



**NAVAJO NATION  
EXECUTIVE ORDER NO. 01-2008**

**WAIVING THE SURETY BOND REQUIREMENT AND AUTHORIZING ALTERNATIVE  
SECURITY OPTIONS FOR BUSINESSES GOVERNED BY THE NAVAJO NATION  
BUSINESS LEASING REGULATIONS OF 2005**

**WHEREAS,**

1. On July 10, 2006, the Navajo Nation Business Leasing Regulations of 2005 were approved by the Secretary of Interior and the Navajo Nation. These Tribal Regulations permit the Navajo Nation to administer, manage, and approve business site leases that are governed by the Tribal Regulations, without the longstanding requirement of Secretarial oversight; and
2. On February 17, 2007, the Tribal Regulations were implemented with the approval of the Navajo Nation Business Site Lease Management Plan. The Management Plan sets forth the policies to administer and manage business site leases within the Navajo Nation; and
3. All businesses operating on the Navajo Nation are required to obtain a surety bond. Recently, however, the Navajo Nation has discovered that most insurance and bonding companies refuse to bond small businesses and entrepreneurs located on the Navajo Nation because of the high risk of new and small business in conjunction with the uncertainty of the newly approved Tribal Regulations and enforceability of the bond in Navajo Nation courts and against the Navajo Nation; and
4. The refusal of these companies to insure or bond small businesses within the Navajo Nation hurts our small business owners and the Nation's ability to foster economic growth; and
5. It is in the best interest of the Navajo Nation to address this problem by waiving the surety bond requirement and authorizing alternative security options for small businesses and entrepreneurs governed by the Navajo Nation Business Leasing Regulations of 2005.

**NOW, THEREFORE, BE IT RESOLVED, THAT:**

I, Dr. Joe Shirley, Jr., President of the Navajo Nation, by the authority vested in me pursuant to 2 N.N.C. §§1005(A) and C(14), hereby direct the Division of Economic

Development, as the "Managing Entity" of all business site lease transactions, to waive the surety bond requirement and to allow acceptance of Certificates of Deposit, Letters of Credit, or cash deposits, from business site lessees so that they may obtain their business site leases and to lawfully operate within the Navajo Nation.

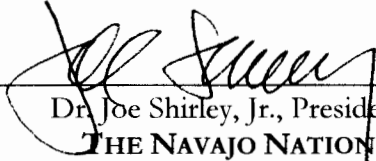
I hereby further direct that:

1. When a Certificate of Deposit ("CD"), Letter of Credit ("LOC") or cash deposit is used, the amount secured must be equivalent to one year's rent for the business site lease.
2. The Division of Economic Development may waive the CD, LOC or the cash deposit requirement for the term of the lease if the applicant:
  - a. Is in good standing with the Division of Finance for a minimum of five (5) years; or
  - b. Is determined to be in good standing by the firm of Dunn & Bradstreet under an assessment of creditworthiness based on past performance; or
  - c. Is a Fortune 500 Company; or
  - d. Is a Non-Profit Organization, under Federal law; or
  - e. Is a Federal, State, or Navajo Nation governmental entity.
3. The Division of Economic Development may reduce the CD, LOC or the cash deposit requirement for the term of the lease if:
  - a. Exigent circumstances exist, which must be justified by the applicant and approved by the appropriate Division of Economic Development department. The applicant must submit supporting documents for the reduction.
  - b. The reduction of the CD, LOC, or the cash deposit cannot be reduced to less than 25% of the annual rent.
4. Payment of CD's, LOC, or cash deposits may be postponed if the initial rental payment is postponed.
5. The CD, LOC, or cash deposit shall name the Navajo Nation as the beneficiary and a certified copy of the security shall be submitted to the appropriate Division of Economic Development department.


I hereby further direct that this Order shall become effective immediately, be binding upon applicable Navajo Nation Executive Branch employees, officials, and agents, and be subject to enforcement under the Navajo Nation Personnel Policies Manual.

I hereby further direct that this Order shall remain in effect until formal amendments allowing alternative security options for small business are formally approved by the Economic Development Committee of the Navajo Nation Council.

Executed this 8<sup>th</sup> day of February, 2008.

  
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Dr. Joe Shirley, Jr., President  
THE NAVAJO NATION

**ATTEST:**

  
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Louis Denetsosie, Attorney General  
THE NAVAJO NATION