

Lease No. _____

Permit Fee: \$150.00

**PART I
NAVAJO NATION ECONOMIC DEVELOPMENT LEASE
(Navajo Nation Trust Land)**

Standard Business Site Lease

THIS LEASE, in sextuplicate, is made and entered into this _____ day of _____, 20____, by and between THE NAVAJO NATION, hereinafter called Lessor, whose address is Post Office Box 663, Window Rock, Navajo Nation (Arizona) 86515, and _____, hereinafter called the Lessee, whose address is _____, in accordance with the provisions of 25 U.S.C. §§ 415(e) as amended, and as implemented by the regulations contained in the Navajo Nation Business Site Leasing Regulations of 2005, hereinafter called the Tribal Regulations; and any amendments thereto relative to business leases on restricted lands which by this reference are made a part hereto.

A. LAND DESCRIPTION

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

**[LEGAL DESCRIPTION
OF BUSINESS SITE TRACT]**

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

2. All of the above land is located in _____ Chapter of the Navajo Nation, County of _____, State of _____, subject to any prior, valid, existing rights-of-way and easements. There is hereby reserved and excepted from the leased premises rights-of-way for utilities constructed by or on authority of the Lessor, provided that such rights-of-way do not unreasonably interfere with Lessee's use of the leased premises.

B. PURPOSE, UNLAWFUL USES

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

[INSERT SPECIFIC PURPOSES]

2. The leased premises shall not be used by Lessee, Sublessee(s) or Assignee(s), for any purpose or purposes other than those set out above, except with the prior written consent of Lessor. Consent may be withheld, granted, or granted upon conditions, in the sole discretion of Lessor.
3. Lessee agrees that it will not use or cause to be used any part of the leased premises for any unlawful conduct or purpose.

C. TERM

The term of this Lease shall be _____ years, beginning on the date this Lease is executed by the Navajo Nation President or an authorized designee.

Lessee may exercise options to renew for one additional term of _____ years, and a second additional term of _____ years. Both options may be granted provided the Lease is not in default. Lessee shall give written notice of its intent to renew this Lease to the Division Director of the Division of Economic Development or successor at least one year, prior to the expiration date of this Lease. Renewal of this Lease is subject to the written approval of the Division Director for the Division of Economic Development or successor, and to applicable provisions of Navajo Nation law and the regulations contained in the Tribal Regulations, including all amendments and successors thereto.

D. RENTAL

1. The Lessee, in consideration of the foregoing, covenants and agrees to pay in lawful money of the United States of America to the Controller of the Navajo Nation for the use and benefit of the Lessor the following: *[BE SPECIFIC AS TO THE RENTAL TERMS OF THE LEASE]*
2. Lessee must make monthly rental payments in advance equal to at least one-twelfth of the aforementioned minimum annual rental. *[For businesses which gross \$1,000.000 or more annually may elect to pay monthly rental in an amount based on the percentage rental rate on the month's gross receipts; however, no payment shall be less than one-twelfth of the minimum rental. Monthly payments based on the percentage rental rate on gross receipts shall be paid not later than the tenth (10th) day after the end of the month for which rental is due.]* All rental shall be deposited with the Controller of the Navajo Nation. When the annual accounting required by Section 1.3, Part II, of this Lease is completed, the Lessee shall pay any balance due on any rental or percentage rental, if applicable, or if there is an overpayment, the overpayment shall be credited toward future rents.

3. Rental shall be paid on the 1st of each month, if rental is unpaid ten (10) days after the due date, the Lessee shall be subject to a late charge. Should the Lessee not pay rent within thirty (30) days after the due date, the Lessee shall be subject to a late charge of 10% of the monthly amount due, however such amount shall be prorated for each day the rent is not paid until the thirtieth day after the due date, the amount above shall be paid in full. If the Lessee does not pay the full amount within sixty (60) days the Lessee shall be subject to an additional late charge of 10% of the monthly amount due. If the Lessee does not pay the full amount within ninety (90) days, the Lessee shall be subject to an additional late charge of 10% of the monthly amount due, and the lease shall be subject to termination.
4. Upon the fifth anniversary of this Lease, the rental will be reviewed and adjusted by the Lessor and each successive five-year period thereafter. In no event will the adjusted rental be less than the amount paid during the preceding five-year period.
5. In the event a sublease, assignment, amendment or transfer of this Lease, or any right to or interest in this Lease, or any improvements are made to the leased premises, the rent and other terms of this Lease shall be subject to renegotiation. In addition, if the Lessee exercises any options to renew, the Lessor reserves the right to renegotiate the rent, for any change in economic conditions and other terms of the Lease.
6. Lessor reserves the right to inspect the books and records of Lessee and any Sublessee or Assignee to verify the accuracy of the rentals paid.

E. IMPROVEMENTS

1. The Lessee, in consideration for the granting of this Lease, covenants and agrees that Lessee will construct _____ at a cost of and having a reasonable value of \$ _____ or more.
2. Except as otherwise provided in this Lease, all buildings and improvements, excluding removable personal property and trade fixtures, on the leased property shall remain on said property after termination of this Lease and shall thereupon become the property of Lessor. However, Lessor may require Lessee, at Lessee's expense, to remove improvements and restore the premises to the original state, within reason, upon termination of this Lease. Any removal of property by Lessee must be completed within ninety (90) days after termination of this Lease, such presence on the property shall not be deemed a holdover or trespass, provided Lessee is acting in a diligent manner to remove such property. Upon the expiration of the ninety (90) day extension, the Lessor has the right to grant another extension or re-enter the premises, at such time the Lessee shall have no right or interest to the premises or any remaining improvements.

3. The term "removable personal property" as used in this Section shall not include property which normally would be attached or affixed to the buildings, improvements or land in such a way that it would become a part of the realty, regardless of whether such property is in fact so placed in or on or affixed to the buildings, improvements or land in such a way as to legally retain the characteristics of personal property. Lessee shall remove all removable personal property and trade fixtures prior to termination of this Lease. Should Lessee fail to remove said personal property and trade fixtures prior to termination of this Lease, said property shall thereupon become property of Lessor, and may be disposed of in any manner by Lessor.
4. At the expiration or termination of the lease, the Lessor has the first right of refusal to purchase any permanent improvements to the premises at fair market value.

F. COMPLETION OF DEVELOPMENT

1. The Lessee shall complete the full improvement and development of the leases premises in accordance with the general plan and architect's design. The date for substantial completion of development shall be _____ months from the date the Lease is executed by the Navajo Nation President. If the Lessee fails to substantially complete development within such period, such failure shall constitute a default and may be cause for termination, subject to this Section (F)(4) or unless otherwise agreed.
2. Prior to the commencement of construction of any new improvements on the leased premises, or prior to the beginning of any repair or alteration thereto, or work or labor thereon, Lessee shall post non-responsibility notices at the site on Lessor's behalf.
3. Upon completion of construction, the Lessee is required to submit any layout or general plans of the building or facility to the Navajo Nation Division of Economic Development.
4. Whenever under this Lease a time is stated within which or by which original construction, repairs, or reconstruction of improvements shall be made and during such period a general or sympathetic strike or lock out occurs, war or rebellion ensues, or some event unquestionably beyond Lessee's power to control, the period of delay so caused shall be added to the period limited herein for the completion of such work.

G. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

1. All improvements placed on the leased premises shall be constructed in a good and workmanlike manner and in compliance with applicable laws and building codes. All parts of building visible to the public or from adjacent properties shall present a pleasant appearance as determined by Lessor and all service areas shall be screened from public view to the satisfaction of Lessor. Lessee shall, at all times during the term of this Lease and at Lessee's sole cost and expense, maintain the premises and all improvements thereon and any alterations, additions, or appurtenances thereto, in good order and repair and in a safe, sanitary, neat and attractive condition, and shall otherwise comply with all laws, ordinances and regulations applicable to said premises.
2. Lessee shall have the right during the term of this Lease to make alterations, additions or repairs to improvements on the premises unless the amount of the full completion of the alteration, addition or repair, will exceed \$_____. Alterations, additions or repairs in

excess of the above amount or any removal or demolition of an improvement can be made only with the written approval of Lessor.

3. Lessee shall indemnify and hold harmless the Lessor and the United States against liability for all claims arising from Lessee's failure to maintain said premises and the improvements thereon as herein above provided, or from Lessee's non-observance of any law, ordinance or regulation applicable thereto.

H. RENTAL AND PERFORMANCE BOND

1. Lessee agrees to post [*certificate of deposit, letter of credit OR cash deposit*] in the amount of \$_____, which shall remain in force for the full term of this Lease. From time to time, the amount of such security may be increased or decreased by the Real Estate Department, Division of Economic Development, which shall be placed in writing and become an attachment to this lease. The purpose of such security is to guarantee performance on the lease.
2. Upon execution of the lease, a copy of the security posted shall be submitted to the Lessor, unless granted a postponement by the Lessor. The security shall be posted within _____ [*days, months or year*] of execution of the lease.

I. CONSTRUCTION BOND

1. At Lessor's option, prior to the commencement of construction of any improvement on the leasehold premises, the Lessee will cause his construction contractor to post a construction bond in favor of Lessor and Lessee. If the construction contractor cannot post such a bond, the Lessee shall post the construction bond. The purpose of the construction bond is to guarantee the completion of the improvements and payment in full of valid claims of all persons for work performed in or materials furnished for construction of the improvements. The construction contractor or the Lessee may provide security by either:
 - a. Posting a corporate surety bond in an amount equal to the cost of each improvement, said bond to be deposited with the Lessor and to remain in effect until the improvement is satisfactorily completed. Said bond shall be conditioned upon faithful performance by Lessee or his construction contractor and shall give all claimants a right of action to recover upon said bond in any suit brought to foreclose on any mechanic's or materialmen's liens against the property. If United States Treasury Bonds are provided, Lessee, or his construction contractor, agrees to make up any deficiency in the value deposited that might occur due to a decrease in the value of the bonds. Interest on said bonds shall be paid to Lessee.
 - b. Depositing cash with the Lessor or non-revocable letter of credit or CD at an institution acceptable to the Lessor satisfactory to Lessor in an amount sufficient to pay the entire cost of construction of each building or other improvement then to be erected on the premises. Interest on said security shall be paid to Lessee or his construction contractor. The funds so deposited may then be used, at the option of Lessor, to discharge any valid mechanic's or materialmen's liens; if no such liens exist, the withheld funds shall be disbursed to Lessee or his construction contractor.

2. If Lessee enters into a construction loan agreement with a financial institution, said loan agreement shall be subject to the approval of Lessor. Prior to such approval, Lessee shall perform all conditions precedent to the assumption of obligations under the agreement by the financial institution and Lessee shall deposit with the lending institution, or otherwise other security acceptable to the Lessor, the difference between the amount of the loan and the total cost of improvement.

J. INSURANCE

1. Lessee shall obtain Commercial General Liability Insurance within Thirty (30) days from the date of execution of the Lease, provided however it is explicitly understood and agreed the Lessee must submit a copy of the Certificate of Insurance before beginning operations of the leased premises. The Commercial General Liability Insurance shall be with an unimpaired minimum combined single limit not less than in the amount of \$_____, including with each occurrence a General Aggregate Limit of \$_____.
2. Lessee shall obtain Fire and Casualty Insurance with the minimum insurance coverage of not less than \$_____. Upon execution of the Lease, a certificate of insurance shall be submitted to the Lessor, unless granted a postponement by the Lessor. The insurance shall be posted [*upon receipt of all approvals to commence with construction of the improvements or the first drawdown for financing is received.*] OR [*within _____ (days, months or year).*]

K. SUBLEASES

Subleases [must be approved by the Navajo Nation and with written consent from all sureties and are subject to the requirements as set forth in the Navajo Nation Business Site Lease Management Plan.] OR [do not require approval from the Lessor and are hereby explicitly authorized, pursuant to the Navajo Nation Business Site Lease Management Plan, the Lessee shall:

1. *Provide a copy of the sublease to the Division of Economic Development; and*
2. *Sublessee must agree to be bound by all terms and conditions of this Lease; and*
3. *The Sublease must not change from the purposes set forth in Section B; and*
4. *The term of the Sublease must not extend beyond the term and any renewals set forth in Section C.]*

L. NOTICES AND DEMANDS

1. All notices, demands, requests or other communications to or upon either party provided for in this Lease, or given or made in connection with this Lease, shall be in writing and shall be addressed as follows:

To or upon Lessor: President
The Navajo Nation
Post Office Box 9000
Window Rock, Navajo Nation (Arizona) 86515

Telefax: +1 (928) 871-7381

To or upon Lessee: _____

Telefax: _____

Copies to: Division Director
Division of Economic Development
P.O. Box 663
Window Rock, Navajo Nation (Arizona) 86515
Telefax: +1 (928) 871-7381

- 2. All notices shall be given by personal delivery, by registered or certified mail, postage prepaid or by facsimile transmission, followed by surface mail. Notices shall be effective and shall be deemed delivered when dispatched and may be delivered by personal delivery, registered or certified mail, or by facsimile transmission, followed by surface mail.
- 3. Lessor and Lessee may at any time change its address for purposes of this Section by written notice.

M. APPLICABLE TERMS AND CONDITIONS

The Standard Terms and Conditions for Economic Development Leases on Navajo Nation Trust Land in Part II of this Lease apply to this Lease and are incorporated herein in their entirety (NOTE: The Terms and Conditions for a Standard Business Site Lease apply to all Leases. The Terms and Conditions for Business Site Leases with Underground Storage Tanks apply where they are appropriate. If Underground Storage Tanks are on the premises when the Lessee signs the Lease, or are installed after the Lessee signed the Lease, these Terms and Conditions will apply to the Lease as a matter of law. Special Terms and Conditions for the Navajo Nation Business Site Leases Within Navajo Nation Shopping Centers, Inc. apply only to leases in Navajo Nation Shopping Centers, Inc.).

The specific Version of Standard Terms and Conditions for Navajo Nation Economic Development Leases (Trust Land) is under Resolution No. EDCO-48-07.

N. EXCEPTIONS TO STANDARD TERMS AND CONDITIONS

IN WITNESS THEREOF,

LESSEE

[*name*], [*title*] Date

[*name*], [*title*] Date

THE NAVAJO NATION, LESSOR

By: _____
President, Navajo Nation or designee

Date: _____