

**RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION**

(Approval To Lease Old Post Office)

WHEREAS, Stanley Parker, a member of the White Mountain Apache Tribe, did approach the White Mountain Apache Tribal Council with a proposal for establishing a clothing store, the Apache Bug Factory, which would provide clothing selections to our community youth;

WHEREAS, Mr. Parker identified the Old Post Office Building, located at 106 Chief Avenue, Whiteriver, Arizona, as suitable for his proposed store, and further proposes to renovate the building at his own expense; and

WHEREAS, the Old Post Office Building has been vacant for some time; and


WHEREAS, a business lease agreement has been prepared by the Realty Office between the White Mountain Apache Tribe and Mr. Parker, as attached and incorporated by this reference; and

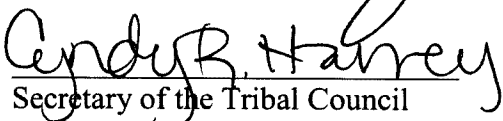
WHEREAS, the Council finds that the business lease agreement is in the best interests of the Tribe.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that:

1. The business lease agreement between the White Mountain Apache Tribe and Mr. Parker, as attached and incorporated by this reference, is hereby approved.
2. The Chairman, or in his absence Vice-Chairman, is hereby authorized to execute the business lease agreement and all other documents necessary to effectuate the intent of this resolution.

The foregoing resolution was on 4/07/05, duly adopted by a vote of SEVEN for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1(a),(b),(c),(t)and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, Pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984)


ACTING Chairman of the Tribal Council


Secretary of the Tribal Council

**WHITE MOUNTAIN APACHE TRIBE
BUSINESS LEASE**

THIS LEASE is made and entered this 1st, day of May, 2005, by and between the WHITE MOUNTAIN APACHE TRIBE (hereinafter Lessor), and Apache Bug Factory, 106 N. Chief Ave. Whiteriver, Arizona 85941 (hereinafter Lessee). Pursuant to Resolution No. 04-2005-90, the parties agree to the following:

1. **LEASED PREMISES.** For and in consideration of the rents, covenants, and agreements hereinafter set out, Lessor hereby leases to Lessee the following described premises in the White Mountain Apache Tribal Reservation in Whiteriver, Arizona.
2. **TERM.** The term of this lease shall be for 10 years subject to 5 year rental review/ adjustment for the term of this lease, beginning on May 1st, 2005, and ending April 30th, 2005.
3. **PURPOSE.** Lessee shall develop, use and operate the leased premises for the initial purpose of a Youth Clothing Store, if the Lessee uses the leased premises for any other purpose not authorized by the Lessor, such use shall constitute grounds for termination of the lease.
4. **UNLAWFUL USES.** Lessee agrees that it will not use or cause to be used any part of the leased premises for any unlawful conduct or purpose.
5. **RENTAL.** Lessor agrees not to charge Lessee a rental fee until April 30, 2005. Lessee agrees to pay the Lessor a rental payment beginning in the fifth year of the lease, a rental fee will be negotiated.
6. **MAINTENANCE.** Lessee shall maintain the Leased Premises in good order and repair and in a neat and attractive condition, which Lessor acknowledge exists as of the date of this Agreement, at all times during the term of this Lease and at Lessee's sole cost and expense.
7. **ACCOUNTING.** Lessee shall submit, at the time of each rent payment, a copy of each report of sales and revenues submitted to the White Mountain Apache Tribal Treasurer's Office for calculation of the transaction privilege tax. All rental payments need to be sent to the Controller's Office. A copy of each report of sales and revenues submitted to the White Mountain Apache Tribal Treasurer's Office for calculation of the transaction privilege tax.

White Mountain Apache Tribe
Office of the Controller
P.O. Box 700
Whiteriver, Arizona 85941

copy to: White Mountain Apache Tribe
Legal Department
P.O. Box 700
Whiteriver, Arizona 85941

White Mountain Apache Tribe
Realty Office
P.O. Box 1405
Whiteriver, Arizona 85941

8. PLAN – DESIGNS – CONSTRUCTION. Before commencing any construction of improvements on the leased premises, Lessee shall submit to Lessor general development plans, schematic drawings, architectural designs and specifications for approval. No material change will be made in general plans, architectural design or specifications after approval without the consent of Lessor.

9. ASSIGNMENT AND SUBLEASE. Lessee may sublease or assign his rights hereunder to any properly chartered business entity created by Lessee for the purpose of owning or operating his business, or to any person, firm or entity to whom Lessee may sell or transfer said business. Sublease, assignment, or encumbrance may be made only with the approval of the Lessor.

10. AGREEMENT FOR UTILITY LINES AND STREETS. Lessee shall have the right to egress and ingress to leased property and enter into agreements with the entities furnishing utilities, including gas, water, telephone, television and sewer services and street rights-of-way necessary to the full enjoyment of the leased premises and the development thereof in accordance with the provisions of this lease. Lessee shall be responsible for payment of any utility hook-up or service fee.

11. ENCUMBRANCES. This lease or the right to any interest in this lease or any improvements of the leased premises may not be encumbered without the written approval of Lessor. An encumbrance may be made for borrowing capital for the development and improvement of the leased premises, providing the encumbrance is limited to the leasehold interest of the Lessee and the Lessee's improvements, and shall not jeopardize in any way Lessor's interest in the land.

12. LIENS, TAXES, ASSESSMENTS AND OTHER CHARGES. Lessee shall not permit to be enforced against the leased premises or any part thereof any liens arising from work performed, materials furnished or obligations incurred on the leased premises or any part thereof. Further, Lessee shall pay before delinquent all taxes, assessments, licenses, fees and other like charges levied during the term of this lease, upon or against the leased land or improvements.

13. LESSOR'S PAYING CLAIMS. Lessor shall have the option to pay any lien or charge payable by Lessee under this lease, or settle any action therefore, if the Lessee after written notice from Lessor or Secretary fails to pay or to post bond against enforcement. All costs and other expenses incurred by Lessor in doing so shall be paid to Lessor by Lessee upon demand with interest at the rate of ten percent (10%) per annum from date of payment until repaid. Failure to make such repayment on demand shall constitute a default under section 21 of this lease.

- 14. PUBLIC LIABILITY INSURANCE.** At all times during the term of this lease, Lessee shall carry or cause to be carried a public liability insurance policy in an amount of not less than One Million Dollars (\$1,000,000) for personal injury and property damage, including pollution liability, said policy to be written jointly to protect Lessee and Lessor. Evidence of such coverage and prior written notice of cancellation or modification shall be furnished to the Lessor and Secretary.
- 15. FIRE AND DAMAGE INSURANCE.** Lessee shall, from the effective date of this lease, carry or cause to be carried fire insurance with extended coverage for endorsements and vandalism, jointly in the names of the Lessee and Lessor. Said insurance shall cover the full ordinary insurable value of all improvements on the leased premises or that may be hereafter erected on said premises. Lessee shall timely pay all premiums and other charges in respect to such insurance and shall submit to Lessor receipts for each premium, or other charge as satisfactory evidence of such payment.
- 16. WORKERS COMPENSATION, INSURANCE, SOCIAL SECURITY, UNEMPLOYMENT.** Lessee agrees to carry or cause to be carried such insurance covering all persons working in, on or in connection with the leased premises for Lessee as will comply with the Workers Compensation statutes of the State of Arizona as are now in force or as they may be amended. Further, Lessee agrees to comply with all terms and provisions of all applicable laws of the State of Arizona pertaining to Social Security and unemployment, and to indemnify and hold Lessor harmless from payment of any damages occasioned by Lessee's failure to comply with these laws.
- 17. HOLDING OVER.** Holding over by Lessee after the termination of this lease shall not constitute a renewal or extension thereof or give Lessee any rights hereunder or in or to the leased premises.
- 18. OBLIGATIONS OF LESSEE.** While the premises are held by the Secretary in trust, all of Lessee's under this lease and the obligation of their surety are to Lessor and to the Secretary.
- 19. INSPECTION AND RIGHT OF ENTRY.** Lessor or its designated representative shall have the right, at any reasonable time during the term of this lease, to enter upon the leased premises, or any part thereof, to inspect the same and all buildings and other improvements erected and placed for safety, proper construction, and environmental compliance.
- 20. DEFAULT.** In the event that Lessee has defaulted in any payment of monies as required by the terms of this lease, or Lessee has breached any other covenant of this lease, the Lessee shall be notified in writing by the Lessor or the Secretary who shall set forth in detail the nature of the violation. Within the ten (10) days of receipt of the notice of violation, the Lessee shall respond in writing to state why the lease should not be

cancelled. If within the ten (10) day period it is determined that the breach may be corrected and the Lessee agrees to take the necessary corrective measures, the Lessee shall be given a reasonable amount of time within which to take corrective action to cure the breach. If the Lessee fails to respond to the notice of violation or fails to correct the breach within the prescribed time, then the Lessor may either:

- (A.) Proceed by suit or otherwise to enforce collection or to enforce any other provision of this lease, or
- (B.) Reenter the premises and remove all persons and property therefrom, excluding the personal property belonging to authorized sublessees, and either:
 - (1.) Relet the premises without terminating this lease, as the agent and for the account of Lessee, but without prejudice to the right to terminate the lease thereafter, and without invalidating any right of Lessor and Secretary or any obligation of Lessee hereunder. Terms and conditions of such reletting shall be at the discretion of Lessor, subject to the approval of Secretary, who shall have the right to alter and repair the premises as the Lessor deems advisable, and to relet with or without any equipment or fixtures situated thereon. If a sufficient sum is not thus realized to liquidate the total amount due, including attorney's fees, Lessee shall pay the Lessor monthly, when due, any deficiency shall arise; or
 - (2.) Terminate this lease at any time even though Lessor and the Secretary have exercised rights as outlined above.

Any action taken or suffered by Lessee as a debtor under any insolvency or bankruptcy act shall constitute a default under this Section. In such event the Lessor and the Secretary shall have the options set forth above.

21. DELIVERY OF PREMISES. At the termination of the lease, Lessee will peaceably and without process deliver up possession of the leased premises in good condition.

22. LEASE BINDING. Subject to the provisions hereof of relating to assignment, this lease is intended to and does inure to the benefit of and bind heirs, successors, administrators and assigns of the parties hereto.

23. WASTE DISPOSAL FACILITIES. Lessee agrees that plans for sewage or other waste disposal facilities, including but not limited to septic tanks and sewage plants, will be submitted to the proper authorities for review and approval prior to commencement of any construction or permanent improvements on the leased premises.

24. AMENDMENTS. This lease may only be amended by written amendment signed by both parties and approved by the Secretary. Any amendment will be incorporated into and attached to this lease.

25. REMOVAL OF BUILDING AND SITE RESTORATION. Lessee agrees, upon termination of the lease, to remove all structures on the land and to restore the land to the condition which existed when Lessee took possession of the parcel. The parties shall inspect the parcel prior to occupancy by Lessee and shall both sign a written document, incorporated herein by reference, memorializing the condition of the land. Any property remaining on the premises more than 30 days after termination of this lease shall become the property of the Lessor.

26. TERMINATION. Lessee may terminate the lease upon thirty (30) days advance written notice for any cause or no cause.

27. INDEMNIFICATION. Neither the Lessor nor the United States, nor their officers, agents and employees shall be liable for any loss, damage or injury of any kind whatsoever to the person or property of the Lessee or any other person whomsoever, caused by any use of the leased premises, or by any defect in any structures erected thereon or arising from any accident, fire or other casualty on or about said premises or from any other cause whatsoever. Lessee hereby releases and waives all claims against Lessor and the United States and agrees to indemnify and hold Lessor and the United States free and harmless from Liability, for any loss, damage or injury arising from the use of the premises by Lessee, together with all costs and expenses in connection therewith.

28. DISPUTES. Disputes under this lease shall be resolved under the laws of the White Mountain Apache Tribe and in the courts of the White Mountain Apache Tribe; provided that nothing in this lease shall be construed as a waiver of the sovereign immunity of the White Mountain Apache Tribe.

LESSEE:

(NAME)
(ORGANIZATION)

(Name) Date

LESSOR:

**WHITE MOUNTAIN
APACHE TRIBE**

By: 
ACTING Chairman Date

Approved:

By: 
Alexander B. Ritchie
Tribal Attorney