Lease

LAREDO - EL CENTRO STATION (484950-009)
1300 MATAMOROS ST, LAREDO TX 78040-9998

UNITED STATES POSTAL SERVICE.

Lease (Multi-Tenant Form)

Facility Name/Location
LAREDO - EL CENTRO STATION (484950-009)
1300 MATAMOROS ST, LAREDO TX 78040-9998

County: Webb
Lease: Q90000530006

This Lease, by and between THE CITY OF LAREDO, ("**Landlord**") and the United States Postal Service (**"USPS"** or **"Postal Service"**), is made as of the Effective Date. The "**Effective Date**" shall mean the date the Postal Service executes this Lease.

In consideration of the mutual promises set forth and for other good and valuable consideration, the sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. PREMISES: Landlord hereby leases to the Postal Service and the Postal Service leases from Landlord, the following premises (the **"Premises"**) located in a multi story Brick/Block building having a street address of 1300 MATAMOROS ST, LAREDO, TX 78040-9998 (the **"Building"**) situated upon the real property with an Assessor's Parcel Number of 103-00140-010 (the **"Property"**). The Premises consists of approximately 5,708 square feet of net interior space as shown cross-hatched on Exhibit A and additional space,if any, as shown on Exhibit C attached hereto and incorporated herein by this reference.

The Postal Service shall have the non-exclusive right in common with other tenants, if any, of the Building to use any and all stairways, halls, toilets and sanitary facilities, and all other general common facilities in the Building as well as appurtenances and easements benefiting the Premises and the Property, and all common sidewalks, driveways, drive lanes, entrances, exits, access lanes, roadways, service areas, parking and other common areas, wherever located in or on the Property, which the Postal Service deems necessary or appropriate to support its intended use of the Premises and to exercise its rights under this Lease. Landlord shall not make any changes to the size, location, nature, use or place any installations upon, the common areas, including, without limitation the sidewalks and parking areas, of the Property which impair the accessibility to or visibility of or ease of use of the Premises by the Postal Service and/or its customers, as reasonably determined by the Postal Service.

2. TERM: The Lease shall be effective as of the Effective Date but the term of this Lease and the obligations of the Postal Service, including the payment of any charges or rent under this Lease, shall begin on June 01, 2020 (**"Commencement Date"**) and end on May 31, 2025, unless sooner terminated or extended as provided herein. If this Lease is extended, then such extended period shall also be referred to herein as the **"term."**

3. RENT: The Postal Service will pay Landlord an annual rent of: $96,000.00 (**"Rent"**), payable in equal installments at the end of each calendar month during the term. Rent for a part of a month will be prorated according to the number of days of the month occurring during term.

Rent shall be paid to:
CITY OF LAREDO
1110 HOUSTON STREET
LAREDO, TX 78040-8019

4. RENEWAL OPTIONS: The Postal Service shall have the right to the following renewal options:

Period		Annual Rent
06/01/2025	05/31/2030	$100,800.00
06/01/2030	05/31/2035	$105,840.00

provided that notice of exercise of each such renewal option is sent in writing, to the Landlord at least 30 days before the end of the initial Lease term and each renewal term. All other terms and conditions of this Lease will remain the same during any renewal term unless stated otherwise herein.

5. OTHER PROVISIONS: When used herein the term "lease" or "Lease" includes all of the following additional provisions, modifications, riders, layouts, and/or forms which were agreed upon prior to execution and made a part of this Lease.

- General Conditions to USPS Lease
- Real Estate Conflict of Interest Certification
- Addendum
- Maintenance Rider Landlord Responsibility
- Utilities, Service, & Equipment Rider
- Subordination, Non-Disturbance and Attornment Agreement

6. TERMINATION: ~~In addition to its rights found elsewhere in this Lease, the Postal Service shall have the option to terminate this Lease upon 365 days prior written notice to Landlord, which notice may be served at any time after completing the 1st year of the term.~~

See Addendum Item 17

[Signature Page Follows]

UNITED STATES POSTAL SERVICE

Signature Page

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1300 MATAMOROS ST, LAREDO TX 78040-9998

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LANDLORD
THE CITY OF LAREDO

Name: _____
Witness

By: DMA
Name: Robert A. Eads
Title: City Manager
Date: 11/18/2020

Name: _____
Witness

Provide for Execution by Witnesses above or Notary below

State of Texas

County of Webb

I, the undersigned Notary Public of the County of Webb and State aforesaid, certify that Robert A. Eads personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this 19th day of November, 2020.

My Commission Expires: 02-21-2022

(Affix Seal)

ALEJANDRA QUINTANILLA
Notary Public, State of Texas
Comm. Expires 02-21-2022
Notary ID 131459731

Alejandra Quintanilla Notary Public
Notary's Printed or Typed Name

Jose Alfredo Valdez, Jr.
City Secretary

POSTAL SERVICE

By:
Name: TERRENCE BRENNAN
Title: Contracting Officer
Date: 12/4/2020

UNITED STATES POSTAL SERVICE.

Real Estate Conflict of Interest Certification

Facility Name/Location
LAREDO - EL CENTRO STATION (484950-009)
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County: Webb
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To avoid actual or apparent conflicts of interest, the United States Postal Service ("Postal Service") requires the following certification from you as a potential Landlord/Licensor/Supplier/Contractor to the Postal Service. Please check all that apply in item A below. Further, please understand that the Postal Service will be relying on the accuracy of the statements made by you in this certification in determining whether to proceed with any possible transaction with you.

I, Robert A. Eads DMA hereby certify to the Postal Service as follows:
[PRINT: name of potential Landlord/Licensor/Supplier/Contractor]

A. (Check all that apply) I am:

(i) ____ A Postal Service employee;

(ii) ____ The spouse of a Postal Service employee;

(iii) ____ A family member of a Postal Service employee; (Relationship) _____

(iv) ____ An individual residing in the same household as a Postal Service employee;

(v) ____ I am one of the individuals listed in (i) through (iv) above AND a controlling shareholder or owner of a business organization leasing or licensing space or intending to lease or license space to the Postal Service; OR

(vi) ___✓___ None of the above.

11/19/2013

B. (Complete as applicable):

i. I have the following job with the Postal Service:
(Title)_____ (Location)_____

ii. My spouse who works for the Postal Service holds the following job:
(Title)_____ (Location)_____

iii. My family member who works for the Postal Service holds the following job:
(Title)_____ (Location)_____

iv. My household member who works for the Postal Service holds the following job:
(Title)_____ (Location)_____

C. If you have checked "none of the above" and during the lease or license term or any renewal term, you do fall into any of the categories listed in A (i) through (v) above, you shall notify the Postal Service's Contracting Officer in writing within 30 days of the date you fall into any of the such categories and shall include an explanation of which of the above categories now applies.

D. The person signing this certification has full power of authority to bind the potential Landlord/Supplier/Contractor named above.

UNITED STATES POSTAL SERVICE.

Real Estate Conflict of Interest Certification

Facility Name/Location
LAREDO - EL CENTRO STATION (484950-009)
1300 MATAMOROS ST, LAREDO TX 78040-9998

County: Webb
Lease: Q90000530006

Executed this 19th day of November, 2020

Dena BY: _____
[Insert Signature]

BY: Robert A. Eads
[PRINT: name of entity or person]

Title: City Manager
[Insert title]

[INTERNAL USE ONLY: 1) If A(vi) 'none of the above' is selected, stop, file form with the lease/license. 2) If other items are selected, submit form to Ethics.help@usps.gov. File form and Ethics determination with the lease/license.]

Jose A. Valdez, Jr
City Secretary

CITY OF LAREDO, TEXAS

UNITED STATES POSTAL SERVICE

Exhibits

Facility Name/Location
LAREDO - EL CENTRO STATION (484950-009)
1300 MATAMOROS ST, LAREDO TX 78040-9998

County: Webb
Lease: Q90000530006

Exhibit A

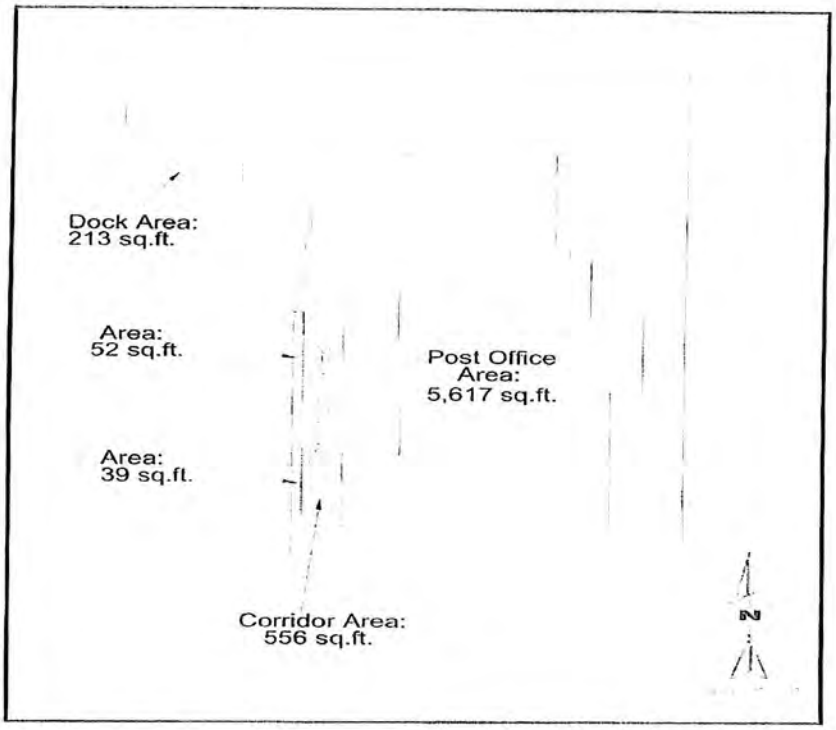

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Exhibit B

Parking Area
(If Applicable)

UNITED STATES POSTAL SERVICE.

Exhibits

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Exhibit C

Area	Sq ft	Common/Joint Use Area	Sq ft
Rentable SF:	5,708	Corridor:	556
Total Building/Shopping Center SF:	60,399		
Total USPS Leased SF:	5,708		
Exterior, Total Site:	60,399		
Exterior, Platform and Ramp:	213		
Exterior Parking:	600		

UNITED STATES POSTAL SERVICE.

Addendum

Facility Name/Location
LAREDO - EL CENTRO STATION (484950-009)
1300 MATAMOROS ST, LAREDO TX 78040-9998

County: Webb
Lease: Q90000530006

If there is any conflict or ambiguity between any items of the Lease or this Addendum, the terms of this Addendum shall control.

7. Section 2.a. of the General Conditions to USPS Lease shall be amended to provide that if the Premises has been previously occupied by the Postal Service, then Landlord's representation regarding adverse physical conditions relating to the Property is limited to conditions that Landlord is responsible to maintain, repair, replace or remediate under this Lease.

8. Section 3 of the General Conditions to USPS Lease shall be amended to delete the second sentence thereof and replace it with the following language: "If Landlord fails to respond in writing to a written request to sublease or assign from the Postal Service within 30 business days after receipt by Landlord of the Postal Service's written request, Landlord shall be deemed to have consented to such sublease or assignment, as applicable."

9. Sections 5.b and 5.d of the General Conditions to USPS Lease shall be amended to provide that the time periods for the completion of Landlord's obligations set forth therein shall run from the date that the Postal Service provides Landlord with notice of any Casualty and not from the date of the Casualty.

10. Section 6. b of the General Conditions to USPS Lease shall be amended to provide that in lieu of a copy of the premium bill evidencing Landlord's insurance, Landlord may provide a statement signed by Landlord's insurer confirming the date to which the premium has been paid in full.

11. Section 9.k of the General Conditions to USPS Lease shall be amended to provide that Landlord shall have an affirmative obligation to use reasonable efforts to obtain another tenant for the Premises at a fair market rental and to otherwise mitigate its damages.

12. Section 10.i of the General Conditions to USPS Lease is deleted in its entirety.

13. Section 10.k of the General Conditions to USPS Lease shall be amended to permit Landlord access to the Premises for inspection on the same terms as access is granted for performing maintenance or repairs that are the responsibility of the Landlord under the Lease; provided that no inspections may occur during the Postal Service's peak season (November 1 of each year through January 31 of the following year) other than those necessitated by the sale or refinance of the Property.

14. Section 1.b of the Maintenance Rider Landlord Responsibility attached to the Lease shall be amended to add the following language to the end thereof: "SEE SECTION 5 OF THE GENERAL CONDITIONS TO USPS LEASE."

15. Section 1.c. of the Maintenance Rider Landlord Responsibility attached to the Lease shall be amended to provide that any heating system and air conditioning equipment provided by Landlord must be capable of providing heat to a minimum temperature of 68 degrees Fahrenheit (68 degrees F) and cooling to a maximum temperature of 78 degrees Fahrenheit (78 degrees Fahrenheit) in all enclosed portions of the Premises (excluding any rear vestibule) at all times during the appropriate seasons.

16. The parties agree that if the signature(s) of either Landlord or the Postal Service on this Lease or any amendments, addendums, assignments, or other records associated with this Lease is not an original but is an electronic signature, scanned signature or a digitally encrypted signature, then such electronic signature, scanned signature or digitally encrypted signature shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic original wet signature penned manually by its signatory. Signatures required under this Lease, or any amendments, addendums, assignments, or other records associated therewith, may be transmitted by email or by

fax and, once received by the party to whom such signatures were transmitted, shall be binding on the party transmitting its signatures as though they were an original signature of such party.

17. Section 6 of the Lease (Multi tenant Form) shall be amended to include the following underlined language: In addition to its rights found elsewhere in this Lease, the Postal Service shall have the option to terminate this Lease upon 365 days prior notice to Landlord, which notice may be served at any time after completing the 1st year of the term. The City of Laredo, a municipality, shall have the option to terminate this Lease upon 730 days prior written notice to the Postal Service, which notice may be served at any time after completing the 1st year of the term.

18. Section 7 (e) of the General Conditions to the Postal Service Lease shall be amended to include the following underlined language: Landlord hereby indemnified and holds harmless, to the extent permitted by law, the Postal Service and its officers, agents, representatives, and employees from and against any and all claims, losses, damages, actions, causes of actions, expenses, fees and/or liability resulting from, brought for, or on account of any violation of this Clause or in any way arising out of or connected to Environmental Contamination caused by the negligence of the Postal Service.

19. The Postal Service shall have the exclusive use of two on-site parking spaces. These spaces are adjacent to the sallyport and loading dock located at the northeast corner of the building. It is agreed that the Landlord shall have use of one (1) such space on any and all days in which the City of Laredo holds a regularly scheduled City Council Meeting (see Exhibit A).

UNITED STATES POSTAL SERVICE.

General Conditions to USPS Lease

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County: Webb
Lease: Q90000530006

1. APPLICABLE CODES AND ORDINANCES

The Landlord shall comply with all codes and ordinances applicable to the ownership and operation of the Building and Property without regard to the Postal Service tenancy and obtain all necessary building permits, certificates of occupancy, and similar related items at no cost to the Postal Service. The Postal Service agrees (i) to comply with all applicable codes and ordinances to the operations of the Postal Service at the Premises, to the extent enforceable against the Postal Service, and (ii) when the Postal Service or one of its contractors (other than Landlord) is performing work at the Premises, the Postal Service will be responsible for obtaining applicable permits and related items and to pay the associated costs. Nothing herein shall be construed as a waiver of the Postal Service's sovereign immunity.

2. LANDLORD'S INTEREST

a. Landlord represents and warrants to the Postal Service that as of the Effective Date, (i) Landlord owns and holds fee title in and to the Building, the Premises and the Property; (ii) there are no encumbrances, liens, agreements, covenants in effect that would materially interfere with the Postal Service's ability to operate its operations, materially impair the Postal Service's rights under this Lease, or materially increase the Postal Service's obligations under this Lease; and (iii) Landlord is unaware of any existing or impending condemnation plans, proposed special assessments or other adverse physical conditions relating to the Property. The term **"Landlord"** as used herein shall mean only the owner or owners, at the time in question, of the fee title (or a tenant's interest in a ground lease) of the Property. See Addendum Item 7

b. If this Lease provides for payments aggregating $10,000 or more to Landlord, claims for monies due or to become due from the Postal Service under it may be assigned by Landlord to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party at a time, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this Lease. No assignment or reassignment by Landlord will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment and other reasonable documentation, including without limitation, a W-9, is filed with:

1. the Postal Service's Contracting Officer; and

2. the surety or sureties, if any, upon any bond.

c. Assignment by Landlord of this Lease or any interest in this Lease other than in accordance with the provisions of this clause will be grounds for termination of this Lease by the Postal Service.

d. Nothing contained herein shall be construed so as to prohibit transfer of ownership of the Premises by Landlord, provided that:

1. such transfer is subject to this Lease;

2. a copy of the recorded deed or other official transfer instrument evidencing the transfer is provided to the Postal Service; and

3. Landlord shall cause its assignee or transferee to assume the provisions of this Lease and Landlord shall deliver notice of such assignment or transfer and a copy of the effective instrument of transfer to the Postal Service within 15 days after the date of transfer. In addition, both the original Landlord and the successor landlord shall execute the standard Certificate of Transfer of Title to Leased Property and Lease Assignment and Assumption form to be provided by the Postal Service within 15 days after receipt of such form from the Postal Service. If due to the death or dissolution of the original Landlord preventing the execution and delivery of the Certificate of Transfer of Title to Leased Property and Lease Assignment and Assumption form, the Postal Service may reasonably request such other documentation to evidence the transfer and ownership by the successor landlord, including but not limited to, a W-9 and an agreement to indemnify and hold harmless the Postal Service with respect to any claims by other parties of ownership interest in the Premises or entitlement to the Rent. The Postal Service shall be entitled to continue to pay rent and give all notices to Landlord until it has received the foregoing from Landlord. Landlord shall deliver all such funds in which the Postal Service has an interest to Landlord's successor or assignee. Provided Landlord's successor or assignee expressly assumes Landlord's duties and covenants under this Lease as required hereunder, Landlord shall be released from all liability toward the Postal Service arising from this Lease because of any act, occurrence or omission of Landlord's successors occurring after the transfer of Landlord's interest in this Lease. Nothing herein shall be deemed to relieve Landlord of any liability for its acts, omissions or obligations occurring or accruing up to and including the date of such transfer, and the Postal Service shall be free to exercise any and all remedies for a Landlord default against either the Landlord or a successor landlord, at the election of the Postal Service. Notwithstanding anything to the contrary contained herein, in the case of new leased space projects, this Lease may only be assigned or ownership of the property transferred following commencement of the fixed term, unless prior written consent is obtained from the Postal Service.

3. ASSIGNMENT/SUBLEASE BY THE POSTAL SERVICE

The Postal Service may sublet all or any part of the Premises or assign this Lease only with the prior written consent of Landlord, such consent not to be unreasonably withheld, conditioned, or delayed, but the Postal Service shall not be relieved from any obligation under this Lease by reason of any subletting or assignment. If Landlord fails to respond in writing to a written request to sublease or assign from the Postal Service within 10 business days after receipt by Landlord of the Postal Service's written request, Landlord shall be deemed to have consented to such sublease or assignment, as applicable. See Addendum Item 8

4. ALTERATIONS AND RESTORATION

a. The Postal Service shall have the right to make alterations, attach fixtures and erect additions, structures and install flags or signs in or upon the Premises or common areas (provided such alterations, additions, structures, or signs shall not be detrimental to or inconsistent with the rights granted to other tenants on the Property); which fixtures, additions, structures, flags or signs so placed in, upon or attached to the Premises or common areas shall be and remain the property of the Postal Service and may be removed or otherwise disposed of by the Postal Service at any time and from time to time, including, without limitation, at the end of the term or any renewal term, subject to the provisions of Section 4b below. The Postal Service shall also have the right to display and install the Postal Service and/or American flags in such common areas as reasonably determined by the Postal Service consistent with its operations.

b. Upon expiration or termination of this Lease, the Postal Service shall remove its personal property and restore the Premises to a "broom clean" condition with any systems and structures for which the Postal Service is responsible (under the Maintenance Rider attached to this Lease) in working order. Except as provided to the

contrary in the immediately preceding sentence, the Postal Service shall not be responsible to restore any condition due to reasonable and ordinary wear and tear, damages by the elements, or by circumstances over which the Postal Service has no control. The Postal Service at its sole option may, prior to the expiration or termination of the Lease, remove any or all of the alterations or improvements or elect to abandon the alterations or improvements in or on the Premises. If the Postal Service elects to abandon, the abandoned alterations and improvements shall become the property of the Landlord and the Postal Service shall be relieved of any liability in connection therewith; provided, however, if following expiration of the Lease the Postal Service enters into a new lease agreement with Landlord to remain in the Premises, the Postal Service shall have continued responsibility for maintenance of such alterations or improvements which were installed by the Postal Service during the term of this Lease (and not by Landlord) in accordance with the Maintenance Rider attached to this Lease.

5. DAMAGE AND DESTRUCTION

a. **Obligation to Repair**. If all or any portion of the Premises, parking areas, or any common areas of the Property providing access to the Premises or access to the parking areas are damaged or destroyed by fire or other casualty, Acts of God, of a public enemy, riot or insurrection, vandalism, or other similar casualty (each, a **"Casualty"**), Landlord shall, subject to the provisions of this Section, promptly commence and diligently pursue to completion the repair of such damage so that the Premises and the parking areas, or any common areas of the Property providing access to the Premises or access to the parking areas are restored to a condition of similar quality, character and utility for the Postal Service's purposes and to the Postal Service's reasonable satisfaction. Landlord shall not be responsible for (i) repairing or restoring the Premises to the extent the Casualty in question results from the negligent act, omission or negligence of the Postal Service or its employees (in which event that portion of the costs of repairs for damage directly caused by the negligence of the Postal Service shall be the responsibility of the Postal Service), (ii) repairing or restoring any improvements, alterations, or additions installed by the Postal Service, or (iii) any furniture fixtures, equipment, or other personal property of the Postal Service.

b. **Time Period to Repair**.

(i) If the damage from the Casualty is such that the Postal Service reasonably determines the Premises is tenantable (i.e. suitable for the Postal Service's use and occupancy in the then ordinary course of its business being conducted on the date of the Casualty), the Postal Service shall so notify Landlord not later than 3 days following the Casualty. Landlord shall submit to the Postal Service a copy of its construction contract for the repair or evidence of its filing of applications for necessary building permits and/or other required governmental approvals (as applicable) for the repair, within 30 days ~~after the date of the Casualty,~~ and shall complete the repair to the reasonable satisfaction of the Postal Service within 90 days ~~after the date of the Casualty.~~ Nothing stated herein is intended to relieve Landlord of its continuing obligations under this Lease, including, without limitation, Landlord's obligations to comply with law and for maintenance under this Lease. See Addendum Item 9

(ii) If the damage from the Casualty is such that the Postal Service reasonably determines the Premises is untenantable (i.e., not suitable for the Postal Service's use and occupancy in the then ordinary course of its business being conducted on the date of the Casualty), the Postal Service shall so notify Landlord not later than 3 days following the Casualty. If the Postal Service gives such notice that the Premises is untenantable, Landlord shall submit to the Postal Service a copy of its construction contract for the repair or evidence of its filing of applications for necessary building permits and/or other required governmental approvals (as applicable) for the repair, within 90 days ~~after the date of the Casualty,~~ and shall complete the repair within 270 days ~~after the date of the Casualty.~~ Nothing stated herein is intended to relieve Landlord of its continuing obligations under this Lease, including, without limitation, Landlord's obligations to comply with law and for maintenance under this Lease so that the Premises, if tenantable following the Casualty, remain tenantable. See Addendum Item 9

c. **Postal Service's Remedies**. If Landlord fails to meet any of the deadlines set forth in subsection b(i) or (ii), as applicable, then the Postal Service may (i) perform the repair (by contract or otherwise) and recover the cost plus a reasonable administrative cost and/or interest, by offsetting Rent and other payments and reimbursements due or to become due to Landlord under this Lease and/or any other lease with Landlord, or (ii) terminate the Lease upon 30 day's prior written notice with a termination date effective as of the date of such Casualty.

d. **Abatement of Rent**. Rent and all other payments and reimbursements due or to become due to Landlord under this Lease shall abate, in whole or in part, commencing on the date the Postal Service reasonably determines all or any portion of the Premises, any common areas of the Property providing access to the Premises, or parking areas or access thereto are untenantable or unfit for the Postal Service's use or occupancy and continuing until the Premises, common areas providing access to the Premises or parking areas are once again tenantable or fit for the Postal Service's use or occupancy, as applicable. The Rent and all other payments and reimbursements due or to become due to Landlord under this Lease shall abate from time to time in proportion to the part or parts of the Premises not reasonably capable of such use and occupancy or the degree to which access to the Premises or parking for the Premises is reduced. The Postal Service shall attempt to continue the operation of its business on the Premises following a Casualty to the extent reasonably practicable consistent with life safety and good business practices. No exercise by the Postal Service of its right to rent abatement as stated above is intended to extend the time periods for producing the contracts for repair and for the completion of construction when the Premises are deemed to be tenantable or untenantable by the Postal Service as described hereinabove. By way of example, and not in limitation, in the event that a Casualty occurs and the damage from the Casualty is such that the Postal Service reasonably determines that a portion of the Premises is suitable for the Postal Service's use and occupancy in the then ordinary course of its business, then while rent will abate for the untenantable portion as described above, the Landlord shall remain obligated to submit to the Postal Service a copy of its construction contract for the repair or evidence of its filing of building permits, if applicable, for the repair, within 30 days ~~after the date of the Casualty,~~ and complete the repair to the reasonable satisfaction of the Postal Service within 90 days ~~after the date of the Casualty.~~ See Addendum Item 9

6. INSURANCE

a. **Postal Service's Insurance**. Landlord acknowledges that the Postal Service does not routinely purchase commercial insurance or maintain a separate account for potential claims, as is required to technically be considered "self-insured." Rather, the Postal Service is authorized to pay proper claims against it out of its general revenue fund and available credit, and is subject to suit for damages. Liability claims against the Postal Service are governed by the Federal Tort Claims Act, 39 U.S.C. §409(c), with the specific provisions being set forth at 28 U.S.C. §§1346(b), 2401(b), and 2671-2680. With respect to the issue of Workers' Compensation coverage, pursuant to 39 U.S.C. §1005(c), the Federal Employees' Compensation Act ("FECA"), 5 U.S.C. §§8101 et seq., is the exclusive remedy for all postal employees who sustain personal injuries on the job. While the Landlord is hereby waiving its standard insurance requirements for the Postal Service, if at any time the Postal Service assigns or subleases any portion of the Premises in accordance with the terms of this Lease to a non-governmental entity, Landlord has the right to impose its reasonable insurance requirements on the assignee and/or subtenant which are based on the assignee's and/or subtenant's proposed use of the Premises including the requirement that the assignee and/o or subtenant reimburse Landlord for any increase in insurance premiums incurred by Landlord as a result of the assignee and/or subtenant's proposed use for the balance of the Term and any extensions, all as a condition of the assignment or sublease.

b. **Landlord's Insurance**. Landlord shall, at its own expense, obtain and keep in full force and effect, the following insurance from an insurance company with a Best's rating of at least A and a Best's financial performance rating of at least 7. The insurance required to be carried by Landlord under this Section shall be referred to herein as "Landlord's Insurance." Upon request, Landlord shall provide the Postal Service with a copy of the certificate of

insurance ~~and premium bill~~ evidencing Landlord's Insurance, together with the appropriate form stating Landlord's insurance policy(ies) has been endorsed. See Addendum Item 10

(i) Liability Insurance. Bodily injury, personal injury and property damage insurance, naming the Postal Service as an additional insured, insuring against claims of bodily injury or death, personal injury or property damage, arising out of or in connection with Landlord's acts or omission upon, in or about the Property, with an each occurrence limit of not less than $2,000,000 and a general aggregate limit of not less than $2,000,000. Landlord's Insurance shall be primary with respect to any claim covered under such insurance and arising out of events that occur outside the Premises. Landlord shall have the right, but not the obligation, to increase the amounts or limits of insurance to such amounts as Landlord deems reasonably necessary. Landlord may, at Landlord's option, carry insurance required under this Section under an umbrella policy or policies for coverage amounts exceeding $1,000,000, provided that such umbrella policy or policies otherwise comply with the requirements of this Section.

(ii) Property Insurance. Insurance covering loss or damage to the Premises and the Property by reason of fire (extended coverage) and those perils included within the classification of "Special Form Causes of Loss" insurance (with other appropriate endorsements), which insurance shall be in the amount of at least 90% of the full replacement value of the Premises (exclusive of excavation, footings, and foundations) as determined by insurance company appraisers or Landlord's insurance broker.

(iii) Flood, Earthquake, and Tornado Insurance. Insurance covering loss or damage to the Premises and the Property by reason of flood, earthquake, or tornado, which insurance shall be in the amount in line with insurance carried by comparable property owners of comparable properties within the vicinity of the Property.

7. HAZARDOUS/TOXIC CONDITIONS CLAUSE

a. **Definitions.** As used in this Lease, the following terms have the following meanings:

"Environmental Laws" mean all federal, state or local statutes, laws, ordinances, rules or regulations, relating to protection of human health or the environment, including but not limited to (i) all laws relating to the release of Hazardous Materials into the air, surface water, groundwater or land, or relating to the reporting, investigation or remediation of, licensing, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials; (ii) all laws pertaining to the protection of the health and safety of employees; and (iii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601 et seq.; the Hazardous Materials Transportation Act as amended 49 U.S.C. §1801 et seq.; the Resource Conservation and Recovery Act, as amended 42 U.S.C. §6901 et seq.; and the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251 et seq.

"Hazardous Materials" mean (i) any toxic substance or hazardous waste, substance or related material, or any pollutant or contaminant that is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous waste" or words of similar import under any and all Environmental Laws; (ii) petroleum, radon gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls in excess of federal, state or local safety guidelines, whichever are more stringent; and (iii) any substance, gas material or chemical that is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous waste" or words of similar import under any Environmental Laws.

"**Environmental Contamination**" means the presence of any Hazardous Materials which includes the presence of friable asbestos materials at any level, in, on, or under the Property, the Premises, common areas or the Building, at levels that require reporting to the enforcing environmental regulatory agency and/or environmental response action (s) under applicable Environmental Laws.

"**Asbestos-Containing Material**" (ACM) means any material containing more than 1% asbestos as determined by using the method specified in 40 CFR Part 763, Subpart E, Appendix E. "Friable asbestos material" means any ACM that, when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.

b. **Landlord Disclosure.** The Landlord shall disclose in writing to the Postal Service with regards to the Property: (i) the known presence of Environmental Contamination; (ii) the known presence, location and quantity of all ACM or presumed asbestos containing material (PACM) which includes all thermal system insulation, sprayed on and troweled on surfacing materials, and asphalt and vinyl flooring material unless such material has been tested and identified as non-ACM; and (iii) any known information concerning the presence of lead-based paint, radon above 4 picoCuries/liter (pCi/L), and lead piping or solder in drinking water systems.

c. **Landlord Certification.** By execution of this Lease, the Landlord certifies that, to the best of its knowledge and excluding any written disclosures per paragraph 7.B, the Property is (i) free of Environmental Contamination; (ii) there are no undisclosed underground storage tanks or associated piping on, in, or under the premises or property; (iii) there are no ACMs, radon, lead-based paint, or lead piping or solder in drinking water systems, or in or on the Property; and (iv) Landlord has not received, nor is Landlord aware of, any notification or other communication from any party concerning any environmental condition, or violation or potential violation of any Environmental Law, regarding the Property or its vicinity. If the Landlord becomes aware of any such conditions, potential conditions, or violations of any Environmental Law regarding the Property or its vicinity defined herein, subsequent to Lease commencement, Landlord must disclose the new information to the Postal Service as soon as possible, and under no circumstances later than 5 business days after first becoming aware.

d. **Environmental Condition of the Premises.**

(i) Unless due to the negligence of the Postal Service, if after the Lease Commencement Date or any renewal thereof, Environmental Contamination is at any time identified on the Property, upon notification by the Postal Service, Landlord agrees to remediate such Environmental Contamination to the extent required by Environmental Laws. Prior to performing any work, Landlord must seek and receive written approval by the Postal Service Contracting Officer of the Landlord's contractor and scope of work, and such approval will not be unreasonably withheld. The foregoing notwithstanding, the Postal Service shall pay a portion of the costs of remediation of Environmental Contamination caused directly by the negligence of the Postal Service.

(ii) If non-friable ACM is subsequently found in or on the Property or the Building which reasonably should have been determined, identified, or known to the Landlord, the Landlord agrees to conduct, at Landlord's sole expense, an asbestos survey of the premises pursuant to the standards of the Asbestos Hazard Emergency Response Act (AHERA), establish an Operations and Maintenance (O&M) plan for asbestos management, and provide the survey report and plan to the Postal Service. If friable ACM is subsequently found in or on the Property or the Building which reasonably should have been determined, identified, or known to the Landlord, the Landlord agrees at Landlord's sole expense, to remove and/or abate the friable ACM.

(iii) In performance of any work under this Clause, Landlord and Landlord's agents, contractors, and consultants (**"Landlord's Agents"**) shall provide all information and data obtained, generated or learned as a result the work,

including all verified lab data and all consultant reports, studies and analysis to Postal Service as soon as they become available, but no later than the 7 business days after receipt. In addition, if requested by Postal Service, Landlord and Landlord's Agents shall promptly make available to Postal Service access to all raw data, whether or not verified. Landlord also shall provide Postal Service with copies of all correspondence, information and documents submitted by or received by Landlord or Landlord's Agents from any third party or any governmental authority relating to the work promptly upon its receipt and/or submission by Landlord or Landlord's Agents. Postal Service shall be permitted to have representatives present during all work, and Landlord and Landlord's Agents shall provide to Postal Service samples, copies of the results of on-site testing and visual inspections, and access at all reasonable times to all samples and tests taken or conducted. If non-friable ACM, whether disclosed by the Landlord prior to execution of this Lease or subsequently found in or on the Property after execution of this Lease, should become friable due to any cause other than the negligence of the Postal Service, the removal, abatement, containment, repair, remediation, replacement or environmental response to such friable ACM shall be performed by the Landlord at the Landlord's sole cost and expense. If ACM in or on the Property or the Building was rendered friable due to the negligence of the Postal Service (including any such negligence of the Postal Service under any prior lease or leases of the Premises), the Postal Service shall be liable for the removal, abatement, containment, repair, remediation, replacement or environmental response to such friable ACM at the Postal Service's sole cost and expense. The parties agree as follows: (1) neither of the following shall constitute the negligence of the Postal Service: (a) reasonable and ordinary wear and tear and (b) damages by the elements or by circumstances over which the Postal Service has no control; (2) to the extent a failure by the Postal Service to maintain the improvements containing ACM in accordance with the Postal Service's obligations under the Maintenance Rider in the current or a prior lease of the Premises causes asbestos in ACM in the Premises to become friable, such failure shall constitute the negligence of the Postal Service hereunder, and the Postal Service shall be liable for the removal, abatement, containment, repair, remediation, replacement or environmental response to such friable ACM at the Postal Service's sole cost and expense; and (3) to the extent a failure by the Landlord to maintain the improvements containing ACM in accordance with the Landlord's obligations under the Maintenance Rider in the current or a prior lease of the Premises causes asbestos in ACM in the Premises to become friable, such failure shall constitute the negligence of the Landlord hereunder, and the Landlord shall be liable for the removal, abatement, containment, repair, remediation, replacement or environmental response to such friable ACM at the Landlord's sole cost and expense.

(iv) If the Landlord fails to remove, or otherwise respond to in accordance with Environmental Law, any friable asbestos materials or Environmental Contamination, or fails to complete an AHERA asbestos survey and O&M plan with such diligence as will ensure its completion within the time specified in Postal Service notice to Landlord (or any extension thereof as may be granted at the sole discretion of the Postal Service), or fails to complete the work within said time, as provided in the Maintenance Rider, the Postal Service shall have the right to perform the work (by contract or otherwise), and withhold the cost plus administrative costs and/or interest, from rent payments due or to become due or to become due under this Lease (or from other amounts owed to Landlord by the Postal Service or federal government). Completion of the work by Postal Service shall not relieve Landlord of its responsibility to perform the work in the future. In addition, the Postal Service may proportionally abate the rent for any period the premises, or any part thereof, are determined by the Postal Service to have been rendered untenantable or unavailable to it by reason of such condition. Alternatively, if Landlord fails to prosecute the work as required and the Postal Service Contracting Officer determines that the premises are untenantable or unfit for use or occupancy, with reasonable discretion, cancel this Lease in its entirety without liability. The remedies provided in this section are non-exclusive and are in addition to any remedies available to the Postal Service under applicable law.

e. **Landlord Indemnification of Postal Service.** ~~Landlord hereby indemnifies and holds harmless the Postal Service and its officers, agents, representatives, and employees from and against any and all claims, losses, damages, actions, causes of action, expenses, fees and/or liability resulting from, brought for, or on account of any~~

~~violation of this Clause or in any way arising out of or connected to Environmental Contamination on the Property, except that Landlord shall not be required to indemnify the Postal Service for, and to the extent of, that portion of the Environmental Contamination caused directly by the negligence of the Postal Service.~~

See Addendum Item 18

f. **Rights to Contribution.** Nothing stated herein is intended to limit the right of the Landlord or the Postal Service to make claims for contribution or cost recovery under applicable laws against each other or any other persons or entities responsible for such Environmental Contamination.

8. DEFAULTS

a. **Default by Postal Service.** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by the Postal Service:

(i) The failure by the Postal Service to make any payment of Rent or any other payment required to be made by the Postal Service under this Lease, as and when due, where such failure shall continue for a period of 30 days after Landlord notifies the Postal Service in writing of such failure; or
(ii) The failure by the Postal Service to observe or perform any of the provisions of this Lease to be observed or performed by the Postal Service, other than the payment of sums due hereunder, where such failure shall continue for a period of 30 days after written notice thereof from Landlord to the Postal Service; provided, however, that if the nature of the Postal Service's default is such that more than 30 days are reasonably required for its cure, then the Postal Service shall not be deemed to be in default if the Postal Service commences such cure within such 30 day period and thereafter diligently pursues such cure to completion.

b. **Default by Landlord; Remedies.** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Landlord: (i) Landlord's failure to observe or perform any of the provisions of this Lease required to be observed or performed by Landlord, where such failure is not cured to the full satisfaction of the Postal Service within 30 days after written notice by the Postal Service to Landlord of said failure; provided, however, that if the nature of Landlord's default does not have a materially adverse impact upon the Postal Service's operations in the Premises (as reasonably determined by the Postal Service) and is such that more than 30 days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord commences such cure within such 30 days, thereafter diligently pursues such cure to completion, and completes such cure not later than 60 days from the date of the Postal Service's initial written notice to Landlord; or (ii) if any representation or warranty made by Landlord was false in any material respect when given or deemed given hereunder. In the event of a default by Landlord, the Postal Service, at its option, without further notice or demand, shall have the right to any one or more of the following remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (a) to remedy such default or breach and deduct the costs thereof from the Rent next falling due; (b) to proportionately abate the Rent for any period the Premises, or any part thereof, are reasonably determined by the Postal Service to have been rendered untenantable, or unfit for use and occupancy, by reason of such default or breach; (c) to seek money damages for loss arising from Landlord's failure to discharge its obligations under the Lease; provided, however, that the Postal Service shall not seek or demand any consequential, punitive or special damages arising from Landlord's default; and (d) to terminate the Lease. Nothing herein contained shall relieve Landlord from its obligations hereunder, nor shall this Section be construed to obligate the Postal Service to perform Landlord's repair obligations under this Lease. The notice and cure provisions in this Paragraph (b) are for general defaults by Landlord not otherwise expressly addressed in other sections of this Lease, and therefore, to the extent of any conflict between the provisions of other sections of this Lease and this Paragraph (b), the provisions of other sections of this Lease shall govern.

c. **Force Majeure.** In the event that either party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such party (a

"**Required Act**"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, acts or threats of terrorism, fire, flood, earthquake, delays by governmental authorities or other casualty or acts of God (a "**Force Majeure Event**"), then the performance of such Required Act shall be excused for the period of delay, and the time period for performance of the Required Act shall be extended by the same number of days in the period of delay. For purposes of this Lease, the financial inability of Landlord or the Postal Service to perform any Required Act, including (without limitation) failure to obtain adequate or other financing, shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence sooner than 15 days before the date on which the party who asserts some right, defense or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party hereto. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (i) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (ii) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood or other natural phenomena of normal intensity for the locality where the Premises are located.

9. CLAIMS AND DISPUTES

a. This Lease shall be governed by federal law, including but not limited to, the Contract Disputes Act of 1978 (41 U.S.C. 7101-7109) (the "**Act**").

b. Except as provided in the Act, all disputes arising under or relating to this Lease must be resolved under this clause.

c. "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this Lease. However, a written demand or written assertion by the Landlord seeking the payment of money exceeding $100,000 is not a claim under the Act until certified as required by subparagraph d below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

d. A claim by the Landlord must be made in writing and submitted to the Postal Service Contracting Officer for a written decision. A claim by the Postal Service against the Landlord is subject to a written decision by the Postal Service Contracting Officer. For Landlord claims exceeding $100,000, the Landlord must submit with the claim the following certification:

"I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief, that the amount requested accurately reflects the contract adjustment for which the Landlord believes the Postal Service is liable, and that I am duly authorized to certify the claim on behalf of the Landlord."

The certification may be executed by any person duly authorized to bind the Landlord with respect to the claim.

e. For Landlord claims of $100,000 or less, the Postal Service Contracting Officer must, if requested in writing by the Landlord, render a decision within 60 days of the request. For Landlord-certified claims over $100,000, the Postal Service Contracting Officer must, within 60 days, decide the claim or notify the Landlord of the date by which the decision will be made.

f. The Postal Service Contracting Officer's decision is final unless the Landlord appeals or files a suit as provided in the Act.

g. When a claim is submitted by or against a Landlord, the parties by mutual consent may agree to use an alternative dispute resolution (ADR) process to assist in resolving the claim. A certification as described in subparagraph d of this clause must be provided for any claim, regardless of dollar amount, before ADR is used.

h. The Postal Service will pay interest on the amount found due and unpaid from:

1. the date the Postal Service Contracting Officer receives the claim (properly certified if required); or

2. the date payment otherwise would be due, if that date is later, until the date of payment.

i. Simple interest on claims will be paid at a rate determined in accordance with the Act.

j. Landlord must proceed diligently with performance of this Lease, pending final resolution of any request for relief, claim, appeal, or action arising under this Lease, and comply with any decision of the Postal Service Contracting Officer.

k. In the event of an alleged Postal Service default where the Postal Service has vacated the Premises, ~~Landlord shall in all events have an affirmative obligation to obtain another tenant for the Premises at a fair market rental and to otherwise mitigate its damages.~~ In no event shall the Postal Service or Landlord be liable for any consequential, punitive, or special damages under this Lease. The parties agree that this restriction shall not apply to liquidated damages, if any, provided for in any workletter or other rider or attachment to this Lease.

See Addendum Item 11

10. GENERAL

a. **Quiet Enjoyment.** Without limiting any rights the Postal Service may have by statute or common law, Landlord covenants and agrees that, provided that the Postal Service is not in default under this Lease, and for so long as this Lease is in full force and effect, the Postal Service shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease from and after Landlord's delivery of the Premises to the Postal Service until the end of the term, without disturbance by Landlord or by any person having title paramount to Landlord's title or by any person claiming by, through or under Landlord.

b. **Exterior of Building.** Landlord shall not place, or allow any other person or entity to place, any advertising, bas reliefs, murals or other decorations on the exterior walls of the area in which the Premises is located nor shall Landlord place, or allow any other person or entity to place any additional landscaping or plantings in such area in excess of that landscaping or planting in existence at the commencement of this Lease. Nothing stated herein is intended to prohibit Landlord from replacing the landscaping or plantings in existence at the commencement of this Lease as needed.

c. **Recording.** Not Applicable

d. **Subordination, Non-Disturbance and Attornment Agreement.** If there is now or will be a mortgage on the property which is or will be recorded prior to the Effective Date, the Landlord must notify the Postal Service of the facts concerning such mortgage. This Lease will be subject and subordinate to the lien of all existing mortgages or deeds to secure debt encumbering the property, provided that Landlord has obtained from such holder of any existing mortgage a Subordination, Non-Disturbance and Attornment Agreement in the form attached hereto.

e. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

f. **Interpretation.** Section headings are not a part hereof and shall not be used to interpret the meaning of this Lease. This Lease shall be interpreted in accordance with the fair meaning of its words and both parties certify they either have been or have had the opportunity to be represented by their own counsel and that they are familiar with the provisions of this Lease, which provisions have been fully negotiated, and agree that the provisions hereof are not to be construed either for or against either party as the drafting party.

g. **Incorporation of Prior Agreements; Amendments.** This Lease contains all agreements of the parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. This Lease may be modified only in writing, signed by the parties in interest, at the time of the modification. Landlord specifically acknowledges that the Postal Service's employees at the Premises do not have authority to modify the Lease or to waive the Postal Service's rights hereunder.

h. **Waivers.** No waiver by the Postal Service or Landlord of any provision hereof shall be deemed a waiver of any other provision hereof and no waiver of any breach hereunder by Postal Service or Landlord shall be deemed a waiver of any subsequent breach by the Postal Service or Landlord of the same or any other provision. A party's consent to or approval of any act shall not be deemed to render unnecessary obtaining such party's consent to or approval of any subsequent act. No waiver shall be effective unless it is in writing, executed on behalf of Landlord or the Postal Service by the person to whom notices are to be addressed.

i. ~~**Holding Over.** If the Postal Service remains in possession of the Premises or any part thereof after the expiration of the term, with or without the written consent of Landlord, such occupancy shall be on all the terms of this Lease with the exception that the Postal Service will continue to pay either the last rental rate in effect prior to the expiration or termination of the Lease or the fair market value (as determined by the Postal Service in its sole, but reasonable, discretion) of the leasehold, whichever is higher. If the parties agree to and execute a new lease or a lease extension, the rent paid during the holdover period will be adjusted to reflect the rate negotiated by the parties for the new lease or lease extension, and the difference, if any, will be paid to Landlord along with the new rent for the new lease or lease extension, or credited to the Postal Service, if applicable. The Postal Service may terminate the Lease during the holdover period upon 60 days' prior written notice to Landlord without any liability hereunder to Landlord. Failure by the Postal Service to deliver keys to the Premises to Landlord or to remove its personal property therefrom at the end of the Lease term shall not be construed as an act of holdover by the Postal Service.~~ See Addendum Item 12

j. **Successors and Assigns.** Subject to the provisions of this Lease, this Lease shall be binding upon and benefit the parties, their personal representatives, successors and assigns.

k. **Landlord's Access.** Landlord and Landlord's agents shall have the right to enter the Premises upon reasonable prior written notice for the purpose of performing maintenance or repairs that are the responsibility of Landlord under this Lease. The Landlord's right of entry hereunder shall be exercisable only during normal business hours and only on the terms set forth below. All other access to the Premises, including but not limited to showing the

property to potential buyers, and within 30 days of the end of the Lease term, showing the property to potential tenants, shall be at the sole discretion of the Postal Service. In the event of emergency requiring access after-hours, Landlord must call the Postal Inspection Service at 1-877-876-2455 Option 2 "Emergency" prior to entry. When entering or performing any repair or other work in the Premises, Landlord, its agents, employees and/or contractors (i) shall identify themselves to the Postal Service's personnel immediately upon entering the Premises, and must be accompanied by a Postal Service employee when not in public areas; and (ii) shall use commercially reasonable, good faith efforts not to materially or unreasonably affect, interrupt or interfere with the Postal Service's use, business or operations on the Premises or obstruct the visibility of or access to the Premises. In the event of substantial, material or unreasonable interference, the Rent and other payments and reimbursements due or to become due under this Lease all shall be equitably abated if the interference continues for more than 24 hours. In the event such interference shall continue for longer than 6 months, the Postal Service shall have the option to terminate this Lease or continue to operate with rent abatement until the interruption ceases. Notwithstanding the foregoing, in the event that, as a result of any substantial, material or unreasonable interference, the Postal Service is legally required to move any of its business operations, then Landlord shall reimburse the Postal Service for the actual reasonable costs incurred in connection with such move.

See Addendum Item 13

l. **Calendar Days.** All references herein to "days" shall mean calendar days unless specified to the contrary.

m. **Counterparts.** This Lease may be executed in counterparts, which together shall constitute a single instrument. The parties agree that if the signature(s) of either Landlord or the Postal Service on this Lease or any amendments, addendums, assignments, or other records associated with this Lease is not an original but is a digitally encrypted signature, then such digitally encrypted signature shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic original wet signature penned manually by its signatory.

n. **Notices.** Whenever a provision is made under this Lease for any demand, notice or declaration of any kind, or where it is deemed desirable or necessary by either party to give or serve any such notice, demand or declaration to the other party, it shall be in writing and sent by (i) United States mail, certified, postage prepaid or (iii) by Priority Mail Express (overnight), in each instance to the addresses set forth below or at such address as either party may advise the other from time to time. Notices to the Postal Service shall also include the identification of the facility name and location in such notices. Notices given hereunder shall be deemed to have been given three (3) days after the date of certified mailing or the next business day after being sent by Priority Mail Express (regardless whether the addressee rejects, refuses to sign, or fails to pick up such delivery).

To Landlord at: CITY OF LAREDO

1110 HOUSTON STREET, LAREDO, TX 78040-8019

With a copy to: _____

_____

To the Postal Service at: Contracting Officer

7500 E 53RD PL RM 1108, DENVER, CO 80266-9918

With a copy to: Postmaster/Installation Head

1300 MATAMOROS ST, LAREDO, TX 78040-9998

Anything in the foregoing to the contrary notwithstanding, in the case of multiple persons or entities comprising Landlord under this Lease or in the case of a person or entity acting as an agent of Landlord, notices to any one of such multiple persons or entities or notice to an agent of Landlord shall be deemed to be sufficient notice to Landlord

o. **Prompt Payment Act.** The provisions of the Prompt Payment Act, 31 U.S.C. § 3901 shall apply to all Postal Service payment obligations under this Lease, including any interest or penalties for late payments.

p. **Payment Offsets.** As required by 31 U.S.C. 3716, the Postal Service participates in the Treasury Offset Program of the Department of Treasury's Financial Management Service. Payments owed to Landlord from the Postal Service under this Lease are subject to offset in whole or in part to for the Landlord's delinquent tax and non-tax debts owed to the United States and the states and for delinquent child support payments.

q. **Real Estate Conflict of Interest Certification.** As condition to the effectiveness of this Lease, Landlord shall complete and return the "Real Estate Conflict of Interest" form attached to this Lease at the time of Landlord's execution and delivery of this Lease. If Landlord's certification in such form is false, or Landlord breaches the certification and fails to notify the Postal Service Contracting Officer as provided therein, then the Postal Service may (i) withhold rent and all other payments and reimbursements until Landlord remedies the misrepresentation or the Postal Service waives such conflict of interest, (ii) terminate the Lease on a date set forth in the notice to Landlord without penalty, or (iii) exercise any other remedy it may have for damages or injunctive relief. The Postal Service may exercise any or all of the foregoing remedies.

11. **FACILITIES NONDISCRIMINATION**

a. By executing this Lease, the Landlord certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained.

b. The Landlord will insert this clause in all contracts or purchase orders under this Lease unless exempted by Secretary of Labor rules, regulations, or orders issued under Executive Order 11246.

12. **CLAUSES REQUIRED TO IMPLEMENT POLICIES, STATUTES, OR EXECUTIVE ORDERS**

The following clauses are incorporated in this Lease by reference. The text of incorporated terms may be found in the Postal Service's Supplying Principles and Practices, accessible at http://about.usps.com/manuals/spp/html/spp10.htm or by searching www.usps.com.

Clause 1-5, Gratuities or Gifts (March 2006)
Clause 1-6, Contingent Fees (March 2006)
Clause 9-3, Davis-Bacon Act (March 2006)[1]
Clause 9-7, Equal Opportunity (March 2006)[2]
Clause 9-13, Affirmative Action for Handicapped Workers (March 2006)[3]
Clause 9-14, Affirmative Action for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (February 2010)[4]
Clause B-25, Advertising of Contract Awards (February 2013)
Note: For purposes of applying the above standard clauses to this Lease, the terms "supplier," "contractor," and "lessor" are synonymous with "Landlord," and the term "contract" is synonymous with "Lease."

[1] For premises with net interior space in excess of 6,500 SF.
[2] For leases aggregating payments of $10,000 or more.
[3] For leases aggregating payments of $10,000 or more.
[4] For leases aggregating payments of $25,000 or more.

UNITED STATES POSTAL SERVICE.

Maintenance Rider Landlord Responsibility

Facility Name/Location
LAREDO - EL CENTRO STATION (484950-009)
1300 MATAMOROS ST, LAREDO TX 78040-9998

County: Webb
Lease: Q90000530006

1. Landlord shall, except as otherwise specified herein and except for damage resulting from, and to the extent of, the negligence of the Postal Service agents or employees (which portion of the damage arising directly from Postal Service agent or employee negligence shall be the responsibility of the Postal Service), maintain the Premises, including the building and any and all equipment, fixtures, systems, common facilities and appurtenances (including but not limited to parking lots, driveways, sidewalks and fencing), whether severable or non-severable, furnished by Landlord under this Lease, in good repair and tenantable condition consistent with standards of comparable buildings and/or projects located in the vicinity of the Property. Landlord's duties under this Rider shall include repair and replacement, as necessary, and includes without limitation:

   a. Landlord is responsible for inspection, prevention and eradication of vermin, birds, insects, including, without limitation, termites and any other wood-eating insects and for repairs of any damage resulting therefrom.

   b. Landlord is responsible to repair damages resulting from Acts of God; acts of public enemy, riot or insurrection; and vandalism and damages resulting from fire or other casualty (except to the extent such damages were caused due to the negligence of the Postal Service agents or employees in which case the Postal Service shall be responsible for the portion of repairs caused directly by its negligence).
   See Addendum Item 14

   c. ~~Any heating system and air conditioning equipment furnished by Landlord must be properly sized for the facility, must be in good working order at the commencement of the term, and must be maintained and, if necessary, replaced by Landlord to ensure that it remains in good working order and in proper operation; such system and equipment must be capable of cooling the Premises to 68 degrees Fahrenheit (68°F) and heating the Premises to 78 degrees Fahrenheit (78°F) in all enclosed portions of the Premises (excluding any rear vestibule) at all times. In addition, such system and equipment must provide heat to a minimum of 68 degrees Fahrenheit (68°F) and cooling to a maximum of 78 degrees Fahrenheit (78°F) in all enclosed portions of the Premises (excluding any rear vestibule) at all times during the appropriate seasons.~~ Landlord shall be responsible for maintaining and servicing of the heating system and air-conditioning equipment, including, refrigerant and filters per manufacturer's recommendation as required for proper operation of the equipment and for replacing the same at the end of its useful life or earlier. Regardless of whether Landlord is required by the Lease to provide fuel for a heating system as set forth in the USE Rider, any investigative and remediation cost associated with a release of fuel from the heating system, including any fuel tank, shall be the responsibility of the Landlord, unless, and to the extent that, the release is caused due to the negligence of the Postal Service agents or employees, in which event the Postal Service shall be responsible for a portion of the investigative and remediation costs associated with the release to the extent such release was due directly to the Postal Service's agents' or employees' negligence. See Addendum Item 15

   d. Boilers (heating and hot water supply) and unfired pressure vessels provided by Landlord as part of the Premises shall be maintained and, if necessary, replaced by the Landlord in accordance with ASME Boiler and Pressure Vessel Code, Sections IV, VI, and VIII; National Fire Prevention Association (NFPA)-70, National Electric Code; and/or ASME Safety Code No. CSD-1, Controls and Safety Devises for Automatically Fired Boilers; ASME A18.1, Safety Standard for Platform Lifts and Chairlifts; NFPA-54, National Fuel Gas Code; and NFPA-31, Oil Burning Equipment Code, as applicable, or as required by local ordinances. Current safety certificates issued by an organization recognized by the National Board of Boiler and Pressure Vessel Inspectors or a federal, state or municipal authority which has adopted the American National Standard Institute/American Society of Mechanical Engineers (ASME) Boiler and Vessel Code, must be provided by

Landlord for boilers and unfired pressure vessels. In the event local jurisdictions do not require periodic inspection of such equipment, the Postal Service shall have the right to conduct inspections in accordance with the aforesaid codes, and may issue safety certificates, as appropriate.

e. Any electrical/power system furnished by Landlord must be properly sized for the facility, must be in good working order at the commencement of the term, and must be maintained and, if necessary, replaced by Landlord to ensure that it remains in good working order and in proper operation.

f. Whether public or private water or sewer systems are provided, said systems (including potable water) must be properly sized for the facility and be maintained in good working order at all times during the term and replaced by Landlord as necessary to ensure that the same remain in good working order as aforesaid, including any inspections that may be required.

g. Landlord shall paint all interior and exterior previously painted surfaces as follows: no later than six (6) months following the start of the Lease term, unless painted within 60 months prior to the Commencement Date, and at least once every five (5) years during the continuance of the Lease term unless required more often because of damage from fire or other casualty. Landlord is required to apply only one coat of paint. If additional coats are required by the Postal Service, the Postal Service will be responsible for cost of additional coats of paint, including application costs. Landlord shall coordinate the painting schedule in advance with the Postal Service's on-site facility manager. The Postal Service will be responsible for moving furniture and equipment away from walls as required, provided that Landlord gives the Postal Service at least 60 days prior notice of the need to do so, and provided that Landlord shall not conduct any type of painting (interior or exterior) during the period beginning October 1 and ending January 30 during the Lease term.

h. Any elevators, escalators and/or dumbwaiters provided by the Landlord as part of the Premises shall be maintained in good working order throughout the term, and, if necessary to ensure that the same remain in good working order and in proper operation, replaced by the Landlord in accordance with ASME A17.1, Safety Code for Elevators, Escalators, Dumbwaiters, and Moving Walks; ASME A17.2, Elevator Inspectors Manual; ASME A17.3 Safety Code for Existing Elevators and Escalators; ASME A17.4, Emergency Evacuation Procedures for Elevators; and ASME A17.5, Elevator and Escalator Electrical Equipment. Landlord must ensure that current safety certificates for elevators, dumbwaiters and escalators are issued by an organization authorized to inspect in accordance with the ANSI/ASME Code for Elevators, Dumbwaiters and Escalators or appropriate federal, state or municipal authority. In the event local jurisdictions do not require periodic inspection of such equipment, the Postal Service shall have the right to conduct inspections in accordance with the aforesaid codes.

i. Any wiring, including, but not limited to, wiring for the Electronic Security and Surveillance Equipment (ESS), Closed Circuit Television (CCTV), Very Small Aperture Terminal (VSAT), Criminal Investigation System (CIS), Intrusion Detection System (IDS), etc., installed by Landlord shall be maintained, and if necessary, replaced by Landlord. However, the Landlord shall not attempt any maintenance of, or repair of, or interfere with, the actual security, telephone, or telecommunications equipment, such as cameras, consoles, monitors, satellite dishes, telephone handsets, and Point-of-Service (POS) equipment.

j. Landlord is responsible for all utilities including all systems and structures and the components thereof which deliver such utility services to the Premises, including but not limited to base building plumbing, pipes, conduit, wiring, and related components located within the facility including, without limitation, behind walls,

under floors and inside ceilings. This excludes additional systems and/or structures that were specifically installed by the Postal Service or its contractors for the Postal Service's particular furniture, fixtures, and equipment (FF&E) needs.

2. Notwithstanding anything herein to the contrary, the Postal Service shall, except for damage resulting from, and to the extent of, the negligence of Landlord, maintain the following items at the Premises if originally installed by the Postal Service: flag poles, dock lifts, roll-up customer service windows, roll-up doors, scissor lifts, electronic security systems, and lobby and back-door locks. The Postal Service's duties include repair and replacement, as necessary, and shall be fulfilled at such time and in such manner as the Postal Service reasonably considers necessary to keep such items in proper condition during the Lease term. The Landlord shall be responsible for the portion of maintenance, repair and replacement costs for damage to such items resulting directly from its negligence.

3. Whenever the Landlord's obligation for maintenance, repair, or replacement arises under this Lease, Landlord shall make all repairs promptly but in any event within the time period provided in the Postal Service's notice to Landlord and submit photographs of the completed repair to the Postal Service at the address designated in such notice provided by the Postal Service. If Landlord fails to make such repairs within the time period set forth in the Postal Service's notice to Landlord (except when the repairs require more time than as provided in the Postal Service's notice to Landlord and Landlord proposes another time period for completion acceptable to the Postal Service), the Postal Service may (i) perform the maintenance, repair, or replacement (by contract or otherwise) and recover the cost plus any administrative cost and/or interest, from the Landlord and from Rent and other payments and reimbursements due or to become due to Landlord, or (ii) terminate the Lease on a date specified by the Postal Service in the notice to Landlord. Notwithstanding the foregoing, in the event of an emergency (as reasonably determined by the Postal Service), the Postal Service may give Landlord such shorter notice as is practicable under the circumstances, including by telephone, and if Landlord fails to make such repairs immediately, the Postal Service may immediately perform the maintenance, repair, or replacement (by contract or otherwise) and recover the cost plus any administrative cost and/or interest, from Landlord and from Rent and other payments and reimbursements due or to become due to Landlord. The Postal Service may abate Rent and all other payments due or to become due under this Lease for any period the Postal Service reasonably determines all or any portion of the Premises, any common areas of the Property providing access to the Premises, or parking areas are untenantable or unfit for the Postal Service's use. The remedies provided in this section are non-exclusive and are in addition to any remedies available to the Postal Service under applicable law.

4. In performing the maintenance, repair and/or replacement obligations under this Lease, Landlord must:

   a. comply with applicable Occupational Safety and Health Standards, title 29 Code of Federal Regulations (CFR) (including but not limited to Parts 1910 and 1926), promulgated pursuant to the authority of the Occupational Safety and Health Act of 1970 (OSHA);

   b. comply with any other applicable federal, state, or local regulation governing workplace safety to the extent they are not in conflict with section (a) above; and

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c. take all other proper precautions to protect the health and safety of:

(1) any laborer or mechanic employed by the Landlord in performance of this Lease;
(2) Postal Service employees; and
(3) the public.

Landlord must include this clause in all contracts hereunder and require its inclusion in all subcontracts of a lower tier. The term "Landlord" as used in this clause in any contract must be deemed to refer to the contractor.

UNITED STATES POSTAL SERVICE.

Utilities, Service, & Equipment Rider

Facility Name/Location
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1. **HEAT**

Landlord must furnish and maintain a heating system in accordance with the Maintenance Rider and pay for all fuel required for proper operation of the heating system.

2. **AIR CONDITIONING**

Landlord must furnish and maintain air-conditioning equipment in accordance with the Maintenance Rider and pay for all power required for proper operation of the equipment.

3. **ELECTRICITY**

Landlord must furnish and maintain an electrical system in accordance with the Maintenance Rider, and pay for all recurring electric bills.

4. **LIGHT**

Landlord must provide light fixtures in good working order and maintain, repair and replace the same to ensure that the light fixtures remain in good working order throughout the Lease term. Landlord is not responsible for replacement of light bulbs.

5. **WATER**

Landlord must furnish and maintain at all times throughout the Lease term a potable water system in good working order, in accordance with the Maintenance Rider, and pay for all recurring water charges.

6. **SEWER**

Landlord must furnish and maintain at all times throughout the Lease term a sewer system in good working order, in accordance with the Maintenance Rider, and pay for all recurring sewer charges.

7. **TRASH**

The Postal Service agrees to furnish trash receptacles and pay for all trash removal for the Premises.

8. **SNOW**

Landlord agrees to furnish and pay for the timely (but in no event later than as required by local law) removal of snow and ice from the roof and the sidewalks, driveway, parking and maneuvering areas, and any other areas providing access to the Premises for use by the Postal Service's employees, contractors, or the public (including, but not limited to, stairs, handicap access ramps, carrier ramps, etc.).

9. **CUSTODIAL SERVICES**

The Postal Service agrees to furnish and pay for all custodial services for the Premises.

UNITED STATES POSTAL SERVICE.

Subordination, Non-Disturbance and Attornment Agreement

Facility Name/Location
LAREDO - EL CENTRO STATION (484950-009)
1300 MATAMOROS ST, LAREDO TX 78040-9998

County: Webb
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DMA
11/9/2020

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement"), dated this _____ day of _____, 20 _____ between the UNITED STATES POSTAL SERVICE, an independent establishment of the Executive Branch of the government of the United States ("the Postal Service") and _____("Mortgagee"), having its principal place of business at _____.

RECITALS:

A. The Postal Service is the tenant under that certain lease executed between the Postal Service and _____ ("Landlord") dated _____ [as amended by _____ dated as of _____] ([the lease and all amendments thereto are] hereinafter referred to as the "Lease"), covering all or a portion of property legally described in **Schedule A** attached hereto and made a part hereof (the "Property").

B. Mortgagee has made a loan (the "Loan") to Landlord which is secured, in part, by the lien of a mortgage and an assignment of leases and rents, each executed and delivered by Landlord to Mortgagee encumbering the Property (collectively, the "Mortgage").

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Subordination. The Lease and all terms thereof, including, without limitation, any options to purchase, rights of first refusal, and any similar rights, are and shall be subject and subordinate to the lien of the Mortgage, and to all amendments, modification, replacements and extensions thereof, to the full extent of the principal, interest, fees, expenses and all other amounts secured thereby.

2. Non-Disturbance. In the event of a foreclosure of the Mortgage, provided that at the time of the commencement of any such action or proceeding the Postal Service shall not be in default under any of the terms of the Lease beyond the expiration of any applicable notice or grace periods, Mortgagee agrees for itself and its successor and assigns that it will not join the Postal Service in summary or foreclosure proceedings unless applicable law requires Mortgagee to join all commercial occupants of the Property in such proceedings and then such joinder shall be for notice purposes only and that the leasehold interest of the Postal Service under the Lease shall not be extinguished or terminated by reason of such foreclosure, but rather the Lease shall continue in full force and effect and Mortgagee shall recognize and accept the Postal Service as tenant under the Lease subject to the terms and provision of the Lease. Nothing herein shall be construed as a waiver of the Postal Service's sovereign immunity or as a consent or agreement by the Postal Service to subject itself to the jurisdiction of any state or local governmental entity or court of law.

3. Attornment. Upon the conveyance of the Property by reason of the foreclosure of the Mortgage or the acceptance of a deed or assignment in lieu of foreclosure or otherwise, the Lease shall not be terminated or affected thereby as provided in this Agreement, and the Postal Service agrees to attorn to the transferee of the

Property (the "Transferee") as the landlord under the Lease and the Transferee shall accept such attornment; provided, however, if requested by Transferee, the Postal Service shall execute a new lease with the Transferee, for a term equal to the remaining term of the Lease and otherwise containing the same provisions and covenants and in form acceptable to the Postal Service.

4. Notice to Mortgagee. Prior to terminating the Lease due to a default by Landlord thereunder, the Postal Service agrees to notify Mortgagee of such default in writing and give Mortgagee the opportunity to cure such default within thirty (30) days of Mortgagee's receipt of such notice, or if such default cannot reasonably be cured within such thirty (30) day period, Mortgagee shall have such longer time as may be necessary to cure the default provided that Mortgagee commences the cure within such period and diligently pursues the cure thereafter, but not to exceed sixty (60) days after Mortgagee's receipt of the notice.

5. Notices. All notices or other written communications hereunder shall be deemed to have been properly given if delivered in accordance with the delivery methods under the Lease, addressed to the Postal Service at the addressed identified in the Lease and addressed to Mortgagee at the address identified above.

6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

7. No Oral Modifications. This Agreement can be modified only in writing duly executed by both parties.

8. Choice of Law. This Agreement shall be governed and interpreted in accordance with Federal Law, however if there is no applicable Federal law then the law of the state where the Premises are located shall be applied. Venue shall lie only in the Federal courts.

9. Duplicated Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

[Signature Page Follows]

UNITED STATES POSTAL SERVICE.

Subordination, Non-Disturbance and Attornment Agreement

Facility Name/Location
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1300 MATAMOROS ST, LAREDO TX 78040-9998

County: Webb
Lease: Q90000530006

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and the year first above written.

MORTGAGEE:

_____

BY: _____

NAME: _____

TITLE: _____

Subscribed and Sworn to before me, a notary public, in and for _____ County, State of _____ this _____ day of _____, _____.

_____

Notary Public

My commission expires

POSTAL SERVICE:

UNITED STATES POSTAL SERVICE

BY: _____

NAME: _____

TITLE: _____

UNITED STATES POSTAL SERVICE.

Subordination, Non-Disturbance and Attornment Agreement

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County: Webb
Lease: Q90000530006

Subscribed and Sworn to before me, a notary public, in and for _____ County, State of_____this_____ day of_____,_____.

_____

Notary Public

My commission expires

UNITED STATES POSTAL SERVICE.

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SCHEDULE A

(to SNDA)

LEGAL DESCRIPTION

1300 Matamoros Avenue, El Centro Station 1st Floor