

LEASE

THIS LEASE, is made and entered into this ___ of _____, 2002, by and between the Office of Navajo and Hopi Indian Relocation, hereinafter called the Lessor, whose address is P.O. Box KK, Flagstaff, Arizona 86002 and the Navajo Nation Department of Behavioral Health Services, hereinafter called the Lessee, whose address is P.O. Box 9000, Window Rock, Arizona 86515 under the provisions of P.L. 93-531, as amended by P.L. 96-305 and P.L. 100-666.

1. LAND DESCRIPTION.

For and in consideration of the rents, covenants and agreements hereinafter set out, the Lessor hereby leases to the Lessee the following described premises: two undeveloped lots encompassing 3.70 acres located in the Northwest quarter of Section 30, Township 21 North, Range 29 East, Gila and Salt River Meridian, on the New Lands at Sanders, Arizona.

2. TERM.

This lease shall be for a term beginning _____ and continuing for twenty (20) years unless sooner terminated as hereinafter provided.

3. PURPOSE.

This lease shall be for the purpose of using and maintaining the premises exclusively by the Department of Behavioral Health Services to operate an outpatient treatment center including a traditional healing grounds.

4. RENTAL.

The Lessee, in consideration of the foregoing, agrees to pay to Lessor in lawful money of the United States of America rental in the amount of One Dollar (\$1.00) per year.

5. USE OF PREMISES; GENERAL PLAN.

Lessee shall develop, use and occupy the leased premises for the purpose of constructing and operating an outpatient treatment center and traditional healing grounds including constructing and operating appropriate related public facilities.

Prior to development of the leased premises, lessee shall develop and submit to Lessor for approval a General Plan for the complete development of the leased premises. The approval of Lessor may be withheld, granted or granted upon conditions, in the sole discretion of Lessor.

If Lessee fails to commence construction within one year from the date of execution of this lease, Lessor in its discretion may cancel the lease.

The leased premises shall not be used by Lessee for any purpose other than as provided in this lease, except with prior written consent of Lessor. The consent of Lessor may be withheld, granted or granted upon conditions, in the sole discretion of Lessor.

6. CESSATION OF DEPARTMENT OF BEHAVIORAL HEALTH SERVICE LEASE.

In the event the leased premises shall be used for any purpose other than the operation of an outpatient treatment center, including a traditional healing grounds, then Lessor, at its option, may cancel and terminate this lease if such unauthorized use has not been terminated within thirty (30) days after written notice by Lessor that the leased premises are used for an unauthorized purpose.

7. ASSIGNMENT AND SUBLEASE.

Lessee shall not assign this lease or any interest therein or sublet any portion thereof without the prior written approval of Lessor. In the event that the Lessee sublets a portion of the building, Lessee will be responsible for assuring that the sublessee complies with all conditions of the lease and such assurance should be spelled out in writing.

8. REMOVAL OF PERSONAL PROPERTY AND EQUIPMENT.

Lessee, not being in default, shall be the owner of and have the right to remove from the leased premises within thirty (30) days after the termination or expiration of this lease any and all personal property owned by it and placed thereon by Lessee. All buildings, equipment or personal property of Lessee remaining on the leased premises after the expiration of thirty (30) days following the termination of this lease, either in its primary or extended term, shall become or remain the property of Lessor.

9. INTEREST OF MEMBER OF CONGRESS.

No member of, or delegate to Congress, or employee of the Department of Interior shall be admitted to any share or part of this lease or to any benefit that may arise herefrom, but this provision shall not be construed to extend to this lease if made with a corporation or company for its general benefit.

10. SANITATION.

Lessee hereby agrees to comply with all applicable sanitation codes, requirements or laws which may be related to the purpose of this lease as set forth in Section 3 herein above. Such compliance shall specifically include, but not be limited to, the sanitary regulations of the U.S. Indian Health Service and the Navajo Nation.

11. MAINTENANCE. Lessee further agrees at all times to repair and maintain the leased premises in a safe, sanitary condition, presenting a good appearance both inside and out in all buildings operated on the leased premises. The Lessee may upon the prior written approval of

the Lessor make alterations and improvements as may be necessary to make the building or premises adhere to the program needs of the Lessee.

12. 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 purposes.

13. LEASE BINDING.

This lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the successors, heirs, assigns, executors and administrators of the parties hereto.

14. PROPERTY USE - COMPLIANCE WITH LAW.

The buildings and other facilities erected on the site and uses to which the site is put shall comply with the laws, statutes, regulations, ordinances and rulings of the Navajo Nation, and the United States Government. Any subsequent changes in use will be subject to the approval of the Lessor.

15. JURISDICTION AND GOVERNING LAW.

This Agreement is entered into at Flagstaff, Arizona. The terms of this Agreement shall be interpreted by the laws of the United States and the court of jurisdiction shall be the United States District Court for the District of Arizona.

16. LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES.

Lessee shall not permit to be enforced against the leased premises or any part thereof any liens arising from any work performed, materials furnished, obligations incurred by Lessee, but Lessee shall discharge all such liens before any action is brought to enforce same; further, Lessee shall pay when and as the same become due and payable, all utility charges, taxes, assessments, licenses, fees and other like charges levied during the term of this lease upon or against the leased land and all interests therein and property thereon, for which either the Lessee or Lessor may become liable. The Lessee shall be responsible for the payment of utility charges incurred by Lessee during the operation of the facility.

17. TERMINATION OF FEDERAL TRUST.

Nothing contained in this lease shall operate to delay or prevent a termination of Federal Trust responsibilities with respect to the land by the issuance of a fee patent or otherwise during the term of this lease; however, such termination shall not serve to abrogate the lease. The owners of the land and the Lessee and their surety or sureties shall be notified of any such change in the status of the land.

18. OBLIGATIONS OF LESSEE.

While the leased premises are in trust or restricted status, all of the Lessee's obligations under

this lease, are to the United States as well as to the Lessor.

19. INSPECTION.

The Lessor and their authorized representatives shall have the right, at any reasonable time during the term of the lease, to enter upon the leased premises, or any part thereof, to inspect the same and all buildings and other improvements erected and placed thereon.

20. DELIVERY OF PREMISES.

At the termination of this lease, Lessee will peaceably and without legal process deliver up the possession of the leased premises, in good condition, usual wear and tear and acts of God excepted.

21. VALIDITY.

This lease, and any modification of or amendment to this lease, shall not be valid or binding upon either party hereto until approved by the Lessor.

22. CANCELLATION.

This lease can be cancelled by either party upon ninety (90) days written notice.

23. RIGHT OF RECOVERY - INDEMNIFICATION OF LESSOR.

Neither the Lessor nor the United States Government, 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 sublessee or of any other person whomsoever, caused by any use of the leased premises, or by any defect in any structure erected thereon, or arising from any accident, fire, or other casualty on said premises or from any other causes whatsoever; and Lessee, as a material part of the consideration for this lease, hereby waives on Lessee's behalf all claims against Lessor and/or the United States Government and agrees to hold Lessor and/or the United States Government free and harmless from liability for all claims for any loss, damage, or injury arising from the use of the premises by Lessee, together with all costs and expenses in connection therewith.

IN WITNESS WHEREOF, the parties hereto have set their hands.

**The Department of Behavioral Health Services,
Lessee**

By: _____

Date: _____

**Office of Navajo and Hopi Indian Relocation,
Lessor**

By: _____
Executive Director

Date: _____



UNITED STATES GOVERNMENT
OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

Christopher J. Bavasi
Executive Director

MEMORANDUM

To: Chris Bavasi, Executive Director
From: Scott Kuhr, Land Management Specialist *Scott Kuhr*
Through: Tim Varner, Land Use Manager *Tim*
RE: Department of Behavioral Health Services Lease
Date: April 12, 2002

Chris,

As you are aware, the Department of Behavioral Health Services is interested in leasing two lots on the New Lands. Recently, I submitted a draft lease to the Navajo-Hopi Land Commission Office, Nahata Dziil Chapter, and the Bureau of Indian Affairs for comments. No comments were received, and as required by our procedures the comment period is now closed. Herman Largo, the Department Director for Behavioral Health Services, signed the final lease on April 9, 2002, and has returned it to us.

Attached for your signature is the final lease. If you have any questions or concerns, feel free to contact Tim or *me*.