# MANAGEMENT PLAN

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1.0 Post - Lease Management:

1.1 Real Estate Department (“RED”) Responsibilities:
Upon Business Site Lease (“Lease”) execution by the Navajo Nation President (“President”), RED shall:

1. Collect the appropriate administrative fee, proceed to 2.3 of the Navajo Administrative Plan (“Admin Plan”);
2. Assign a Lease number:
   a. All Leases shall be categorized under its five (5) agencies for accounting and recording purposes. The categories shall be:
      1) Fort Defiance Agency: NNFD
      2) Eastern Agency: NNEN
      3) Chinle Agency: NNCH
      4) Western Agency: NNTC
      5) Shiprock Agency: NNSR
      NOTE: Business Site Leases novated shall maintain its original Lease number.
3. Lease Recording and Distribution
   a. RED shall record Leases, assignments, amendments, encumbrances, renewals, modifications, cancellations and termination with:
      Land Title and Records Office
      Southwest Regional Office
      Bureau of Indian Affairs
      PO Box 26567
      Albuquerque, New Mexico 87125-6567
   b. RED is responsible for distributing Lease, in accordance with the Plan, as follows:
      1) 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; and
         f) Navajo Nation Office of the Controller;
      2) Copies shall be distributed to the following:
         a) Local Government Unit, upon written request; and
         b) Appropriate BIA Agency Real Estate Services Office
4. Obtain the Security: The Security must be for a minimum of 50% of one (1) year rental on businesses that gross $1 million annually and 25% of one (1) year rental on small business development;
5. Pursuant to Lease terms and conditions, the Security may be waived or postponed:
   a. If the Security is waived no further action is necessary;
   b. If the Security is postponed, RED shall:
      1) Provide written notice, ninety (90) calendar days before the Security is due, which shall include the following:
         a) Actual due date;
b) Lessee may notify RED within thirty (30) calendar days receipt of this letter that the Lessee is unable to obtain a Security;

c) If Lessee fails to post a Security within ninety (90) calendar days from receipt of this letter, the Lease shall be subject to termination, proceed to 7.0 of the Management Plan.

2) If the Lessee is unable to post Security within ninety (90) calendar days, the Lessee may request for an additional postponement if exigent circumstances are present and provide supporting documents to support its claim. The Lessee shall provide a written request to RED. The postponement shall not exceed one year from the end of the development period.

6. If a Security is not waived or postponed:
   a. Within thirty (30) days from signature of the President, RED shall send a written notice as follows:
      1) Actual due date
      2) Lessee may notify RED within thirty (30) calendar days receipt of this letter that the Lessee is unable to obtain a Security;
      3) If Lessee fails to post a Security within forty-five (45) calendar days from receipt of this letter, the Lease shall be subject to termination, proceed to 7.0 of the Management Plan.

7. If unable to post the Security:
   a. The Lease is subject to termination, proceed to 7.0 of the Management Plan;
   b. If the Lessee is unable to obtain a Security, Lessee should notify RED with an explanation, within thirty (30) days of receipt of this letter;
   c. If the Lessee notifies RED that a Security cannot be obtained, then RED may allow any other guarantee deemed acceptable by RED. The Security, which ever applicable, shall be deposited with RED.

8. Insurance:
   a. Notify Lessee, within thirty (30) calendar days, from signature of the President of the following requirements:
      1) Evidence of Public Liability, Personal Injury, and Property Damage and other Insurance coverage in the amounts stated in the Lease. The Navajo Nation (“Nation”) and the United States shall be included in the policy as additional insured. If Public Liability, Personal Injury and Property Damage and other Insurance coverage is not submitted within ninety (90) calendar days, RED shall terminate the Lease, unless otherwise stipulated in the Lease;
      2) Fire and Casualty Insurance with extended coverage endorsements covering not less than full insurable value of all improvements on the leased premises, written jointly to protect Lessee, Nation and the United States. If Fire and Casualty Insurance coverage is not submitted within ninety (90) calendar days, RED shall terminate the Lease, unless otherwise stipulated in the Lease.
      3) Any other Evidence of Insurance as required in the Lease, if the insurance certificate is not submitted within ninety (90) calendar days, RED shall terminate the Lease.
   b. If any above-mentioned insurance is postponed, RED shall notify the Lessee, ninety (90) days before the insurance is required to be submitted;
c. If Lessee does not submit the insurance on the date due, the Lease is subject to termination, proceed to 7.0 of the Management Plan.

1.2 Lessee Responsibilities:
1. Sanitation Clearance;
2. Utility Clearance;
3. Road Clearance;
4. Storage Tank Clearance, if applicable.

1.3 Appropriate DED department Responsibilities:
1. Development Period
   a. Shall notify the Lessee every year on the anniversary of the date of the Lease, of the expiration date of the development period;
   b. Final notification shall be sent ninety (90) days before expiration of the development period:
      1) If the Lessee requests an extension, the appropriate DED department may grant the extension based on written justification from the Lessee;
         (a) An extension shall be granted only once and the extension cannot exceed one (1) year.
      2) If an extension is granted, proceed to 9.0 of the Admin Plan.
   c. Termination of the Lease: On the date of expiration of the development period, the Lease shall be sent through the Review, Approval and Execution process for mutual or unilateral termination, proceed to 7.0 of the Management Plan.
2.0 Lease Compliance

2.1 Rental Compliance: RED shall maintain and ensure that the rental payments are timely and Lessee is not in default.

1. Late Charges
   b. Rental is due on the date specified in the Lease
      b. If the rental payment is not received within ten (10) days following the due date:
         1) A late fee shall be charged and pro-rated for each day the rent is not paid, beginning the tenth day after due date, until the thirtieth day, when the amount shall be paid in full.
         2) The late fee shall be 10% of the rental due for the month.
   c. If rental payment is not received within sixty (60) days following the due date:
      1) A late fee shall be charged at 10% of the rental due for the month.
   d. If rental payment is not received within ninety (90) days following the due date:
      1) A late fee shall be charged at 10% of the rental due for the month.
      2) Lease is subject to termination, proceed to 7.0 of the Management Plan.

2. All Lease payments are due on the date specified in the Lease and shall be submitted to RED. It is the Lessee’s responsibility to ensure that the rental payment is received by RED on or before the date specified:
   a. Payments mailed or delivered to RED will be forwarded within one (1) working day from receipt of payment to the Accounts Receivable Section within the Office of the Controller (“OOC”), unless otherwise specified in the Lease;
   b. Payments received by RED after 2:00pm shall be forwarded the next working day from the receipt of payment to the Accounts Receivable Section within DOF, unless otherwise specified in the Lease;
   c. Payments received from RED to the Accounts Receivable Section or other designated location after 2:00 p.m. will be receipted and posted on the following business day.

3. RED shall be responsible for the periodic review:
   a. All lease rates adjustments shall be pre-determined and RED shall notify the Lessee ninety (90) days before the expiration of the periodic review period;
   b. Any CPI adjustments shall be determined by RED and RED shall notify the Lessee of the adjusted amount, ninety (90) days before the expiration of the periodic review period. The appropriate DED department shall process the modification thereafter;
   c. Market Data Research (MDR) shall be evaluated by RED and RED shall provide the appropriate DED department the report one-hundred twenty (120) days before the expiration of the periodic review. The appropriate DED department shall negotiate the lease adjustment with the Lessee and process the modification thereafter; or
   d. Appraisals shall be obtained through a contractor or RED. The appropriate DED department shall negotiate the lease adjustment with the Lessee and process the modification thereafter.
2.2 Annual Lease Compliance:
RED will conduct an on-site inspection of all Leases, under the jurisdiction of the Division of Economic Development (“DED”) on an annual basis to ensure compliance with Lease terms and conditions. The Annual Lease Compliance Report (“Report”) shall be completed by July 1 of each year.
1. Upon completion of the onsite inspection, prepare and complete Report and property inventory form;
2. Submit Report, Property Inventory Form, and site status report (“Status Report”) to Project Development Department, Small Business Development Department, Tourism (“appropriate DED department”) as identified in the DED Master Plan of Operation, for review, action and filing;
3. If the Lessee is not in compliance with the terms and conditions of the Lease, initiate and implement the provisions for enforcement outlined in Section 8.0 of the Management Plan.

2.3 Property Inventory:
RED will complete the Property Inventory Form during onsite inspections concurrently with the Report.

2.4 Holdover:
RED will conduct an on-site inspection of the leasehold premise to ensure the Lessee has vacated after the expiration or termination of the Lease.
1. If the Lessee remains in possession of the leasehold premise upon termination or expiration of lease (“holdover period”) the appropriate DED department shall notify RED, in writing, of the appropriate action to take against the Lessee.
   a. Negotiations: If the Lessee is in negotiations with the Navajo Nation during the holdover period, the Lessee shall continue to pay the Navajo Nation the Adjusted Minimum Annual Rental on the entire premise until the lease is negotiated. The Adjusted Minimum Annual Rental would be paid proportionately to the number of holdover days.
2. Rental: In the event of a holding over by Lessee beyond the expiration or termination date, as applicable, Lessee shall pay the Navajo Nation double the Adjusted Minimum Annual Rental on the entire premise from and including the first (1st) day of holdover until the holdover period ends.
3. Enforcement: If the Lessee 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 7.8.
3.0 Environmental Review

3.1 An Environmental Review (“ER”) Record must be maintained for all Leasing Decisions. Any environmental related documents must be transferred to the Environmental Reviewer. These documents must be available for public review at all times, during normal business hours.

1. If a modification or amendment, proceed to 3.2 of the Management Plan;
2. If an assignment, transfer, proceed to 3.3 of the Management Plan;
3. If renewal or exercise of an option to renew of a Lease, proceed to 3.4 of the Management Plan;
4. If an existing business site, with an existing environmental review;
5. If a new business site, proceed to 3.6 of the Management Plan.

3.2 Modification and Amendments

1. ER not required:
   a. Extending a term or condition of the Lease, including the Term, Completion of Development, removal of improvements etc.
   b. Exercising an option to renew or renewal of the Lease without any changes in the Term and Conditions of the Lease.
   c. Change in the Land Description, unless to increase the acreage of the land.
   d. Extending the improvements (building) for the same or similar business operations, without an increase in the acreage of the land, and without changes in the terms or conditions, unless changes fit within these exceptions.
   e. Change in the Rental or any rent adjustments, as allowed under the Lease.
   f. Increase in the value of Improvements.
   g. Waiver, postponement or any changes in the Rental and Performance Bond, and the Construction Bond
   h. Novation
   i. Demolition and removal of a building, unless the building contains environmental contamination (i.e. hazardous substances, asbestos, underground storage tanks etc.)
   j. Any changes in the Lease that would not have an impact to the biological or cultural resources of the Nation, which will be at the discretion of the Environmental Reviewer.

   If any of the above, proceed to 3.8 of the Management Plan.

2. ER may be required:
   a. Change in the land description that would include land surfaces or sub-surfaces not in the original land description;
   b. Change in the purposes that would include a dramatic change in the business operation, (i.e. from an office building to gas station);
   c. Change in purposes that would have land clearing, additional building construction (unless there is no land increase from the original land withdraw), or discharge of emission or effluent;
   d. Change in the Improvements, for operations not allowable under the lease.
e. Before demolition or removal of the building, if the building contains environmental contamination (i.e. hazardous substances, asbestos, underground storage tanks etc.)
f. Any change which would impact, alter or disturb the biological or cultural resources of the Nation, which will be at the discretion of the Environmental Reviewer.

If any of the above, proceed to 7.7 of the Management Plan

3.3 Assignment or Transfer

1. ER not required
   a. If there are no changes to the terms and conditions of the Lease, and an Environmental Review has been conducted on the Lease.
   b. Extending a term or condition of the Lease (under an assignment or transfer), including the Term, Completion of Development, removal of improvements etc.
   c. Exercising an option to renew or renewal of the Lease (under an assignment or transfer) without any changes in the Term and Conditions of the Lease (under an assignment or transfer).
   d. Change in the Land Description, unless to increase the acreage of the land.
   e. Extending the improvements (building) for the same or similar business operations, without an increase in the acreage of the land, and without changes in the terms or conditions, unless changes fit within these exceptions.
   f. Change in the Rental or any rent adjustments, as allowed under Lease (under an assignment or transfer)
   g. Increase in the value of Improvements.
   h. Waiver, postponement or any changes in the Security, and the Construction Bond
   i. Novation
   j. Demolition and removal of a building, unless the building contains environmental contamination (i.e. hazardous substances, asbestos, underground storage tanks, etc.)
   k. Any changes in the Lease (under an assignment or transfer) that would not have an impact to the biological or cultural resources of the Nation, which will be at the discretion of the Environmental Reviewer.

If any of the above, proceed to 3.9 of the Management Plan.

2. ER may be required:
   a. Change in the land description that would include land surfaces or sub-surfaces not in the original land description;
   b. Change in the purposes that would include a dramatic change in the business operation, (i.e. from an office building to gas station);
   c. Change in purposes that would have land clearing, additional building construction (unless there is no land increase from the original land withdraw), or discharge of emission or effluent;
   d. Change in the Improvements, for operations not allowable under the Lease.
   d. Before demolition or removal of the building, if the building contains environmental contamination (i.e. hazardous substances, asbestos, underground storage tanks etc.);
e. Any change which would impact, alter or disturb the biological or cultural resources of the Nation, which will be at the discretion of the Environmental Reviewer.

If any of the above, proceed to 3.7 of the Management Plan

3.4 Renewal or exercising an option to renew a Lease
1. ER not required for exercising an option to renew
   a. If only exercising an option to renew and not changing any terms and conditions of the Lease;
   b. If changing any terms or conditions of the Lease, proceed 3.2 of the Management Plan
2. ER is not required for renewal of a Lease, if the terms and conditions are not changed. If there is a change, proceed to 3.2 of the Management Plan.

3.5 An ER is required for all Leases on new business sites (land that has been withdrawn for business purposes, but have been untouched).

3.6 ER Process: a valid ER may be obtained by one of the following process:

1. Project Specific Environmental Assessment:
   a. Application: this process is used when the Applicant/Lessee plans to withdraw land for his/her proposed business. The Applicant/Lessee with the assistance from the DED Department hires an environmental professional to conduct the fieldwork and prepares an environmental assessment (EA).
   b. Process:
      1) Once the environmental professional is hired, the environmental professional has the responsibility to obtain a compliance determination from the following three (3) departments:
         a) Historic Preservation Department (HPD), Division of Natural Resources (DNR);
         b) Department of Fish and Wildlife (FWD), DNR; and
         c) Environmental Protection Agency (EPA).
      2) Once the environmental professional obtains the compliance determination from the above-mentioned three (3) departments and prepares the EA report, the environmental professional provides a completed projected specific EA to the DED department or in some instances the Applicant/Lessee.
3) The DED department or Applicant sends the completed EA to the Environmental Reviewer RED for review. The complete EA should include the following information:

   a) Compliance determination from all three (3) departments.

      • Note: If the compliance determination was not provided within 20 days of the time all required documents were submitted to execute a compliance determination, please provide in writing that the environmental professional made reasonable efforts to obtain the compliance determination from the Navajo Nation department and that the delay is not the fault of the Applicant. Please include any supporting documents supporting your statement.

   b) Environmental Summary Sheet (ES sheet)

   c) Development Summary (i.e. Laundromat, fast food; etc.)

   d) Project data: proposed development layout.

   e) Site map: aerial or topographical

4) Upon submittal of the documents listed in Clause 3.6 (1)(b)(3), Environmental Reviewer shall conduct its review within five (5) working days. If all the above-mentioned documents are not submitted to the Environmental Reviewer, the Environmental Reviewer, within five (5) working days shall provide in writing and identify the missing document to the DED department.

5) Upon completion of the review, the Environmental Reviewer shall sign the ES sheet and return back to the DED department.

2. Recycled Environmental Assessment:

   a. Application: this process is used when an Applicant/Lessee plans to withdraw land for his/her proposed business or land that has been previously withdrawn for development purposes. The DED department has a previous prepared EA (recycled EA) and allows the applicant to use the recycled EA to fulfill the environmental review requirement.

   b. Process:

      1) The DED department or Applicant/Lessee shall provide the following information to the Environmental Reviewer:

         a) The recycled EA;

         b) ES sheet;
c) Development Summary (i.e. Laundromat, fast food; etc.);
d) Archeological survey;
e) Project data: proposed development layout;
f) Site map: aerial or topographical; and
g) If applicable, any previous correspondence and/or copies of inspection, violation and corrections reports from any Navajo Nation departments/divisions (i.e. HPD, FWD or EPA) regarding the particular business site location.

2) Upon review of the documents listed in Clause 3.6(2)(b)(1), RED shall make the determination if there is a new impact present. In other words, a new impact will be found if the recycled EA is not project specific for this new project. For example, if the previous EA was intended for a convenience store and the new project is for a convenience store and a gas station, it will be determined that there is a new impact present because of the new gas station.

   a) If the DED Department or Applicant/Lessee determines that there is a new impact present, please provide a description of the new business operation, new infrastructure(s), new addition(s), and/or improvement(s).

   b) If the DED Department or Applicant/Lessee does not know if there is a new impact present, the Environmental Reviewer shall make that determination upon reviewing the documents listed in Clause 3.6(2)(b)(1),

3) If applicable, if it is not determined that there is a new impact present, the Environmental Reviewer shall sign the ES sheet and return back to the DED department.

4) If applicable, if it is determined that there is a new impact present, Environmental Reviewer shall seek compliance by sending the recycled EA to one or all of the above-mentioned three (3) departments to obtain an update (compliance determination).

   a) EPA, HPD and/or FWD reviews the recycled EA. At times, the departments may issue a conditional approval to proceed with mitigation measures as their compliance document. If there are conditional measures, the conditions should be listed in the business site lease.

      i. If the Environmental Reviewer determines that the EA shall go to EPA, the Environmental Reviewer shall provide...
EPA’s Office of Environmental Review (OER) the recycled EA.

ii. Upon receipt of the recycled EA, OER shall initiate consultation with each of its programs within two (2) days. The consultation shall take no more than 15 days.

b) Upon completion of the review, EPA, HPD and/or FWD shall send the compliance determination to the Environmental Reviewer.

c) Upon receipt of the compliance determination from EPA, HPD and/or FWD, the Environmental Reviewer shall sign the ES sheet and return back to the DED department.

- Note: if the compliance determination is not provided within 20 days of the time all required documents were submitted to obtain an update (compliance determination), the compliance determination on the recycled EA may be concluded without that department’s determination so long as RED made a reasonable efforts to obtain the compliance determination from the Navajo Nation department and that the delay is not the fault of the Applicant.

3. Environmental Summary Sheet: (non-NEPA Type Document)

a. Application: The Applicant/Lessee plans to withdraw land for his/her proposed business.

b. Required documents:

1) The applicant with the assistance from the DED department shall submit the following documents to the Environmental Reviewer to obtain a compliance determination from EPA and FWD:

   a) ES sheet;

   b) Required document as outlined in 12.0, Exhibit, FWD’s policies;

   c) Development Summary (i.e. Laundromat, fast food, etc.);

   d) Project data: proposed development layout;

   e) Site map: aerial or topographical;
f) Letter including the following information:

i. Provide the air resources (i.e. If there is a power plant, oil and gas well sites or compressor station in the area, make a note of it) for the proposed business sites; and

ii. Outline how the proposed business site may impact livestock, vegetation, local cultural values/everyday lifestyle activities such as farming, grazing, hunting, fishing, medicinal plant collecting, plants used for dying rugs, weaving, jewelry, wood hauling, recreation, sheepherding, shopping, local flea markets and recreation.

iii. Funding source of the project: Please include information as to how the applicant and DED departments are paying for the project. If federal funding or technical assistance from a federal agency is being used, please outline what is being paid for and what federal agency.
   a. If the RED determines that there is a major federal action, the National Environmental Policy Act process shall be used.
      ▪ Note: it is important that the applicant and DED department outline all federal involvement (funding or technical assistance) to ensure compliance with its federal funding source.

2) The applicant with the assistance from the DED department shall submit the following documents to the Archeologist, RED, to obtain a compliance determination from HPD:

a) A letter outlining the following:
   i. Provide information as to the type of business will be located on the business site;
   ii. Provide a description of where the business site shall be located;
      ▪ Note: The land status must include in what Chapter, Agency, County and State, the business will be located. For State, please write “Tribal trust”. If the land is adjacent to State, allotted or fee land, please also include that information.
   iii. If applicable, provide information as to whether the business site and/or building is of historical archeological value and/or Navajo traditional value;
      ▪ Note: HPD or the BIA may provide information if the business site and/or building is a historical value. Navajo traditional value includes, but not limited to ceremonial and traditional offering
areas, and event areas associated with traditional cultural beliefs (oral traditions).

iv. If applicable, Provide information as to whether there has been a previous disturbance such as utilities and right of way;

v. If applicable, Provide information as to whether the business site has previously been surveyed;

b) Photographs of the proposed business site;

c) Legal land description: it should include the Township and Range or Universe Transverse Mercator; and

d) Pre-field record checks: any previous records that pertains to the land; and

e) If applicable, ethnography;

c. Process to obtain a compliance determination from FWD and EPA:

1) The Environmental Reviewer reviews the documents as outlined in Clause 3.6(3)(b)(1) to ensure all the required documents have been submitted.

   a) If there are missing documents, the Environmental Reviewer within five (5) working days shall provide in writing to the applicant and DED department that there are missing documents.

   b) If all the required documents are submitted to the Environmental Reviewer, the Environmental Reviewer within five (5) working days of receipt of the required documents shall provide all the required documents to FWD and EPA for review.

      ▪ Note: The Environmental Reviewer shall maintain a date base as to when the required documents were submitted to FWD, EPA and HPD to ensure a timely review.

2) Upon receipt of the compliance determination (and it is within the 20 days), the Environmental Reviewer shall sign the ES sheet and return back to the DED department.

3) If the compliance determination is not provided within 20 days of the time all required documents were submitted to obtain compliance determination, the compliance determination may be concluded without that department’s
d. **Process to obtain a compliance determination from HPD:**

1) The Archeologist reviews the documents as outlined in Clause 3.6(3)(b)(2) to ensure all the required documents have been submitted.

   a) If there are missing documents, the Archeologist within three (3) working days shall provide in writing to the DED department that there are missing documents.

   b) If and when all the required documents are submitted to the Archeologist, the Archeologist within three (3) working days of receipt of the required documents shall go to HPD to conduct a record check on traditional cultural property and previous archeological survey.

2) Following the visit to HPD, if the Archeologist determines that there is no ethnography on record at HPD or no record at all, the Archeologist shall conduct the following:

   a) Initial phase one (1) survey; and

   b) Ethnography.

3) If the Archeologist determines that there is an ethnography and records at HPD or after the completion of the steps outlined in Section 3.6(3)(d)(2), the Archeologist shall conduct the following steps in three (3) working days:

   a) *If applicable*, draft a narrative report (may include photography of the area) or an Archeological Inventory Report Documentation Page (AIRS form); and

      i. A narrative report shall be submitted for projects over 30 acres and/or containing more than four (4) sites; or

      ii. An AIRS form is required for use on small projects—projects less than 30 acres in size and containing no more than four (4) sites.

   b) *If applicable*, consult with Navajo Tribal Utility Authority, Navajo Department of Transportation and Navajo Nation Land Department to determine records and surveys.
4) Upon completion of steps outlined Section 3.6(3)(d)(3), the Archeologist shall send the narrative report or AIRS form and may have to submit other information as outlined in Section 3.6(3)(b)(2) to HPD to seek a compliance determination.

   a) If is determined that there is federal “undertaking” triggering the need for consideration under Section 106 of the National Historic Preservation Act, HPD shall seek to obtain the Bureau of Indian Affairs’ approval of HPD’s compliance determination prior to returning the compliance determination to RED.

   b) If is determined that there is no federal “undertaking” triggering the need for consideration under Section 106 of the National Historic Preservation Act, the signature of HPD’s Department Manager signifying compliance with the Navajo Nation Cultural Resources Protection Act is required. Once signed, HPD shall return its compliance determination to RED.

5) Upon receipt of the compliance determination (and it is within the 20 days), the Archeologist shall provide the copy of the narrative report and HPD’s compliance determination to the Environmental Reviewer to include in the ES sheet.

6) If the compliance determination is not provided within 20 days of the time all required documents were submitted to obtain compliance determination, the compliance determination may be concluded without that department’s determination. Archeologist shall notify the Environmental Reviewer that HPD did not seek the compliance determination within 20 days. If compliance determination is not provided within 20 days, the Environmental Reviewer shall then write on the ES sheet that the department did not provide a compliance determination within the required 20 day time frame. Thereafter, the Environmental Reviewer shall sign the ES sheet and return back to the DED department.

3.7 Environmental Summary Sheet:
1. Fill out the attached form
2. If the Leasing Activity is under an exception, as provided herein, briefly describe the exception RED shall execute the ES.
3. Under the Compliance determination include:
   a. Date of the Compliance Determination;
   b. Source – Navajo Division and EPA or outside contractor;
   c. If an update, explained above, need fill out appropriate;
   d. Briefly explain findings.
4. Under the different laws, briefly summarize whether there is an impact or no impact.
5. Environmental Reviewer shall sign the ES.

3.8 Public Notice
1. If the Environmental Reviewer finds the impact to the Nation’s resources to be critical, then the Environmental Review may be published in a general circulation newspaper a notice of the project.

2. The notice must:
   a. Provide at least one opportunity for public comment, for no more than a 30 calendar day period;
   b. Indicate the record is open to the public and how the record can be reviewed, properly.

3. Public Comments must be taken into consideration by the Environmental Reviewer before 3.8

3.9 **ER Record:**

   1. The Environmental Reviewer must maintain a record for the Environmental Review conducted for Leases.
   2. It must be available at all times, under normal business hours, for public review.
   3. The Environment Review Record must contain the following information:
      a. Compliance determinations;
      b. Correspondences;
      c. Any supporting documents;
      d. Environmental Summary;
      e. *If applicable*, Public Notice; and
      f. *If applicable*, Public Comments.

3.10 The only document needed in the Review Package and before the DED Approving Committee before final approval is the Environmental Summary. However, the Committee reserves the right to review the Environmental Review Record, before such approval.
4.0 **Fair Annual Lease Value**

4.1 DED shall determine the annual rental based on the MDR or by an Appraisal.

4.2 **Implementation:**
The Nation shall determine rental based on the MDR for all Leases except to an Applicant/Lessee that generates over $1,000,000 annually in gross receipts or rental properties with more than four (4) units. For Appraisals, the Nation will assume full responsibility.

1. Appraisals shall be applied only to an Applicant/Lessee that generates over $1,000,000 annually in gross receipts or rental properties with more than four (4) rental units.
2. All other Leases shall be based on the MDR, such rate shall be updated periodically, to comply with the periodic review of the Tribal Regulations.

4.3. **MDR:**

**DEFINITIONS**

Lease Data is defines as relevant data on existing leases such as business purpose, location, annual rents and terms, etc.

Market Lease Data Analysis: the DED Department and upon request with the assistance of the RED shall conduct an analysis based on the Lease Data and information available.

Navajo Nation Lease Database is a current database of Lease Data.

1. **Application:** the MDR may be used by DED Department to determine an annual rent, if the actual or expected gross receipts are below $1,000,000 and the property has less than four (4) rental units.

2. **Process:**
   a. The Applicant/Lessee and/or DED Department shall submit in writing the following information to RED:
      1) Actual or expect gross receipt total;
      2) Number of rental units on property;
      3) Real property improvements;
      4) Location (Town and State);
      5) Acreage;
      6) Business purpose; and
      7) One photo of the business site and road (if applicable).
b. Upon receipt of the information listed in Clause 4.3(2)(a), RED shall provide the Lease Data to the DED Department within three (3) working days. The Lease Data will not be provided until all information in Clause 4.3(2)(a) is provided to RED.

c. The DED Department shall use the Lease Data to determine annual rent. Once the annual rent is determined, the DED Department shall obtain the Program Manager’s approval. Thereafter, the DED Department shall obtain RED’s signature to ensure the MDR is valid.

3. RED’s responsibilities

a. Shall provide the Lease Data on an Excel Spreadsheet with subject property and a disclaimer regarding confidentiality.

b. Shall provide training regarding the analysis of the Lease Data for the DED Departments.

c. Shall update the Lease Database when the leases are signed by the President or upon periodic review as outlined in the lease.

d. Shall ensure all Lease Data is supported with information from DED’s confidential files or other legitimate sources common to statistical research.

e. May use Market Date Analysis for exigent circumstances, such as a new proposed market for the Navajo Nation (i.e. liquor store). The Market Lease Data Analysis may be compared to a similar outside business to an existing business within the Navajo Nation or an outside certified appraiser may be used as outlined in Clause 4.5.

4.4 Nominal Rent:

1. Based on services as consideration, subject to applicable federal or Navajo law; or
2. $150.00 per year.

4.5 Criteria for Appraisers:

1. All Appraisers who perform appraisal assignments shall meet the following criteria:

   a. The Appraiser must complete the appraisal and appraisal reports in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Furthermore, the reports must meet the requirements of SR 2-2(a) and the Appraiser must comply with the Competency Rule. Prior to accepting an assignment or entering into an agreement to perform any assignment, an
Appraiser must have knowledge and/or experience regarding commercial rental property within the Navajo Nation.

b. Appraiser shall provide proof of good standing in the state of the registration or provide proof of reciprocity from the state the Appraiser is conducting the appraisal.

c. In exigent circumstances, DED Departments may contract with an Appraiser who lacks knowledge and/or experience in commercial rental property within the Navajo Nation. The Appraiser must provide written justification of how he/she is going to competently complete the assignment, which includes research or the retention of another Appraiser who posses the required knowledge and/or experience in those exigent circumstances.

d. The Appraiser must be categorized as a Certified General by the National Registry.

2. It is highly recommended that the Appraiser have current Errors and Omission Insurance and provide proof of coverage.

3. Once the appraisal is complete, the Applicant/Lessee and DED department shall provide a courtesy copy of the Appraisal Report to RED for its file.

4. The Appraiser must include in his/her report a signed statement agreeing to protect the confidentiality of all information he/she obtains relative to Navajo Trust Lands. This is in addition to the general requirements stipulated in the Confidentiality Clause of the Ethics Rule in USPAP.
5.0 File Management

5.1 Lease Files shall be maintained by appropriate DED Departments in accordance with the Nation Privacy Act. Files will be kept for five (5) years after expiration of the business site Lease. Thereafter, all files shall be digitized, archived by the DED.

5.2 Files shall be maintained in the following sequence in a two-divider folder:

1. Approved Lease documents and supporting documents including:
   a. Signature Authority Sheet;
   b. DOJ-Request for Services;
   c. Transmittal Memo or Letter;
   d. Summary Sheet of Supporting Documents;
   e. Chapter Resolution, if applicable;
   f. Clearance Documents;
   g. Other (Land Withdrawals, etc.);
   h. Approved DED Approving Committee Resolution;
   i. Approved Lease Transaction;
   j. Survey Plat;
   k. Exhibit A;
   l. Exhibit B;
   m. Corporation/Partnership Paper, if applicable;
   n. Security, Insurance, Receipt for Fees;
   o. Appraisal Report/MDR form;
   p. Environmental Review;
   q. Financial and Accounting Information;
   r. Enforcement/Compliance Information;
   s. Miscellaneous Correspondence.
5.3 Lease Folder Management

1. Outline:

* Document and exhibits, which depend upon the nature of the transaction, or circumstances.

Examples:
1. Exhibit or Attachment may be a copy of Existing Lease.
2. Exhibit “A” may be a Proposed Lease or Copy of Existing Lease.
3. Exhibit “B” may be a Proposed Sublease.
6.0 **Financial Management:**
Accounting Procedures shall apply to Leases governed by the Tribal Regulations.

**DEFINITIONS:**

*Invoice* means rental and other outstanding amounts.
*Billing* means Invoice process.

6.1 **Accounting Procedures:**

1. RED shall send invoices to the Lessees on the 20th of each month prior to the due date of the Lease payment, unless payments are made in advance.
2. Leases executed during the year shall receive invoices prorated for the current calendar year.
3. Payments shall be made by the Lessee no later than the 10th of each month. If a payment is not received by the 11th day, RED shall send a notice of violation to the Lessee including assessing the appropriate penalty for the Lessee.
4. All Lease rental payment shall be submitted to the Navajo Nation, RED to account for revenue. Send payment by cashier’s check or money order to:

   The Navajo Nation  
   c/o Division of Economic Development  
   Real Estate Department  
   P.O Box 664, Window Rock, AZ 86515

5. RED shall forward any received payment to the appropriate account, including the Cashier’s Section and Business and Industrial Development Fund by the next working day.
6. The Lessee in its present form or any other identifiable capacity as an individual, business, corporation or partnership has outstanding debt or delinquent accounts receivable owing to the Nation, the Nation may offset any claim against amounts owed to or has a claim with accounts payable to the individual, business, corporation or partnership;
7. RED shall complete a Status Report at the same time as the inspection for the Report. On July 1st provide a written Status Report, on all sites, to OOC.
   a. Status indicating active, inactive, holdover, permit, settlement, decease or abandonment. Upon a report of a decease, abandonment, or closure, the OOC will cease billing;
8. The appropriate DED department shall have the option to review or generate their own Agency business site leasing report through Financial Management Information System (“FMIS”) accounts receivable module or any accounting software utilized by the OOC;
9. Department of Justice (“DOJ”) shall disseminate “Settlement Agreement” to RED and OOC, Accounts Receivable Section within (10) ten days of final copy;
10. Lease information shall be kept confidential and shall not be made available to any other individual or organization by the OOC; OOC shall not disclose confidential information other than to the parties’ written request, DED, DOJ and only the named Lessee on the Lease.
11. DED shall comply with Navajo Business and Procurement Act, Title 12, Chapter 15, Section 15 as codified in the Navajo Nation Code. Requests for Procurement Clearance from DED through the OOC shall be in compliance with the Act to protect the resources and financial integrity of the Nation.

6.2 Financial Training:
1. DED shall have designated staff recertified annually to FMIS Master Directory inquiry with a passing score determined by the OOC. The FMIS access is restricted to DED designated staff;
2. FMIS Training is required for DED designated staff each year through OOC for annual recertification in Common Foundation, Inquiry or other module training;
3. To protect sensitive business information, the control over end-users must be at inquiry level. Valid security matrix is required prior to accessing FMIS Master Directory. Sharing of password is prohibited.

6.3 Financial Reports:
To ensure Leases are properly monitored for compliance, OOC shall annually generate the account receivable reports by June 30th of each year and disseminate or transmit electronically to the Navajo Nation Office of the Controller, DED, and the Secretary of Interior.

6.4 Audit:
1. OOC shall permit an authorized representative of the Navajo Nation Auditor General’s Office to conduct annual random audits of Leases.
2. Written audit reports shall be provided to Navajo Nation Office of the Controller and Accounts Receivable Section once final audit is completed by Navajo Nation Auditor General.
7.0 **Termination**
If at any time the Lessee files an appeal with the Office of Hearing and Appeals, any steps taken to terminate the Lease shall immediately cease, proceed to 9.0 of the Management Plan.

7.1 **Mutual Termination**
Lessee agrees to terminate the Lease and the Nation agrees to approve the termination of the Lease. The termination will not preclude any financial or environmental obligations of the Lessee(s).

1. Mutual Termination may be granted:
   a. During the Development Period as negotiated and defined under 4.2(3)(c) of the Admin Plan, without penalty;
   b. Mutual Termination may be granted at the request of the Lessee.
2. Mutual Termination shall be processed by the appropriate DED department unless the Lease is in default then the RED shall process the Mutual Termination.
3. Responsibilities
   a. Lessee
      1) Shall submit a written request to mutually terminate the Lease to the appropriate DED department or RED, whichever applicable.
   b. Division of Economic Development
      1) Shall obtain a written document from the appropriate tribal departments to verify Lessee’s compliance with Navajo Business Procurement Act and Navajo Nation laws and regulations.
         a) If not in compliance with the Navajo Business Procurement Act, proceed to 9.0 of the Management Plan.
      2) Request a clearance with the Navajo Nation Environmental Protection Agency – Storage Tank
      3) Begin Review, Approval and Execution Process, proceed to 4.3 of the Admin Plan.
   c. Lease Recording and Distribution
      1) Proceed to 4.7 of the Admin Plan

7.2 **Unilateral Termination**
Lessee is in default of the terms and conditions of the Lease, including but not limited to: Rental, Purpose, Unlawful Uses, Accounting, Improvements, Non-development, Bond, Construction Bond, Unauthorized Sublease, Assignment, transfer, management agreement, Encumbrance, Liens, taxes, Assessments, Utility Charges, Lessor’s paying claims, Sanitation, Insurance requirements, Trespass, Abandonment

1. RED responsibilities:
   a. Immediately send a notice, which must include the following;
      1) Date the Default occurred;
      2) Provide an explanation of the Default and the determination;
      3) Inform the Lessee of remedies that will be pursued;
4) Inform the Lessee of Possible termination and Security/insurance collections;
5) The three options the Lessee has including:
   a) Cure;
   b) Request additional time; or
   c) Dispute the determination, which must include an explanation; and
6) The Actual Date when the Lessee must respond.
b. Must be by certified mail, return requested.
c. Lessee will have ten (10) days from date the notice is mailed to respond.
d. If the Lessee cures the Default, the process can stop immediately.
e. If the Lessee requests additional time proceed with the following:
   1) Immediately send a response to allow for additional time, which will be
determined at the sole discretion of the RED;
   2) The additional time should be no less than ten (10) days, however, it is
seems the cure can not be done in ten (10) days, then state how long, however, no extension should extend beyond ninety (90) days.
   3) This additional time may be granted if the Lessee is diligently pursing to
cure and any additional extensions may be granted if Lessee is diligently
pursuing to cure.
   4) If the time from the Default extends beyond ninety (90) days and there is no
reasonable excuse or reason, as to not being able to cure proceed to 8.4 of
the Management Plan;
f. If the Lessee disputes the determination of the Default and provides an
explanation then first, the RED Manager will give its recommendation as to
whether a Default has indeed occurred. If necessary, may seek a legal analysis
from the DOJ;
g. If no Default is found, then the process shall stop immediately;
h. If Default is found, a response letter will be sent to Lessor, which should
contain the following:
   1) Restate the default;
   2) Provide an explanation, with supporting references, applicable laws and
regulations;
   3) State an Actual Date for the Lessee to cure, which must be no less than ten
(10) days.
i. If Lessee continues to dispute the determination, RED shall request a meeting
with the Lessee to resolve the dispute, proceed to 8.4 of the Management Plan.
j. If no cooperation or response, proceed to 7.5 of the Management Plan.
k. If the Lessee decides to appeal, proceed to 9.0 of the Management Plan.

7.3 Expiration
Lease expires and Lessee has not notified the Lessor in a reasonable time to obtain a new Lease.
1. Lessee has not notified the DED Division Director of intentions to exercise an option
to renew or to obtain a new Lease thirty (30) calendar days from the date of expiration.
2. Upon the thirtieth day from the date of Expiration, the RED shall notify the Lessee of
the following:
a. Date of Expiration
b. Ten (10) working days to respond otherwise,
   1) RED shall begin eviction proceedings; or
   2) RED shall immediately notify the [appropriate DED department] of the available business site

3. Response process
   a. If begins steps to obtain a new Lease or responds within ten (10) day limit, by filling out an Application, proceed to 4.0 of the Admin Plan
   b. If does not respond within the ten (10) day limit:
      1) RED may contact DOJ to begin a forcible detainer action; or
      2) RED shall immediately notify the [appropriate DED department] of the available business site

7.4 Relinquishment
Withdrawn commercial/business sites may revert to Chapter use, if it is supported by a Chapter Resolution and approved by the EDC

7.5 Property Management
RED shall inspect and inventory all improvements located on leased premises within thirty (30) calendar days following termination or abandonment and within sixty (60) calendar days following Expiration.
1. Copy of Inventory shall be disbursed to the following:
   a. Navajo Nation Environmental Protection Agency
   b. Risk Management Program
   c. Property Management
8.0 Enforcement, Relief and Remedies:
RED shall have the primary responsibility to enforce the terms of the Lease through collections, obtaining insurance proceeds, enforcing the Security, recommending suit.
1. If at any time the Lessee files an appeal with the Office of Hearing and Appeals, any steps taken to terminate the Lease shall immediately cease, proceed to 9.0 of the Management Plan.
2. RED shall, if necessary, consult with the DOJ for any legal action that may be necessary.

8.1 Defaults:
1. Not paying rent, late charges, or repayment plans (proceed to 10.0 of the Management Plan);
2. Conducting business outside the business site;
3. Conducting business without a valid Lease;
4. Not conducting business under the purposes set forth in the Lease;
5. Unlawful conduct or business on the business;
6. Holdover – unless authorized;
7. Assigning, Subleasing, or transfer of the lease without approval of the Nation;
8. No development or completion of development within the time granted;
9. Not maintaining the premises in a pleasant appearance;
10. Unlawful construction or violation of building codes;
11. Not maintaining Security throughout the Lease term;
12. Not maintaining construction bond throughout the Lease term;
13. Not maintaining appropriate insurance through the Lease term;
14. Violating health codes and standards
15. Malpractice for professional offices;
16. Encumbering the Lease without approval from the Lessor;
17. Not paying taxes or necessary utility payments for the health and protection of the customers and employees;
18. Not maintaining the sanitation clearance;
19. Not comply with environmental laws, including Hazardous and Regulated Substances;
20. Not complying with the Navajo Preference in Employment Act and Navajo Business Opportunity Act;
21. Not complying with environmental laws for Storage Tanks
22. Not maintaining an Environmental Audit Deposit;
23. Not maintaining Storage Tank Bond, insurance or other qualifying financial responsibility mechanism as required by 40 CFR 280
24. Any other violations or breach of the terms and conditions of the Lease.

If a Default has occurred, proceed to 8.2 of the Management Plan, unless the Default is going to cause death, injury or sickness to anyone including the business owner, then proceed to 8.6 of the Management Plan.

8.2 Once a Default has occurred, RED must proceed with the following process:
1. Immediately send a notice, which must include the following;
   a. Date the Default occurred;
   b. Provide an explanation of the Default and the determination;
c. Inform the Lessee of remedies that will be pursued;
d. Inform the Lessee of possible termination and Bond/insurance collections;
e. That the Lessee has three options
   1) Cure;
   2) Request additional time or
   3) Dispute the determination, which must include an explanation;
f. The Actual Date when the Lessee must respond;
g. Must be by certified mail, return requested;
h. Lessee will have ten (10) days from date the notice is mailed to respond.

8.3 Response process
1. If the Lessee cures the Default, the process can stop immediately
2. If Lessee requests additional time proceed with the following:
   a. Immediately send a response to allow for additional time, which will be
t      determined at the sole discretion of the RED;
   b. The additional time should be no less than ten (10) days, however, it seems
t      the cure can not be done in ten (10) days, then state how long, however, no
      extension should extend beyond ninety (90) days.
   c. This additional time may be granted if the Lessee is diligently pursuing to cure
      and any additional extensions may be granted if Lessee is diligently pursuing
t      to cure.
   d. If the time from the Default extends beyond ninety (90) days and there is no
      reasonable excuse or reason, as to not being able to cure proceed to 8.4 of the
      Management Plan;
3. If the Lessee disputes the determination of the Default and provides an explanation
   then first, the RED Manager will give its recommendation as to whether a Default has
   indeed occurred. If necessary, may seek a legal analysis from the DOJ;
   a. If no Default is found, then the process shall stop immediately;
   b. If Default is found, a response letter will be sent to Lessor, which should
      contain the following:
         1) Restate the default;
         2) Provide an explanation, with supporting references, applicable laws
            and regulations;
         3) State an Actual Date for the Lessee to cure, which must be no less
            than ten (10) days.
   c. If Lessee continues to dispute the determination, RED shall request a meeting
      with the Lessee to resolve the dispute, proceed to 8.4 of the Management Plan.
4. If no cooperation or response, proceed to 8.5 of the Management Plan;
5. If the Lessee decides to appeal, proceed to 9.0 of the Management Plan.

8.4 Compromise
1. If the Lessee is not able to cure but is willing to cooperate with the RED, then RED
   should begin compromising with the Lessee to mutually terminate this Lease
   a. If necessary RED may request the assistance of the DOJ to enter into a
      settlement agreement with the Lessee so as to terminate this Lease, proceed to
      10.2 of the Management Plan.
2. RED Manager may hear the dispute and negotiate for a fair and reasonable solution
3. If the Default is still not cured and a compromise is not likely, proceed to 8.5 of the Management Plan.

8.5 Remedies

1. If the Lessee, does not respond or cure within the time given, or does not cooperate with the RED, the following may be exercised:
   a. Cancel the Lease, proceed to 7.2 of the Management Plan;
   b. Pursue other remedies, including execution on Bonds or collection of insurance proceeds;
   c. Any combination of remedies listed above.
2. If RED decides to terminate the Lease, it shall:
   a. Obtain a written document from the appropriate tribal department to verify the Applicant’s compliance with Navajo Business Procurement and Navajo Nation law and regulations.
3. Once the RED has an approved termination of the Lease, a letter shall be sent immediately to the Lessee informing the Lessee of the termination
4. The termination letter shall be sent to the Lessee by certified mail, return receipt requested. The termination letter shall:
   a. Explain the grounds for termination;
   b. Notify the Lessee of unpaid amounts, interest charges, or late payment penalties due under the Lease;
   c. Demand full payment, if applicable
   d. Notify the Lessee of its right to appeal the termination; and
   e. Order the Lessee to vacate the premises within 30 days of the mailing of receipt of the termination letter, if an appeal is not filed by that time.
5. A termination shall become effective thirty-one (31) days after the mailing;
6. The filing of an Appeal shall tell the effective date of a termination. Pending the outcome of an Appeal, the Lessee shall make all requisite payments, as well as comply with the terms of the Lease.
7. Once a termination has taken place, the RED may:
   a. Enter the Premises;
   b. Change locks, place padlocks on the buildings;
   c. Discontinue utility services;
   d. Assist the Lessee to vacate the premises;
   e. Do anything to the extent permitted by law to retake the premises.

8.6 Emergency cancellation of the Lease

If conduct causes or threatens to cause immediate and significant harm to the premises or persons, including the business owner, or undertakes criminal activity thereon, the RED may contact the Navajo Nation Police Department and immediately terminate the Lease without notice to the Lessee.

8.7 Eviction/Court Action:

Eviction through Court Action would be imposed on the Lessee(s) if Lessee(s) were unwilling to vacate the business site after termination of the Lease. Upon issuance of
warrant of removal by the Nation Courts, Lessor will secure the lease premises with the assistance of the law enforcement.

8.8 **Trespass:**
If a person or Lessee(s) occupies the premises without the Economic Development Committee approval, the RED may pursue appropriate remedies, including the filing of a trespass action to regain possession. If a person or Lessee(s) remain in possession after the expiration or termination of a Lease, RED shall treat such occupation as a trespass. RED shall take action to recover possession and pursue additional remedies and may seek DOJ assistance for filing of such actions.
9.0 Appeals
   An interested party may appeal the decision of the Navajo Nation, after exhaustion of all tribal remedies, to the Secretary of the Interior ("Secretary")

9.1 Appeal Procedure:
   1. Lessee shall notify RED, in writing, of any arising dispute.

9.2 Compromise with RED
   1. Upon receipt of the written appeal, RED shall contact the Lessee/interested party and attempt to compromise and come to a fair and reasonable solution to the dispute, as provided in 7.0.
   2. If the dispute cannot be resolved within twenty (20) days from the date of the appeal, the Lessee/interested party may appeal to the OHA.
   3. Upon the written decision or expiration of the time limit, whichever occurs first, the Lessee shall have ten (10) calendar days to appeal to OHA.

9.3 Navajo Nation Office of Hearings and Appeal ("OHA")
   1. If the Lessee and RED are not able to compromise the Lessee may file an appeal with the OHA
   2. OHA shall review whether the determination of RED is:
      a. Arbitrary, capricious or an abuse of discretion
      b. Not supported by substantial evidence
      c. Not in accordance with the law

9.4 Navajo Nation Supreme Court ("NSC")
   1. Lessee may appeal to the NSC once a decision has been made by OHA.
   2. The review will be limited to issues of law and the record
   3. De Novo review is not allowed

9.5 Secretary of Interior
   1. Lessee may appeal to the Secretary once a decision has been made by NSC
   2. Secretary shall determine if:
      a. Any adverse affects to Lessee
      b. Not in accordance with the Navajo Nation Business Site Leasing Regulations of 2005
      c. Discriminating to Lessee
10.0 Lease Collection Procedures:

10.1 Collections:
Leases that are in arrears or otherwise not in compliance with the Lease are forwarded to RED for collection efforts. The goal of the collection officers is to have the Lessee pay their rental debt on a timely basis through the process of negotiation and cooperation without having to resort to legal proceedings;

1. RED shall keep detailed records of efforts and have periodic contacts with Lessees, in accordance with the internal policies and procedures of the RED.
   a. The Lease file is a legal document and any entries made must be considered as potential evidence in a court of law;
2. It is the responsibility of the Lessee to keep the RED informed of their current address and telephone numbers. RED is not responsible for sending correspondence to other than the last known address and telephone number provided by the Lessee;
3. If an account is collected, through judicial action, the Lessees shall not be considered for another Lease until a minimum of ten (10) years has lapsed;
   a. All bankruptcy cases shall be subject to the Federal Bankruptcy Laws and all other applicable laws to discharge a debt to the Nation.
   b. However, the continued right to terminate the property is subject to all applicable Navajo Nation, Federal and state laws in which the property is located.
   c. In the event of death of a Lessee, RED shall contact the surviving spouse or the administrator of the deceased’s estate to proceed with the probate in compliance with the Navajo Nation Rules of Probate Procedures;
   d. Any uncured payment arrearages of employees of the Navajo Nation or entity of the Nation shall be pursued,
      1) Pursuant to the Navajo Nation Executive Branch Personnel Policies Manual Article XVI(B)(2); or
      2) At the option of RED through judicial means or through the Navajo Business and Procurement Act, 12 N.N.C.§1507.

10.2 Compromise with delinquent Lessee(s):
When the Lease rental is uncollectible and all collection efforts have been exhausted and the Lessee agrees to settle outstanding debt with the Nation, with a Settlement Agreement or Promissory Note.

DEFINITION
Affected Party means the Lessee, Sublessee, Assignee, Permittee, Encumbrancer or any other person or entity who owes debt to the Nation

1. RED shall consider factors such as death, bankruptcy, other circumstances and the amount of debt on a case-by-case basis before recommending to the DOJ a Settlement Agreement and/or Promissory Note be entered into.
2. RED may in its discretion negotiate with the Affected Party as to the terms of the Settlement Agreement or Promissory Note or forward negotiations to DOJ;
3. Once negotiations are completed the DOJ shall draft and/or review the Settlement Agreement and/or Promissory Note before submitting for approval.
4. Once the Settlement Agreement and/or Promissory Note is signed by the Affected Party, DOJ will submit the Settlement Agreement and/or Promissory Note to the DED Division Director for concurrence and final execution by the Attorney General;

5. Upon final approval, the accrued rental and any fees may be taken off the books of the Nation. A separate record shall be maintained by RED and OOC Accounts Receivable Department showing the Leases that have been settled or a repayment plan is agreed to. OOC shall be responsible for collections of Settlement Agreements and/or Promissory Notes.
11.0 Appendix – Forms:
1. Annual Lease Compliance
2. Property Inventory
3. Site Status Report
4. Environmental Summary
5. FMIS Steps on Entering Standard Invoice
6. Standard Invoice
ANNUAL LEASE COMPLIANCE REPORT

INSPECTOR: ___________________________ INSPECTION DATE: __________

LEASE NO: _______________ DATE APPROVED: _______ TERM: ______

LESSEE: ___________________________ ADDRESS: ________________

DBA: ___________________________ LOCATION: ________________

CONTACT PERSON: ___________________ TITLE: ________________

PHONE NO.: _______________________ TOTAL EMPLOYEES: _________

NAVAJOS: ________________________ NON-NAVAJOS: _____________

TOTAL EMPLOYEES: ___________
NAVAJOS: ________________________
NON-NAVAJOS: ________________

I. Authorized Activities: ____________________________________________

II. Agreed upon Improvements (renovations, repairs, etc.)

III. Improvements Completion Date/Development Period: ______________

IV. 

V. If no evidence of Improvements, explain: ___________________________

VI. DOLLAR INVESTMENT ON IMPROVEMENTS:
   A. Total dollar cost financed by: (Loan, Mortgages, own resources, etc.,)
      1. ________________________ $ ______
      2. ________________________ $ ______

VII. Procurement (rent) Compliance: ___________________________________

VIII. SKETCH OF ALL FACILITIES WITHIN LEASE PREMISES:

IX. Sanitation: ______________________________________________________

X. Underground Storage Tank: ________________________________________

XI. Bonding: _______________________________________________________

XII. Insurance: _____________________________________________________

COMMENTS: _______________________________________________________

Version 8/05/09
EDCAU-39-09
SITE STATUS REPORT

Business Name: _______________________________ Lease Number: __________
Current Address: _______________________________ Telephone No. (____) ________
Lessee(s): _______________________________

A) Lease Status:
1. [ ] Active - Operating
2. [ ] Active Non-Operating
   a) [ ] Developed  [ ]
   b) Bill @ Holdover Rate?  [ ] No
3. [ ] Expired Operating
   a) Expiration
4. [ ] Expired Non-Operating
   a) Expiration
5. [ ] Expired – Reverted to Local
6. [ ] Cancelled
   a) Cancellation
7. [ ] Terminated
   a) Termination
8. [ ] Settlement
   a) Promissory Note:  [ ] No
9. [ ] Abandoned
   a) Business Closed?  [ ] No  [ ]
   b) Date Business
10. [ ] Permit only
    a) Begin  ________________
    Ending  ________________
11. [ ] Lessee Deceased
    a) Probate in process?  [ ] No
    Relinquished to:  ___________________

B) Action Requesting:
1. [ ] Stop Billing
   a) As of Date:  ________________
2. [ ] Continue Billing
   a) Until Date:  ________________

Comments:
(Please Print) ____________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

Site Status Reviewed by:  _________________________  Date:  ________________
Department:  ________________________________

ACCOUNTS RECEIVABLE USE ONLY:
Updated Business Site  [ ] Yes  [ ] No
Lease Account:  (explain)  ________________________________
Additional Comments: ____________________________________________

Reviewed by:  _________________________  Date:  ________________

Version 8/05/09
EDCAU-39-09
**FMIS steps on ‘Entering Standard Invoice’ through FMIS Accounts Receivable Module.**

**Entering Standard Invoices**

**Step 1:** Enter standard invoices with basic information

<table>
<thead>
<tr>
<th>Detailed Steps</th>
<th>Step Description</th>
<th>Field Name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Choose Financials</td>
<td>(G1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Choose Accounts Receivable</td>
<td>(G03B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Choose Daily Processing</td>
<td>(G03B10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Choose Customer Invoice Entry</td>
<td>(G03B11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Choose Standard Invoice Entry</td>
<td>(P03B2002) (Double Click)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ensure customer is set-up and has A/R flag</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Click ‘Add’</td>
<td>The system will automatically display a new Batch Number.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Enter Customer</td>
<td>Choose the visual assist (flashlight) with search type ‘C’ in customer Address Book to find customer.</td>
<td>Customer</td>
<td>Burger King</td>
</tr>
<tr>
<td>• Record batch number</td>
<td></td>
<td></td>
<td>259862</td>
</tr>
<tr>
<td>• Enter Company</td>
<td>You can use the visual assist (click on Flashlight)</td>
<td>Company</td>
<td>10</td>
</tr>
<tr>
<td>• Enter Invoice Date</td>
<td></td>
<td>Invoice Date</td>
<td>07/20/06</td>
</tr>
<tr>
<td>• Enter G/L Date</td>
<td>Use today’s date</td>
<td>G/L Date</td>
<td>07/20/06</td>
</tr>
<tr>
<td>• Click into Gross Amount field in the grid</td>
<td>Enter gross amount of invoice</td>
<td>Gross Amount</td>
<td>6,000.00</td>
</tr>
<tr>
<td>• Tab to ‘Remark Field’</td>
<td>Enter remark for invoice</td>
<td>Remark</td>
<td>CY 2007 Business Site Rental Lease Billing</td>
</tr>
</tbody>
</table>
- Arrow down to new line within grid. Information will automatically fill in for Open Amount, Due Date, Discount Date, etc.

- “Gross Amount” only enters an amount if there is no tax to be calculated. Applicable taxes should default into grid from Customer Master.

- Click ‘Ok’

- Enter account number for A/R Trade Offset
<table>
<thead>
<tr>
<th>For G/L Distribution</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>107004.136</td>
</tr>
</tbody>
</table>

- Click into the Amount field in the grid
<table>
<thead>
<tr>
<th>Billing amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-6000.00</td>
</tr>
</tbody>
</table>

- Click ‘Ok’ to save the standard Invoice

- For last invoice in batch – Click on Cancel – this will close batch

- Click ‘Close’

- Batch will be in Pending Status under AR menu, Invoice Journal Review, until such time it’s Approve & Post by the Supervisor or individual with the appropriate level of security.

Application: P0011  
Version: ZJDE0005

## Output

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Actual Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create an unposted Invoice for the Business Site Lease. You will be able to view and edit the batch while in Pending Status.</td>
<td>After the Batch is approved and posted. Choose Financial, Accounts Receivable, Statement Reminder Processing, Invoice Print (at the top of the form it will display automatically) Batch Application R55AR02) Select ‘Invoice Print’ and continue.</td>
</tr>
</tbody>
</table>