



MOTION TO TABLE  
RESOLUTION NO. SI-R17-041  
BY COUNCIL ACCLAMATION  
ON DECEMBER 4, 2017  
**RESOLUTION TABLED**

*BEM*  
*12.5.17*

**PUEBLO DE SAN ILDEFONSO  
COUNCIL RESOLUTION NO. SI-R17-041**

**APPROVING AND AUTHORIZING THE ECONOMIC DEVELOPMENT LEASE  
AGREEMENT WITH SAN ILDEFONSO SERVICES, LLC  
FOR THE TOTAVI CONVENIENCE STORE**

At a duly called meeting of the Council of San Ildefonso Pueblo on the  
4th day of December, 2017, the following Resolution was adopted:

**WHEREAS**, the Pueblo de San Ildefonso (“Pueblo”) is a sovereign and self-governing Tribe, recognized as such by the United States of America; and

**WHEREAS**, the sovereign authority of the Pueblo is vested in its Council and Governor; and

**WHEREAS**, the Pueblo de San Ildefonso previously enacted a law titled “Act to Transfer Ownership and Operation of C-Stores to San Ildefonso Services, LLC”; and

**WHEREAS**, a business lease is required for the Totavi Convenience Store, which is located on the Pueblo’s lands; and

**WHEREAS**, the Council has determined that it is prudent and in the best interest of the Pueblo to authorize the Governor of the Pueblo to negotiate and execute a business lease with San Ildefonso Services, LLC for the Totavi Convenience Store consistent with the attached “Act Authorizing the Economic Development Lease with San Ildefonso Services, LLC for the Totavi Convenience Store.”

**NOW THEREFORE BE IT RESOLVED**; that the Council hereby enacts the attached law entitled, “APPROVING AND AUTHORIZING THE ECONOMIC DEVELOPMENT LEASE WITH SAN ILDEFONSO SERVICES, LLC FOR THE TOTAVI CONVENIENCE STORE.”

**BE IT FINALLY RESOLVED**, that the Pueblo de San Ildefonso Council hereby approves and adopts this resolution in accordance with the requirements of the Agreement, according to Council procedures, and authorizes and directs the Governor, or his designee, to take such actions as deemed necessary to carry out the intent of this resolution.

**COUNCIL REPRESENTATIVE SPONSOR(S):** CR M. Wayne Martinez

COUNCIL REPRESENTATIVE	YES	NO	ABSTAIN	ABSENT
Glenda Fred-Weahkee				
Terrence K. Garcia				
Thomas Gonzales				
Darryl Martinez				
M. Wayne Martinez				
Perry Martinez				
Tim Martinez				
Christopher Moquino				
Donald Pena				
Irene Tse-Pe				

**DELIVERY OF THE RESOLUTION TO THE GOVERNOR:**

Resolution No. SI-R17-041 was presented to the Governor of the Pueblo de San Ildefonso on the 4th day of December, 2017, pursuant to the Governing document of the Pueblo de San Ildefonso (“Agreement”), GOVERNOR, Sec. 4 (c), and will become effective after signature by the Governor or veto override by the Council.

\_\_\_\_\_  
Irene Tse-Pe, Council Secretary

**GOVERNOR’S ACTION:**

{ } APPROVED

{ } VETO - RETURNED TO COUNCIL WITH EXPLANATION:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
James R. Mountain, Governor



## **PUEBLO DE SAN ILDEFONSO**

### **APPROVING AND AUTHORIZING THE ECONOMIC DEVELOPMENT LEASE AGREEMENT WITH SAN ILDEFONSO SERVICES, LLC FOR THE TOTAVI CONVENIENCE STORE**

**Section 1.5 Council Authorizations and Waivers**

- (a) The Council has reviewed the proposed monetary compensation that must be paid under the Proposed Economic Development Lease and has determined the amount to be satisfactory to the Pueblo, and the Council hereby waives valuation that may otherwise be required under the Code of Federal Regulations, and has determined that accepting such negotiated compensation and waiving valuation is in the best interests of the Pueblo.
- (b) The Council has determined that it is in the Pueblo's best interest that no periodic review of the adequacy of compensation or adjustment be required for the Proposed Economic Development Lease.
- (c) The Council has determined that it is in the Pueblo's best interest to waive the requirement of a performance bond or an alternative form of security that may otherwise be required under the Code of Federal Regulations, and further requests that the Bureau of Indian Affairs, Department of the Interior, defer to the Council's express waiver of such bond or security.
- (d) The Council has determined that the Governor may execute said Economic Development Leases or any other certification required by federal or tribal law.

**Section 1.6 Authority of Tribal Governor to Execute the Economic Development Lease**

The Council hereby authorizes and directs the Governor of the Pueblo to negotiate and execute a final Economic Development Lease in substantially the same form as the attached Proposed Lease consistent with this Act, make any revisions and amendments that may be necessary and required to support the execution of a final Economic Development Lease, and execute any certification that may be required by federal or tribal law to support the execution of a final Economic Development Lease.

**PUEBLO DE SAN ILDEFONSO ECONOMIC DEVELOPMENT LEASE  
Gas Stations and Convenience Store Lease**

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THIS LEASE AGREEMENT, is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the Pueblo de San Ildefonso (“Lessor”) and San Ildefonso Services, LLC (“Lessee”) in accordance with the provisions of 25 U.S.C. § 415, as amended, and as implemented by the regulations contained in 25 C.F.R. Part 162; and any amendments thereto relative to business leases on restricted lands which by this reference are made a part hereto.

WHEREAS, Lessor is the sole owner of a gas station and convenience store property, and desires to lease the gas station and convenience store property to Lessee; and

WHEREAS, Lessee desires to lease the gas station and convenience store property from Lessor for the purpose of operating it as a business venture; and

WHEREAS, The parties desire to enter into a Lease Agreement defining their respective rights, duties, and liabilities relating to the property.

In consideration of the mutual covenants, rents, agreements, terms and conditions contained in this Lease Agreement, the parties agree as follows:

**A. DESCRIPTION OF LEASED PREMISES**

1. Lessor leases to Lessee the following premises (referred to as the “Leased Premises”), currently known as:

Totavi Convenience Store, Pueblo de San Ildefonso, NM.

The Leased Premises are described more fully and shown in “Exhibit A” which is attached and made a part of this Lease.

2. The Leased Premises are located entirely within the exterior boundaries of the Pueblo de San Ildefonso Indian Reservation. There is hereby reserved and excepted from the Leased Premises rights-of-way for utilities constructed by or on authority of the Lessor, provided that such rights-of-way do not unreasonably interfere with Lessee’s use of the Leased Premises.
3. All minerals, including sand and gravel, contained in or on the Leased Premises are reserved for the use of Lessor. Lessor also reserves the right to enter upon the Leased Premises and search for and remove minerals located thereon, paying just compensation of any damage or injury caused to Lessee’s personal property or improvements constructed by Lessee.

**B. PURPOSE, UNLAWFUL USES**

1. Lessee shall develop, use and operate the Leased Premises for the purpose of operating convenience stores and gas stations on the Leased Premises.
2. The Leased Premises shall not be used by Lessee, Sub-lessee(s) or Assignee(s), for any purpose or purposes other than those set out above, except with the prior written consent of Lessor, as set forth below. Consent may be withheld, granted, or granted upon conditions, in the sole discretion of Lessor.

3. Lessee agrees that it will not use or cause to be used any part of the Leased Premises for any unlawful conduct or purpose.
4. Lessee will be responsible for the timely payment of any applicable taxes related to the operation of or otherwise imposed on the activities, transactions, and operations of the Leased Premises.

**C. TERM**

The term of this Lease shall be five (5) years, beginning on the date this Lease is approved by the Secretary.

**D. RENTAL**

1. Lessee, in consideration of the foregoing agrees to pay a total annual rental of \$19,200.00 to be paid at the rate of \$1,600.00 per month for the first year of the Lease to be increased on a yearly basis in accordance with the schedule below. Payment shall be made to the Pueblo de San Ildefonso, and delivered to the Pueblo Governor, Pueblo de San Ildefonso, 02 Tunyo Po, Santa Fe, NM 87506, USA.

<u>Year</u>	<u>Annual Rental</u>	<u>Monthly Rate</u>
1	\$ 19,200.00	\$ 1,600.00
2	\$ 21,200.00	\$ 1,766.66
3	\$ 22,200.00	\$ 1,850.00
4	\$ 23,200.00	\$ 1,933.33
5	\$ 24,200.00	\$ 2,016.66

2. Lessee shall make monthly rental payments in advance and not later than on the fifth (5<sup>th</sup>) day after the first day of the month in which the rent is due.
3. Rent unpaid ten (10) days after the due date shall bear interest at eighteen percent (18%) per annum, from the date it becomes due until paid, but this provision shall not be construed to relieve to Lessee from any default in making any rental payment at that time and in the manner herein specified. The rents called for hereunder shall be paid without prior notice or demand.
4. While the Leased Premises are in trust or restricted status, the Secretary may in his discretion suspend the direct rental payment provisions of this Lease Agreement, in which event the rent shall be paid to the Secretary or his authorized representative.
5. In the event Lessee enters into a sublease, assignment, management agreement or transfer of this Lease Agreement, or any right to or interest in this lease, or agrees to have Lessor make and pay for any improvements to the Leased Premises, the rent and other terms of this Lease shall be subjected to renegotiation.
6. A copy of documents confirming rental payments, including but not limited to: checks, bank drafts, electronic transfers and receipts shall be provided to the BIA Real Estate Services.

#### **E. 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, or obligations incurred by Lessee. Lessee shall discharge all such liens before any action is brought to enforce same; further Lessee shall pay before becoming delinquent all 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 Lessee or Lessor may become liable. Upon request Lessee shall furnish Lessor and the Secretary written evidence duly certified that any and all taxes required to be paid by Lessee have been paid, satisfied, or otherwise discharged. Lessee shall have the right contest a claim, asserted Tax or assessment against the property, by posting bond to prevent enforcements of any of any lien resulting therefrom, and Lessee agrees to protect and hold harmless Lessor, Secretary and the Leased Premises and all interest therein and improvements thereon from any and all claims, taxes, assessments, and like charges and from any lien therefore, or sale or other proceedings to enforce payment thereof, and all costs connection therewith. Lessor shall execute and file any appropriate documents with reference to real estate tax exemption of the land when requested by Lessee. In addition to the rents, taxes and other charges herein described, Lessee shall pay charges for water, sewage, gas, electricity, telephone, and other utility services supplied to said premises.

#### **F. PRIOR OPERATIONS**

1. The parties recognize that Lessor operated a business at the Leased Premises prior to the term of this Lease. Lessee is leasing assets from Lessor and is not acquiring any interest in or obligations related to Lessor's businesses. Lessor remains responsible for all obligations to its employees and vendors related to Lessor's operation of its businesses at the Leased Premises prior to the term of this Lease. Lessee agrees to make good faith efforts to hire the employees currently working for Lessor at the Leased Premises.
2. Lessor agrees to indemnify and hold harmless the Lessee against liability for all claims made which arise prior to the term of this Lease or which are based on or arise out of Lessor's operations prior to the term of this Lease, whether such liability is due to a debt, tax, or other obligation, and should Lessee learn of any liability existing or accrued prior to the term of this Lease, it must promptly notify the Lessor of such liability and the Lessor shall indemnify Lessee for such liability or its pro rata portion of such liability.
3. Lessor agrees to defend and hold Lessee harmless against all claims made by vendors or contractors which arise prior to the term of this Lease or which are based on or arise out of Lessor's operations prior to the term of this Lease.
4. Personal property, including all inventory, located at the Leased Premises at the beginning of the term of this Lease shall become the property of Lessee. The parties shall, by separate agreement, arrange for any payment to be made by Lessee to Lessor in connection with the transfer of title to this personal property.

#### **G. REIMBURSEMENT FOR UNDERGROUND STORAGE TANK INSURANCE**

1. Lessee shall be responsible for the maintenance associated with the underground storage tanks located on the Leased Premises. This includes but is not limited to compliance with all

applicable laws and regulations regarding corrosion protection, spill protection, overfill protection and record keeping.

2. Lessee shall pay to Lessor the pro-rata share of the annual insurance premium for the underground storage tanks located on the Leased Premises. Lessor will provide Lessee a copy of the annual insurance premium invoice, a copy of Lessor's calculations determining Lessee's pro-rata share of the premium, and an invoice for the annual insurance premium near the annual renewal date. Payment for the pro-rata share will be due thirty (30) days after the invoice is mailed to Lessee. Lessor shall add Lessee as an additional insured on all such insurance effective as of the beginning of the lease term and continuing throughout the term of this Lease. Lessor shall, within thirty days of being requested to do so in writing by Lessee, provide Lessee copies of policy documents from the insurer confirming Lessee is insured under the policy or policies as an additional insured.

#### **H. IMPROVEMENTS**

1. Except as otherwise provided in this Lease, all buildings and improvements, excluding removable personal property and trade fixtures, on the Leased Premises shall remain on said property after termination of this Lease, and shall thereupon become the property of Lessor. Lessor may require Lessee, at Lessee's expense, to remove improvements and restore the Leased Premises to the original state upon termination of this Lease. The term, "removable personal Property" as used in this Section shall include property which normally would be attached or affixed to the building, improvement or land in such a way as to legally retain the characteristics of personal property. Lessee shall remove all removable personal property and trade fixtures prior to termination of this Lease. Should Lessee fail to remove said personal property and trade fixtures prior to termination of this Lease Agreement, said property shall thereupon become property of Lessor, and may be disposed of in any manner by Lessor.
2. At the expiration or termination of this Lease, Lessor shall retain title to permanent improvements to the premises that may have been made by Lessee.

#### **I. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATIONS**

Lessee shall at all times during the term of this Lease and at Lessee's sole cost and expense, maintain the Leased Premises and all improvements thereon and any alternations, additions or appurtenances thereto, in good order and repair and in a safe, sanitary, neat and attractive conditions, and shall otherwise comply with all laws, ordinances and regulations applicable to the Leased Premises. Lessee shall have the right during the term of this Lease to make limited alternations, additions or repairs to improvements on the premises in the amount not to exceed \$50,000.00. Alterations additions or repairs in excess of the above amount shall not be made without the prior written approval of Lessor, which shall not be unreasonably withheld. Lessee shall indemnify and hold harmless the Lessor and the United States Government against liability for all claims arising from Lessee's failure to maintain the Leased Premises and the buildings thereon as herein above provided, or from Lessee's non-observance of any law, ordinance or regulations applicable thereto. Lessor agrees that Lessee may, but is not required to, reimage the Leased Premises, including the gasoline canopy and gasoline island, to meet the requirements of any brand of petroleum product. Lessor consents to Lessee doing so and no further consent is required. The cost of reimaging the Leased Premises will not be included in the \$50,000 alterations limit set forth above.



## **J. UTILITY SERVICE LINE AGREEMENTS**

1. Lessee specifically is authorized to enter into appropriate service line agreements with utility companies for the provision of utility services to the Leased Premises, including gas, water, sewer, electricity, telephone, television and other utilities, without further consent by Lessor and with the Secretary, on the condition that:
  - a. Such agreements are for the sole purpose of supplying utility services to the Leased Premises; and
  - b. Such agreements authorize utility service lines only within the Leased Premises; and
  - c. Such agreements do not extend beyond the term of this Lease, including any extension thereof; and
  - d. Executed copies of such agreements together with plats or diagrams showing with particularity the Leased Premises, size and extent of such service lines, are filed by the utility companies with Lessor with thirty (30) days of their execution; and
  - e. Such agreements are otherwise in accordance with the provisions of 25 C.F.R. § 169.51, including any amendments of successors thereto.
2. Nothing contained herein shall be constructed to limit the right of Lessor to enter into service line agreements with utility companies to service lines across the Leased Premises, provided that such service lines do not unreasonably interfere with Lessee's use of the Leased Premises.

## **K. SUBLEASE, ASSIGNMENT, MANAGEMENT AGREEMENT, TRANSFER**

1. Lessee shall not sublease, assign, place under management agreement, or in any manner whatsoever transfer this Lease or any right to or interest in this Lease or any of the improvements on the Leased Premises, without the written approval of Lessor, the Secretary and sureties, if any, and no such sublease, assignment, or transfer shall be valid or binding without such approval, and then only upon the condition that the sublease, assignee or other successor in interest, excepting an approved encumbrance(s), shall agree in writing to be bound by each and all of the covenants and conditions of this Lease. Should Lessee attempt to make any such sublease, assignment, or transfer, except as aforesaid, such action shall be deemed a breach of this Lease. Approval of one sublease, assignment, or transfer shall not validate a subsequent sublease, assignment, or transfer, and the restriction of this Section shall apply to each successive sublease, assignment, or transfer hereunder and shall be severally binding upon each and every sublessee, assignee, transferee and other successor in interest of the Lessee.
2. Approval or disapproval of any sublease, assignment, management agreement, or transfer, for any purpose whatsoever, by the Lessee shall be within the sole discretion of Lessor.

## **L. LIABILITY INSURANCE**

Without limiting any liabilities or any other obligation of Lessee, Lessee will provide and maintain the minimum insurance coverages listed below. Coverage will be provided with

forms and insurers acceptable to the Lessor until all obligations under this Lease are satisfied. All policies required under this license shall name the Lessor as an additional named insured.

1. Workers' compensation insurance to cover obligations imposed by federal and state statutes of the entity having jurisdiction over the Lessee's employees working on the leasehold, and Employers' Liability insurance with a minimum of ONE MILLION DOLLARS (\$1,000,000.00). In case of any contracted work on the leasehold, the Lessee will require the Contractor, and all subcontractors, to provide comparable coverage.
2. Commercial General Liability Insurance with an unimpaired minimum combined single limit of not less than ONE MILLION DOLLARS (\$1,000,000.00) Each Occurrence with a TWO MILLION DOLLARS (\$2,000,000.00) General Aggregate Limit. The Policy shall include coverage for bodily injury, broad form property damage, personal injury, blanket contract, independent contractor, product, and completed operations coverage. The policy shall contain a severability of interest provision.
3. Commercials and/or Business Automobile liability insurance with a combined single limit for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) each occurrence with respect to Lessee's owned, hired and non-owned vehicles assigned to or used in Lessee's business.
4. Lessee, at its cost, shall maintain insurance coverage for full replacement cost on all of Lessee's personal property, Lessee alteration, Lessee utility installations, and Lessee's trade fixtures in, or about the premises. The proceeds from any such insurance shall be used by Lessee for the replacement of Lessee's personal property alterations, utility installations, or trade fixtures.
5. An acceptable certificate of insurance shall be issued to the Lessor by the Lessee prior to commencing of the Lease as evidence that policies providing the required coverages, conditions and limits are in full force and effect. A copy of such certificate shall be furnished to the Secretary. Such certificate shall identify this Lease and contain provisions that coverage afforded under the policy will not be cancelled, terminated or materially altered until at least thirty (30) days prior written notice has been given to the Lessor.
6. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect Lessor.
7. Failure on the part of the Lessee to procure or maintain required insurance shall constitute a material breach of contract upon which the Lessor may immediately terminate this Lease.
8. The Lessor reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements.
9. Lessee and its insurers providing the required coverages shall waive all rights of recovery against the Lessor and its agents, officials and employees, and the Secretary. The insurance limits required under this Lease shall not limit the liability of the Lessee, nor relieve the Lessee of any obligation under this Lease.
10. The Lessee shall not do or commit to be done anything in or upon any portions of the premises or bring or keep anything there which would in any way conflict with the condition of any insurance policy upon the premises.

## **M. FIRE AND CASUALTY INSURANCE**

1. Lessor shall, from the date of its execution of this Lease, carry fire and casualty insurance with extended coverage endorsement, covering not less than full insurable value of all improvements on the Leased Premises. Said policy shall be obtained from a reliable insurance company licensed to do business in the state in which the Leased Premises are located and shall be written jointly to protect Lessee, Lessor and the United States of America and shall provide for notification to the Lessee and the Secretary prior to any change in said policy or any cancellation or non-renewal of said policy for any reason, including nonpayment of premiums. A copy of said policy shall be deposited with Lessor and the Secretary. In the event of damage to any improvements on the Leased Premises, Lessor shall rebuild, repair or otherwise reinstate the damaged improvement or building in a good and substantial manner according to the plan and elevation of the improvements or building so destroyed or damage or in accordance with any modified plan approved in writing by the Lessor and Lessee prior to commencement of repair or reconstruction. Repair or reconstruction shall commence as soon as possible and, in any event, with one (1) year after the damage occurs and shall be pursued diligently. Insurance proceeds shall be deposited in an escrow account with an institution approved by Lessor and the Secretary. Lessor shall also deposit in said escrow account all additional funds required to reconstruct the damaged improvement. Escrow instructions shall include provisions that all funds deposited shall be used to reconstruct the damaged improvements and that funds shall be disbursed during the progress or reconstruction or proper architect's engineer's or contractor's certificates. All money in escrow after reconstruction has been completed shall be paid to Lessor.
2. In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all improvements on the Leased Premises during the last five (5) years of the term of this Lease, Lessee shall have the option to have Lessor reconstruct said improvements. Lessee shall provide Lessor with written notice of the exercise of Lessee's reconstruction option within thirty (30) days of the event of the damage giving rise to Lessee's reconstruction option. Should Lessee exercise its option to reconstruct, Lessor shall commence reconstruction of the damaged improvements within ninety (90) days of Lessee's exercise of its reconstruction option and shall diligently pursue the reconstruction to completion. Should Lessee not exercise its options to reconstruct, this Lease shall terminate effective on the date of the event of damage giving rise to Lessee's reconstruct option. The Leased Premises shall be cleared of debris at Lessor's expense. Lessee shall not be charged rent during the period of debris removal unless Lessee occupies the Leased Premises beyond the Lease termination date, after which the Lessee will be charged hold over rental as provided in this Lease. In the event Lessee does not elect to have Lessor reconstruct, all insurance proceeds shall be paid to Lessor.

## **N. DEFAULT**

1. In addition to its other rights under this Lease and applicable law, Lessee shall have thirty days following written notice of any default under this Lease in which to cure the default, or to initiate a cure so long as the cure is subsequently pursued to completion.
2. In addition to its other rights under this Lease and applicable law, in the event of default by Lessor, or Lessee's receipt of notice of default from Lessor, Lessee shall have the right to terminate this Lease without further obligation other than those obligations that would exist had the Lease otherwise terminated under its own terms.

**O. MEDIATION AND LIMITED WAIVER OF SOVEREIGN IMMUNITY**

1. Any claim or dispute arising out of any alleged breach of this Agreement that cannot be settled between the parties shall be resolved through mediation as a condition precedent to any litigation. Either party can issue a request for mediation in writing, delivered to the other party. Mediation shall be conducted by a mutually agreed upon mediator, and the parties shall share the mediator's fee equally. Settlement agreements reached in mediation shall be enforceable exclusively in the Pueblo de San Ildefonso Tribal Court.
2. If the parties do not resolve a claim or dispute through mediation, the Pueblo de San Ildefonso Tribal Court shall be the exclusive jurisdiction and venue for any lawsuit arising out of any alleged breach of this Agreement.
3. The Pueblo expressly waives its immunity from suit, subject to the limitations herein, only as to binding arbitration proceedings and to actions to enforce such arbitration decisions and this arbitration provision. The Pueblo's limited waiver of sovereign immunity is granted only to San Ildefonso Services, LLC and not to any other individual or entity.

**P. NOTICES AND DEMANDS**

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

To or upon Lessor:                   Office of the Governor  
Pueblo de San Ildefonso  
02 Tunyo Po  
Santa Fe, NM 87506

To or upon Lessee:                   Chairman, Board of Managers  
29 Odo Po  
San Ildefonso Pueblo, New Mexico 87506

Copies to:                           Regional Director, Bureau of Indian Affairs  
Southwest Regional Office  
1001 Indian School Road NW  
Albuquerque, NM 87104

All notices shall be given by personal delivery, by registered or certified mail, postage prepaid or by facsimile transmission, followed by surface mail. Notices shall be effective and shall be deemed delivered when dispatched.

2. Lessor and Lessee may at any time change its address for purpose of this Section by written Notice.

**Q. COMPLIANCE WITH ENVIRONMENTAL LAWS**

Lessee warrants that the premises shall be used by Lessee and by Lessee's sublessee or assignees consistent with the following:

1. The premises shall not be used in any manner violating the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601 et seq.; the Resources Conservation and Recovery Act, 42 U.S.C. §6941 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. §300.h. et seq.; the Clean Water Act, 33 U.S.C. §1251 et seq.; the Clean Air Act, 42 U.S.C. §7401 et seq.; the Solid Waste Disposal Act, 42 U.S.C. §6901 et seq. or any other environmental laws now in effect or which may be later enacted or amended and any regulations promulgated to enforce such laws, including environmental laws and regulations adopted by Lessor.
2. Lessee shall immediately notify Lessor of: (1) any correspondence or communication from any government entity regarding application of environmental laws to the premises or Lessee's (or sublessee's or assignee's) operations on the premises; or (2) any change in Lessee's operations on the premises that will change or have the potential to change Lessor's or Lessee's obligations or liabilities under environmental laws.
3. Lessee shall indemnify and hold harmless Lessor and its officers, employees and agents against any claims or loss, damage and expense for injury, liability or damage to persons or property resulting from adverse effects on the environment or violation of any environmental law or regulation that is a result of any operation on the premises during the term of the this Lease.
4. Any hazardous materials or petroleum product manufacturing, processing, surface storage, underground storage tank system or conveyance facilities placed on the premises are the property of the Lessee who installed them, and unless specifically stipulated will revert to the Lessee upon expiration of this Lease. Upon expiration or cancellation of this Lease, Lessee shall remove any of the above improvements placed or installed by Lessee on the premises, assess the site for potential contamination, remediate any contamination discovered that was created by Lessee, and address any third party damages that may have occurred and were created by Lessee. Should any of the above activities extend past the expiration or cancellation date of this Lease, Lessee shall still be financially responsible for completing these activities and shall be required to post a bond to ensure that the activities are completed after expiration or cancellation of this Lease. Lessee's obligation under this paragraph shall survive expiration or cancellation of this Lease. Lessee's obligation under this paragraph shall survive expiration or cancellation of this Lease and shall be enforceable in a court of competent jurisdiction by all available remedies.

#### **R. AUTHORITY**

The person signing below for each party warrants that he is authorized to execute this Agreement on behalf of the party for whom he is signing, and that this Agreement constitutes a legal, valid and binding obligation of the party for whom he is signing in accordance with its terms.

#### **S. PROVISIONS REQUIRED BY THE CODE OF FEDERAL REGULATIONS**

1. The obligations of the Lessee and its sureties to the Lessor are also enforceable by the United States, so long as the land remains in trust or restricted status.
2. There must not be any unlawful conduct, creation of a nuisance, illegal activity, or negligent use or waste of the leased premises.

3. The lessee must comply with all applicable laws, ordinances, rules, regulations, and other legal requirements under 25 C.F.R. § 162.014;
4. If historic properties, archeological resources, human remains, or other cultural items not previously reported are encountered during the course of any activity associated with this lease, all activity in the immediate vicinity of the properties, resources, remains, or items will cease and the lessee will contact the Bureau of Indian Affairs and the Lessor to determine how to proceed and appropriate disposition.
5. The Bureau of Indian Affairs has the right, at any reasonable time during the term of the Lease and upon reasonable notice, in accordance with 25 C.F.R. § 162.464, to enter the leased premises for inspection and to ensure compliance.
6. The Bureau of Indian Affairs may, at its discretion, treat as a lease violation any failure by the Lessee to cooperate with a Bureau of Indian Affairs' request to make appropriate records, reports, or information available for the Bureau of Indian Affairs' inspection and duplication.

#### **T. OTHER PROVISIONS**

1. In cases of Tribal Law conflicting with U.S. Law, Federal Law will govern the provisions as required by Federal Statute.
2. No term of this agreement shall be so construed as to provide that a partnership exists between Lessor and Lessee; the only relationship between the parties being that of Lessor and Lessee.
3. 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 Lessee and their surety or sureties shall be notified of any such change in the status of the land.

IN WITNESS WHEREOF this Agreement has been executed and approved by the parties and persons whose signatures appear below.

**SAN ILDEFONSO SERVICES, LLC**

**PUEBLO DE SAN ILDEFONSO**

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\_\_\_\_\_  
Dominic Pruitt, Chairman  
Board of Managers  
San Ildefonso Services, LLC

\_\_\_\_\_  
James R. Mountain, Governor  
Pueblo de San Ildefonso

Date:

Date:

Approved:

[insert Sec. delegation]

BY: \_\_\_\_\_  
Agency Superintendent, OIP

Date: \_\_\_\_\_