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## CHAPTER 2 – AGRICULTURAL LEASING

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1.0 INTRODUCTION

Agricultural lands include grazing, croplands, and those watered by flood, sprinkler, or drip irrigation systems and so-called dry farm lands which rely on natural precipitation. All agricultural leases may be negotiated, usually by the landowner. If the individual landowner(s) or the tribe has been unable to negotiate a lease, then the BIA realty office may advertise the land available for lease on behalf of the individual landowner(s). For tribal lands, the BIA will recognize the authority of the tribe having jurisdiction over the land and will advertise and issue the lease in accordance with applicable tribal laws and policies. Most leases, whether advertised by the BIA or negotiated by the landowner, require approval by the Secretary or his/her designee. Leases that are negotiated by the landowner must also be in a form acceptable to the Secretary.

Farm and pasture lands may be leased for terms up to ten years with rental adjustments after the fifth year. Undeveloped or underdeveloped lands may be placed under long-term development leases of up to 25 years for specialized crops that require substantial investment. In some situations, a landowner’s parcel is not an economic unit and must be combined with other parcels to form a viable resource management area.

Agency or tribal staff is generally responsible for obtaining documentation that supports the lease and reviewing the proposed lease terms, conditions and provisions which may include, but are not limited to, the following:

- **Land status** - The legal description and ownership of the land to be leased.
- **Conservation principles** - All farming and grazing operations must be in accordance with the principles of sustained yield management, the land classification, integrated resource management planning and sound conservation practices.
- **Bonds** - Bonds are required to ensure compliance with the terms of the lease. Bonds may be waived at the request of a tribe or landowner(s) owning a majority interest.
- **Adequate rental rate** - In most instances, agricultural leases must provide for the payment of at least fair market rental. The rental is determined by competitive bidding, appraisal or any other appropriate valuation method.
- **Leasehold improvements** - Improvements that will be constructed are usually described by their type and location on the leased premises.
2.0 PROCESS AND PROCEDURES OVERVIEW

The agricultural leasing procedures have been segregated into the following categories:

### Pre-Lease Activity

The purpose of this procedure is to provide requirements regarding identification of lands available for lease and those activities required before the land can be leased either by the landowner or the Government.

### Negotiated Lease Preparation

The purpose of this procedure is to provide requirements regarding receipt of a proposed negotiated lease from a potential lessee and review of the document to ensure compliance with regulations.

### Lease Preparation from an Advertised Sale

The purpose of this procedure is to provide requirements regarding advertisement of available tracts, conduct of a lease sale and preparation of a draft lease.

### Lease Amendment, Assignment, and Sublease

The purpose of this procedure is to provide requirements regarding the activities required to issue an approved agricultural lease, culminating with the approval of the lease and recordation of the encumbrance in the Land Titles and Records Office (LTRO).

### Lease Administration

The purpose of this procedure is to provide requirements regarding processing of any subsequent amendments, assignments, subleases, or other leasehold documents to an agricultural lease. BIA review of the transaction ensures the best interests of the landowner are protected, the trust asset is conserved and the transaction is in compliance with the existing lease stipulations and all applicable tribal and federal statutes and regulations.

### Lease Compliance

The purpose of this procedure is to provide requirements regarding the activities required to monitor leases for financial and land use compliance. An agricultural lease may be terminated

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or canceled if any of the provisions of the lease have been violated and remain uncorrected after a notice to correct has been given to the lessee and its sureties.

### 3.0 GENERAL AUTHORITIES AND POLICIES

The following statutes provide primary authority specifically for agricultural leasing activities:

- 25 U.S.C. 380
- 25 U.S.C. 415
- 25 U.S.C. 415b

For a description of these and other federal laws affecting leasing and permitting, see Chapter 1, Section 2.1 of this handbook.

### 4.0 PROCEDURES

This section of the handbook presents the complete text and associated attachments (if applicable) for each procedure associated with Agricultural Leasing.
Pre-Lease Activity
# PRE-LEASE ACTIVITY

## Purpose

This procedure includes identification of lands available for lease and those activities required before the land can be leased either by the landowner or the Government.

## Scope

This procedure is operated by designated agency or tribal realty staff.

## Process

### Step 1:
Identify land available for lease.

- Examine leases that will be expiring during the next leasing cycle, 10 - 14 months in advance of the expiration date.

- If an automated system is available, generate a report that will show which leases will be expiring. An annual review of this report will provide a list of lands to determine current conservation requirements, current stocking rates, and any new or pending land use requirements.

- Examine agency records, plat books, logs, etc., to determine those leases that are expiring.

- Identify currently unleased lands that are available for lease.

- Idle lands are lands that are not currently being leased for agricultural purposes. Conduct a bi-annual review and analysis process that will help determine which lands may be classified as idle.

- Notify the tribe of expiring leases or idle tribal lands to ascertain the tribe’s intent to advertise for lease, renew to existing lessees, or the application of any other tribal law regarding the leasing of tribal lands. Tribes generally have the authority to develop their own leasing laws and policies on tribal lands.

- The single owner of an allotted tract may request that BIA advertise the tract for lease, or he may personally negotiate with a potential lessee, subject to BIA approval. In these situations, providing the landowner with lease stipulations and valuations is necessary so they have the information needed for fair and successful negotiations. The BIA cannot lease single-owned tracts of trust land without the landowner’s consent, however, BIA has the discretion to lease in order to conserve and protect the trust resource.

### Step 2:
Obtain a market survey, rent study, or appraisal for allotted lands.
• Request a valuation that is consistent with the Uniform Standard of Professional Appraisal Practice (USPAP) from the designated appraisal staff. (See Attachment 1A - Appraisal Request Form.)

• The need for a full appraisal is the exception, and usually only required for negotiated leases or for rental adjustments.

• Agricultural leases must provide for the payment, in most cases, of fair annual rental. The rental may be determined by competitive bidding, appraisal, or any other appropriate valuation method. Any appraisal prepared must be in accordance with the USPAP.

• Trust land appraisals not prepared by the Office of Appraisal Services (OAS) must be reviewed by OAS before approval of a trust land or resource transaction, even if the appraisal was prepared by a compacted or contracted tribe. The review of appraisals has been declared an inherently federal function. (See Attachment 2A - Review of Land Appraisals.)

**Step 3:** Determine, in consultation with regional environmental staff and the Regional Archeologist, the actions necessary to ensure compliance with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), and Endangered Species Act (ESA).

• In some cases, a reservation-wide environmental assessment for existing agricultural leasing activity may be completed. An environmental tiering document that builds off the previously approved reservation-wide assessment can be processed to satisfy NEPA requirements for agricultural leasing. (See Attachment 3A - Finding of No Significant Impact [FONSI].) This facilitates the issuing of agricultural leases where there is no change in land use. The Agency Superintendent can approve FONSI documents and such decision documents may be included in the lease review and approval process.

• A categorical exclusion document is prepared for each lease where there is no environmental assessment that will cover the proposed action. (See Attachment 4A - Categorical Exclusion Exception Checklist.) For detailed instructions on the use and application of the categorical exclusion exemption, refer to the BIA NEPA Handbook for further discussion or contact the local environmental staff for guidance.

• If there is no environmental staff at the local office, contact the next highest level office. For example: If a tribal/agency office does not have an environmental staff person, contact the designated Regional Office, Branch of Environmental Services.

• The NEPA process analyzes and discloses the significant impacts a proposed action may have on the quality of the human environment.

**Step 4:** Notify Land Operations/Natural Resources of intent to lease available tracts. (See Attachment 5A - Leasing Activities Timeline on Farm/Pasture Leases.)

• Land Operations staff needs to know the cultivated and pasture acreage in the tracts. If there is a change in land use, they must consider the change in their analysis.
Natural resources staff completes a new or updated conservation plan.

- A conservation plan may include a map showing the approximate location of improvements, conservation measures, stocking rates and any other applicable stipulations/provisions. (See [Attachment 6A - Sample Conservation Plans](#)).

- Determine conservation provisions and possible associated penalties for failure to comply with those provisions. Penalties for various conservation stipulations will need to be approved usually in advance by the Regional Office. For example, some provisions may indicate that failure to summer fallow will result in a certain per acre penalty rate.

**Step 5:** Determine land use requirements. In an agricultural lease, all farming and grazing operations must be in accordance with the principles of sustained yield management, integrated resource management planning, sound conservation practices, and other community goals. These principles will be conveyed in applicable tribal laws, leasing policies, or agricultural resource management plans. These principles must be stipulated in an agricultural lease. (See [Exhibit 6 - Mandatory and Optional Lease Provisions](#)).

**Step 6:** Construct a lease file. (See [Attachment 7A - Agricultural Lease File Layout](#)).

**Step 7:** Notify individual landowners of intent to lease.

- Verify land ownership of the tracts available for lease.

- Review appropriate title documents which may include a Title Status Report or agency ownership records. (See [Attachment 8A - TSR Request Form](#)).

- Send a 90-day notice to individual trust landowners indicating the Bureau’s intent to lease the tract unless the individual trust landowners negotiate a lease with the lessee of their choice within a three-month period. (See [Attachment 9A - Sample 90 Day Notice](#)).

- Pursuant to AIARMA, 25 U.S.C. 3701-3715, the owners of a majority interest have the authority to enter into an agricultural lease on behalf of the minority interest holders in the surface estate as long as the minority interest holders receive fair market value for their interest.

- If a 90-day notice is returned UNDELIVERABLE, check with the Office of Trust Funds Management (OTFM) to ensure the address of landowner(s) is current. Some landowners may be “whereabouts unknown”.

- To meet the requirements in 25 CFR 162.214(b), the 90 Day Notice may be used to apprise the landowners that they have the right to appeal the decision, to approve or disapprove a lease.

- Some offices issue a Power of Attorney form with the 90-day notice. (See [Attachment 10A - Sample Power of Attorney for Leasing](#)).

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• One notice may be issued for all trust land interests an individual trust landowner has in all tracts that are available for lease.

**Step 8:** If the landowner intends to negotiate on his/her/their own behalf, provide information that will facilitate the negotiation. This may include the following:

• A sample lease format
• Ownership of the lands to be leased including owners’ names, addresses, and their undivided interest in the tract
• Appraisal or market rental information
• Consent of lessor forms (See Attachment 11A - Owner’s Consent to Lease.)
• Legal description of the tract, and other existing physical characteristics of the land including existing fencing, water, and improvements
• A copy of the conservation plan

• In most instances, the potential lessee initiates the negotiation for a new lease.

• If the tribe owns the majority interest in the land, the tribe may negotiate leases for the tribal land. In those situations, the tribe must be made aware of any non-negotiable stipulations such as stocking rates, conservation stipulations, and other measures to maintain sustained yield and long-term viability of the land.

• Inform all interested parties of the date negotiations must be completed and the information returned for approval.

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**END OF PROCEDURE**
Negotiated Lease Preparation
## NEGOTIATED LEASE PREPARATION

### Purpose
This procedure includes receipt of a proposed negotiated lease from a potential lessee and review of the document to ensure compliance with regulations.

### Scope
The activities to perform new leases will occur in each case of a negotiated lease.

### Process

**Step 1:** Receive a proposed negotiated lease package.
- Ensure the package is received within the 90-day period.
- Ensure that the lease is in a form acceptable to the Secretary.
- Verify the identity of the landowner (i.e. driver’s license, tribal membership card, other valid identification).

**Step 2:** Review lease package for compliance with regulations.
- Determine if majority consent is achieved.
  - For negotiated leases, the Secretary may consent on behalf of the following trust interest landowners as long as it is determined that the lease is in their respective best interest:
    - Orphaned minors
    - The undetermined heirs and devisees of deceased Indian owners
    - Individuals who have given BIA a Power of Attorney to lease their land
    - Individuals whose whereabouts are unknown to BIA after reasonable attempts are made to locate such individuals
    - Individual Indian landowners of fractionated Indian land, when necessary to protect the interests of the individual Indian landowners
  - Individuals found to be *non compos mentis* by a court of competent jurisdiction:
    - Orphaned minors
    - The undetermined heirs and devisees of deceased Indian owners
    - Individuals who have given BIA a Power of Attorney to lease their land
    - Individuals whose whereabouts are unknown to BIA after reasonable attempts are made to locate such individuals
    - Individual Indian landowners of fractionated Indian land, when necessary to protect the interests of the individual Indian landowners
- The consents made by BIA on behalf of the above are counted in determining the majority consent requirement.

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- If a lease term is longer than five (5) years, verify that the proposed lease provides for one or more rental adjustment during the duration of the lease. Exceptions can be examined at 25 CFR 162.223. Exception example: If a tribe establishes a policy under 25 CFR 162.203(b)(4) for an agricultural lease on tribal lands for a term of more than five (5) years, they may also negotiate a provision with no rental adjustment.

- Verify the lease provides for the payment of fair annual rental, made payable on a regular basis.
  - The lessee is obligated to make these payments regardless of whether the lessee receives advance billing or notice of payment due.

- A schedule of grazing operations for pasture leases must be submitted indicating number, class, season of use, and type of livestock. This is sometimes referred to as a management plan. The management plan must not exceed stocking rates for the land(s) involved.

**Step 3:** Prepare the draft lease. (See Attachment 12A - Sample Agricultural Lease.)

- Include standard and optional lease provisions in order to maintain the integrity of the land on behalf of the landowner and uphold the Bureau’s trust responsibilities. (See Exhibit 6 - Mandatory and Optional Lease Provisions.)

- Ensure NEPA compliance. See Pre-Leasing Activity, Step 2.

- Require a bond to ensure compliance with the terms of the lease.
  - Bonds may be waived at the request of a tribe or landowners(s) owning a majority interest. (See Exhibit 4 - 25 CFR 162.234.)

- Determine the applicable administrative fees.
  - In most cases, the fee is 3% of the annual rent.

- Assign identification numbers.
  - A contract number is assigned in accordance with instructions for each automated or manual system. See agency procedures for details.
  - A lessee identification number is assigned in accordance with instructions for each automated or manual system.

- Prepare a change order to establish a TFAS escrow account, if necessary.

- Review the checklist to be sure all necessary requirements are included in the draft. (See Attachment 13A - Agricultural Leasing Checklist.)

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**Step 4:** Send draft lease to potential lessor/lessee along with other instructions to complete the lease package. This may include request for bond, administrative fees, first year’s rental if it is due, lessee’s signature, etc.

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END OF PROCEDURE
Lease Preparation from an Advertised Sale
LEASE PREPARATION FROM AN ADVERTISED SALE

Purpose
This procedure includes advertisement of available tracts, conduct of a lease sale, and preparation of a draft lease.

Scope
The activities to prepare new leases will occur in each case of an advertised sale.

NOTE: This procedure applies to leasing of allotted tracts; advertised lease sales of tribally owned tracts are conducted in accordance with tribal laws, resolutions, and direction.

Process
Step 1: Advertise available tracts if the landowner does not negotiate a lease within the allowable 90 days.

- Prepare lease advertisement. (See Attachment 14A - Sample Advertised Sale Notice.)
  
- Advertisement must address the following items:
  - No bidder preference (other than those authorized under the American Indian Agricultural Resources Management Act (AIARMA))
  - 25% bid deposit requirement with bid
  - Only sealed bids with bid deposit will be accepted
  - No ingress/egress guaranteed to the lessee
  - Date, time, and place where bids will be accepted and opened
  - List of available tracts by tract number and legal description
  - A statement of oral auction provision to follow bid opening, if required
  - Notification to high bidder
  - Right to reject any bid for any reason
  - A claim of owner’s use must be made known to the agency at least 24 hours prior to bid opening
  - Bid deposit is forfeited if the high bidder fails to complete the requirements stated in the award letter
  - Total bid plus bid per acre must be submitted

- Notify prospective lessee(s) either by mail or by a public posting of the advertisement for lease. The bid opening will be within 30 days of the written notification or public posting.

- Publish a revision to the advertisement to remove tracts that become unavailable for bid.

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• If at any time during the 90-day notice period an individual has negotiated a lease that may be approved, those tracts will not be included in the advertised lease sale.

• If a claim of owner’s use is made known, those tracts will be removed for the lease sale.

**Step 2:** Conduct the bid opening.

• Authorized collection officer is in attendance.

• Determine the successful bidder. The successful bidder will normally be the highest bidder.

• The agency superintendent reserves the right to reject any or all bids and to disapprove or reject any lease submitted on an accepted bid prior to approval. Maintain sufficient documentation to defend the bid rejection.

• Reasons a superintendent may reject include:
  - Bidder’s history of delinquent or deficient payments
  - Bidder’s history of lease violations for unauthorized use
  - Bidder’s lease non-compliance

**Step 3:** Award the successful bidder. (See Attachment 15A - Sample Award Letter.)

• Within 10 days of the receipt of the award letter, the remaining 75% rental and administrative fees are due.

• A performance bond in an amount equal to 100% of the annual rental may be required.

• An irrigation bond is required, if applicable.

• A schedule of grazing operations for pasture leases must be submitted indicating number, class, season of use, and type of livestock. This is sometimes referred to as a management plan. The management plan must not exceed stocking rates for the land(s) involved.

• Ask the lessee to sign the contract and return by a specified date.

• Lease will not be approved if potential lessee fails to comply with the requirements in the award letter.

• Bid deposit is forfeited if the potential lessee fails to complete the requirements stated in the award letter.

**Step 4:** Deposit the successful bid.
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- See the Interagency Procedures Handbook: Management of Trust Funds Derived from Assets and Resources in Trust and Restricted Land, Chapter 1, Section 5.8.

- Return bid deposits of unsuccessful bidders after the advertised lease sale is complete.
  - Unsuccessful bidders are either refunded their bids in person, if present at the bid opening, or by mail within 48 hours upon the conclusion of the sale. Refunded bids are delivered by certified mail with return receipt requested.

**Step 5:** Prepare abstract of the sale.

- Record all bidders, bid amounts and indicate which tracts bids were made for.
- Record the results of all oral auctions subsequent to the sealed bid opening, if provided.
- Record any withdrawals or modifications to the advertisement authorized and announced prior to bid opening.

**Step 6:** Prepare the draft lease. (See Attachment 12A - Sample Agricultural Lease.)

- Include standard and optional lease provisions in order to maintain the integrity of the land on behalf of the landowner and uphold the Bureau’s trust responsibilities. (See Exhibit 6 - Mandatory and Optional Lease Provisions.)

- Determine the applicable administrative fees.
  - In most cases, the fee is 3% of the annual rent.
- Ensure NEPA compliance. See Pre-Leasing Activity, Step 2.
- Require a bond to ensure compliance with the terms of the lease.
  - Acceptable bonds can be examined at 25 CFR 162.235.
- Review the checklist to be sure all necessary requirements are included in the draft. (See Attachment 13A - Agricultural Leasing Checklist.)

- Assign identification numbers.
  - A contract number is assigned in accordance with instructions for each automated or manual system.
  - A lessee identification number is assigned in accordance with instructions for each automated or manual system.
- Prepare a change order to establish a TFAS escrow account, if necessary.

**Step 7:** Send draft lease to the potential lessee.
- The draft lease can be mailed with the award letter.

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**Issued:** March 6, 2006
Lease Issuance
LEASE ISSUANCE

Purpose

This procedure documents the activities required to issue an approved agricultural lease, culminating with the approval of the lease and recordation of the encumbrance in the Land Titles and Records Office (LTRO).

Scope

Realty staff prepares leases.

Process

Step 1: Receive lease package back from the potential lessee.

Step 2: Ensure rental payment, signed lease and other required submittals, such as a bond, lessee management plan, etc., have been provided by the potential lessee.

- Complete the checklist to ensure all requirements are met. (See Attachment 13A - Agricultural Leasing Checklist.)

Step 3: Transmit lease package with relevant documents and checklist to the approving official for his/her signature.

- Issue the recommendation in writing for approval or denial of the lease if required by the line official.

- The decision to approve or deny a negotiated lease where less than 100% of the trust landowners have consented is appealable. Therefore, all the trust landowners must be provided appeal rights pursuant to 25 CFR Part 2.

- The file contains supporting documentation to substantiate the decision.

- If the decision is appealed, no further action can be taken and the Bureau must wait until the administrative appeal process has been exhausted. See Chapter 1, Section 3.8 Administrative Appeals.

- Receive lease documents back from approving official and, if approved, go to step 4.

- If lease was disapproved or returned for further action, determine the available remedy to be taken and reprocess the lease.
Step 4: Forward the approved lease to the designated LTRO for recordation. (See Attachment 16A - Recordation Form.)

- Encode lease information in the agency leasing system. This system will vary from region to region but may include IRMS, TAAMS, MAD, and other systems used to track and administer leases for the agency.

Step 5: Distribute lease copies to lessee. Landowners are provided copies of the lease upon request.

Step 6: Prepare income allocation.

- Review income distribution from ownership information reported on TSRs or automated systems that store ownership information. This review may require an adjustment for life estates, assignments, direct payments, owner’s use, tribal interests, “Youpee” interests, claims against estate accounts, etc.

- In some cases, a pre-distribution run can help verify if, (a) distribution will balance out between the interest owners of a tract or unit, (b) all required IIM accounts have been opened, and (c) the correct tracts have been encumbered. Errors must be corrected before a distribution file for a payout is finalized. Please refer to the regional policy for further guidance.

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END OF PROCEDURE

Issued: March 6, 2006
Lease Amendment, Assignment, and Sublease
### LEASE AMENDMENT, ASSIGNMENT, AND SUBLEASE

#### Purpose

This procedure includes processing of any subsequent amendments, assignments, subleases, or other leasehold documents to an agricultural lease. In most instances, the transaction is requested by the landowner(s) or lessee. BIA review of the transaction ensures the best interests of the landowner are protected, the trust asset is conserved and the transaction is in compliance with the existing lease stipulations and all applicable tribal and federal statutes and regulations. In most instances, approval by the delegated official of the transaction is required.

#### Scope

Generally, the Realty office administers the lease. All actions must be approved by the appropriate delegated official and recorded in the LTRO.

#### Process

**Step 1:** Review the requested transaction for an existing lease.

- Each lease action needs to be performed within regulatory requirements and policy guidelines.
- Transactions may not need additional NEPA documentation if environmental documentation is in place for the original lease and no new environmental impact will occur as a result of transaction approval.
- The various transactions listed below may or may not occur during the term of the lease and are not contingent on one another.

**Step 1a:** Review a proposed lease amendment/modification. (See [Attachment 17A - Sample Agricultural Lease Modification](#).)

- Ensure the required consent(s) has been obtained from the parties to the lease and any other sureties.
- Verify the amendment is in the best interest of the landowner(s) using the same standards as required for approval of the lease.

**Step 1b:** Review a proposed lease assignment. (See [Attachment 18A - Sample Agricultural Lease Assignment](#).)

- Ensure the proper consent(s) has been obtained.
• The consent standards are the same as required in the lease, unless the lease authorizes one or more of the Indian landowners to consent on behalf of all such owners.

• Consent must be obtained from all sureties.

• Ensure the assignee has bonded its performance.

• Ensure the assignment provides for the assignee to pay fair market rent to the Indian landowner(s) if the lease was approved at less than fair market rent and the assignee is not a co-owner or a member of the Indian landowner’s immediate family.

• Ensure the assignee agrees to be bound by the terms of the lease and there is no compelling reason to withhold approval in order to protect the best interests of the Indian owners.

• Obtain the signatures of all parties to the assignment.

**Step 1c:** Review a proposed sublease.

• Unless otherwise specified in the lease, the parties to the lease must consent to a sublease in the same manner as the initial lease.

• Consent to the sublease must be obtained from any sureties.

• Ensure the lessee remains responsible under the terms and conditions of the lease.

• A sublease must be approved by the delegated authorizing official and there must be a finding that the sublease is in the best interest of the Indian landowners.

• Ensure the sublessee agrees to be bound by the conservation terms of the lease.

**Step 2:** Determine the applicable administrative fees.

• Charge an administrative fee each time a lease amendment, assignment, sublease, or related document is approved. These fees are paid by the lessee or the assignee.

• The minimum administrative fee is $10.00 and the maximum administrative fee is $500.00. Any administrative fees that have been paid are non-refundable, however, all or part of these administrative fees may be waived.

**Step 3:** Send the lease transaction to the delegated authorized official for approval.

• A lease amendment, assignment, or sublease must be approved by the Secretary.

**Step 4:** Send the lease transaction to the LTRO for recordation.

*Issued:* March 6, 2006
**Step 5:** Encode the lease transaction in the agency leasing system as applicable.

<table>
<thead>
<tr>
<th>Revision #</th>
<th>Change</th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>Initial Issuance</td>
<td></td>
</tr>
</tbody>
</table>

END OF PROCEDURE
Lease Compliance
# LEASE COMPLIANCE

## Purpose

This procedure includes the activities required to monitor leases for financial and land use compliance. An agricultural lease may be terminated or canceled if any of the provisions of the lease have been violated. Lease violations may be initiated as a result of site visits by realty staff to determine compliance with the terms of the lease; a complaint from the landowner(s) or a neighboring landowner; or non-payment of lease rental. A notice to correct the violation is normally provided to the lessee, and the Superintendent has the discretion to not terminate the lease depending on the response from the lessee. The decision to terminate a lease is appealable pursuant to 25 CFR Part 2.

**Note:** Not all the following steps may be required nor are the steps sequential.

## Scope

The Agency Superintendent is responsible for ensuring all lessees comply with the terms of their leases. Often, the Realty Office, Land Operations Office, and the Trust Officer may assist in carrying out this responsibility.

## Process

**Step 1a:** Monitor for timely payment of lease rentals.

- Review agency records, bills for collection, and accounts receivable reports to determine if rental payments have been made on time and in the correct amounts.

- If required, determine appropriate penalties pursuant to the contract terms for late rental payments.
  - Late payment penalties are determined by regulation or policy.
  - See the the Interagency Procedures Handbook for more information.

**Step 1b:** Monitor for violation of lease terms, including conservation provisions.

- Periodically inspect lease activity on-site. This may be performed by realty or land operations staff.
  - The inspection may include the following specific compliance determinations:
    - Are there activities that are not specifically authorized by the terms of the lease?
    - Has the lessee maintained the leased property in accordance with lease terms?

---

*Issued:* March 6, 2006
• Determine if lease violations are due to factors outside the lessee’s control (e.g., tornadoes, floods, other Acts of God).

• Record the results of the inspection in the lease file.

• The Lease Compliance Inspection Report is used to document inspections of the lease premises throughout the duration of the lease term. This report also tracks any violations that may have been found, resolved, and the amount of funds collected for the violation. (See Attachment 19A - Lease Inspection Report.)

**Step 2:** Mail a violation notice to the lessee and its sureties within five business days from the date the violation was discovered. (See Attachment 20A - Sample 10 Day Show Cause Notice.)

• The notice indicates that within 10 days, the lessee must cure the violation and notify BIA that it has been corrected; dispute the violation with explanation; and/or request additional time to cure the violation. If the lessee does not respond, the Agency Superintendent will proceed with cancellation of the lease. The notice also indicates:

  • The terms or provisions of the lease that have been violated
  • Any permit/lease stipulations or conservation plan elements that apply
  • If the violation is location-specific, a citation of the location
  • If the violation involves animals, a description of the animals by kind, class, number, and ownership marks
  • Any other pertinent information that further explains the violation

• Notices of violation are sent by certified mail with return receipt requested, or hand delivered with acceptance or refusal documented. Return receipts are attached to the file copy of the notice as a part of the official record. Law enforcement officers and other Officers of the Court can deliver notices and verify delivery or refusal of the notice. The Regional Office is informed of any notice refusal, lack of correction, or other negative response to a notice of violation. The 10 days during which the lessee must show cause or correct the violation starts when the lessee receives notice.

**Step 4:** If the violator fails to respond, the Superintendent issues a cancellation decision letter after the 10 days expire. However, if the violator disputes the alleged violation or requests more time to remedy the violation, the deciding official has the discretion to determine the appropriate action. (See Attachment 21A - Sample Cancellation Letter.)

• The cancellation letter must include the following:

  • The reason for cancellation
  • Notification of the right to appeal pursuant to 25 CFR Part 2
  • The amount of any appeal bond that must be posted
  • An order for the lessee to vacate the property within 30 days of the date of his/her receipt of the cancellation letter, unless the lessee has filed an appeal
A cancellation decision is effective on the 31st day after the lessee signs receipt for the cancellation letter or on the 41st day from the date the letter is mailed, whichever is earlier.

- A cancellation decision is stayed, unless it is determined by the official receiving the appeal that public safety, protection of trust resources, or other public exigency requires that the decision be made effective immediately.

- If a cancellation decision is stayed, the lessee must continue to pay rent and comply with the other terms of the lease.

### REVIEW

<table>
<thead>
<tr>
<th>Revision #</th>
<th>Change</th>
<th>Effective Date</th>
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<tbody>
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<td>Initial Issuance</td>
<td></td>
</tr>
</tbody>
</table>

**END OF PROCEDURE**
5.0 ATTACHMENTS

The following samples and forms are an integral part of the operating procedures.
REQUEST FOR REAL ESTATE APPRAISAL SERVICES

All requests for real estate appraisal services will be made only after an Agency or tribal line officer has approved an action involving the transfer or encumbrance of interests in real property or an Office of Hearing and Appeals (OHA) deciding official has requested appraisals for probate and/or consolidation purposes.

All requests for appraisal services shall be submitted to the respective Office of Appraisal Services (OAS) regional office on the standardized “Request for Real Estate Appraisal Services” request form by the Bureau of Indian Affairs and P.L. 93-638 Contract or Self-Governance Compact tribal realty programs.

It is highly recommended that the requesting office consult with the respective Regional Supervisory Appraiser (RSA), as needed, to determine the type of appraisal service necessary, e.g., Appraisal, Appraisal Review, Appraisal Update, and/or Real Property Consultation.

- All approved appraisal requests shall be submitted directly to the appropriate OAS Regional Appraisal Office.
  
  Attach supporting documentation:
  
  - Title status reports (TSR)
  - Survey Plats & Maps of Definite Location
  - Partition plan
  - Tribal resolution
  - Letter of intent
  - Letter of Consent
  - Right of Way Agreement or Application, and Proposed Leases and Permits
  - Quantified Water Rights, if any

- Incomplete appraisal requests will not be accepted. An incomplete request will be returned to the requestor within five working days with a statement providing reasons for canceling the appraisal request.

- Any appraisal request submitted to OAS to obtain an appraisal intended for loan/mortgage purposes by a financial institution shall be rejected (in accordance with the 1989 Financial Institutions Reform, Recovery and Enforcement Act, as amended, which require financial institutions to obtain appraisals to conduct internal risk management.)

- For appraisal requests for opinions of value with effective date other than current date, the requests shall identify whether the opinion of value is prospective or retrospective and provide the date to be used by the appraiser.
  
  - **Prospective Value Opinion** – A forecast of the value expected at a specific future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or stabilized level of long-term occupancy at the time the appraisal report is written.
  
  - **Retrospective Value Opinion** – An opinion of value that is likely to have applied as of a specified historic date. A retrospective value opinion is most frequently sought in connection with appraisals for estate tax, condemnation, inheritance tax, and similar purposes.
Appraisal requests should not be submitted to OAS for real estate transactions that do not require Secretarial approval, e.g., valuations for landowner personal use & knowledge, valuations of non-fixed portable classrooms, HUD tribal housing development program’s subsidized loan originations, etc.
<table>
<thead>
<tr>
<th>AGRICULTURAL</th>
<th>RECREATIONAL</th>
<th>RESIDENTIAL</th>
<th>COMMERCIAL /INDUSTRIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>( ) PRODUCTION HISTORY</td>
<td>( ) No. of Front Feet</td>
<td>( ) Purchase Agreement/ Contract</td>
<td>( ) Financial Statements</td>
</tr>
<tr>
<td>( ) IRRIGATABLE ACRES AND/OR</td>
<td>( ) On Lake/River</td>
<td>( ) Physical Data of Structure, e.g., Age, Floor Plan, etc.</td>
<td>( ) Purchase Agreement/ Contract</td>
</tr>
<tr>
<td>WATER RIGHTS DATA</td>
<td>( ) Purchase Agreement/ Contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>( ) PURCHASE AGREEMENT/ CONTRACT</td>
<td>( ) Stumpage Value</td>
<td>( ) Ownership Data of Home &amp; Other Structures</td>
<td></td>
</tr>
<tr>
<td>( ) CARRYING CAPACITY (AUM’s)</td>
<td>( ) Hunting/Fishing Rights</td>
<td></td>
<td></td>
</tr>
<tr>
<td>( ) WATER SOURCE: SPRING, PUMPS, WELLS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LEGAL DESCRIPTION:** (ATTACH SURVEY AND TITLE STATUS REPORT, IF AVAILABLE)

ALLOTMENT NO.(S): ________________________________ CONTAINING __________ ACRES, MORE OR LESS

IDENTIFY LAND CHARACTER AND/OR IMPROVEMENTS TO BE APPRAISED:

**SPECIAL INSTRUCTIONS/REMARKS (INCLUDE DEVELOPMENT, IMPROVEMENT AND RENOVATION COSTS, IF ANY):**

THE APPROVING OFFICIAL HAS REVIEWED THE NEED FOR APPRAISAL OF THE DESCRIBED PROPERTY FOR THE PURPOSE INDICATED AND CERTIFIES THAT THE APPRAISAL IS NEEDED AND REQUESTS THAT IT BE PREPARED ON A: ( ) ROUTINE OR ( ) RUSH PRIORITY BASIS.

**DATE REQUESTED** ____________________________ **SIGNATURE** ____________________ REQUESTING OFFICIAL

**DATE APPROVED** ____________________________ **SIGNATURE** ____________________ APPROVING OFFICIAL

**FOR REGIONAL OFFICE USE**

PROJECT NUMBER: ____________________________

OPINION OF VALUE: $ __________________________

DATE RECEIVED: ____________________________

DATE ASSIGNED: ____________________________

APPRAISER: ____________________________ DATE COMPLETED: __________________________

REPORT TYPE CODE: ____________________________

TRANSMITTAL DATE: ____________________________

DATE OF VALUATION: ____________________________

REVIEWER: ____________________________

**U.S. DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

**OFFICE OF APPRAISAL SERVICES**

**REQUEST FOR REAL ESTATE APPRAISAL SERVICES**

**TO:** REGIONAL SUPERVISORY APPRAISER, REGION

**APPRAISAL SERVICE:** ( ) APPRAISAL ( ) APPRAISAL REVIEW ( ) APPRAISAL UPDATE ( ) REAL PROPERTY

**CONSULTATION**

**GRANTOR/LESSOR:** ____________________________ **GRANTEE/LESSEE:** ____________________________

**PURPOSE OF APPRAISAL:** ( ) MARKET VALUE ( ) MARKET RENTAL VALUE ( ) JUST COMPENSATION

( ) DAMAGE ESTIMATE ( ) USE FEE ESTIMATE

**LEASE TYPE:** ( ) Cash Lease ( ) Crop Share Lease ( ) Percentage Lease ( ) Gross Lease

( ) Index Lease ( ) Net lease

**LEASE NO.** ____________________________

**TRANSACTION TYPE**

( ) SALE ( ) ACQUISITION ( ) EXCHANGE ( ) EASEMENT/RIGHT OF WAY ( ) PARTITIONMENT

( ) LEASEHOLD ( ) LEASED FEE ( ) RENTAL ADJUSTMENT

**PROPERTY TYPE**

( ) AGRICULTURAL ( ) RESIDENTIAL ( ) COMMERCIAL ( ) INDUSTRIAL

( ) RECREATIONAL ( ) OTHER

**UTILITIES**

( ) PUBLIC WATER OR DOMESTIC WELL ( ) SEWER OR( ) SEPTIC

( ) ELECTRICITY ( ) TELEPHONE ( ) GAS

**LEASE**

( ) CURRENT LEASE ATTACHED ( ) RENTAL AGREEMENT

( ) PROPOSED LEASE ATTACHED

**C**

**H**

**E**

**K**

**L**

**I**

**S**
Attachment 2A

Review of Land Appraisals
Memorandum

To: All Regional Directors

From: Director, Bureau of Indian Affairs

Subject: Review of Land Appraisals by the Office of Appraisal Services

An issue has arisen concerning whether controls exist to ensure that land appraisals conducted by Indian tribes pursuant to compact or contract agreements have been reviewed by the Office of Appraisal Services (OAS). Discussion concerning this issue with the personnel of the National Business Center, OAS, confirmed their policy responsibility to review land appraisals conducted by Indian tribes pursuant to a compact or contract agreement before the execution and approval of a trust land or resource transaction. Further, they stated that the responsibility to review land appraisals has been declared to be an inherently Federal function in OMB Circular A-70.

We must ensure that the Bureau of Indian Affairs follows the existing policy and practice of the OAS to review land appraisals performed by contract and compact Indian tribes prior to the approval of a land or natural resource transaction. Therefore, the Agency Superintendents, Regional Directors, and other Bureau personnel, with the authority to approve a trust or natural resource transaction, to declare that the land appraisal conducted by a compact or contract Indian tribe has been reviewed by the OAS. Documentation of the OAS review of the land appraisal will be the evidence of the declaration and this evidence of the declaration will become part of the transaction file. An example of the declaration is attached to this memorandum.

If you have any questions or require further information, please contact my office or contact the Deputy Director, Trust Services, at (202) 208-5831.

Attachment
EXAMPLE

Declaration of Appraisal Review

I ______________________ do hereby declare that the land appraisal for

__________________________ (state your number or land description) was performed pursuant to a contract/contract with the __________________________ Tribe and was reviewed by the Office of Appraisal Services, as evidenced by the review documentation attached hereto.

__________________________ Date ____________________________ Superintendent
Attachment 3A

Finding of No Significant Impact (FONSI)
United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Blackfeet Agency
531 SE Boundary Street.
Browning, Montana 59417

FINDING OF NO SIGNIFICANT IMPACT FOR
BLACKFEET INDIAN RESERVATION, MONTANA
L-8704 D&E Haynes Farm- FARM/PASTURE LEASE

ENVIRONMENTAL DOCUMENT

(Tiering Document from Environmental Assessment for Billings Area, Farm or Pasture lease, and Range Permit BF99-74)

The Bureau of Indian Affairs (BIA) has received a request for the leasing of trust acreage through the BIA under an authorized lease (L-8704). This lease is to be issued for Farming/Pasture use in return for just compensation for the lessor(s).

The alternatives analyzed include no action and utilizing a different farming/pasture area. The project will not have a significant adverse environmental impact to the environment.

Reasons for the finding of no significant impact include:

1. Threatened or endangered species would not be adversely affected under any alternative.
2. Historical and or archaeological sites will be avoided.
3. All other resources receive little or no impact. Any minor impact will be of short duration.
4. The lease area is within an existing cultivated area. The current project will stay within the disturbed area boundaries.
5. No waters of the United States will be impacted.
6. Environmental Justice: Pursuant to the requirements of Executive Order 12898, an examination has been conducted to determinate whether the lease will cause a disproportionately high or adverse human health or environmental risk. No significant risks to human health or environment will result from this lease. The temporary safety factors (if needed) associated with this project will be mitigated to the greatest extent reasonably possible. The project will promote tribal sovereignty and benefit the general health and welfare of the community.
Determination

Based upon the information contained and referenced in the Environmental Assessment and the Tiering Document, it is my determination that the preferred alternative analyzed does not constitute a major Federal action significantly affecting the quality of the human environment.

SUPERINTENDENT ________________________________ DATE _____________________
Attachment 4A

Categorical Exclusion Exception Checklist
SAMPLE
EXCEPTION CHECKLIST FOR BIA CATEGORICAL EXCLUSIONS

Project: _______________________________ Date: __________

Nature of Proposed Action:

516 DM 10.5 Exclusion category and number:

Evaluation of Exceptions to use of Categorical Exclusion:

<table>
<thead>
<tr>
<th>Exception</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. This action would have significant adverse effects on public health or safety.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. This action would have an adverse effect on unique geographical features, such as wetlands, wild or scenic rivers, refuges, floodplains, rivers placed on nationwide river inventory, or prime or unique farmlands.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. The action will have highly controversial environmental effects.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The action will have highly uncertain environmental effects or involve unique or unknown environmental risks.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. This action will establish a precedent for future actions.</td>
<td></td>
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</tr>
<tr>
<td>6. This action is related to other actions with individually insignificant, but cumulatively significant environmental effects.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. This action will affect properties listed or eligible for listing in the National Register of Historic Places.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. This action will affect a species listed, or proposed to be listed as endangered or threatened.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. This action threatens to violate federal, state, local or tribal law or requirements imposed for protection of the environment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. This action will have a disproportionately high and adverse effect on low income or minority populations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. This action will limit access to, and ceremonial use of Indian sacred sites on federal lands by Indian religious practitioners, or significantly adversely affect the physical integrity of such sacred sites.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. This action will contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area, or may promote the introduction, growth, or expansion of the range of such species.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A “yes” to any of the above exceptions will require that an EA be prepared.
NEPA Action - - - CE___________ EA___________

Preparer’s Name and Title: _______________________________________________

Regional Archeologist Concurrence with Item 7:_______________________________

Concur:__________________________________________Date:_________________
  Regional Director/Superintendent

Concur:__________________________________________Date:_________________
  Regional Office/Agency Environmental Coordinator
Attachment 5A

Leasing Activities Timeline on Farm/Pasture Leases
LEASING ACTIVITIES TIMELINE
FOR
NATURAL RESOURCES and REAL ESTATE STAFF
ON FARM/PASTURE LEASES

Activities Before Leases Expire

360 DAYS Realty staff generates a list of expiring leases and idle tracts to be leased and this list is shared with Natural Resources staff.

30-240 DAYS Perform on-site field inspection to determine need for any structural improvements to land needed under next lease. Determine if existing management regime (crop rotations, grazing system, etc) is adequate for the property. As possible, this inspection should be made after or near the end of the growing season, and prior to the lease advertisement.

30-120 DAYS Finalize all conservation plans for expiring leases, at least, 30 days prior to the lease expiration date. Where advertisement of tracts which are included in expiring leases occurs (before lease expiration), conservation plans should be completed no later than 30 days prior to the advertisement. Develop plans using acceptable conservation practices (best management practices) with a planning horizon of not less than 25 years (although the plan is only for a 5 year term, the land use practices specified should assure no degradation of the property for at least 25 years). These plans are then made available to Realty.

30 DAYS As possible, within 30 days prior to the expiration of the lease, a detailed field inspection should be performed on the property. This inspection is for the purpose of assuring that the property is in proper condition and that lessee has fulfilled all his obligations contained in the lease. For larger reservations with large numbers of leases, this inspection should be incorporated with the earlier inspection. Tracts requiring additional or later inspections can be flagged for further field work. If deficiencies are found, the lessee is informed as well as the bonding entity that deficiencies must be resolved before the expiration of the lease.

Activities After New Leases Have Been Approved

AS NEEDED -- Each lease should be physically inspected at least once a year to assure that terms and conditions of the conservation plan are being met (commonly referred to as lease compliance inspection), and that the plan meets the conservation requirements. Additional inspections are desirable, especially on tracts with highly erodible soils or other sensitive resources. Some leases may require two (2) or more yearly inspections. If a lease violation is discovered during a field inspection, a show cause notice is drafted and sent to the lessee within five (5) days of the field inspection. This notice spells out the alleged violation and gives the lessee the chance to take corrective action or show why they are not in violation.
Attachment 6A

Sample
Conservation Plans
SAMPLE A

PLAN OF CONSERVATION OPERATIONS, WINNEBAGO RESERVATION

USDI-BIA, WINNEBAGO AGENCY

WINNEBAGO, NE. 68071

ALLOTMENT: 2040

LEGAL DESCRIPTION: West 1/2 Northeast 1/4  SECTION: 14  TOWNSHIP: 26 North  RANGE: 8 East 6TH PM. APPROXIMATELY: 80 ACRES, OF WHICH 0 MAY BE CULTIVATED.

(SEE MAP BELOW FOR DELINEATION OF FARMABLE LAND.

SPECIAL PRACTICES: (1) LESSEE SHALL CONTROL BRUSH AND VOLUNTEER TREES FOR TERM OF LEASE. CONSIDERED AS HARMFUL GROWTH. (2) LESSEE SHALL CONTROL ALL NOXIOUS WEEDS FOR THE FULL TERM OF THIS LEASE. (3) TERRACE REPAIR AND ENLARGEMENT REQUIRED WITHIN THE FIRST TWO YEARS OF THIS LEASE. (4) STOCKING RATE, IF SPECIFIED, SHALL BE STRICTLY ADHERED TO. OVERSTOCKING SHALL BE CONSIDERED TO COMprise OVERUSE. (5) NO USE SHALL BE MADE OF AREAS FOR WHICH NO AUTHORIZATION IS GRANTED. ANY USE OF SUCH AREAS SHALL BE GROUNDS FOR CANCELLATION OF LEASE. (6) Reshape & Reseed cattle trails along entire eastern and northern fence lines by 12/01/2006. Also Reshape & Reseed cattle trails in waterway 'a' in northeastern corner of pasture by 12/01/2006 (7) Fill in washout in northeastern corner of parcel (near gate), which washes in the field to the east by 12/01/2006. Also fill in washouts along northern fence line by 12/01/2006. (8) Cut out single trees in pasture and also along fence line by 12/01/2006 (9) Repair fence as necessary & remove any trees, which are hanging over the fence by 12/01/2006. (10) If lessee wishes to adjust recommended stocking rate arrangements must be made prior outlining number of livestock & amount of time.

ABOVE MAP SHOWS LOCATION, ACREAGE, AND LAND USE LIMITATIONS FOR EACH FIELD. SEE FRONT OF SHEET FOR COMPUTATION OF PENALTIES AND/OR LIQUIDATED DAMAGES ASSOCIATED WITH NON-COMPLIANCE. BELOW ARE ROTATION REQUIREMENTS BY LAND USE LIMITATIONS AND FIELD NUMBERS.
<table>
<thead>
<tr>
<th>LAND USE LIMITATIONS</th>
<th>FIELD NUMBER</th>
<th>ACRES</th>
<th>ROTATION REQUIREMENTS/USE LIMITATIONS</th>
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<tbody>
<tr>
<td>CROPLAND</td>
<td></td>
<td></td>
<td>NO LIMITATIONS ON CROP ROTATION. MINIMUM OF 30% GROUND COVER REQUIRED AFTER PLANTING</td>
</tr>
<tr>
<td>NONE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPEC:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MODERATE:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>SEVERE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VERY SEVERE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WATERWAYS:</td>
<td></td>
<td></td>
<td>ALL WATERWAYS TO BE MAINTAINED FOR FULL TERM OF LEASE</td>
</tr>
<tr>
<td>WOODLANDS:</td>
<td></td>
<td></td>
<td>NO USE OF WOODLANDS FOR ANY PURPOSE IS AUTHORIZED UNDER THIS LEASE</td>
</tr>
<tr>
<td>HOMESITES AND ABANDONED FARMSTEADS(AFS):</td>
<td></td>
<td></td>
<td>NO USE FOR ANY PURPOSE IS AUTHORIZED UNDER THIS LEASE</td>
</tr>
<tr>
<td>ROADS AND TRAILS:</td>
<td>1.0</td>
<td></td>
<td>THE BLOCKING OF ACCESS TRAILS BY LESSEE IS PROHIBITED UNDER THIS LEASE</td>
</tr>
<tr>
<td>PASTURELAND:</td>
<td>79.0</td>
<td></td>
<td>Twenty head of livestock or twenty cow/calf pairs may be grazed from May 1 - October 30. Remove all livestock at any time before Oct 30 that average grass height has been reduced to three inches.</td>
</tr>
<tr>
<td>HAYLAND/PASTURE LAND:</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
SAMPLE B

PLAN OF CONSERVATION OPERATIONS, WINNEBAGO RESERVATION
USDI-BIA, WINNEBAGO AGENCY
WINNEBAGO, NE.  68071

ALLOTMENT: L-366  LEGAL DESCRIPTION: Lots 1 & 2  SECTION: 21  TOWNSHIP: 26 North  RANGE: 9 East  6TH PM.  APPROXIMATELY: 17.04 ACRES, OF WHICH 10.6 MAY BE CULTIVATED.  (SEE MAP BELOW FOR DELINEATION OF FARMABLE LAND.

SPECIAL PRACTICES: (1) LESSEE SHALL CONTROL BRUSH AND VOLUNTEER TREES FOR TERM OF LEASE. CONSIDERED AS HARMFUL GROWTH. (2) LESSEE SHALL CONTROL ALL NOXIOUS WEEDS FOR THE FULL TERM OF THIS LEASE. (3) TERRACE REPAIR AND ENLARGEMENT REQUIRED WITHIN THE FIRST TWO YEARS OF THIS LEASE. (4) STOCKING RATE, IF SPECIFIED, SHALL BE STRICTLY ADHERED TO. OVERSTOCKING SHALL BE CONSIDERED TO COMPRISE OVERUSE. (5) NO USE SHALL BE MADE OF AREAS FOR WHICH NO AUTHORIZATION IS GRANTED. ANY USE OF SUCH AREAS SHALL BE GROUNDS FOR CANCELLATION OF LEASE. (6) (7)

![Map]

ABOVE MAP SHOWS LOCATION, ACREAGE, AND LAND USE LIMITATIONS FOR EACH FIELD. SEE FRONT OF SHEET FOR COMPUTATION OF PENALTIES AND/OR LIQUIDATED DAMAGES ASSOCIATED WITH NON-COMPLIANCE. BELOW ARE ROTATION REQUIREMENTS BY LAND USE LIMITATIONS AND FIELD NUMBERS.
<table>
<thead>
<tr>
<th>LAND USE LIMITATIONS</th>
<th>FIELD NUMBER</th>
<th>ACRES</th>
<th>ROTATION REQUIREMENTS/USE LIMITATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CROPLAND</td>
<td></td>
<td></td>
<td>NO LIMITATIONS ON CROP ROTATION.</td>
</tr>
<tr>
<td>NONE:</td>
<td></td>
<td></td>
<td>MINIMUM OF 30% GROUND COVER REQUIRED</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AFTER PLANTING</td>
</tr>
<tr>
<td>CROPLAND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPEC:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CROPLAND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MODERATE:</td>
<td>1</td>
<td>8.6</td>
<td>Corn (ST-40%GC) - Oats (ST-30%GC) -</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0.5</td>
<td>Corn (NT) - Oats (ST-30%GC) - Corn (NT)</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1.5</td>
<td>ST=Spring Till NT=No Till %GC=Percent</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ground Cover after planting</td>
</tr>
<tr>
<td>CROPLAND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEVERE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CROPLAND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VERY SEVERE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WATERWAYS:</td>
<td></td>
<td></td>
<td>ALL WATERWAYS TO BE MAINTAINED FOR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>FULL TERM OF LEASE</td>
</tr>
<tr>
<td>WOODLANDS:</td>
<td></td>
<td>0.74</td>
<td>NO USE OF WOODLANDS FOR ANY PURPOSE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>IS AUTHORIZED UNDER THIS LEASE.</td>
</tr>
<tr>
<td>HOMESITES AND</td>
<td></td>
<td>2.0</td>
<td>NO USE FOR ANY PURPOSE IS AUTHORIZED</td>
</tr>
<tr>
<td>ABANDONED</td>
<td>(Residence &amp;</td>
<td></td>
<td>UNDER THIS LEASE.</td>
</tr>
<tr>
<td>FARMSTEADS(AFS):</td>
<td>Lots)</td>
<td></td>
<td>THE BLOCKING OF ACCESS TRAILS BY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LESSEE IS PROHIBITED UNDER THIS LEASE.</td>
</tr>
<tr>
<td>ROADS AND TRAILS:</td>
<td></td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>PASTURELAND:</td>
<td>3</td>
<td>1.7</td>
<td>Grasses &amp; Forbs to be grazed by</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>livestock from May 1 - Oct 30 as part</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>of adjacent pasture.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Livestock must be removed if average</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>grass height has been reduced to three</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>inches.</td>
</tr>
<tr>
<td>HAYLAND/PASTURELAND:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attachment 7A

Agricultural Lease File Layout
LAYOUT OF AN AGRICULTURAL LEASE FOLDER

A six-part Classification Folder should be used for all Leases:

CONTRACT SIDE (Page 1 of form)

1. Contract documents and information that may include:
   a. Lease
   b. Conservation Plan
   c. Additional Terms and Conditions

   As indicated in the letter when contract is issued, these are attached to the lease and made a part of it.

2. Performance Bond/Irrevocable Letter of Credit.

3. Modifications. If land is added or subtracted and reduces the acreage of a unit, print a new land schedule, note which mod the new land schedule is for, initial and date it, file land schedule on the “PLAT” side. Make sure the plat is marked, if changes need to be made on the plat, do so and initial w/date. Check the Removable Range Improvements form, the permittee may have claimed improvements, if land is being removed, a determination may be needed.

   If the contract gets cancelled for any reason, wait until all appeal time has expired and you are to the point of the bid advertisement then move all documents pertaining to this contract number to Side 3 or 4, your choice. Start with Side 6, Side 5, Side 2 then Side 1, which will have all of the cancelled contract info on top. Cover with a blank sheet of paper marked “cancelled”, then start your file over again, using the same folder.

PLAT SIDE (Page 2 of form)

1. Lease checklist worksheet, this

2. Land Schedule, usually run at the beginning of the contract period. If another one is necessary, be sure to include modification number, initial of preparer and date.

3. Copy of 90 day notices sent and received - This document needs to be protected. If a dispute arises and copies are requested by other landowners, this document needs to be redacted.

   Request for information and release should be in writing and filed here for specific stipulated rates.

4. Removable Improvements.

5. Management Plan Pasture Rotation, especially if cross fencing is involved.

6. Plat, showing lease unit boundary, color of tribal land, allotted land, deeded land, and trade use land. GIS generated plats are preferred.

   Keep numbers 4, 5 and 6 together. The plat should always be on top. If you have someone in your office who wants to find out other info, i.e., stipulated rate, they won’t be able to read over your shoulder and you will be protecting the privacy of the landowner.

NOTE: the only other correspondence you should see on this side is a memo from Regional Director, re: stocking rate changes. This will generate a new worksheet and need to be kept together.
SPECIAL CASES (Pages 3 and 4 of form)

Sides Three and Four are reserved for specific cases.

1. Appeal Documents.
2. Landowner Disputes (between each other or with permittee).
3. Old Lease Documents. If grazing permit contract gets cancelled, move all info here, either side, your choice.

These two facing spaces are available.

TRUST FUNDS (Page 5 of form)

All information pertaining to trust funds:

1. Copy of receipt for collected grazing fees and preparation fees.
2. Copy of Tribal Taxes receipts (if required).
3. Copy of public voucher for refund, if permittee has overpaid.
4. Copy of journal voucher used to pay out hay cutting funds.
5. Bid Deposits (receipt to FFS and reversal from FFS to OTFM).
6. Damages from overstocking or un-authorized hay cutting.

CORRESPONDENCE SIDE (Page 6 of form)

All correspondence pertaining to the lease should be here

1. Letter informing permittee the contract period is expiring, if eligible, send document for right of first renewal.
2. Letter sending new lease.
4. Trespass letters.
5. Overstocking letters.
6. Memos from Staff “Information to File, Lease # XXX”. Usually regarding a complaint which was followed up and no action needed to be taken. Or any other situation.

All correspondence is to be kept in chronological order by date.
Attachment 8A

TSR Request Form
SAMPLE
REQUEST FOR TITLE STATUS REPORT

TO: Land Titles & Records Office

FROM:

Please furnish this office with a Title Status Report on the following tract of land:

Land Area Code and Tract Number:    Allotment Name:

Legal Description and Acreage:

Priority (Please Indicate in how many days you need this Title Status Report):

( ) 1-10 Days    ( ) 10-20 Days    ( ) 21-30 Days

Urgent – No Later than:

List any new documents or probates since last TSR:

__________________________________________
Signature
Title:

=================================================================
(For Title Plant Use Only)

New TSR    ( ) Logged In    : 
Reissue    ( ) Examination Started    :
No. of Docs/Probates/Mods : Examination Completed : 
No. of Lines Chained : Total Time to Examine :
Modifications Created : Signed and Mailed :
Attachment 9A

Sample 90 Day Notice
SAMPLE

90 DAY-NOTICE

AUTHORITY TO GRANT FARM AND/OR PASTURE LEASES OF ALLOTTED LANDS

AGENCY

RESERVATION

NAME OF LANDOWNER/ADDRESS

IDENTIFICATION NO.

THIS IS NOTIFICATION TO YOU THAT THE LISTED ALLOTMENT (TRACTS) BELOW IN WHICH YOU OWN A TRUST INTEREST ARE AVAILABLE FOR NEGOTIATION OF A LEASE. THE TERMS ON WHICH THE LESSORS AND PROSPECTIVE LESSEE(S) OF YOU CHOICE HAVE AGREED, MUST BE SUBMITTED TO THIS AGENCY FOR REVIEW AND APPROVAL.

YOU ARE ADVISED THAT THE AMERICAN INDIAN AGRICULTURAL RESOURCES MANAGEMENT ACT, [25 USC3701-3705] AUTHORIZED THE OWNER(S) OF A MAJORITY INTEREST (GREATER THAN 50 PERCENT) IN SAID TRACT(S) TO ENTER INTO AN AGRICULTURAL LEASE OF THE SURFACE INTEREST AND SUCH LEASE SHALL BE BINDING UPON THE OWNERS OF THE MINORITY INTERESTS IN SUCH LAND IF THE TERMS OF THE LEASE PROVIDE SUCH MINORITY INTERESTS WITH NOT LESS THAN FAIR MARKET VALUE FOR SUCH LAND.

"OR"


IF WE AWARD A LEASE PURSUANT TO AN ADVERTISEMENT, WE WILL APPROVE THAT LEASE ON THE TRACTS WHICH ARE LISTED IN THIS NOTICE. IF YOU DECIDE TO APPEAL THIS DECISION YOU MAY APPEAL THE DECISION TO THE REGIONAL DIRECTOR, IN ACCORDANCE WITH THE REGULATIONS CONTAINED IN THE CODE OF FEDERAL REGULATIONS, TITLE 25, PART 2. YOUR NOTICE OF APPEAL MUST BE SIGNED BY YOU OR YOUR ATTORNEY AND MUST BE MAILED WITHIN 30 DAYS OF THE DATE OF RECEIPT OF THIS DECISION. IT SHOULD CLEARLY IDENTIFY THE DECISION BEING APPEALED. IF POSSIBLE, ATTACH A COPY OF THIS DECISION. YOU MUST SEND COPIES OF YOUR APPEAL TO 1) REGIONAL DIRECTOR, [INSERT ADDRESS] 2) EACH INTERESTED PARTY KNOWN TO YOU; AND THIS OFFICE. YOUR NOTICE OF APPEAL TO THE REGIONAL DIRECTOR MUST CERTIFY THAT YOU HAVE SENT COPIES TO THESE PARTIES." (25 CFR 162.214 (b))

<table>
<thead>
<tr>
<th>TRACT</th>
<th>DESCRIPTION</th>
<th>SEC.</th>
<th>TWP.</th>
<th>RGE.</th>
<th>INTEREST</th>
</tr>
</thead>
</table>


Attachment 10A

Sample
Power of Attorney for Leasing
SAMPLE

INSTRUCTIONS: SHOULD YOU WISH TO HAVE THE SUPERINTENDENT EXECUTE CERTAIN LEASES/PERMITS ON YOUR BEHALF, PLEASE SIGN AND RETURN THIS WRITTEN AUTHORITY FROM TO: ______AGENCY.

BUREAU OF INDIAN AFFAIRS

__________ AGENCY

__________, STATE  00000

PHONE: XXX-XXX-XXXX

202-U-XXXXX

________________________AGENCY

ALLOTTEE

GENERAL DELIVERY

__________AGENCY           ST,  XXXXX

WRITTEN AUTHORITY TO EXECUTE FARMING, FARM-PASTURE, AND FARM-GRAZING LEASES

KNOW ALL MEN BY THESE PRESENT:

THAT I, _______________________________________________ DO HEREBY CONSTITUTE AND AUTHORIZE THE SUPERINTENDENT OF THE _______________ AGENCY, (LOCATION), TO ACCEPT THIS AUTHORITY TO EXECUTE A LEASE WITH ANY PROSPECTIVE LESSEES ON A PRESCRIBED FORM, FOR FARMING AND GRAZING PURPOSES ON LANDS WHICH I HOLD AN INHERITED, DEVISED, OR PURCHASED INTEREST IN TRUST AS LISTED IN THE FIRST PART OF THIS NOTICE ON THE ______________ INDIAN RESERVATION UNDER 25 CFR 162.2(A) (5), AND AUTHORIZED THE SUPERINTENDENT TO PERFORM EVERY ACT NECESSARY AND REQUISITE TO THE CONSUMMATION OF SUCH LEASE OR LEASES WITH THE SAME VALIDITY AS IF I WERE PERSONALLY PRESENT AND EXECUTED THE SAME. PROVIDED, THAT ANY LEASE OR LEASES SHALL BE MADE THEREUNDER AT A PRICE NOT INCONSISTENT WITH THE FAIR ANNUAL RENTAL FOR EITHER GRAZING LAND OR FARM LAND, WHICHEVER IS APPLICABLE.

IT IS FURTHER UNDERSTOOD AND AGREED THAT I MAY CANCEL THIS AUTHORITY AT ANY TIME BY WRITTEN NOTICE THEREOF TO THE SUPERINTENDENT OR OTHER OFFICER IN CHARGE OF THE ______________ AGENCY, SAID CANCELLATION TO BE EFFECTIVE UPON THE TERMINATION OF THE LEASE OR LEASES IN FORCE, IF ANY. THIS AUTHORITY SHALL CONTINUE IN FULL FORCE UNTIL SO REVOKED BY ME

___________________________________________________________

(DATED)                                                 (LANDOWNER SIGNATURE)

___________________________________________________________

(SOCIAL SECURITY NO.)

TWO WITNESSES SIGNATURES REQUIRED
Attachment 11A

Owner’s Consent to Lease
## SAMPLE A

### SCHEDULE OF LAND OWNERS

<table>
<thead>
<tr>
<th>INTEREST</th>
<th>D-O-B</th>
<th>ID-NO</th>
<th>NAME AND ADDRESS</th>
<th>WITNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000001</td>
<td>12/03/1900</td>
<td>201U001234</td>
<td>Jim Brown 123 Oak Street Hometown, State</td>
<td></td>
</tr>
<tr>
<td>0.000021</td>
<td>02/14/1980</td>
<td>201U003456</td>
<td>Sally Smith 123 Elm Street Hometown, State</td>
<td></td>
</tr>
</tbody>
</table>
SAMPLE B

CONSENT OF LESSOR TO LEASE

REQUEST NO. ___________________ Allotment No. ______________________

 Indian Reservation Original Allottee ______________________

I, _______________________________ of ___________________________, owner of an
undivided _____________ interest in and to the following described lands:

Comprising of _____________ acres, more or less, hereby give my consent to the leasing of
the above described land to _____________ lessee, of ___________________ for a
consideration of

$ _________ per acre for _____________ acres of Irrigated farmland

$ _________ per acre for _____________ acres of Dry farmland, and,

$ _________ per acre for _____________ acres of pasture/Native range.

The term of this lease is to be for a period of _______ years commencing ____________
and expiring on ________________________.

Please sign in the presence of 2 witnesses:

1. _______________________________ ______________________________________
   Lessor
   Address Date
   _______________________________ ______________________________________
   Address

2. _______________________________ ______________________________________
   Address
   _______________________________ ______________________________________
Attachment 12A

Sample Agricultural Lease
FARMING AND GRAZING LEASE

This contract, made and entered into this ___day of _______ 200_, by and between the Indian or Indians named below (the Secretary of the Interior acting for and on behalf of Indians) hereinafter called the “lessor” and hereinafter called the “lessee”, in accordance with the provisions of existing law and the regulations (25 CFR 162) which, by reference, are made a part hereof, WITNESSETH: that for and in consideration of the rents, covenants, and agreements hereinafter provided, the lessor hereby lets and leases unto the lessee for dry land farming and grazing purposes only, the land and premises described as follows, to wit:

This portion contains the official legal description of the premises that will be included in the lease. This description should reference a public or private survey, legal description or other description that is sufficient to describe the leased premises.

containing _______ acres, more or less, of which not to exceed ___________ acres may be cultivated, for the term of _____________.

Secretary

“Secretary” as used in this Lease means the Secretary of the Interior or his authorized representative. Authorized representative may be a tribe or tribal organization administering a specific program or providing specific services. (See 25 CFR 162.110).

Term

This Lease is for a term of ____________, beginning on the ___day of ___month___ 200_, to be used only for ____ (purpose) _____, and no purpose without prior consent of the LESSOR. The rent is due and payable on a _____ (monthly/annual) basis, on ____ (specific date) ___ (month/year) ___, for the period of this Lease.

The rent shall be paid to: (only one of these sentences will apply) OR The rent shall be paid directly to the
Indian landowner(s) with a copy of the payment sent to:

---

BIA or Tribal Office or
Designated Lockbox Address

Complete Address

---

In the event of the death of the landowner/lessor during the term of this Lease provided the Lease premises is in trust or restricted status, all remaining rental will be due and payable to the decedent or their representative under the provisions of this Lease shall be paid to the authorized representative at the address listed above. During the term of the Lease provided the Lease premises is in trust or restricted status, the Secretary maintains the discretion to suspend the direct payment. Upon notice that direct payment is suspended then all remaining rental will be due and payable to the authorized representative at the address listed above.

Rent

The LESSEE covenants and agrees, as rental for the PREMISES, to pay to the LESSOR $__, per (month/year). Rent is due and payable in advance on (specify date), of each (month/year).

(Only one of the following two paragraphs will apply)

This Lease is subject to one or more (specify date), rental adjustments of fair annual rental by a State certified real estate appraiser (specify how this appraisal will be determined). Adjustments will be effective (specify time or how determined). In the event the LESSOR and LESSEE are unable or fail to agree then this dispute will by resolved by (specify type of dispute resolution). OR

This Lease is not subject to rental adjustments of fair annual rental pursuant to tribal law that supersedes or modifies the regulations regarding adjustments. (See 25 CFR 162.203)

LATE PAYMENT PENALTY – It is understood and agreed between the parties hereto that in the event that any annual or semi annual installment of rental is not paid after becoming due, a penalty equal to ___% of the amount unpaid will be assessed every 30 days the amount remains unpaid; or in the event that any installment of rental for a period other than annual or semi annual is not paid after becoming due, a penalty equal to ___% of the amount unpaid will be assessed every month the amount remains unpaid.

CARE OF PREMISES – It is understood and agreed that the lessee is to keep the premises covered by this lease in good repair. He/She shall not commit or permit to be committed any waste whatever on said premises and shall not remove or tear down any building or other improvement thereon, but shall keep the same in good repair. He/she shall not destroy or permit to be destroyed any tress, except with the consent of the landowner(s) and the approval of the Secretary, and shall not allow the premises to become unsightly. The lessee will be held financially responsible for all unrepaired damaged to building, fences, improvement or appearance, except for the usual wear and decay.

SUBLEASES AND ASSIGNMENTS – Unless otherwise provided herein, a sublease, assignment or amendment of this lease may be made only with the approval of the Secretary and the written consent of the parties to the lease in the same manner the original lease was approved.

RESERVATIONS – It is understood and agreed that the landowner reserves the right to make mineral, business, signboard, industrial and sand and gravel leases and/or permits, and to grant rights-of-way and other legal grants on the premises covered by this lease, and that in the event such a lease or grant is made, the lessee hereunder shall be entitled to damages for the actual loss sustained by him on account of said lease or grant, and to nothing more. The period for which damages may be claimed by the lessee is limited to the lease year or growing season on cropland in which the damage occurred. It is further understood that in the event of a dispute between the lessee hereunder and the lessee, grantee or permittee under any mineral, business, signboard, industrial, or sand and gravel permit or lease or right-
of-way and other grant, as to the amount of such actual damages, the matter will be referred to the Secretary who shall be the sole and final judge as to the amount of the said damages incurred.

UNLAWFUL CONDUCT – The lessee agrees that he/she will not use or cause to be used any part of the leased premises for any unlawful conduct or purpose.

RELINQUISHMENT OF SUPERVISION BY THE SECRETARY – 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 the lease; however, such termination shall not serve to abrogate the lease. The landowner(s) and the lessee and his/her surety or sureties shall be notified by the Secretary of any such change in the status of the land.

IMPROVEMENTS – Unless otherwise specifically provided herein, it is understood and agreed that any buildings or other improvements placed upon the said land by the lessee become the property of the landowner(s) is not removed by the lessee within thirty (30) days of the termination or expiration of the lease.

VIOLATIONS OF LEASE – It is understood and agreed that violations of this lease shall be acted upon in accordance with the regulations of the Secretary as stated in 25 CFR 162.

ASSENT NOT WAIVER OF FUTURE BREACH OF COVENANTS – No assent, express or implied, to the breach of any of the lessee’s covenants shall be deemed to be a waiver of any succeeding breach of covenants.

UPON WHOM BINDING – It is understood and agreed that the covenants and agreements herein before mentioned shall extend to and be binding upon the heirs, assigns, executors and administrators of the parties to this lease. While the leased premises are in trust or restricted status, all the lessee’s obligations under this lease, and the obligations of its sureties, are to the United States, as well as to the landowner(s).

INTEREST OF MEMBER OF CONGRESS – No Member or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise here from; but this provision shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

INDEMNITY – The lessee agrees to indemnify and hold the United States and the Indian landowner(s) harmless from loss, liability or damages resulting from the lessee’s use or occupation of the lease premises. The lessee also agrees to indemnify the United States and the Indian landowner(s) against all liabilities or costs relating to the use, handling, treatment, removal, storage, transportation or disposal of hazardous materials, or the release or discharge of any hazardous materials, from the leased premises that occurs during the lease term, regardless of fault, unless (1) the lessee would be prohibited by law from making such an agreement; or (2) the interests of the Indian landowner(s) are adequately protected by insurance.

APPROVAL – It is understood and agreed that this lease shall be valid and binding only after approval by the Secretary.

ARCHEOLOGICAL CLEARENCE – In the event that archeological or historical remains, burials, cultural artifacts, or other antiquities not previously reported are encountered during the course of construction, farming, ranching, or any other activities associated with this contract, all activity in the immediate vicinity of the remains or artifacts will cease and BIA approving official will be contacted to determine disposition.

ENTRY OF PREMISES – BIA approving official, his/her representative, or the lessor may enter upon the premises covered by this contract at such reasonable times as may be desired for inspection or for the purpose of exercising any of the rights reserved under this contract. Whenever locks are placed on gates, keys must be furnished to BIA approving official.
COMPLIANCE WITH LEGAL REQUIREMENTS - The Lessee must comply with all applicable laws, ordinances, rules, regulations, and other legal requirements, including tribal laws and leasing policies.

USE OF LEASED PREMISES - It is agreed and understood that the Lease must describe the authorized uses of the land under the term of the Lease. Any use of the Leased premises for an unauthorized purpose or failure of the LESSEE to maintain continuous operation throughout the lease term will be treated as a lease violation under 25 CFR 162.251.

BONDS - Unless otherwise provided for by a tribe under 25 CFR 162.203 or waived by us at the request of the owners of a majority interest in an agricultural lease, the LESSEE must provide a bond to secure the following: a) the payment of one year’s rental, b) the construction of any required improvements, c) the performance of any additional lease obligations, including the payment of operation and maintenance charges under 25 CFR 162.228(b); and d) the restoration and reclamation of the leased premises, to their condition at the commencement of the lease term or some other specified condition.

INSURANCE - When necessary to protect the Indian land owners an agricultural lease will require the LESSEE to provide insurance. This insurance may include property, crop, liability and/or casualty. If required, the insurance must identify both the Indian landowners and the United States as insured parties, and be in an amount adequate to protect all insurable improvements on the leased premises.

Farming and Grazing Operations

It is agreed and understood that farming and grazing operations will be conducted in accordance with recognized principles of sustained yield management, integrated resource management planning, sound conservation practices, and other community goals as expressed in tribal laws, leasing policies, or agricultural resource management plans. (Appropriate stipulations or conservation plans must be developed and incorporated in all agricultural leases. Each of these stipulations or conservation plans will be itemized as specific Lease provisions.)

Description of Improvements

(An agricultural lease must generally describe the type, value, and location of any improvements to be constructed by the LESSEE.)

Who will Own the Improvements

Upon expiration or termination of this Lease the following improvements constructed by the LESSEE will remain on the leased premises in a condition satisfactory to the Indian landowners and us.

OR

Upon expiration or termination of the Lease the following improvements constructed by the LESSEE will be removed within ___ (Specify number of days, weeks, etc.) ___ at the LESSEE’s expense. The leased premises will be restored as close as possible to the condition prior to construction of the improvements. It is agreed and understood that the Indian landowner maintains the right to waive this provision and take possession of the improvements if they are not removed within the specified time period. If the landowner does not choose to exercise this option within 90 days from termination of the lease, we will take appropriate enforcement action to ensure removal at the LESSEE’s expense.
WITNESS: _____________________________, Lessor ________________________________

WITNESS: _____________________________, Lessee ________________________________

(Current Delegation of authority citation here)

APPROVAL DATE: ______________

BY: __________________________________

    SECRETARY OF THE INTERIOR
Attachment 13A

Agricultural Leasing Checklist
SAMPLE
AGRICULTURAL LEASE CHECKLIST

Landowner(s):___________________________________________________________

Lease Number ______________________

Allotment Number _________

INIT. DATE YES NO N/A

_____  _____     ___    ___   ___  ALL FORMS DATED AND PROPERLY COMPLETED

_____  _____     ___    ___   ___  ALL REQUIRED SIGNATURES INCLUDING WITNESSES AS APPLICABLE

_____  _____     ___    ___   ___  ALL 90-DAY NOTICES SHOULD BE ISSUED TO LANDOWNER(S)

_____  _____     ___    ___   ___  BONDING REQUIREMENTS OR WAIVER INFORMATION AS APPLICABLE

_____  _____     ___    ___   ___  OWNERSHIP INFORMATION

_____  _____     ___    ___   ___  LEASE RENTAL, ADMINISTRATIVE FEES

_____  _____     ___    ___   ___  CURRENT DELEGATION OF AUTHORITY FOR APPROVAL

_____  _____     ___    ___   ___  APPRAISAL INFORMATION

_____  _____     ___    ___   ___  CONSERVATION PLAN/FARM PLANS AND STIPULATIONS AND MAPS

_____  _____     ___    ___   ___  BILL FOR COLLECTION

_____  _____     ___    ___   ___  PREPARE JOURNAL VOUCHER AND SUBMIT TO OTFM

_____  _____     ___    ___   ___  LAND STATUS REPORT (UNCERTIFIED TITLE STATUS REPORT)

_____  _____     ___    ___   ___  REVIEW LEASE TO CFR 162.214 REQUIREMENTS IF APPLICABLE

_____  _____     ___    ___   ___  NEPA DOCUMENTATION (OR CAT. EX. REVIEW SHEET)

_____  _____     ___    ___   ___  PREPARE A TRANSMITTAL TO AUTHORIZED REPRESENTATIVE

Based on the information listed above, we have determined the approval of this lease is in the best interest of the landowner(s).

RECOMMENDATION: You may want to consider using colored paper for your CHECKLIST as cover sheet to differentiate between Negotiated and Advertised Leases. For Example: If you use Blue or Green paper for a Negotiated Lease Checklist and White paper for the Advertised Lease Checklist the lease type is immediately recognized by anyone reviewing the file.
Attachment 14A

Sample Advertised Sale Notice
SAMPLE

NOTICE OF SALE OF FARMING AND/OR GRAZING LEASES
TRIBAL AND ALLOTTED LANDS TO BE HELD OCTOBER 26, 2001
INVITATION TO BID ON SALE NO.

ALL BIDS WILL BE OPENED AT THE AGENCY CONFERENCE ROOM


The sale of dry land farming and/or grazing leases on trust or restricted Indian land is authorized by Title 25, Code of Federal Regulations, Revised, Part 162 LEASES AND PERMITS, Effective March 23, 2001.

SEALED BIDS ONLY, for Farming and Grazing leases on the described tracts of restricted Indian lands, will be received by the office of the Superintendent, Agency, up until the time specified below.

THE SUPERINTENDENT RESERVES THE RIGHT TO REJECT ANY OR ALL BIDS AND TO DISAPPROVE AND REJECT PRIOR TO APPROVAL ANY LEASE SUBMITTED ON AN ACCEPTED BID.

Bids must be enclosed in separate envelopes and each plainly marked, "SEALED BID ON FARMING AND GRAZING LEASE SALE, ITEM NO. ________, TO BE OPENED ON OCTOBER 26, 2001, FOR THE SMU UNITS.

MAIL BIDS TO THE AGENCY:
73005, OR PERSONALLY DELIVER SEALED BIDS TO THE BIDS WILL BE ACCEPTED UP TO THE TIMES SPECIFIED BELOW BY THE SMU UNITS.

SECTION. ALL BIDS WILL BE OPENED AND READ AT THE AGENCY REALTY

OFFICE.

AT THE SPECIFIED TIMES LISTED BELOW:

<table>
<thead>
<tr>
<th>ITEM NUMBER</th>
<th>DATE AND TIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 101</td>
<td>OCTOBER 26, 2001 AT 9:00 A.M.</td>
</tr>
<tr>
<td>102 - 132</td>
<td>OCTOBER 26, 2001 AT 10:30 A.M.</td>
</tr>
<tr>
<td>133 - 157</td>
<td>OCTOBER 26, 2001 AT 1:00 P.M.</td>
</tr>
<tr>
<td>158 - 176</td>
<td>OCTOBER 26, 2001 AT 2:30 P.M.</td>
</tr>
</tbody>
</table>

ORAL AUCTION PROVISION: IMMEDIATELY FOLLOWING THE OPENING AND EVALUATION OF ALL BIDS, THOSE ITEMS ATTRACTING ONE OR MORE BIDS MAY BE SUBJECT TO ORAL AUCTION BIDDING (BY THE PARTY SUBMITTING THE SEALED BIDS ONLY). ITEMS ATTRACTING ONE SEALED BID BUT WHICH ARE BELOW THE BUREAU'S APPRAISAL AND ARE UNACCEPTABLE MAY BE ORALLY INCREASED TO AN ACCEPTABLE AMOUNT.

IMPORTANT TERMS:

1. Leases will be made for a term not to exceed ten years with the Secretary's approval with the first year beginning January 1, 2002, unless otherwise specified in this notice. 25 CFR 162.223 provides for rental adjustments on ten year leases.

2. All lands are being offered for the highest annual consideration. Minor improvement proposals will not be considered as part of the bid. Only major improvements which have been received by the SMC Conservationist can be considered part of the bid.

3. On those tracts on which an undivided restricted interest is offered for lease, bids will be accepted and considered for leases on the undivided restricted interest only. The prospective tenant will be responsible for arranging for payment to those owners of undivided unrestricted interests, or fee interest.

4. All leases will convey Farming and Grazing rights, subject to the reserved right of the lessor to grant business leases, oil and gas leases, seismic activity, rights of way and other legal grants as provided in the prescribed lease forms.

5. Leases approved pursuant to this notice will be executed and granted by the Superintendent in charge of the Agency having jurisdiction over the land in accordance with applicable rules and regulations.
With the exception of single land owners and Tribal tracts, the Indian owners of tracts involved will not be required to sign the lease, pursuant to Congressional Authority granted to the Superintendent, whose approval will adequately convey and lease the respective Indian owner's interest.

6. The successful bidder will be required to furnish, within 60 days of receipt of contract, a satisfactory bond, i.e. letter of credit, certificate of deposit or corporate surety in addition to a special bonding fee for the duration of the lease term. See attached revised bonding procedure instructions dated March 23, 2001, or contact SMC Offices for copies.

7. The successful bidder may be required to provide insurance in an amount adequate to protect any improvements on the leased premises.

8. Bids shall be submitted on the attached forms. Additional copies may be made using the attached form.

9. No deposits will be required with the bids.

10. The successful bidder shall complete and return the leases and ALL supporting documents within 60 days of notification of lease award, together with the filing fee.

11. Prior to the approval of any lease contract a non-refundable filing fee based on the amount of annual rental will be required on each lease. The fee will be 3% of the annual rental payable, including any percentage based rent that can be reasonably estimated. The minimum filing fee is $10.00 and the maximum fee is $500.00.

12. Additional Lease requirements, Revised SMC Stipulation Sheet will be executed and made a part of the lease. Contact the applicable SMC Unit Office for additional information.

13. Please note that the following language will be added to each new lease:

   "In the event that archaeological or historic remains, burials, or other cultural remains not previously reported are encountered during the course of construction, farming, and other activities associated with the lease or easement, all activity in the immediate vicinity of the remains will cease and the BIA Archeologist will be contacted to determine the disposition."

14. RENTALS ARE DUE AND PAYABLE TO THIS OFFICE ON JANUARY 1 OF EACH YEAR, UNLESS OTHERWISE PROVIDED BY THE LEASE. All leases approved under this advertisement will be Agency pay. No personal checks will be accepted.

   NOTE: Farming and Grazing Leases are accepted and approved for specific purposes. WITHOUT PRIOR CONSENT OF THE PROPERTY OWNER AND APPROVAL BY THE SUPERINTENDENT, timber cutting, hunting, dumping of trash, subleasing, etc., is strictly prohibited.

15. Tracts/Items advertised may be excluded from bidding the day of the auction due to pending negotiation. Contact the appropriate SMC Unit office prior to the bid sale concerning tracts/items advertised.

ANY ANNOUNCEMENTS MADE THE DAY OF THE SALE WILL SUPERSEDE ANY INFORMATION CONTAINED IN THIS ADVERTISEMENT.

Further information concerning this advertisement may be obtained by contacting Realty Officer, Realty Specialist, extension 257 or 234, at telephone number:

Dated:______________________

Superintendent

[Signature]
Attachment 15A

Sample Award Letter
Dear Lessee:

The individual bidders have been awarded the following tract(s) on Farming and Grazing General Advertisement ______ held ______________:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Bidder</th>
<th>Allot.#</th>
<th>Filing Fee</th>
<th>Rental</th>
<th>Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>141</td>
<td>Smith Cattle Co.</td>
<td>1234</td>
<td>$100.00</td>
<td>$4,000.00</td>
<td>$450.00</td>
</tr>
<tr>
<td>2*</td>
<td>Cardinal Ranch</td>
<td>4567-A</td>
<td>$10.00</td>
<td>$200.00</td>
<td>$300.00</td>
</tr>
<tr>
<td>3</td>
<td>Cardinal Ranch</td>
<td>5678</td>
<td>$15.00</td>
<td>$375.00</td>
<td>$500.00</td>
</tr>
</tbody>
</table>

Please return all signed documents with the filing fee(s) and applicable rental and/or irrigation bonds within ten (10) days from the date of this letter. Bid deposits submitted at the time of the advertisement will be applied to the rental payments and will not be returned. Please remit the balance of rental.

The ten (10) day time frame to return the lease documents will be enforced. If for any reason you do not comply, the tract will be awarded to the next bidder.

If you have any further questions, please call Sally Jones, Realty Officer at 555-4400, Ext. 260.

Sincerely,

Realty Officer
Attachment 16A

Recordation Form
SAMPLE
Prepare in Triplicate

( ) Certified #__________  ( ) Air Mail  ( ) Return Receipt Requested

Date:____________________

To: Manager, Land Titles & Records, Albuquerque, New Mexico

From:

Please record the attached document(s), identified below by items 1 thru 3.

1. Reservation Code
2. ( ) Allotted lands, No.__________  ( ) Tribal lands.
3. Document Type
4. Realty File No.

Remarks:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Signature

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

( ) Certified #__________  ( ) Air Mail  ( ) Return Receipt Requested

Date:____________________

Return to Sender

The documents identified by items 1 thru 3 above have been recorded in the Land Titles & Records Office, Albuquerque, New Mexico; see block in the upper right corner of this page for data and time of recording and document number assigned.

( ) Document attached  ( ) Document retained and filed

________________________________________
for Manager, Land Titles & Records

******************************************************************************

For Title Plant use only:

( ) Index posted by _______ Date __________  ( ) Microfilmed by _______ Date __________

( ) Photocopied by _______ Date __________  ( ) Reception Entered by __________

Remarks:

________________________________________________________________________

________________________________________________________________________

Pink - LTRO COPY  Yellow - SENDER’S COPY  White - SENDER’S
Attachment 17A

Sample
Agricultural Lease Modification
SAMPLE
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

MODIFICATION

Contract No. ________________ Allotment No. __________________________ It is hereby agreed by

and between ____________________________________________ Lessor

and

______________________________________ Lessee, covering lands described as:

Containing ___________________ acres, more or less, be modified to reflect:

This modification does not change any of the terms, conditions, or stipulations except as specifically set forth herein.

__________________________________________

______________________________________ (Lessee)

(Lessor)

UNITED STATES DEPARTMENT OF THE INTERIOR

The within modification is hereby approved and declared to be made in accordance with the law and the rules and regulations prescribed by the Secretary of the Interior thereunder, and now in force. (25 CFR162)

Date Approved: _______________________

SUPERINTENDENT

Authority delegated in accordance with 209 DM 8, 230 DM 1, and to the Rocky Mountain Regional Director by 3 IAM 4 (release no. 99-03), as amended and to the Superintendent/ Field representative by 10 BIA 23, as amended and addendum 10 BIAM-4 effective October 1, 1998
Attachment 18A

Sample
Agricultural Lease Assignment
SAMPLE
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

___________________ RESERVATION

CONTRACT NO._______

ALLOTMENT NO.______

ASSIGNMENT OF AGRICULTURAL OR BUSINESS LEASE

The undersigned lessee of lands described as:

Containing _______ acres, more or less, hereby assigns all rights, title and interests in and to
said lease to:

SIGNED this __________ day of _______

-------------------------------------- Assignor
-------------------------------------- Address

ACCEPTANCE BY ASSIGNEE

THE assignee in the foregoing assignment hereby accepts such assignment and agrees to fulfill all the obligations, conditions and stipulations in said described indenture of lease, and to furnish proper bond guaranteeing a faithful compliance with said lease and this agreements.

SIGNED this__________ day of _________.

-------------------------------------- Assignor
-------------------------------------- Address
CONSENT OF LESSORS

The undersigned lessor(s) hereby consent to the assignment and transfer of said lease as above-described.

Dated this ______Day of ________________, 200__.

LESSORS

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Department of the Interior
Bureau of Indian Affairs

Approved in accordance with the existing rules, regulations and delegated authorities from the Secretary of the Interior.

Date: _____________________

Superintendent

Authority delegated in accordance with 209 DM 8, 230 DM 1, and to the Rocky Mountain Regional Director by 3 IAM 4 (release no. 99-03), as amended and to the Superintendent/ Field representative by 10 BIA 23, as amended and addendum 10 BIAM-4 effective October 1, 1998

(Note: Bond to be released upon assignee obtaining a new bond. If cash, refund will be made.)
Attachment 19A

Lease Inspection Report
SPECIAL LEASE STIPULATIONS

PROVISIONS 20-26

ALLOCIMENT NUMBER: #344-A

20. If the Lessee fails to lease or control the adjacent tracts the Lessee will construct his share of the common boundary fence in accordance with Land Use Provision 17 (M). Fence construction will be completed as soon as possible and prior to any livestock use of the affected pasture to avoid trespass. Fence construction will be completed for inspection no later than __N/A__, if not controlling the adjacent tract. The Lessee will also annually repair and maintain all existing fences.

21. The Lessee will annually practice conservation grazing so that 50% or more of the current year's growth remains on the land at the end of the growing season in accordance with Land Use Provision 17 (G). This should also include weed control, rotational grazing, livestock deferment, and proper stocking rates. On the Fourth year of the lease all farmland shall be producing an alfalfa-grass mixture crop.

22. A compliance check will be done each year to insure Lessee is actively controlling and destroying the noxious weeds. Non-compliance will result in penalty. The Lessee will annually control weeds, including Canada Thistle in accordance with Land Use Provision 17 (H).

23. Lessee agrees that if he violates any of his/her leases, all of his/her leases will be cancelled without further recourse.

24. No junk cars will be placed on leased premises.

25. Livestock on leased premises shall have Lessee's brand only.

26. No buildings will be constructed on this property.

Technical assistance is available upon request from the Branch of Natural Resources, Bureau of Indian Affairs, Northern Cheyenne Agency.

LESSEE: Carmen Scalpene

PLANNED BY: Darryl Sanchez

FARM ACRES

PASTURE ACRES = 23.00

OTHER ACRES = 17.00

TOTAL ACRES = 40.00

***************

SEE CONSERVATION PLAN

MAP ON NEXT SHEET

***************
Attachment 20A

Sample
10 Day Show Cause Notice
In Reply Refer to: Real Estate Services (406) 555-1234

December 8, 2003

CERTIFIED MAIL RECEIPT NUMBER 7000 1670 0000 4613

Mr. Brown
123 Ace Street
Hometown, WY 12345

Dear Mr. Brown:

This is in reference to your lease on the following allotment:

<table>
<thead>
<tr>
<th>Allotment No.</th>
<th>Contract No.</th>
<th>Rental Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>0123-A</td>
<td>O-12335</td>
<td>$10,000.00</td>
</tr>
</tbody>
</table>

In accordance with the Lease Contract and Code of Federal Regulations 162.251, you are hereby informed that you have ten (10) business days from your receipt of this letter to show cause as to why the above lease(s) should not be cancelled. No extensions of time will be granted. Be advised that penalties will be assessed for late payments in accordance with the terms of the lease contract(s). A copy of this letter is being forwarded to you by regular mail to insure that you have received it.

You may direct any questions concerning this correspondence to our Realty Estate Services Office at (406) 555-1234.

Sincerely,

Agency Superintendent
Attachment 21A

Sample Cancellation Letter
Name  
P O Box 666  
Lodge Grass, MT 59031  

Re: Lease Contract # 0-12345  

Dear Mr. Smith:  

On October 1, 2003 you were given ten (10) days from the receipt of the letter to pay the past due rental, due on October 1, 2003 and provide proof of payment, or show cause why the above listed lease contract should not be cancelled.  

In accordance with the Code of Regulations, Title 25, 162 Part 2, you are notified that lease Contract Number 12345 is hereby CANCELED for non-payment of the lease rental of the contract. Cancellation of the subject lease does not relieve you of your obligations to make full payment of the lease rentals due.  

The decision may be appealed to the:  

Regional Director, Rocky Mountain Regional Office  
316 North 26th, Street  
Billings, MT 59101  

In accordance with the regulations in Title 25, Code of Federal Regulation, Part 2 (copy enclosed), your Notice of Appeal must be filed in this office within 30 days of the date you receive this decision. The date of filing your Notice of Appeal is the date it is postmarked or the date it is personally delivered to this office. Your Notice of Appeal must include your name, address, and telephone number. It should clearly identify the decision being appealed. If possible, attach a copy of the decision. The Notice of Appeal must list names and addresses of the interested parties known to you and certify that you have sent then copies of the notice. You must also send a copy of your notice of appeal to the:  

Regional Director, Rocky Mountain Regional Office  
316 North 26th, Street  
Billings, MT 59101
You must also file a “Statement of Reasons.” This statement may be included in or filed with the Notice of Appeal. If it is not filed at the time of the Notice of Appeal, it must be filed within 30 days after the Notice of Appeal was filed. You may request assistance from this office with the preparation of the appeal.

If no appeal is timely filed, this decision will become final for the Department of the Interior at the expiration of the appeal period. No extension of time may be granted for the filing a Notice of Appeal.

If you have any questions, please contact ______________, Realty Specialist at 406-555-1212 or ________________________ Realty Officer at 405-555-1313.

Sincerely,

Superintendent

Enclosures
6.0 ADDITIONAL INFORMATION/GUIDANCE

6.1 Owner Managed Tracts

Reserved

6.2 Agricultural Permits

A permit is a written agreement between an Indian landowner(s) and the applicant for the permit, also referred to as the permittee, whereby the permittee is granted a revocable privilege to use Indian land or government land, for a specified purpose. Agricultural permits usually grant temporary possession for a limited period of time, usually to conserve and protect the trust resource in an emergency, without landowner consent. Permits are non-exclusive and not assignable. BIA can only grant permits, not leases, on government lands for agricultural purposes. Permits must be recorded in the LTRO. See 25 CFR 162.210 for further detail.

6.3 USDA Farm Services Agency Subsidies/CRP and GRP Programs

If subsidies are due the lessee, it is strongly encouraged that the lessee be required to pay the total annual rental due on the lease per the lease agreement. The lessee can then be reimbursed by Farm Services according to the terms of the subsidy.