
1200 19th Street NW  
Washington, DC 20036

For Purchaser:

Dr. Rudolph Shebala, Executive Director  
Navajo Nation Division of Natural Resources  
Post Office Box 9000, Window Rock, AZ 86515  
or Indian Route #100, Building #1-  
2636, South Wing OPVP, Window Rock, AZ 86515  
Telephone No.: 928.871.6592/6593  
Fax No.: 928.871.7040

With a copy to:

Attorney General  
Navajo Nation Department of Justice  
Post Office Box 2010  
Window Rock, AZ 86515  
Telephone No.: 928.871.6345  
Fax No.: 928.871.6177

For Escrow Agent:

Mr. Patrick John Tangney, Escrow Agent/Authorized Signatory  
Logan Title, LLC  
2308 14<sup>th</sup> Street NW  
Washington, DC 20009  
Telephone No.: 202.400.2508  
Fax No.: 202.403.3095.

### 13. DEFAULT

**A. DEFAULT BY PURCHASER.** If Purchaser defaults under this Agreement, the damages suffered by Seller would be difficult to ascertain. Therefore, Seller and Buyer agree that, in the event of a default by Buyer, Seller's sole and exclusive remedy, in lieu of all other remedies, shall be to terminate this Agreement and retain the Deposit as full and complete liquidated damages, subject to Paragraph 2. Such payment shall have no effect on the payment due in any subsequent transaction. Seller hereby specifically waives the right to seek specific performance of this Agreement by Purchaser or any other remedy at law or in equity. Commission is paid only upon successful settlement. Notwithstanding anything contained herein to the contrary, if the Deposit is not released in accordance hereunder to the Seller within thirty (30) days of the proposed date of Settlement, then Seller shall be entitled to enter into third party contracts for the sale or lease of the Property.

**B. DEFAULT BY SELLER.** If Seller defaults under this Agreement, Purchaser shall have the option to (i) seek specific performance of this Agreement, so long as any action or proceeding commenced by Purchaser against Seller shall be filed and served within thirty (30) days of the scheduled date of Settlement or (ii) terminate this Agreement, in which event the



Deposit shall be promptly refunded to Purchaser, and Purchaser hereby specifically waives any other remedy at law or in equity

**C. RIGHT TO CURE DEFAULT.** Prior to any termination of this Agreement as provided in Subparagraphs 13A. and 13B., the non-defaulting party shall provide written notice of any default(s) to the defaulting party (the "Default Notice") permitting the defaulting party ten (10) days to cure any such default(s). If defaulting party does not cure the default(s) or does not respond to the Default Notice, then the non-defaulting party may terminate the Agreement by written notice to the defaulting party.

#### **14. MISCELLANEOUS.**

**A. FINAL AGREEMENT.** This Agreement contains the entire agreement between the parties hereto relating to the Property and supersedes all prior and contemporaneous negotiations, understandings, and agreements, written or oral, between the parties hereto.

**B. PROVISIONS SEVERABLE.** If any provisions of this Agreement shall be or shall become illegal or unenforceable, in whole or in part, for any reason, the remaining provisions shall nevertheless be deemed valid, binding, and subsisting.

**C. INDULGENCE NOT WAIVERS.** No indulgences extended by either party hereto to the other party shall be construed as a waiver of one breach or be construed as a waiver of any rights or remedies with respect to any subsequent breach.

**D. COSTS.** Each party hereto shall bear its own costs, including attorney's fees and accounting fees, incurred in connection with the preparation and the Settlement of this Agreement, and all matters incident thereto except as set forth herein otherwise.

**E. TITLE NOT TO AFFECT INTERPRETATION.** The title of paragraphs and subparagraphs contained in this Agreement are inserted for convenience of reference only, and neither are they a part of this Agreement, nor are they to be used in the construction or interpretation hereof.

**F. INCORPORATION BY REFERENCE.** The terms of any and all exhibits to this Agreement are each hereby incorporated into and made a part of this Agreement as if fully stated herein.

**G. MODIFICATIONS.** All modifications or extensions shall be made in writing signed by both parties.

**H. FUTURE APPROPRIATIONS.** Nothing in this Agreement shall be construed as obligating the Buyer in the expenditure of funds or for future payment of funds in excess of appropriations made under the laws of the Navajo Nation; provided, however, that this Section 14 (H) shall be of no further force or effect and shall be considered null and void after the date that is forty-five (45) days subsequent to the Effective Date.

**I. TIME.** Time is of the essence in this Agreement.

**J. PROVISIONS SEVERABLE.** If any provisions of this Agreement shall be or shall become illegal or unenforceable, in whole or in part, for any reason, the remaining provisions shall nevertheless be deemed valid, binding, and subsisting.

**K. ASSIGNMENT.** This Agreement shall not be assigned by one party without the written consent of the other party, except (a) the assignment of this Agreement to an entity owned by Purchaser or the principals of Purchaser shall not require the consent of Seller, but Purchaser shall provide written notice to Seller of such assignment and (b) any assignment that is required to effectuate a 1031 exchange shall not require the consent of the accommodating party. This Agreement shall inure to the benefit of the parties hereto and their respective and permitted successors and assigns.

**L. COUNTERPARTS.** This Agreement may be signed in one or more counterparts, each of which is deemed to be an original and all of which shall together constitute the same instrument. The parties agree that a fax or PDF of any signed original document shall have the same effect as an original.

## **15. ADDITIONAL PROVISIONS**

**A. DISPUTE RESOLUTION.** Any claim, dispute, or other matter in question arising out of or relating to this Contract, shall be resolved by the mediation and/or arbitration procedures set forth as follows:

(i) The Parties shall endeavor to resolve claims, disputes, and other matters in question between them by good faith negotiation and mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Commercial Mediation Rules of the American Arbitration Association, as modified by the following:

a) unless otherwise agreed to in writing by the Parties, all mediation procedures shall be held in Window Rock, Arizona;

b) a single mediator may be chosen by mutual agreement of the Parties;

c) the Party desiring mediation shall submit to the other Party a written notice of intent to mediate, and such notice shall indicate whether the hiring of a mediator is desired;

d) the Parties shall equally share the mediator's fee and any other costs related to the mediation;

e) the mediation shall not exceed thirty (30) calendar days, unless otherwise agreed to in writing by the Parties.

(ii) If the mediation provided for in herein does not result in resolution of the Parties dispute within thirty (30) calendar days of commencement of the mediation, then, unless the Parties agree in writing to extend the time for mediation, either Party may invoke arbitration by sending Notice of Intent to Commence Arbitration. Any Arbitration invoked against the Navajo Nation shall be in accordance with the procedures referenced in the Navajo Sovereign Immunity



Act, as amended, codified at 1 N.N.C. §554 (J), and §554(K), and as set forth in the Navajo Nation Arbitration Act, as amended, codified at 7 N.N.C. §§1101 *et seq.* Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association except to the extent such rules are modified by the following:

a) Unless otherwise agreed to in writing by the Parties, all arbitration procedures shall be held in Window Rock, Arizona;

b) the arbitration shall be conducted by a single arbitrator selected by the Navajo Nation, unless one of the Parties' claims exceeds \$1,000,000.00, exclusive of interest, costs, and fees; in such case the arbitration shall be conducted by a panel consisting of three (3) arbitrators, one of which shall be chosen by each Party, with the two arbitrators choosing the third; at least one arbitrator shall possess at least ten (10) years of experience in Indian Law; and

c) a notice of intent to invoke arbitration shall be filed in strict compliance with the notice requirements of the Navajo Sovereign Immunity Act, at 1 N.N.C. §555; and

d) whether as a result of an arbitration provided for herein or of any judicial action to enforce an arbitration award resulting from such arbitration, any award against the Navajo Nation shall be in strict conformance with the provisions of 1 N.N.C. §§ 554(K)(1)-(6); and

e) whether in the context of an arbitration provided for herein or of any judicial action to enforce an arbitration award resulting from such arbitration, the laws and regulations of the Navajo Nation shall exclusively govern the interpretation of this Contract, the arbitration provisions set forth herein and the arbitration procedures conducted pursuant thereto, and the application of all provisions herein to Seller and its subcontractors, agents, representatives, employees or consultants; and

f) Pursuant to 1 N.N.C. § 554(K) and 7 N.N.C. § 1102, the appropriate Navajo Nation district court shall have exclusive jurisdiction to compel the Navajo Nation's participation in an arbitration, and shall have exclusive jurisdiction to enforce, modify, or vacate an arbitration award resulting from such arbitration; neither Party may recover from the other attorney fees or costs.

(iii) The mediation and arbitration provisions herein shall constitute the sole and exclusive procedural remedy to any dispute or controversy arising out of this Contract, except as otherwise provided herein with respect to the recording of the Deed and the conveyance in Washington, D.C. This dispute resolution agreement shall be a complete defense to any suit, claim, action, or proceeding in any federal, state, or tribal judicial or administrative tribunal; and

(iv) The dispute resolution provisions of this Contract shall, with respect to any dispute or controversy arising out of this Contract, survive the termination or expiration of this Contract.

(v) Seller shall continue, without delay, all of its responsibilities under this Contract that are not affected by the dispute.

(vi) Mediation/Dispute Resolution Terms and Conditions. Notwithstanding anything contained in this Contract, including the foregoing provisions of this Section 15, to the contrary, the following terms and conditions shall apply:

a) No claim, dispute, or other matter in question arising out of or relating to this Contract shall be submitted to mediation and/or arbitration proceedings during the Governmental Approvals Period. During the Governmental Approvals Period, Buyer's sole remedy shall be to terminate the Contract, receive a refund of the Deposit, and thereafter the Contract shall terminate and be of no further force or effect.

b) Following the Governmental Approvals Period, in the event that Buyer seeks to bring a claim, dispute, or other matter pursuant to the provisions of this Section 15, the parties hereby acknowledge and agree that Seller shall have the unconditional right to return the Deposit to Buyer, which shall both (a) extinguish any such claim, dispute, or other matter and Seller shall have no further liability under such claim or dispute whatsoever and (b) effectuate a complete termination of this Contract after which the Contract shall be of no further force or effect.

c) A party seeking resolution of any claim, dispute, or other matter in question arising out of or relating to this Contract must notify in writing the other party of such claim, dispute, or other matter and provide a fully detailed report setting forth such claim, dispute, or other matter within fifteen (15) days of the fact or circumstance out of which such claim, dispute, or other matter arose (the "Dispute Resolution Notice").

d) Any mediation and/or arbitration between the parties pursuant to this Section 15 shall be fully resolved within thirty (30) days of receipt of a Dispute Resolution Notice; or, in the event that such mediation and/or arbitration has not been resolved within such 30-day timeframe, such claim, dispute, or other matter shall be considered extinguished and the Contract shall be terminated and of no further force or effect.

e) The party bringing a claim, dispute, or other matter in question in accordance with this Section 15 shall be solely responsible for the mediator's fee and any other costs related to the mediation; provided, however, that each party shall be responsible for its own legal fees.

f) Either party may appear for mediation or arbitration via a remote teleconferencing platform such as Zoom.

**B. LIKE KIND EXCHANGES.** Seller may consummate the sale of the Property as part of one or more like-kind exchanges pursuant to Section 1031 of the Internal Revenue Code, as amended (an "Exchange"). In connection with an Exchange, the Seller may assign its right, title and interest in this Agreement to an exchange intermediary. Purchaser agrees to cooperate with Seller (including, without limitation, executing documents reasonably requested by Seller or the exchange intermediary) provided: (i) Seller shall not be released from its obligations under this Agreement for any reason, and Seller shall remain obligated to sell the Property to Buyer and Buyer shall remain obligated to purchase the Property from Seller upon the terms of this Agreement, (ii) the Exchange shall be at no cost to the Purchaser; and (iii) the Purchaser shall not assume any liabilities or obligations, as a result of any such Exchange. Nothing contained in this



Section 15B shall affect or impair Purchaser's rights and obligations hereunder nor Purchaser's ability to receive the conveyance of the Property contemplated hereby. No assignment to any intermediary shall affect the obligation to sell the Property to the Buyer.

**C. REMEDIES.**

(i) Seller's Remedies. If Purchaser shall default in the performance of its obligations under this Agreement in any material respect or if, as a result of Purchaser's action or failure to act, the conditions precedent to Seller's obligation to close are not satisfied and such default, action or failure to act shall not be cured within five (5) days after Purchaser's receipt of written notice thereof from Seller (provided, however, such five (5) day cure period shall not apply to Purchaser's failure to proceed to Settlement), and for such reason or reasons this Agreement is not consummated, Seller shall be entitled, by written notice to Purchaser, to terminate this Agreement and as Seller's sole remedy under this Agreement to receive as liquidated damages the Deposit, and upon such payment Purchaser shall be discharged from all further liability under this Agreement. Notwithstanding anything contained herein to the contrary, if the Deposit is not released in accordance hereunder to the Seller within thirty (30) days of the proposed date of Settlement, then Seller shall be entitled to enter into third party contracts for the sale of the Property.

(ii) Purchaser's Remedies. If Seller shall default in the performance of Seller's obligations under this Agreement in any material respect, or if, as a result of Seller's action or failure to act, the conditions precedent to Purchaser's obligation to close are not satisfied and such default, action or failure to act shall not be cured within five (5) days after Seller's receipt of written notice thereof from Purchaser, and for such reason or reasons this Agreement is not consummated, Purchaser shall be entitled by written notice to Seller, to terminate this Agreement and to receive a refund of the Deposit.

**D. LAW GOVERNING INTERPRETATION OF AGREEMENT; CONSENT TO JURISDICTION.** The laws of the Navajo Nation shall govern the construction and interpretation of this Agreement; provided, however, that the laws of the District of Columbia shall govern the deed recording and conveyance. Seller and Purchaser each hereby consents to jurisdiction in the District of Columbia, when applicable.

**E. WAIVER OF JURY TRIAL.** SELLER AND PURCHASER EACH HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREUNDER. THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT OR SETTLEMENT, AS APPLICABLE.

**F. NO PERSONAL LIABILITY.** It is hereby expressly agreed that any liability by Seller arising hereunder, for any reason whatsoever, shall be limited to Seller's interests in and to the Property. It is further hereby expressly agreed that in no event shall any officer, director, member, employee, agent, trustee, or personal representative of Seller have any personal liability in connection with this Agreement or the transaction envisioned herein.

**G. NO WAIVER OF SOVEREIGN IMMUNITY.** Nothing herein shall be considered as a waiver, express or implied, of the sovereign immunity of the Navajo Nation, except to the limited extent provided for in the Navajo Nation Sovereign Immunity Act, 1 N.N.C. §§ 551 *et. seq.* and the Navajo Nation Arbitration Act, 7 N.N.C. §§ 1101 *et seq.*

[Signatures on following page.]

THIS COMMERCIAL REAL ESTATE PURCHASE AGREEMENT is executed on the date first above written.

**SELLER**

Stephen Tanner and Sophia Mellos, as tenants by the entirety, as to an undivided Fifty-five Percent (55%) Interest by Deed from William H. Boswell and Myra E. Boswell, dated July 26, 2001 and recorded with DC Treasurer on July 27, 2001 as Instrument #2001068020

BY: \_\_\_\_\_  
Stephen Tanner

BY: \_\_\_\_\_  
Sophia Mellos

and

Sophia Mellos, as to the remaining undivided Forty-five Percent (45%) interest, as tenants in common, as to the whole by Deed of Gift from Sophia Mellos, Evan Mellos and Chau Duong, Co-Personal Representatives of the Estate of Helen M. Mellos, who died on or about September 12, 2003, dated May 1, 2007 and recorded with DC Treasurer on May 11, 2007, as Instrument #2007064008.

BY: \_\_\_\_\_  
Sophia Mellos

**BUYER**

BY: Jonathan Nez  
Jonathan Nez, President,  
The Navajo Nation

**THE NAVAJO NATION**

As required by the Navajo Nation Sovereign Immunity Act, 1 N.N.C. §§ 554 (J) (2) and (K) (2), the Navajo Nation Department of Justice has reviewed and approved this Agreement.

BY: [Signature] 6/16/20  
Navajo Nation Dept. of Justice Date



**THIS COMMERCIAL REAL ESTATE PURCHASE AGREEMENT** is executed on the date first above written.

**SELLER**

Stephen Tanner and Sophia Mellos, as tenants by the entirety, as to an undivided Fifty-five Percent (55%) Interest by Deed from William H. Boswell and Myra E. Boswell, dated July 26, 2001 and recorded with DC Treasurer on July 27, 2001 as Instrument #2001068020

BY: Stephen Tanner  
Stephen Tanner

BY: Sophia Mellos  
Sophia Mellos

and

Sophia Mellos, as to the remaining undivided Forty-five Percent (45%) interest, as tenants in common, as to the whole by Deed of Gift from Sophia Mellos, Evan Mellos and Chau Duong, Co-Personal Representatives of the Estate of Helen M. Mellos, who died on or about September 12, 2003, dated May 1, 2007 and recorded with DC Treasurer on May 11, 2007, as Instrument #2007064008

BY: Sophia Mellos  
Sophia Mellos

**BUYER**

BY: \_\_\_\_\_  
Jonathan Nez, President,  
The Navajo Nation

**THE NAVAJO NATION**

As required by the Navajo Nation Sovereign Immunity Act, 1 N.N.C. §§ 554 (J) (2) and (K) (2), the Navajo Nation Department of Justice has reviewed and approved this Agreement.

BY: \_\_\_\_\_  
Navajo Nation Dept. of Justice      Date \_\_\_\_\_

**SCHEDULE A**

**THERE ARE NO LEASES AT THE PROPERTY**

**THERE ARE NO CONTRACTS THAT ARE NOT TERMINABLE AT WILL AT THE PROPERTY.**

**EXHIBIT 3(B)(i)**

**FORM OF SPECIAL WARRANTY DEED**

This Deed prepared by, and after recording return to:

**Special Warranty Deed**

This SPECIAL WARRANTY DEED is made as of June \_\_\_\_, 2020 by and between \_\_\_\_\_, a District of Columbia limited liability company, with an address at \_\_\_\_\_ ("Grantor"), and \_\_\_\_\_, a \_\_\_\_\_, with an address \_\_\_\_\_ ("Grantee").

**WITNESSETH:**

That for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantor does hereby grant, convey and assign with Special Warranty, unto Grantee, in fee simple that certain parcel of land located in the District of Columbia, being more particularly described in Exhibit "A" attached hereto and made a part hereof; and

TOGETHER WITH all right, title and interest of Grantor in and to all buildings, fixtures and other improvements located on said land and any rights, alleys, streets and ways, public and private, waters, easements, privileges, appurtenances and advantages belonging or appertaining thereto;

TO HAVE AND TO HOLD the property hereby conveyed unto the Grantee, its successors and assigns, in fee simple forever.

THE GRANTOR COVENANTS to warrant specially the property, and to execute such further assurances of the property as may be requisite.



IN TESTIMONY WHEREOF, Grantor has on the aforesaid date contained herein, caused these presents to be signed under seal by its \_\_\_\_\_.

GRANTOR:

[TBD]

By: \_\_\_\_\_ (SEAL)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

IN THE STATE OF )  
 )  
COUNTY OF )

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid do hereby certify that \_\_\_\_\_, being the \_\_\_\_\_ of \_\_\_\_\_, who is personally known (or satisfactorily proven) to me, personally appeared before me in said jurisdiction and in such capacity, acknowledged the said deed to be the act and deed of \_\_\_\_\_ for the purposes stated therein.

GIVEN under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Notary Public in and for said County and State

My Commission Expires:

## EXHIBIT 6.G

### FORM OF UST DISCLOSURE

#### UNDERGROUND STORAGE TANK DISCLOSURE

The Underground Storage Tank (UST) Management Act of 1990, as amended, and implementing regulations, require that sellers of real property in the District of Columbia inform prospective purchasers in writing prior to entering into a contract of sale, of the existence or removal of any USTs of which the seller has knowledge. If the sale is of commercial property, seller is also required to inform prospective purchasers of any prior use of the property of which seller has actual knowledge which suggests the existence of tanks on the property. (For example, if seller knows there was formerly a gas station at the site, he is required to disclose this fact.) Sellers of individual condominium or cooperative units are not subject to the disclosure requirements. Sellers of single family homes should use the appropriate form or provide disclosure in the sales contract.

Seller's Name: Stephen Tanner and Sophia Mellos

Address of property to be sold: 11 D Street, S.E.

1) To the best of your knowledge, are there any underground storage tanks (USTs) located on or under the above-referenced real property? Don't know X

2) If yes, how many UST's are located on the property?

What is the capacity of the tanks?

b) Are they presently in service \_\_\_\_\_ or abandoned?

c) If in service, for what purpose are they used?

d) If abandoned, have you complied with all requirements of the

D.C. UST Regulations pertaining to closure of USTs? Yes \_\_\_\_ No \_\_\_\_

Don't know X

3) Have you removed any USTs during the period of time you have owned the above- referenced property? NO X

4) If Yes, how many USTs did you remove?

a) What were their capabilities?

b) Have you complied with all requirements of the D.C. UST Regulations pertaining to closure of USTs? Yes X to Seller's actual knowledge

5) Do you know of any prior uses of the property which suggest that USTs may be or have been used on the property? Yes No: x If yes, please describe the former use.

THIS FORM MAY BE EXECUTED IN COUNTERPART

Document No. 014560Date Issued: 06/17/2020**EXECUTIVE OFFICIAL REVIEW****URGENT**Title of Document: Land Acquisition-11 D St, SE, Wash D.C.Contact Name: MCCABE, SHIRLEY AProgram/Division: DIVISION OF NATURAL RESOURCESEmail: smccabe@dinehbikeyah.orgPhone Number: (928)871-6401☐ **Business Site Lease**

Sufficient    Insufficient

- |   |       |             |                          |                          |
|---|-------|-------------|--------------------------|--------------------------|
| 1. Division:  | _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Controller:  | _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| (only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review) |       |             |                          |                          |
| 3. Office of the Attorney General:  | _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

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

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

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

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

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

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

☐ **Lease Purchase Agreements**

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

☐ **Grant Applications**

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

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

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

☐ **Relinquishment of Navajo Membership**

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



☐ **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: LAND ACQUISITION**

1. NLD \_\_\_\_\_ Date: 07 July 2020 ☒ ☐  
2. DNR \_\_\_\_\_ Date: 7-8-20 ☒ ☐  
3. OAG/DOJ \_\_\_\_\_ Date: 7/23/20 ☐ ☒  
4. OPVP \_\_\_\_\_ Date: 8/31/20 ☒ ☐  
5. OPVP \_\_\_\_\_ Date: 8-31-20 ☒ ☐



# NAVAJO NATION DEPARTMENT OF JUSTICE

## DOCUMENT REVIEW REQUEST FORM



DOJ
08/18/20 @ 1144a
DATE / TIME
<input type="checkbox"/> 7 Day Deadline
DOC #: 014560#3
SAS #:
UNIT: NW

☒ RESUBMITTAL  
(July 2020)

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

CLIENT TO COMPLETE			
DATE OF REQUEST: 8/18/20	ENTITY/DIVISION: DNR		
CONTACT NAME: ROBERT ALAN	DEPARTMENT: Admin		
PHONE NUMBER: ext. 6592/3	E-MAIL: roallan@navajo-nsd.gov		
TITLE OF DOCUMENT: Draft NNC Legislation Approving Purchasing Real Property Re-Submission			
DOJ SECRETARY TO COMPLETE			
DATE/TIME IN UNIT: 8/18/20 1:00 PM		REVIEWING ATTORNEY/ADVOCATE: Veronica Blackhat	
DATE/TIME OUT OF UNIT:			
DOJ ATTORNEY / ADVOCATE COMMENTS			
See Edits. Attached			
Proposed legislation is legally sufficient, however, DOJ continues to have concerns regarding the acquisition as stated in			
REVIEWED BY: (PRINT)	DATE / TIME	SURNAMED BY: (PRINT)	DATE / TIME
		V Blackhat	8/31/20 12:42 PM
DOJ Secretary Called: Alyssa		for Document Pick Up on 8.31.20 at 145 By: [Signature]	
PICKED UP BY: (PRINT)		DATE / TIME:	

NDOJ/DRRF-July 2013

the July 23, 2020 memo.

COMPLETED



# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT   MYRON LIZER | VICE PRESIDENT




## MEMORANDUM

**URGENT**

TO : EXECUTIVE OFFICIAL REVIEWERS

FROM :

  
W. Mike Halona, Department Manager III  
Navajo Land Department  
Division of Natural Resources

DATE : July 7, 2020

SUBJECT : Document No. 14560 – Land Acquisition 11 D Street, SE, Washington D.C.

The Navajo Land Department (NLD), Division of Natural Resources, Office of the President/VP, and Navajo Nation Washington Office has accepted a real estate property offer from Stephen Taner and Sophia Mellos, Sellers, located at 11 D. Street, SE, Washington D.C.

Navajo Land Department compiled a self-explanatory legislative packet for the Executive Office Reviews. Funds to purchase the property are being requested from the Land Acquisition Trust Fund "Fund Principal", BU 415000, which requires 2/3 votes by Navajo Nation Council. NLD LATF FY2020 budget does not have sufficient funds to purchase. The requested funds should cover the purchase \$4.8 million, closing costs, cost to repair or renovate the office for NNWO staff to occupy the building and architect services.

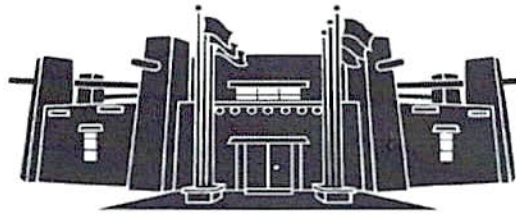
NLD appreciates your quick reviews and signatures. If you have any questions, I can be reach at 928-871-6401 email [m\\_halona@dinehbikeyah.org](mailto:m_halona@dinehbikeyah.org) or contact Shirley McCabe, Senior Appraiser, at 928-871-7047 email [smccabe@dinehbikeyah.org](mailto:smccabe@dinehbikeyah.org). Thank you.

Xc: NLD Project File

NAVAJO LAND DEPARTMENT

POST OFFICE BOX 2249 · WINDOW ROCK, AZ 86515 · PHONE: (928) 871-6401 · FAX: (928) 871-7039





## MEMORANDUM

TO: Honorable Wilson Stewart, Jr.  
Crystal, Fort Defiance, Red Lake, Sawmill Chapters

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

DATE: September 8, 2020

SUBJECT: AN ACTION RELATING TO THE BUDGET AND FINANCE, RESOURCES AND DEVELOPMENT, AND NABIK'IYATI' COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING THE PURCHASE OF PROPERTY OFFERED FOR SALE TO THE NAVAJO NATION BY THE OWNER OF 11 D STREET, S. E., WASHINGTON D.C.; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO THE PURCHASE PROPERTY; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO PAY FOR REPAIR AND RENOVATION OF THE 11 D STREET PROPERTY

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.

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).

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. 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: \_0220-20\_\_

SPONSOR: Wilson C. Stewart, Jr.

**TITLE: An Action Relating To The Budget And Finance, Resources And Development, And Naabik'iyáti' Committees, And Navajo Nation Council; Approving The Purchase Of Property Offered For Sale To The Navajo Nation By The Owner Of 11 D Street, S.E., Washington, D.C.; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To The Purchase Property; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To Pay For Repair And Renovation Of The 11 D Street Property**

**Date posted: September 8, 2020 at 7:20 PM**

**Digital comments may be e-mailed to [comments@navajo-nsn.gov](mailto: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.: 0220-20

SPONSOR: Honorable Wilson C. Stewart, Jr.

TITLE: An Action Relating To The Budget And Finance, Resources And Development, And Naabik'iyáti' Committees, And Navajo Nation Council; Approving The Purchase Of Property Offered For Sale To The Navajo Nation By The Owner Of 11 D Street, S.E., Washington, D.C.; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To The Purchase Property; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To Pay For Repair And Renovation Of The 11 D Street Property

Posted: September 8, 2020 at 7:20 PM

5 DAY Comment Period Ended: September 13, 2020

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Inconclusive Comments	<i>None</i>

  
\_\_\_\_\_  
Legislative Tracking Secretary  
Office of Legislative Services

09/14/20 9:35Am  
\_\_\_\_\_  
Date/Time



24<sup>th</sup> NAVAJO NATION COUNCIL

Second Year 2020

Mr. Speaker:

The **BUDGET & FINANCE COMMITTEE** to whom has been assigned

**NAVAJO LEGISLATIVE BILL # 0220-20:**

An Action Relating to the Budget and Finance, Resources and Development, and Naabikiyati Committees, and Navajo Nation Council; Approving the Purchase of Property Offered For Sale to the Navajo Nation by the Owner of 11 D Street, S. E., Washington D.C.; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to the Purchase Property; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to Pay for Repair and Renovation of the 11 D Street property *Sponsored by Wilson Stewart Jr., and Rick Nez, Council Delegates*

has had it under consideration and reports the same with the recommendation that It **Do Pass** without amendment.

And, therefore referred to the **RESOURCES and DEVELOPMENT** Committee

Respectfully submitted,

  
Jamie Henfo, Chairman

Adopted: 

Legislative Advisor

Not Adopted: \_\_\_\_\_

Legislative Advisor

**15 September 2020**

The vote was **3** in favor **1** opposed *yeas: Jimmy Yellowhair, Raymond Smith, Jr., Nathaniel Brown; Nays: Amber K. Crotty; Elmer P. Begay not voting*  
*Main Motion: Jimmy Yellowhair*  
*Second: Nathaniel Brown*

## BUDGET AND FINANCE COMMITTEE

15 September 2020

Regular Meeting

### VOTE TALLY SHEET:

**Legislation No. 0220-20:** An Action Relating to the Budget and Finance, Resources and Development, and Naabikiyati Committees, and Navajo Nation Council; Approving the Purchase of Property Offered For Sale to the Navajo Nation by the Owner of 11 D Street, S. E., Washington D.C.; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to the Purchase Property; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to Pay for Repair and Renovation of the 11 D Street property *Sponsored by Wilson Stewart Jr., and Rick Nez, Council Delegates*

*Motion: Jimmy Yellowhair*

*Second: Nathaniel Brown*

*Vote: 3-1, Chairman not voting*

### Final Vote Tally:

Jamie Henio		
Jimmy Yellowhair	yea	
Raymond Smith Jr.	yea	
Elmer P. Begay		
Amber K. Crotty		nay
Nathaniel Brown	yea	

*Absent: Elmer P. Begay*



Jamie Henio, Chairman  
Budget & Finance Committee



Peggy Nakai, Legislative Advisor  
Budget & Finance Committee

**RESOURCES AND DEVELOPMENT COMMITTEE  
24th NAVAJO NATION COUNCIL**

**SECOND YEAR 2020**

**COMMITTEE REPORT**

Mr. Speaker,

The **RESOURCES AND DEVELOPMENT COMMITTEE** to whom has been assigned:

**LEGISLATION # 0220-20:** AN ACTION TO THE BUDGET AND FINANCE, RESOURCES AND DEVELOPMENT, AND NABIK'IYATI COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING THE PURCHASE OF PROPERTY OFFERED FOR SALE TO THE NAVAJO NATION BY THE OWNER OF 11 D STREET, S.E., WASHINGTON D.C.; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO THE PURCHASE PROPERTY; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO PAY FOR REPAIR AND RENOVATION OF THE 11 D STREET PROPERTY.

Has had it under consideration and reports a DO PASS with no amendment

and thereafter the legislation was referred to Naabik'Iyati Committee.

Respectfully submitted,



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

Date: September 16, 2020 - Regular Meeting (Teleconference)  
Meeting Location: (RDC members called in via teleconference from their location within the boundary of the Navajo Nation.)

**Main Motion:**

**Motion:** Thomas Walker, Jr. S: Wilson C. Stewart, Jr. Vote: 3-0-1 (CNV)

**In Favor:** Wilson C. Stewart, Jr., Herman M. Daniels, and Thomas Walker, Jr.

**Oppose:** NONE

**Excuse:** Mark A. Freeland and Kee Allen Begay, Jr.

**Not Voting:** Presiding Chairperson Rickie Nez,

(NOTE: Vote Tally attached.)



**RESOURCES AND DEVELOPMENT COMMITTEE**  
**24<sup>th</sup> Navajo Nation Council**

**SECOND YEAR 2020**

**ROLL CALL**  
**VOTE TALLY SHEET:**

**LEGISLATION # 0220-20:** AN ACTION TO THE BUDGET AND FINANCE, RESOURCES AND DEVELOPMENT, AND NABIK'IYATI COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING THE PURCHASE OF PROPERTY OFFERED FOR SALE TO THE NAVAJO NATION BY THE OWNER OF 11 D STREET, S.E., WASHINGTON D.C.; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO THE PURCHASE PROPERTY; APPROVING THE EXPENDITURE OF FUND PRINCIPAL OF THE LAND ACQUISITION TRUST FUND TO PAY FOR REPAIR AND RENOVATION OF THE 11 D STREET PROPERTY.

Date: September 16, 2020 - Regular Meeting (Teleconference)  
Meeting Location: (RDC members called in via teleconference from their location within the boundary of the Navajo Nation.)

**Main Motion:**


**Motion:** Thomas Walker, Jr. S: Wilson C. Stewart, Jr. Vote: 3-0-1 (CNV)

**In Favor:** Wilson C. Stewart, Jr., Herman M. Daniels, and Thomas Walker, Jr.

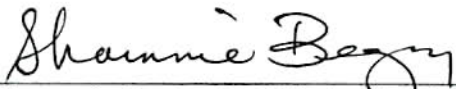
**Oppose:** NONE

**Excuse:** Mark A. Freeland and Kee Allen Begay, Jr.

**Not Voting:** Presiding Chairperson Rickie Nez,



Honorable Rickie Nez, Presiding Chairperson  
Resources and Development Committee



Shammie Begay, Legislative Advisor  
Office of Legislative Services

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW SUMMARY

LEGISLATION NO.: 0220-20

SPONSOR: Honorable Wilson C. Stewart, Jr.

TITLE: An Action Relating To The Budget And Finance, Resources And Development, And Naabik'iyáti' Committees, And Navajo Nation Council; Approving The Purchase Of Property Offered For Sale To The Navajo Nation By The Owner Of 11 D Street, S.E., Washington, D.C.; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To The Purchase Property; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To Pay For Repair And Renovation Of The 11 D Street Property

Posted: September 8, 2020 at 7:20 PM

5 DAY Comment Period Ended: September 13, 2020

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	1) Geraldine Benally
Inconclusive Comments	<i>None</i>

  
Legislative Tracking Secretary  
Office of Legislative Services

09/17/20 11:42pm  
Date/Time

0220-20

G Benally <gbenally2013@gmail.com>

Mon 9/14/2020 8:00 PM

To: comments <comments@navajo-nsn.gov>;

This is not a practical purchase considering our dwindling revenues. We cannot spend money like we have an abundance of it. People on the Navajo Nation are living in poverty. There are other needs that should be considered along with saving the money. What about future generations? What happens if the Navajo Nation does not have revenue to run the government in two or three years? We need to be concerned about our government, our people and the future. Appearances are not a priority. The Governmental agencies waste a great deal of money on unnecessary spending, projects and misuse. Let's spend some money on instituting governmental reforms that cut wasteful spending, prosecuting or collecting monies owed the Nation and other real priorities. I would be extremely disappointed if this Bill passes while grandmas, cheis, and little children starve.

Sent from Mail for Windows 10

WARNING: External email. Please verify sender before opening attachments or clicking on links.



# **24<sup>th</sup> NAVAJO NATION COUNCIL NAABIK'ÍYÁTI' COMMITTEE REPORT Second Year 2020**

The **NAABIK'ÍYÁTI' COMMITTEE** to whom has been assigned:

## **NAVAJO LEGISLATIVE BILL #0220-20**

An Action Relating to the Budget and Finance, Resources and Development, and Naabik'íyáti' Committees, and Navajo Nation Council; Approving the Purchase of Property Offered for Sale to the Navajo Nation by the Owner of 11 D Street, S.E., Washington, D.C.; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to the Purchase Property; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to Pay for Repair and Renovation of the 11 D Street Property

*Sponsored by: Honorable Wilson C. Stewart, Jr.*

*Co-Sponsored by: Honorable Rickie Nez*

Has had it under consideration and reports the same that the legislation **WAS NOT ACTED ON DUE TO EXCEEDING THE NAABIK'ÍYÁTI' COMMITTEE MEETING TIME LIMIT (12:00 A.M., SEPTEMBER 18, 2020).**

Respectfully Submitted,

  
*Honorable Seth Damon, Chairman*  
**NAABIK'ÍYÁTI' COMMITTEE**

**17 September 2020**

### **TABLING MOTION (FAILED)**

Motion to table legislation 0220-20 to the next Naabik'íyáti' Committee Meeting.

*Motioned by: Honorable Eugenia Charles-Newton*

*Seconded by: Honorable Paul Begay*

*Vote: 04 in Favor, 12 Opposed (Chairman Damon Not Voting)*

### **MAIN MOTION**

*Motioned by: Honorable Edison J. Wauneka*

*Seconded by: Honorable Jamie Henio*

*Vote: Vote Pending (Chairman Damon Not Voting)*

# NAVAJO NATION

669

Navajo Nation Naabikiyati Special Meeting

9/17/2020

11:59:07 PM

Amd# to Amd#

Table Legislation 0220-20

FAILED

MOT Charles-Newton

until next Naabikiyati Committee

SEC Begay, P

Meeting

Yeas : 4

Nays : 12

Excused : 0

Not Voting : 7

Yea : 4

Freeland, M

Begay, P

Charles-Newton

Tso, D

Nay : 12

Begay, K

Halona, P

Nez, R

Stewart, W

Brown

Henio, J

Slater, C

Walker, T

Daniels

James, V

Smith

Wauneka, E

Excused : 0

Not Voting : 7

Begay, E

Tso, C

Tso, O

Yellowhair

Crotty

Tso, E

Yazzie

Presiding Speaker: Damon

**THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW SUMMARY**

**LEGISLATION NO.: 0220-20**

**SPONSOR: Honorable Wilson C. Stewart, Jr.**

**TITLE: An Action Relating To The Budget And Finance, Resources And Development, And Naabik'íyáti' Committees, And Navajo Nation Council; Approving The Purchase Of Property Offered For Sale To The Navajo Nation By The Owner Of 11 D Street, S.E., Washington, D.C.; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To The Purchase Property; Approving The Expenditure Of Fund Principal Of The Land Acquisition Trust Fund To Pay For Repair And Renovation Of The 11 D Street Property**

**Posted: September 8, 2020 at 7:20 PM**

**5 DAY Comment Period Ended: September 13, 2020**

**Digital Comments received:**

<b>Comments Supporting</b>	<i>None</i>
<b>Comments Opposing</b>	<b>1) Eastern Navajo Land Commission</b>
<b>Inconclusive Comments</b>	<i>None</i>

  
\_\_\_\_\_  
**Legislative Tracking Secretary  
Office of Legislative Services**

09/24/20 4:08pm  
\_\_\_\_\_  
**Date/Time**



RESOLUTION OF THE  
EASTERN NAVAJO LAND COMMISSION

Opposing the Use of Funds of the Land Acquisition Trust Fund  
for the Purchase, Repair, and/or Renovation of an Office Building in Washington, D.C.  
and Respectfully Requesting and Recommending that the Navajo Nation Council  
First Consider Recent Resolutions of the Eastern Navajo Land Commission  
Recommending the Purchase of Certain Lands in Conformity with  
the Core Purposes of the Establishment of the Land Acquisition Trust Fund

**WHEREAS:**

1. The Eastern Navajo Land Commission ("ENLC" or "Commission") is established as a Commission of the Navajo Nation within the Legislative Branch, 2 N.N.C. § 861 (2005), as amended by Navajo Nation Council Legislation No. 0589-07 (Apr. 22, 2008); and

2. Among other authorities and duties under the amended ENLC Plan of Operation, the Commission is charged with assisting in resolving land title issues, providing assistance to Navajo residents with respect to land-related matters, and coordinating Navajo Nation efforts with respect to Eastern Navajo Agency ("ENA") land-related matters with other governmental authorities and private interests; and

3. In 1994, the Navajo Nation established by resolution of the Navajo Nation Council the Land Acquisition Trust Fund ("Fund"), Resolution No. CJY-54-94 (July 20, 1994); and

4. The principal purpose of the Fund was to consolidate Navajo Nation holdings in the Eastern Navajo Agency, *see* 16 N.N.C. §§ 1, 202(B)(1) (2005), and other authorized uses were to relieve overcrowding, provide needed agricultural and grazing lands and thereby protect Navajo resources, and to provide lands for business and industrial purposes, *see* 16 N.N.C. § 202(B), (C) (2005), and such purposes were reaffirmed by the Navajo Nation Council pursuant to Resolution No. CAU-44-16 (Aug 2, 2016); and

5. The Commission has diligently pursued consolidation of lands for the Navajo Nation in the Eastern Navajo Agency through, for example, purchases of ranch properties, and has conducted due diligence and other activities in support of the same; and

6. As a result of the Commission's actions and deliberations, the Commission has, by various resolutions, recommended to the full Navajo Nation Council that the Navajo Nation purchase lands to consolidate lands in Navajo Nation ownership and for other authorized purposes, including the Chaves Ranch near Tohajiilee, a three-ranch configuration of the original Lobo Ranch and Highland Meadows property, and the Red Cliffs Ranch near and adjacent to the Iyanbito Chapter, which the Navajo Nation missed the opportunity to purchase; however, the Navajo Nation Council has not acted upon the Commission's recent resolutions in this respect due to the absence of programmatic processing by the Navajo Land Department; and

7. Rather, a proposed resolution, Legislation No. 0220-20, was introduced in September 2020 to authorize the use of over \$5 million of the principal of the Fund for the purchase, repair, and/or renovation of an office building in Washington, D.C., because there are insufficient funds from the Fund's income to do so; and

8. That purchase, however attractive it might be from other perspectives, is unrelated to the core purposes of the establishment of the Fund, and should, in any event, be considered only after the Navajo Nation Council carefully considers and acts upon the recent recommendations of the Commission relating to the purchase of lands, including the Chaves Ranch and the Lobo three-ranch configuration described above (the "Recent Resolutions") for land consolidation and resource management purposes.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:**

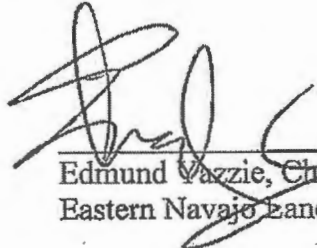
1. The Eastern Navajo Land Commission hereby respectfully registers its present opposition to consideration and enactment of Legislation No. 0220-20.

2. The Commission respectfully recommends and requests that the Navajo Nation Council duly consider and act upon the Commission's Recent Resolutions recommending the purchase of lands within and near the Eastern Navajo Agency for the core purposes motivating the Navajo Nation to establish the Land Acquisition Trust Fund and, in any event, that the Council delay any consideration of Legislation No. 0220-20 until such consideration and action is completed to the reasonable satisfaction of the Commission.

3. The Commission further requests the Resources and Development Committee to work jointly with the Commission to effectuate the goals of this Resolution.

**CERTIFICATION**

I hereby certify that the foregoing Resolution was considered at a duly called meeting of the Eastern Navajo Land Commission at which a quorum was present at Crownpoint, Navajo Nation (NM) and that the same was passed by vote of 4 in favor, and 0 opposed, this 23rd day of September, 2020.

  
Edmund Vazzie, Chairman  
Eastern Navajo Land Commission

Motion: Mark Freeland  
Second: Daniel Tso

# **24<sup>th</sup> NAVAJO NATION COUNCIL NAABIK'ÍYÁTI' COMMITTEE REPORT Second Year 2020**

The **NAABIK'ÍYÁTI' COMMITTEE** to whom has been assigned:

## **NAVAJO LEGISLATIVE BILL #0220-20**

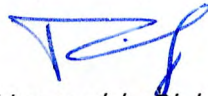
An Action Relating to the Budget and Finance, Resources and Development, and Naabik'íyáti' Committees, and Navajo Nation Council; Approving the Purchase of Property Offered for Sale to the Navajo Nation by the Owner of 11 D Street, S.E., Washington, D.C.; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to the Purchase Property; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to Pay for Repair and Renovation of the 11 D Street Property

*Sponsored by: Honorable Wilson C. Stewart, Jr.*

*Co-Sponsored by: Honorable Rickie Nez*

Has had it under consideration and reports the same that the legislation **WAS NOT ACTED ON DUE TO EXCEEDING THE NAABIK'ÍYÁTI' COMMITTEE MEETING TIME LIMIT (10:00 A.M., SEPTEMBER 24, 2020).**

Respectfully Submitted,



*Honorable Rickie Nez, Chairman Pre Tem  
NAABIK'ÍYÁTI' COMMITTEE*

**24 September 2020**

### **MAIN MOTION**

*Motioned by: Honorable Edison J. Wauneka*

*Seconded by: Honorable Jamie Henio*

*Vote: Vote Pending (Chairman Pro Tem Nez Not Voting)*



# **24<sup>th</sup> NAVAJO NATION COUNCIL NAABIK'ÍYÁTI' COMMITTEE REPORT Second Year 2020**

The **NAABIK'ÍYÁTI' COMMITTEE** to whom has been assigned:

## **NAVAJO LEGISLATIVE BILL #0220-20**

An Action Relating to the Budget and Finance, Resources and Development, and Naabik'íyáti' Committees, and Navajo Nation Council; Approving the Purchase of Property Offered for Sale to the Navajo Nation by the Owner of 11 D Street, S.E., Washington, D.C.; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to the Purchase Property; Approving the Expenditure of Fund Principal of the Land Acquisition Trust Fund to Pay for Repair and Renovation of the 11 D Street Property

*Sponsored by: Honorable Wilson C. Stewart, Jr.*

*Co-Sponsored by: Honorable Rickie Nez*

Has had it under consideration and reports the same that the legislation **WAS REFERRED BACK TO THE RESOURCES AND DEVELOPMENT COMMITTEE WITH ONE (1) AMENDMENT.**

Respectfully Submitted,

  
*Honorable Seth Damon, Chairman*  
**NAABIK'ÍYÁTI' COMMITTEE**

**08 October 2020**

### **REFERRAL MOTION**

Motion to refer Legislation 0220-20 back to the Resources and Development Committee. Before it is taken up by the Resources and Development Committee, a complete Benefit Cost Analysis must be provided by the Office of the Controller with the assistance of the Washington Office, in reference to comparing purchasing and long-term rental in Washington, D.C.

*Motioned by: Honorable Carl R. Slater*

*Seconded by: Honorable Eugenia Charles-Newton*

*Vote: 12 in Favor, 11 Opposed (Chairman Damon Broke the tie and Voted in Favor)*

### **AMENDMENT #1**

Page 9, line 6 insert a new paragraph "W" and re-letter the remaining paragraph.

W. The Eastern Navajo Land Commission opposes the purchase, repair, and/ renovation of an office building in Washington, D.C. The Commission recommends the purchase of land within and near the Eastern Navajo Agency. The Eastern Navajo Land Commission Resolution No. ENLCS-08-20 is attached as **Exhibit H.**

*Motioned by: Honorable Edmund Yazzie*

*Seconded by: Honorable Mark A. Freeland*

*Vote: 13 in Favor, 08 Opposed (Chairman Damon Not Voting)*

#### **MAIN MOTION**

*Motioned by: Honorable Edison J. Wauneka*

*Seconded by: Honorable Jamie Henio*

*Vote: Vote Pending (Chairman Damon Not Voting)*

## NAVAJO NATION

10/8/2020

## Naabikiyati Committee Regular Meeting

05:39:46 PM

Amd# to Amd#      Refer Legislation 0220-20 Back  
MOT Slater, C      to Resource and Development  
SEC Charles-Newton      Committee...

PASSED

Yeas : 12

Nays : 11

Excused : 1

Not Voting : 0

## Yea : 12

Begay, E  
Charles-Newton  
Crotty

Damon  
Freeland, M  
Halona, P

Henio, J  
Slater, C  
Tso, C

Tso, D  
Tso, E  
Yazzie

## Nay : 11

Begay, K  
Begay, P  
Daniels

James, V  
Nez, R  
Smith

Stewart, W  
Tso, O  
Walker, T

Wauneka, E  
Yellowhair

## Excused : 1

Brown

## Not Voting : 0

Presiding Speaker: Damon



## NAVAJO NATION

## Naabikiyati Committee Regular Meeting

10/8/2020  
04:44:34 PM

Amd#1 to Amd#      Page 9, Line 6 Insert a New  
MOT Yazzie      Paragraph "W" and Re-Letter the  
SEC Freeland, M      Remaining Paragraph. W. The  
                         Eastern Navajo Land Commission..

PASSED

Yeas : 13

Nays : 8

Excused : 1

Not Voting : 1

## Yea : 13

Charles-Newton  
Crotty  
Freeland, M  
Halona, PHenio, J  
James, V  
Slater, CSmith  
Tso, C  
Tso, DTso, E  
Yazzie  
Yellowhair

## Nay : 8

Begay, E  
Begay, KBegay, P  
Nez, RStewart, W  
Tso, OWalker, T  
Wauneka, E

## Excused : 1

Brown

## Not Voting : 1

Daniels

Presiding Speaker: Damon