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1.0 Executive Summary

This Navajo Administrative Plan (“Admin Plan”) and the Navajo Management Plan (“Management Plan”) together make up the Navajo Nation Business Site Lease Management Plan (“Plan”) provide the Division of Economic Development (“DED”) with consistent policy, direction and guidance in its management of business site leases (“Lease”) and other related business activities and documents under its jurisdiction on the reservation consisting of 17.0 plus million acres of Trust Lands, or approximately 27,000 square miles.

1.1 Legal Framework:
25 U.S.C. § 415, as amended
Navajo Nation Business Leasing Regulations of 2005 (“Tribal Regulations”), as amended
Economic Development Committee Uniform Business Leasing Regulations of 2008 (“Uniform Regulations”), as amended

1.2 Amendment of Plan:
The Plan may be amended from time to time upon written recommendation from DED and approval from the Economic Development Committee of the Navajo Nation Council (“EDC”).

1.3 DED Approving Committee shall provide an initial report to EDC six (6) months from the date of execution of the EDC resolution granting delegation of approval authority to DED and annually thereafter.

1.4 Administrative Framework:
DED is established for the purpose of creating an environment that is conducive to promoting and developing businesses in the commercial, tourism, industrial and other sectors of the Navajo Nation economy, thereby creating employment and business opportunities.

1. Objectives:
   a. Promote and create employment for Navajos and business opportunities in the commercial, industrial, tourism and other private sector of the Navajo economy for individuals residing on or near the Navajo Nation; and
   b. Recommend the enactment, amendment, or rescission of laws and promulgation and/or reduction of regulations to enhance economic development on the Navajo Nation (“Nation”) and to create a positive business environment; and
   c. Maintain a decentralized network of business development offices in the primary growth centers of the Nation in order to provide individuals and organizations with technical assistance in developing business plans, feasibility studies, financing (loan and grant packaging), planning, business site lease processing, business preference certification, and industrial park management; and
   d. Develop and manage a comprehensive financing program to expand or develop new economic enterprises for the Nation.
1.5 **Severability:** If a court of competent jurisdiction determines a provision in the Plan is invalid, void or unenforceable, it shall be stricken and the remainder shall remain in full force and effect.

1.6 **Organization**
DED is organized with seven (7) departments, each with specific duties and responsibilities.
1. Administration
2. Project Development Department (“PDD”)
3. Business Regulatory Department (“BRD”)
4. Tourism Department (“Tourism”)
5. Real Estate Department (“RED”)
6. Support Services Department
7. Small Business Development Department (“SBDD”)

1.7 Services
DED offers technical services through seven (7) departments. There will be an open line of communication between clients and DED personnel.

1. Literature:
DED will have brochures available at its respective departments. The brochures will give a general outline of all required documents and tasks needed to secure a business site lease and other applicable information.

2. Technical Assistance Services:
DED will conduct training/workshops throughout the Nation. Services will include but not limited to: Obtaining business loans and financing; processing Leases; obtaining business preference certifications to individuals, small businesses, chapters and other organizations; and business retention activities. Other services include: promotion of business, economic development activities to chapters, communities, business associations, and other organizations.

1.8 Management Summary:
1. Organizational Structure
DED has seven (7) departments each with specific duties and responsibilities. All business site lease documents will be packaged by the PDD, SBDD, Tourism (“appropriate DED department”) as identified in the DED Master Plan of Operation ensuring compliance with all applicable laws before any business site lease transaction is forwarded from the appropriate DED department for approval.

2. Professional Development
Staff will attend workshops/seminars on an annual basis to enhance their knowledge on business, real estate, finance, or other courses related to the objectives of the Plan.

1.9 Approving Entity: EDC Delegation to DED

1. DED Approving Committee shall be established and exercise the authorities of the EDC as provided in the Uniform Regulations.

2. The DED Approving Committee shall consist of the following:
   a. Chief Financial Officer or designee;
   b. single designated PDD staff; and
   c. single designated SBDD staff.

3. The designated PDD and SBDD individual shall be selected for a term of three (3) years.
   a. The Department Manager for PDD and SBDD shall make the selection of the applicable designated staff;
   b. If a determination is not made within five (5) days from the approval of delegation from EDC, expiration, removal, resignation or vacancy of the designated staff the Executive Director shall make the selection;
   c. The same designated staff may be re-appointed.
   d. If the designated PDD or SBDD individual is presenting a leasing transaction before the DED Approving Committee, the appropriate Department Manager shall appoint an interim staff for that transaction.

4. If the Chief Financial Officer’s position is not filled, the Executive Director of DED shall select a DED staff member to serve until the position is filled.

5. Removal:
a. Any of the three members may be removed for good cause, which can only be done with the approval of the EDC.
b. Good Cause may include lack of attendance or violation of any policy, rules or regulations.
c. If the Chief Financial Officer is removed, the Executive Director of DED shall select a replacement from the DED staff, subject to the three (3) year term limit.

6. Resignation or Vacancy:
   a. At any time, a member may resign as a member of the DED Approving Committee or if a vacancy arises from death, illness or any other occurrence the above procedures in this Section 1.9 (3) and (4) shall apply.

7. Meetings:
   a. The DED Approving Committee shall meet on the first and third Monday of each month;
   b. A meeting shall be conducted no less than twice a month.
   c. Each meeting shall be deemed public record and an Official Resolution shall be adopted by the DED Approving Committee for each leasing transaction, if applicable.

8. The DED Approving Committee shall adopt rules of order for approval of leasing transactions.
2.0 Pre-Business Site Lease

2.1 General Information:
Prospective applicants for a business site lease should contact the appropriate DED department. An applicant can be an individual (sole proprietorship) or any legally recognized business entity or organization. A group of Individuals, Partnership, Limited Partnerships (LP), Limited Liability Partnership (LLP), Corporation or Limited Liability Company (LLC), professional association, professional corporations, organized or chartered under federal, state or Navajo Nation law. All legally recognized business entity or organization must register with the BRD and be in good standing under the laws of the Navajo Nation.

2.2 Definitions for purposes of the Plan:
1. Approving Entity: means the DED Approving Committee who has been delegated the authority by the EDC to approve Business Site Leasing Transactions under the Plan.
2. Assignment: means an agreement between a Lessee and an Assignee whereby the Assignee acquires all of the Lessee’s rights and assumes all the Lessees obligations under a business site lease.
3. Business Site Lease ("Lease"): means any Lease for business purpose issued upon the Navajo Nation Trust Land under the authority of this Plan and DED.
4. Business Site Leasing Transactions means a new Lease, renewal of Lease; modification, novation, assignment; collateral assignment of Lease; revocable use permit; conditional use permit; or emergency operating agreement.
5. Consumer Price Index: means a program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
6. Development Period: means the time period from when a Lease is executed to when improvements are expected to be substantially completed.
7. Environmental Reviewer: means the employee of the DED that has the authority set forth in the Tribal Regulations.
8. Lease Package: means all required documents necessary, to be granted a Lease, Permit, or Agreement.
9. Modification: means a change in the terms and conditions of the Lease.
10. Nominal Rent means insignificant rent.
11. Non-Profit means one that has committed legally not to distribute any net earnings (profit) to individuals with control over it, such as members, officers, directors, or trustees, except for services rendered and goods provided.
12. Novation means a modification of the Lease that permits the lessee to voluntarily consent to the leasing jurisdiction of the Tribal Regulations.
13. Primary Term: means the initial term of the Lease, Permit or Agreement.
14. Security: means a Certificate of Deposit (“CD”), Letter of Credit (“LOC”), cash or Bond providing security for the payment of the rental and may include performance of duty.
15. Sublease: means a written agreement by which the Lessee grants a person a right of possession no greater than that held by the Lessee under a Lease.

2.3 Advertisement
DED may advertise available commercial land for leasing.
2.4 Administrative Fees

Administrative Fee(s) shall be due upon approval of any leasing or administrative transaction and before any distribution of the document. All payments are non-refundable and shall be made by money order or cashier’s check, payable to “The Navajo Nation” and deposited with RED.

FEE SCHEDULE:
1. New Lease: $150.00
2. Option of Renew: $100.00
3. Renewal of Lease: $100.00
4. Modification Agreement: $100.00
5. Assignment Agreement: $100.00
6. Collateral Agreement: $100.00
7. Revocable/Conditional Use Permits: $100.00
8. Emergency Operating Agreement: $75.00
9. Other Administrative Transactions: $100.00
3.0 Navajo Nation Lease Approval Flow Chart

**BUSINESS SITE LEASE APPROVAL PROCESS**

1. Receive letter of intent
2. Provide technical services
3. Negotiate Terms
4. Any other services as deemed appropriate and required under this Plan.

**Lease Approval and Execution**

1. Appropriate DED Department Manager
2. Division Director
3. Division of Finance, subject to Section 4.0
4. Department of Justice

**Division of Economic Development**

- Real Estate Department

**Distribution - six (6) originals:**
1) Lessee
2) Albuquerque BIA Land Title and Records Office
3) DED Real Estate Department
4) Appropriate DED Department
5) Navajo Nation Land Department
6) Navajo Nation Office of the Controller
7) Local Government Unit (copy upon request)
8) Respective BIA Agency Real Estate Services Office (copy)
4.0 New Lease

Responsibilities

4.1 Applicant shall submit:

1. Letter of Intent
2. Business plan.
3. Chapter resolution/Land Users Consent – required when land is initially being withdrawn for commercial purposes. A Chapter resolution is not required for existing business sites.
4. If an Applicant is a legally recognized entity (“LRE”) must comply with the following: (absolute pre-requisite)
   a. LRE must register with the BRD and comply with the requirements of the Navajo Corporation Code;
   b. LRE must submit a current Certificate of Good Standing to the appropriate DED Department. The certificate shall be dated within 12 months prior to administrative review of the Lease.
5. Provide a certified legal survey and legal description of the proposed business site, unless an existing legal survey and legal description dated post 1986.
6. Secure Ethics Clearance, if applicable – Federal employees, Tribal elected officials and Tribal employees must comply with this requirement.

4.2 Division of Economic Development

1. Review all documents for accuracy and compliance with applicable laws and regulations.
2. Upon receipt of the Letter of Intent, the appropriate DED department shall notify RED, for purposes of the archeological clearance and submit documents list in Section 2.0 of the Management Plan.
3. Interview, orientate, counsel and assist Applicant.
4. Obtain an Environmental Review (“ER”) and a certified Environmental Summary (“ES”), proceed to 3.0 of the Management Plan.
5. Obtain a procurement clearance from:
   a. Accounts Receivable, Office of the Controller (outstanding rental);
   b. Navajo Tax Commission (outstanding taxes);
   c. Credit Services, Office of the Controller (loan default);
   d. Support Services, Division of Economic Development (BIDF default);
   and
   e. Navajo Nation Shopping Center, Inc. (outstanding rental) (collectively known as “respective tribal departments”).
6. Prepare and negotiate terms and conditions of the Lease:
   a. Term
      1) Primary Term shall not exceed 25 years.
      2) There may be options to renew for up to two additional terms, each term may not exceed 25 years;
      3) Term shall be based on the economic viability of the business.
b. Rental shall be based on an Appraisal or Market Data Research (“MDR”), proceed to 4.0 of the Management Plan.
c. Rental shall be a flat rate per year.
d. Rental may be reduced if:
   1) Development Period;
   2) Leasehold Improvement;
   3) Substantial construction or reconstruction of the leasehold improvements is necessary.
      a) If the lessee fails to undertake such reconstruction, he/she shall be required to pay the rent that was in existence before such waiver or abatement was granted for the period of the waiver or abatement of rent.
      b) If lessee has difficulty securing financing, not to exceed one (1) year.
   4) Environmental Clean-up;
   5) Rental based on % of permanent Navajo Employment;
   6) An exigent circumstance, which must be justified by the Applicant and approved by the appropriate DED department. The justification shall be in writing and the Applicant shall enclose supporting documents to justify its claim.
e. Rental may be nominal rent and the fair annual lease value shall not be determined, based on 3.0 of the Management Plan, for:
   1) Navajo Nation Departments;
   2) Non-profit organizations validly organized under federal law;
   3) Federal or State governmental entities; or
   4) Other exigent circumstances, which must be justified by the Applicant and approved by the appropriate DED department. The justification shall be in writing and the Applicant shall enclose supporting documents to justify its claim.
f. Aside from the development period, Rental may be postponed to allow the Applicant to secure financing, however, the postponement shall not exceed one (1) year.
g. Rental adjustments:
   1) All Leases shall be reviewed every five years, the five year period shall start on the:
      a) fifth anniversary from the date of the execution of the Lease;
      b) expiration date of the Development Period; or
      c) date the first rental was due, whichever is applicable.
   2) The lessee shall be notified by RED in writing ninety (90) days before any adjustment is made, with a courtesy copy to the appropriate DED department.
   3) Rent may be adjusted on the applicable fifth anniversary using the CPI or based on Lease rate adjustments, which shall be stipulated in the Lease.
      a) Lease rate adjustments shall be negotiated on a case by case basis which must be based on the following factors:
i. Proposed Investment into the business;
ii. Anticipated Improvements of the business;
iii. Type of business, business activity; and
iv. Appraised value or MDR.

4) The Lease shall specify:
   a) how the adjustment shall be made;
   b) who will make the adjustment;
   c) when the adjustment will be effective; and
   d) how disputes shall be resolved regarding such adjustment.

h. Rental Security:
   1) Shall be 50% of the annual rental for businesses that gross over $1 million annually;
   2) Shall be 25% of the annual rental for all other businesses.
   3) Security may be waived if:
      a) Applicant has been in good standing for a minimum of five (5) years with the Navajo Nation Business and Procurement Act;
      b) Good Standing with Dunn and Bradstreet;
      c) Fortune 500 Company;
      d) Non-Profit Organizations;
      e) Navajo Nation Departments;
      f) Other Governmental Entities;
      g) The Security may be waived in exigent circumstances, which must be justified by the Applicant and approved by the appropriate DED department. The justification shall be in writing and the Applicant shall enclose supporting documents to justify its claim.

4) Security shall be submitted upon the commencement of rental.

i. Development Period:
   1) Shall be granted for a period not to exceed three (3) years from the date of execution of the Lease.
   2) May be extended in exigent circumstances, which must be justified by the Applicant and approved by the appropriate DED department. This justification shall be in writing and the Applicant shall submit supporting documents to justify its claim.

j. Insurance:
   1) Be obtained from a Nationally Accredited Insurance Company with a financial strength of at least an “A” and authorized to do business within in the state where the leased premise is located.
   2) Include the Navajo Nation and United States as additional insureds.
   3) Insurance shall be posted within thirty (30) days from execution of the Lease.
   4) Not be cancelled or amended without thirty (30) days’ prior written notice to the RED.
   5) Commercial General Liability Insurance amount shall be:
The responsibilities of the Applicant shall be completed in six (6) months. At the end of six (6) months, if the Applicant has not made any significant effort in the completion of their responsibility on any of the above documents the Application is void, at the discretion of DED. If the Application is void the application and all the documents shall be returned to the Applicant. However, appropriate DED departments may retain a copy of the Application and the documents at its discretion.

4.3 Review Process
1. The appropriate DED department shall prepare the Lease package and enclose the following documents:
   a. Executive Summary
   b. Chapter Resolution, if applicable;
   c. Certificate of Good Standing, if applicable;
   d. Procurement Clearances; and
   e. Environmental Summary.
2. The appropriate DED department shall initiate the SAS process:
   a. Program Manager/Department Manager;
   b. Division Director;
   c. Division of Finance, unless the procurement clearance is issued within thirty days of the initiation of the SAS process;
   d. Department of Justice.

4.4 Approval Process
1. Appropriate DED department shall submit the Lease package to the DED Approving Committee.
2. If the Lease transaction is approved, the DED Approving Committee shall issue an official Resolution that must be attached to the document for the purposes of execution by the Navajo Nation President and Recording.

4.5 Execution of Lease
1. Appropriate DED department shall submit package to the RED for review to ensure compliance with Navajo Nation law, policy, rules and regulations and the Plan.
   a. RED shall have five (5) working days to review the package for compliance.
   b. If the RED finds any violation that may require legal review it shall request a legal opinion from DOJ and the package shall not be submitted to the Navajo Nation President (“President”) for final signature.
   c. If the RED finds a violation, it shall immediately notify the appropriate DED department with a written explanation of the violation.
      1) The appropriate DED department shall explain and remove illegal terms and conditions and if necessary, negotiate new terms and conditions with the Applicant.
      2) May be required to submit package through the SAS process, refer to this section 4.3.
      3) If no violation the RED shall return the Lease Package to the appropriate DED department for finalization
2. Finalize Lease which include preparing six (6) original sets of Lease document(s) and securing Lessee(s) signature.
3. Forward Lease document(s) with copy of the Resolution, including transmittal letter to the Office of the President for signature.
4. Upon Lease execution by the President, the Lease shall be submitted to RED.

4.6 Lessee(s) Upon Execution of Lease
1. Comply with all the terms and conditions of the Lease
2. Maintain liaison with the appropriate DED department
4.7 Lease Recording and Distribution

1. RED shall record Leases, subleases, assignments, amendments, encumbrances, renewals, modifications, cancellations and termination with the:

   Land Title and Records Office
   Southwest Regional Office
   Bureau of Indian Affairs
   PO Box 26567
   Albuquerque, New Mexico 87125-6567

2. RED is responsible for distributing Lease, in accordance with the Plan, as follows:

   Originals shall be distributed to the following:
   a. Lessee
   b. Albuquerque BIA Land Title and Records Office
   c. DED Real Estate Department
   d. Appropriate DED Department
   e. Navajo Nation Land Department
   f. Navajo Nation Office of the Controller

   Copies shall be distributed to the following:
   a. Local Government Unit upon written request
   b. Appropriate BIA Agency Real Estate Services Office
5.0 Expiring Lease
Lessee intending to renew a Lease shall notify the appropriate DED department, one (1) year prior to the expiration of the Lease and exhaustion of all options to renew.
1. Lessee must be:
   a. Operating a business on the premises;
   b. In compliance with Lease terms and conditions, Navajo law, rules and regulations.
2. If a notification is not received within one (1) year prior to the expiration, DED may consider another Applicant for the business site.

5.1 Lessee
1. Submit a letter of intent to renew Lease to the Navajo Nation President and the appropriate DED department;
2. LRE must submit a Certificate of Good Standing from the BRD. The certificate shall be dated within 12 months prior to administrative review of the Lease;
3. Submit the environmental audit as required by Part II of the Business Site Lease to the appropriate DED department;
4. Submit a Clearance from RED for insurance and bond/security requirements, as applicable;
5. Submit following documents (if applicable):
   a. Amended business plan, only if amending the purposes of the Lease or the purposes were not fulfilled on the former Lease;
   b. Survey Plat;
   c. ER.

The responsibilities of the Lessee/Applicant shall be completed in six (6) months. At the end of six (6) months, if the Lessee/Applicant has not made any significant effort in the completion of their responsibility on any of the above documents the Application is void, at the discretion of DED. If the Application is void, the application and all the documents shall be returned to the Lessee/Applicant. However, appropriate DED departments may retain a copy of the Application and the documents at its discretion.

5.2 Division of Economic Development
1. Review all documents for accuracy and compliance with all applicable laws and regulations.
2. Obtain a procurement clearance from the respective tribal departments.
3. Complete an Appraisal Report or MDR, as if applicable.
4. Prepare and negotiate Lease terms and conditions with the prospective Lessee, refer to 4.6 of this Admin Plan.
5. Begin Review, Approval and Execution Process, refer to Section 4.3, 4.4,4.5 of this Admin Plan.

5.3 Lessee Upon Approval of Lease Renewal
1. Comply with all the terms and conditions of the Lease;
2. Maintain liaison with the appropriate DED department.

5.4 Lease Recording and Distribution
1. Refer to 4.7 of this Admin Plan
6.0 Exercising Option to Renew Lease:
Lessee shall give written notice to the Navajo Nation President and the appropriate DED Department one (1) year prior to the expiration of the Lease with the intent or denial of exercising the option to renew.
1. If a written notice is not received one (1) year prior to the expiration of the Lease, DED may consider a new applicant.

Responsibilities:

6.1 Lessee
1. Submit a written notice of intent or denial to exercise their option to renew Lease with the following acknowledgement:

The Navajo Nation acknowledges and grants approval for the Lessee to exercise an option to renew pursuant to the terms of the Lease

APPROVAL:

________________________
Navajo Nation President

2. Must be in compliance with applicable Navajo Nation laws.

6.2 Division of Economic Development
1. Upon receipt of the letter of intent by the appropriate DED Department DED shall obtain a procurement clearance from the respective tribal departments
2. The appropriate DED department, in coordination with RED, shall ensure the Lessee is in compliance of the Lease before issuing a response to the Lessee, based on the Annual Lease Compliance Form and Site Status Report;
3. If the Lessee is not in default based on such reports and clearance the letter shall be submitted to the Navajo Nation President for execution.
4. If the Lessee is not intending to exercise this Option, the appropriate DED department may initiate 4.0 of this Admin Plan.

6.3 Lessee(s) Upon Receipt of the Acknowledgement Letter:
1. Comply with all the terms and conditions of the Lease;
2. Maintain liaison with the appropriate DED department.

6.4 Lease Recording and Distribution
1. Refer to 4.7 of this Admin Plan
7.0 Sublease
Lessee who intends to sublease shall contact the appropriate DED department. General information and technical assistance in processing the Sublease transaction will be provided.

1. Subleases must be approved by the Nation, except for the following:
   a. Permanent office building tenants;
   b. Shopping center tenants;
   c. Retail mini mall tenants;
   d. Other business where the nature of the business is subleasing/tenant agreements; or
   e. For the purposes of merger, acquisition, or transfer of stock or any publicly traded companies.
2. If an exception, the Subleases shall be pre-authorized in the Lease;
3. If a Sublease must be approved by the Nation, then the Sublease must:
   a. Not be for the entire leasehold premises;
   b. Lessee must conduct a separate operating business on the premises.
4. Subleases shall:
   a. Not exceed the term of the Lease;
   b. Require the Sublessee to agree to be bound to all terms and conditions of the Lease, including, all rental payments, shall be paid to the “Navajo Nation” and submitted to the DOF at the following address:

   Cashier’s Section
   P.O. Box 3150
   Window Rock, AZ 86515
5. Landlord/Tenant Agreements can be used for:
   1) Permanent office building tenants;
   2) Shopping center tenants;
   3) Retail mini mall tenants; or 4) businesses where the nature of the business is subleasing/tenant agreements.

The responsibilities of the Lessee/Sublessee/Applicant shall be completed in three (3) months. At the end of three (3) months, if any of the above documents are not completed the Application is void, unless the Lessee/Sublessee/Applicant has made significant effort in completing the application process. If the Application is void the application and all the documents shall be returned to the Lessee/Sublessee/Applicant. However, appropriate DED departments may retain a copy of the Application and the documents at its discretion.

7.1 Subleases that Require Approval from the Nation
Responsibilities
1. Sublessor and Sublessee:
   a. Shall provide a Letter of intent to Sublease the leasehold interest of the Lessee to the DED.
   b. Must be in compliance with the existing Lease terms and conditions, including applicable Navajo Nation laws and regulations.
2. Sublessee:
   a. If Applicant is a LRE:
      1) LRE must register with the BRD and comply with the requirements of the Navajo Corporation Code;
      2) LRE must submit a Certificate of Good Standing to the appropriate DED Department. The Certificate of Good Standing shall be dated within 12 months from the initiation of the Review Process.
   b. Must be in compliance with Navajo laws and regulations
   c. The package will be considered void if not completed within three (3) months unless the Applicant makes a significant effort to complete the transaction. The voided package shall be returned to the Applicant.

3. Division of Economic Development:
   a. Upon receipt of all required documents for the Sublease, review for accuracy, completeness, and compliance with all applicable laws and regulations;
   b. Obtain a written document from the respective tribal departments to verify Applicant’s compliance with Navajo Business Procurement Act;
   c. Obtain updated land survey and ER, if applicable;
   d. Negotiate Sublease terms and conditions, only if the Sublessee proposes changes or modifications from the Lease:
      1) Complete at Appraisal Report or MDR;
      2) Refer to 4.2(6) of this Admin Plan.
   e. Begin Review, Approval and Execution Process, refer to 4.0 of this Plan.

4. Lease Recording and Distribution:
   a. Refer to 4.7 of this Admin Plan

5. Sublessee(s) Upon Approval:
   a. Comply with all the terms and conditions of the Sublease and the Lease;
   b. Maintain liaison with the appropriate DED department.

7.2 Sublease that do not Require Approval from the Nation
1. Sublessor
   a. Shall provide a copy of the Sublease, to the appropriate DED department

2. Sublessee
   a. Must agree to be bound to all terms and conditions of the Lease

3. Division of Economic Development
   a. Shall distribute for recording;
   b. Refer to 4.7 of this Plan.

4. Sublessee(s) Upon Approval
   a. Comply with all the terms and conditions of the Sublease and the Lease.
   b. Maintain liaison with the appropriate DED department.
8.0 Novation
Substitution of the Navajo Nation and discharge of the Secretary of Interior, Bureau of Indian Affairs. In other words, adding a new party who was not a party to the original duty.

1. Existing Leases:
   a. Only Lease with a Term of 25 years or less can be novated, however the Term can also be modified to 25 years to allow for a novation.
   b. The Lease shall be modified to exclude the Secretary of Interior (“Secretary”) and replace with the Navajo Nation.
   c. Each Section of the Lease giving responsibility to the Secretary must be stricken and replaced with the Nation.
   d. This modification can only include the striking of the Secretary and modifying the Term if the term is greater than 25 years.

2. Assignments
   a. The Lease shall be modified as explained above. However, for simple assignments, the original Lessee’s concurrence is required.

3. Subleases
   a. The Sublease can be novated, only if the Lease is novated.
   b. The Sublease shall be modified as explained above.

8.1 Lessee
1. Shall submit a Letter of Intent; and
2. Must be in compliance with Navajo Nation law.

8.2 Division of Economic Development
1. Review all required documents for the Novation, for accuracy and compliance with all applicable laws and regulations.
2. Obtain a procurement clearance from the respective tribal departments.

8.3 Lessee(s) Upon Execution
1. Comply with all the terms and conditions of the Novation and the Lease.
2. Maintain liaison with the appropriate DED department.

8.4 Lease Recording and Distribution
1. Refer to 4.7 of this Plan
9.0 Assignments

Lessee(s) who intend to assign their Lease need to contact the appropriate DED Department to receive technical assistance in processing the Assignment.

1. Business premise that are undeveloped cannot be assigned;
2. Business premise that are undeveloped cannot be divided up by an Assignment.
3. If the proposed Assignee wishes to change the terms and conditions of the original Lease, the Lessee prior to the Assignment shall modify the Lease, and conduct an ER, if applicable;
4. If a sale or foreclosure occurs and the Encumbrancer is the Purchaser, he or she may assign the Lease without approval of the Lessor(s) or Lessee(s), provided the Assignee agrees in writing to be bound by all the terms and conditions of the Lease. If the Purchaser is a party other than the Encumbrancer, approval by the Approving Entity is required, provided the Purchaser agrees in writing to be bound by all the terms and conditions of the Lease;
5. The Assignment may be either complex or simple assignments:
   a. Complex assignments are an assignment of rights, duties and liabilities
      1) This assignments shall be for mergers, acquisitions, sale and any other justifiable reasons;
   b. Simple assignments are an assignment of rights and duties.
6. If the proposed transfer of possessory interest is approved, the terms and conditions of the Assignor will remain in full force and effect.

Responsibilities:

9.1 Assignor/Assignee

1. Shall provide a written notice of intent to assign the leasehold interest of the Lessee to the appropriate DED department, with both original signatures;
2. Must be in compliance with the existing Lease terms and conditions, including applicable Navajo laws and regulations.
3. If a proposed Assignee is a LRE:
   a. LRE must register with the BRD and comply with the requirements of the Navajo Corporation Code;
   b. LRE must submit a Certificate of Good Standing to the appropriate DED Department. The Certificate of Good Standing shall be dated within 12 months from the initiation of the Review Process.

The responsibilities of the Lessee/proposed Assignee shall be completed in three (3) months. At the end of three (3) months, if any of the above documents are not completed the Application may be considered void, at the discretion of the appropriate DED department, unless the Lessee/proposed Assignee has made significant effort in completing the application process. If the Application is void the application and all the documents shall be returned to the Lessee/Applicant. However, appropriate DED departments may retain a copy of the Application and the documents at its discretion.
9.2 Division of Economic Development
1. Upon receipt of all required documents for the Assignment, review for accuracy, completeness, and compliance with all applicable laws and regulations;
2. Obtain written document from the appropriate tribal departments to verify applicant’s compliance with Navajo Business Procurement Act;
3. Negotiate Assignment terms and conditions, only if the Assignee proposes changes or modifications from the Lease;
   a. Complete an Appraisal or MDR.
   b. Complete an ER, if applicable
   c. Refer to 4.2(3) of this Admin Plan

9.3 Assignee(s) Upon Approval
1. Comply with all the terms and conditions of this Assignment and the Lease;
2. Maintain liaison with the appropriate DED department.

9.4 Lease Assignment Recording and Distribution
1. Refer to 4.7 of this Admin Plan
10.0 Modification
Modification is a change or an alteration, which introduces new elements into the Lease terms and conditions.

Responsibilities
10.1 Lessee

1. Submit Letter of Intent. This Letter would include but not be limited to:
   a. Purposes;
   b. Rental Adjustments;
   c. Land Description;
   d. Lease Improvements;
   e. Business Ownership; and
   f. Change of Terms and Conditions.
2. Major operational changes, requires Lessee to furnish additional clearances, as may be required, such as:
   a. ER;
   b. Survey Plat and Legal Description, if the proposed Modification will affect the Lease acreage.
3. Must be in compliance with the terms and conditions of the Lease.

The responsibilities of the Lessee/Applicant shall be completed in three (3) months. At the end of three (3) months, if the Lessee/Applicant has not made any significant effort in the completion of their responsibility on any of the above documents the Application is void, at the discretion of DED. If the Application is void the application and all the documents shall be returned to the Lessee/Applicant. However, appropriate DED departments may retain a copy of the Application and the documents at its discretion.

10.2 Division of Economic Development

1. Review all required documents for the Modification, for completeness, and compliance with all applicable laws and regulations.
2. May request such clearances as may be deemed necessary, depending on what section of the Lease terms and conditions is/are affected by the proposed Modification.
3. Shall obtain written document from the appropriate tribal departments to verify applicant’s compliance with Navajo Business Procurement Act.
4. Complete an Appraisal Report or MDR as/if applicable.
5. Renegotiate Lease terms and conditions (if applicable).

10.3 Lessee(s) Upon Approval

1. Comply with all the terms and conditions of the Modification and the Lease.
2. Maintain liaison with the appropriate DED department.
10.4 Lease Recording and Distribution
1. Refer to 4.5 of this Admin Plan
11.0 Collateral Assignment of Lease
Lessee may collateralize leasehold interest that creates a lien upon real estate encumbered in a Lease as security for the payment of a specified debt.

Responsibilities

11.1 Lessee
1. Shall provide a written notice of intent to collateralize leasehold interest held under a Lease to the appropriate DED department.
2. Must be in compliance with the existing Lease terms and conditions, including applicable Navajo Nation laws and regulations.
3. Must be in compliance with the Navajo Nation Business and Procurement Act.

11.2 Division of Economic Development
1. Review all documents for the Collateral Assignment of Lease, in consultation with DOJ.
2. Obtain a written document from the respective tribal departments.
3. Begin Review, Approval and Execution Process, refer to 4.3, 4.4 and 4.5 of this Admin Plan

11.3 Collateral Assignment of Lease Recording and Distribution
1. Refer to 4.7 of this Admin Plan

11.4 Lessee(s) Upon Approval of Collateral Assignment of Lease
1. Shall not modify, transfer, mortgage the leasehold interest, or enter into a management agreement without prior written approval of the Lessor, and Surety of the Lease, unless otherwise stipulated in the Lease.
2. Comply with all the terms and conditions of the Lease.
3. Maintain liaison with the appropriate DED department.
12.0 **Revocable Use Permit**  
Definitions for purposes of this Section 12.0:

*Permit* means a written agreement between the Navajo Nation and the Applicant for a Revocable Use Permit to use Navajo Nation Trust land for a specified purpose, pursuant to the Navajo Nation Business Site Leasing Regulations of 2005. A Permit conveys no possessory interest and may be revoked at will.

1. Permits shall be issued if:
   a. Previously withdrawn for commercial purposes;
   b. Short term business, events, fundraising or government operations, including political entities;
   c. Sale of goods and services.

2. Rental for Permits shall be negotiated (i.e. daily, weekly), not including the administrative fee, shall be the following:
   a. For-Profit:
      1) $50.00 a day for a term less than 30 days;
      2) $200.00 per month.
   b. Non-Profit or community service/fundraising:
      1) $25.00 a day for a term less than 30 days;
      2) $100.00 per month.
   c. Rental for Permits for licensed Dealerships include, but not limited to vehicles, ATV, motorcycle, boats and mobile homes:
      1) $250.00 per day for a term less than 30 days;
      2) $500.00 per month.

3. Permits can be modified, subject to 12.1(1).

4. Permits shall be issued by the Nation, which has been filed by the Applicant with the appropriate DED department.

12.1 **Requirement**

1. **Term**
   a. Shall not exceed one (1) year, except the permit may include an option to renew for an additional term which shall not exceed one (1) year;
      1) Upon the expiration of the Permit and after exhaustion of both terms, the Permit cannot be extended, however, a new Permit may be issued.
      2) The same Permittee on the same site can only be issued a new permit twice.
   Permittee may be granted a new permit beyond the two permit limit, so long as it is evident that the Permittee is not circumventing the Lease process. The Permittee shall justify an extension to the appropriate DED department. This justification may be approved only if shown exigent circumstances exist or circumstances exist beyond the control of the Permittee.
   b. Perpetual terms shall not be permitted.
c. Permittees can exercise one option to renew, by submitting a letter of notice to the appropriate DED department. Notice must be given at least five (5) working days, prior to the expiration of the Primary Term; provided
   1) Permittee is not in default with the terms and conditions of the Permit;
   2) Permittee is in compliance with Navajo laws and regulations;
d. The renewal term shall not exceed the Primary Term, however, the renewal term can be for a period less than the Primary Term (ex. If the Permit is for six (6) months the renewal term can only be up to six (6) months). Termination Permits shall be terminated for non-compliance with the terms and conditions of the Permit or any Navajo Nation laws and regulations.
e. The appropriate DED department shall immediately notify RED in writing and RED shall notify the Permittee within five (5) working days from the notification from the appropriate DED department of non-compliance and termination by certified letter, which shall include the following:
   1) Cause for termination;
   2) Actual date of termination;
   3) Timeframe for vacating the premises, which shall not exceed five (5) days from the effective date of termination.
3. Security
   a. Permittee shall submit Security only if seeking a Permit for a term that exceeds 6 months.
   b. Security shall be for three months of rental.
4. Holdover
   a. Appropriate DED department will conduct an on-site inspection of the leasehold premise to ensure the Permittee has vacated after the expiration or termination of the Permit.
      1) If the Permittee remains in possession of the leasehold premise upon termination or expiration of the lease (“holdover period”) the appropriate DED department shall notify RED.
      2) Rental: In the event of a holding over by Lessee beyond the expiration or termination date, as applicable, Permittee shall continue to pay the Navajo Nation the rental charged from the previous month before expiration of the Permit, until the holdover period ends.
      3) Enforcement; If the Permittee does not respond to RED’s letter notifying the Lessee that it is a delinquent Holdover Tenant, RED shall refer the matter to the Department of Justice (“DOJ”). DOJ will enforce all remedies as outlined in Section 8.8 of the Management Plan.
Responsibilities

12.2 Applicant

1. Shall provide a written Letter of Intent for a Permit to the appropriate DED department.

2. May submit
   a. Worker’s Compensation
      1) Minimum amount as required by the State in which the premises are located
   b. Commercial General Liability Insurance:
      1) Amount sufficient to cover operations of Permittee
   c. Fire and Casualty Insurance:
      1) Minimum amount as required by the State in which the premises are located;
      2) All insurers must be from a Nationally Accredited Insurance Company with a financial strength of “A” or equivalent;
      3) The insurance must be maintained for the entire term of the Permit, including the renewal term.

3. ER, if applicable (i.e. oil, gas, propane, flammable materials, hazardous and regulated substances)
   a. If contamination is found then the site must be cleaned;
   b. Once the site has been cleaned a Permit may be issued while pending approval of EPA and the United States Environmental Protection Agency (“USEPA”).

4. If Applicant is a LRE:
   a. LRE must register with the BRD and comply with the requirements of the Navajo Corporation Code;
   b. LRE must submit a Certification of Good Standing to the appropriate DED department. The Certificate of Good Standing shall be dated within twelve months from the initiation of the Review Process.

The responsibilities of the Applicant shall be completed in three (3) months. At the end of three (3) months, if the Applicant has not made any significant effort in the completion of their responsibility on any of the above documents the Application is void, at the discretion of DED. If the Application is void the application and all the documents shall be returned to the Lessee/Applicant. However, appropriate DED departments may retain a copy of the Application and the documents at its discretion.

12.3 Division of Economic Development

1. Review, request, and check land status. Submit ER, if necessary.

2. Shall obtain a written document from the appropriate tribal departments to verify Applicant’s compliance with Navajo Business Procurement Act.

3. If the Applicant does not provide appropriate insurance coverage the appropriate DED department must obtain the signature of the Applicant on the Indemnification document.
4. Upon receipt of required documents, prepare Permit for signature by Applicant.
5. Upon return of original signed Permit by Applicant, the Permit is then submitted to:
   a. Appropriate DED department
   b. Department of Justice, only if changes made to the standard format.
   c. DED Division Director for execution
6. Upon an executed Permit, the appropriate DED department shall forward the Permit to RED.
7. RED shall:
   a. Collect the administrative fee;
   b. Assign a tracking number; and
   c. Distribute the Permit.
8. Distribute copies to:
   a. Permittee
   b. Appropriate DED department
   c. Land Department
   d. DOF
13.0 Conditional Use Permit
Definitions for purposes of this Section 13.0:

_Permit_ means a written agreement between the Navajo Nation and the Applicant for a conditional use of Navajo Nation Trust land for a specified purpose contrary to the land status. A Permit conveys no possessory interest and may be revoked at will.

1. Permits shall be issued, only, if:
   a. Land is not withdrawn for commercial purposes;
   b. Chapter Resolution is obtained as described below;
   c. Grazing Official or Land Board approval; and
   d. Permittee is diligently pursuing a Lease.

2. Rental for Permits shall be negotiated (i.e daily, weekly), not including the Administrative Fee, shall be:
   a. For Profit rental shall be:
      1) $50.00 per day for a term of less than 30 days;
      2) $200.00 per month.
   b. Non-Profit rental shall be:
      5. $25.00 per day for a term less than 30 days.
      6. $100.00 per month
   c. Permits can be modified, subject to 13.1(1).
   d. Permits shall be issued by the Nation, which has been filed by the Applicant with the appropriate DED department.

13.1 Requirement
1. Term
   a. Permits shall not exceed a Primary Term of one (1) year. Perpetual terms shall not be permitted.
      1) Upon the expiration of the Permit and after exhaustion of both terms, the Permit cannot be extended, however, a new Permit may be issued.
   b. Permittee can exercise one option to renew, by submitting a letter of notice to the appropriate DED department. Notice must be given at least five (5) working days, prior to the expiration of the Primary Term; provided:
      1) Permittee has begun the process for obtaining a Lease;
      2) Permittee is not in default with the terms and conditions of the Permit;
      3) Permittee is in compliance with Navajo Nation laws and regulations;
      4) The renewal term shall not exceed the primary term.

2. Obtain approval from the Grazing Official and applicable Land Users.

3. Chapter Resolution is required and shall obtain following:
   a. Recommend approval of the Permit; and
   b. Recognize the land is not withdrawn for commercial purposes

4. Termination
a. Permits shall be immediately terminated twenty-four (24) months from the approval of the Permit, if a Lease has not been approved.
b. Permits shall be terminated for non-compliance with the terms and conditions of the Permit or any Navajo laws and regulations.
c. The appropriate DED department shall immediately notify RED in writing and RED shall notify the Permittee within five (5) working days from the notification of non-compliance and termination by certified letter, which shall include the following:
   1) Cause for termination;
   2) Actual date of termination;
   3) Timeframe for vacating the premises, which shall not exceed five (5) days from effective date of termination.

Responsibilities
13.2 Applicant
1. Shall provide a written Letter of Intent for a Permit to the appropriate DED department.
2. May submit:
   a. Worker’s Compensation:
      1) Minimum amount as required by the State in which the premises are located.
   ii. Commercial General Liability Insurance:
      1) Amount sufficient to cover operations of Permittee.
   iii. Fire and Casualty Insurance:
      1) Minimum amount as required by the State in which the premises are located.
   iv. All insurers must be from a Nationally Accredited Insurance Company with a financial strength of “A” or equivalent.
   v. The insurance must be maintained for the entire term of the Permit, including the renewal term.
3. ER, if applicable (i.e. oil, gas, propane, flammable materials, hazardous and regulated substances)
   a. If contamination is found then the site must be cleaned; and
   b. Once the site has been cleaned a Permit may be issued while pending approval of EPA and the USEPA.
4. If Applicant is a LRE:
   a. LRE must register with the BRD and comply with the requirements of the Navajo Corporation Code;
   b. LRE must submit a current Certification of Good Standing to the appropriate DED department.

The responsibilities of the Applicant shall be completed in three (3) months. At the end of three (3) months, if the Applicant has not made any significant effort in the completion of their responsibility on any of the above documents the Application is
void, at the discretion of DED. If the Application is void the application and all the documents shall be returned to the Lessee/Applicant. However, appropriate DED departments may retain a copy of the Application and the documents at its discretion.

13.3 Division of Economic Development
1. Review, request, and check land status. Submit ER, if necessary.
2. Shall obtain a written document from the appropriate tribal departments to verify Applicant’s compliance with Navajo Business Procurement Act.
3. If the Applicant does not provide appropriate insurance coverage the appropriate DED department must obtain a sign Indemnification document.
4. Upon receipt of required documents, prepare Permit for signature by Applicant.
5. Upon return of original signed Permit by Applicant, the Permit is then submitted to
   a. Appropriate DED department;
   b. Department of Justice, unless no changes have been made to the standard form.
   c. DED Division Director for execution.
6. The Permit shall be submitted to the DED Division Director for approval.
7. Upon an executed Permit, the appropriate DED department shall forward the Permit to RED.
8. RED shall:
   a. Collect the Administrative Fee;
   b. Assign a tracking number; and
   c. Distribute the Permit.
9. Distribute copies to:
   a. Permittee
   b. Appropriate DED department
   c. Land Department
   d. DOF
14.0 Emergency Operating Agreement
Definitions for purposes of this Section 14.0:

Agreement means a written Agreement between the Navajo Nation and the Operator for emergency use of Navajo Nation Trust land for a specified purpose. An Agreement conveys no possessory interest and may be revoked at will.

1. Agreements shall be issued, only, if:
   a. Abandoned Structure or Building.
   b. Operating Business with:
      1) Abandoned Lessee;
      2) Lessee agrees in writing to mutually terminate and vacate the premises;
      3) Expired or terminated Lease, Permit, and Agreement, provided the Operator is not the Lessee, Permittee, or Operator of the expired or terminated Lease, Permit, and Agreement, unless:
         a) Delay to obtain a Lease for an expired Lease with the same Lessee that is beyond the control of the Lessee and such delay is not the result of the Lessee’s actions.

2. Operator must diligently pursue a Lease, unless:
   a. To provide for security;
   b. To temporarily manage operating businesses.

3. Operators must be in compliance with Navajo laws and regulations.

4. Rent shall be waived only for this Agreement, and shall not be construed to be the rent for future Permits or Leases.

14.1 Requirement
1. Term
   a. Agreement shall not exceed a Primary Term of one (1) year. Perpetual terms are not permitted.
   b. Operator obtaining a Lease shall have one option to renew by submitting a Letter of Notice to the appropriate DED department. Notice must be given at least five (5) working days, prior to the expiration of the Primary term; provided:
      1) Operator has begun the process for obtaining a Lease;
      2) Operator is not in default with the terms and conditions of the Agreement;
      3) Operator is in compliance with Navajo laws and regulations;
      4) The renewal term shall not exceed the Primary term.
   c. Operator not obtaining a Lease shall have two options to renew, by submitting a letter of notice to the appropriate DED department. Notice must be given at least five (5) working days, prior to the expiration of the Primary Term and option to renew; provided
      1) Operator is not in default with the terms and conditions of the Agreement;
      2) Operator is in compliance with Navajo laws and regulations;
      3) The renewal term shall not exceed the Primary Term.
2. Termination  
   a. Agreement shall be terminated for non-compliance with the terms and conditions of the Agreement or any Navajo laws and regulations.  
   b. The appropriate DED department shall immediately notify RED in writing of any non-compliance issues and thereafter RED shall notify the Operator within five (5) working days of the notification:  
      1) Cause for termination  
      2) Actual date of termination  
      3) Timeframe for vacating the premises, which shall not exceed five (5) days from effective date

Responsibilities

14.2 Applicant  
1. Shall submit Letter of Intent for an Agreement.  
2. May submit  
   a. Worker’s Compensation:  
      1) Minimum amount as required by the State in which the premises are located.  
   b. Commercial General Liability Insurance:  
      1) Amount sufficient to cover operations of Operator.  
   c. Fire and Casualty Insurance:  
      1) Minimum amount as required by the State in which the premises are located.  
   d. All insurers must be from a Nationally Accredited Insurance Company with a financial strength of “A” or equivalent.  
   e. The insurance must be maintained for the entire term of the Agreement, including the renewal term.  
3. ER, if applicable (i.e. oil, gas, propane, flammable materials, hazardous and regulated substances)  
   a. If contamination is found then the site must be cleaned.  
   b. Once the site has been cleaned, Agreement may be issued while pending approval of EPA and the USEPA.

14.3 Division of Economic Development  
1. Review request, and check land status. Submit ER, if necessary.  
2. Shall obtain a written document from the appropriate tribal departments to verify Applicant’s compliance with Navajo Business Procurement Act, unless there is no response within five (5) working days.  
3. If the Applicant does not provide appropriate insurance coverage the appropriate DED department must obtain a signed Indemnification document.  
4. Prepare Agreement for signature by Applicant.  
5. Upon return of original signed Agreement by Applicant, the Agreement is then submitted to:  
   a. Appropriate DED department  
   b. Department of Justice, only if changes made to the standard format.
c. DED Division Director for execution.

6. The Agreement shall then be submitted to the DED Division Director for approval.

7. Upon an executed Agreement, the appropriate DED department shall submit the Agreement to RED and RED shall:
   a. Collect the administrative fee;
   b. Assign a tracking number to the Agreement; and
   c. Disburse copies of the Agreement.

8. Distribute copies to:
   a. Operator
   b. Appropriate DED department
   c. Land Department
   d. DOF
15.0 References
1. 25 United States Code Annotated 415(e)
2. Navajo Nation Business Leasing Regulations of 2005 (Tribal Regulations)
3. Economic Development Committee Uniform Business Leasing Regulations of 2008 (Uniform Regulations)
4. Adopting Navajo Nation Privacy and Access to Information Act
5. Indian Health Service Sanitation
6. Title 26 of the Navajo Nation Code (Local Governance Act)
7. 5 Navajo Nation Code §2301 Navajo Nation Business Site Leasing Act of 2000
8. Navajo Nation Title 2

Disclaimer: Refer to current documents
16.0 **Appendix – Forms**

1. Part I Business Site Lease
2. Part II Business Site Lease
3. Modification
4. Assignment
   a. Complex Form
   b. Simple Form
5. Revocable Use Permit
6. Collateral Assignment of Lease
7. Mutual Termination
8. Security Agreement
9. Sample business plan Outline
10. Emergency Operating Agreement
11. Conditional Use Permit
12. Indemnification Form
13. Sample Sublease Form
14. Leasehold Credit Rules