

**SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

536A



FORM APPROVED COUNTY COUNSEL
 BY: HAILAR R. BROWN
 DATE: 2/26/14
 Departmental Concurrence

FROM: Housing Authority

SUBMITTAL DATE:
February 27, 2014

SUBJECT: Amendment to Lease between Housing Authority of the County of Riverside, as Landlord, and United States Postal Service Riverside, as Tenant, District 2, CEQA Exempt, [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached Lease Amendment No. 002, including Addendum;
2. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities, and direct the Clerk of the Board to file the attached Notice of Exemption;
3. Authorize the Chairman of the Board of Commissioners to execute the Lease Amendment No. 002 on behalf of the Housing Authority of the County of Riverside; and,

(Continued)

[Signature]

Robert Field
Executive Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No
For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
Rohini Dasika

County Executive Office Signature

MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
 Nays: None
 Absent: None
 Date: March 11, 2014
 xc: Housing, Recorder

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Prev. Agn. Ref.: 4.4 of 12/7/2010

District: 2/2

Agenda Number:

10-1

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Housing Authority

FORM 11: Amendment to Lease between Housing Authority of the County of Riverside, as Landlord, and United States Postal Service Riverside, as Tenant, District 2, CEQA Exempt, [\$0]

DATE: February 27, 2014

Page 3 of 4

BACKGROUND:

Summary (Continued)

The Post Office desires to exercise Renewal Option 1 and has requested that the contracted annual rental amount for the upcoming term in the amount of \$114,588.00 be reduced to reflect the current fair market rent for the Subject Property. The County of Riverside Economic Development Agency staff used the real estate comparables valuation technique to determine the fair market rental value of the Subject Property. Based on staff's comparative market analysis, an annual rent payment in the amount of \$85,941.00 constitutes a fair market annual rent. The proposed new annual rental amount for Renewal Option 1 of \$85,941.00 constitutes an \$8,941.00 increase in annual rental payments going forward from the current annual rent of \$77,000.00 per year. Renewal Option 2 will remain \$133,686.00 per year in annual rent.

In addition to reducing the annual rental payable during Renewal Option 1 to reflect fair market value, staff proposes to reduce the lease term of Renewal Option 1 and Renewal Option 2, to allow for development of the Subject Property as affordable housing pursuant to Community Redevelopment Law (Health and Safety Code Section 33000 et seq.). Staff also proposes that the Housing Authority amend the Rubidoux Post Office Lease to grant a termination right to both parties, without cause, commencing on year 2 of the new lease term. This termination right would be in effect during the terms for both Renewal Option One and Renewal Option Two, granting the Housing Authority the flexibility it needs to comply with the affordable housing development requirements under the Community Redevelopment Law.

Pursuant to Health and Safety Code Section 33334.16, activities consistent with the development of the Subject Property for affordable housing must have commenced within five years from the date the agency first acquires the property. On October 13, 2013, the Governor approved Senate Bill No. 341, an act to amend Section 34176 of, and to add Section 34176.1 to, the Health and Safety Code, relating to redevelopment. Under Section 34176.1 (e), time periods described in Section 33334.16 are deemed to have commenced on the date that the Department of Finance approved the property as a housing asset, which was February 15, 2013. In order to comply with the development requirements set forth in Health and Safety Code Section 33334.16, staff is recommending that the Board of Commissioners approve the amendments to the Rubidoux Post Office Lease discussed herein and as set forth in Lease Amendment No. 002.

A summary of all of the proposed amendments are listed below.

Proposed Amendment to Rubidoux Post Office Lease

Renewal Option	Effective Date	Expiration Date	Per Annum Rental
1	1/1/2014	2/15/2017*	\$85,941.00*
2	2/16/2017*	2/15/2021*	\$133,686.00

***Proposed amended term**

- o Annual rental amount for Renewal Option 1 is amended from \$114,588.00 to \$85,941.00;
- o Lease term for Renewal Option 1 is reduced from January 1, 2014 through December 31, 2018 to January 1, 2014 through February 15, 2017;

(Continued)

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Housing Authority

FORM 11: Amendment to Lease between Housing Authority of the County of Riverside, as Landlord, and United States Postal Service Riverside, as Tenant, District 2, CEQA Exempt, [\$0]

DATE: February 27, 2014

Page 4 of 4

BACKGROUND:

Summary (Continued)

- Lease term for Renewal Option 2 is reduced from January 1, 2019 through December 31, 2023 to February 16, 2017 through February 15, 2021;
- Termination right of both parties is added after year 2 with 180 days written notice (applies to both Renewal Option 1 and Renewal Option 2); and
- Waiver of 90 day notice to exercise Renewal Option 1.

Unless otherwise changed pursuant to the proposed amendment, all of the other existing lease terms will remain the same.

Pursuant to the California Environmental Quality Act (CEQA), the lease amendment was reviewed and determined to be categorically exempt from CEQA under CEQA Guidelines 15301, Class 1 – Existing Facilities. The proposed project, the amendment of the Rubidoux Post Office Lease, is the letting of property involving existing facilities and no expansion of an existing use will occur. The Notice of Exemption attached hereto as Attachment C, will be filed with the County Clerk, upon approval of Lease Amendment No. 002.

The attached Lease Amendment No. 002 has been reviewed and approved by County Counsel as to legal form.

Impact on Residents and Businesses

There will be no foreseeable impact on residents and local businesses. This renewal will ensure post office services to the residents in the area.

Contract History and Price Reasonableness

This is a three year renewal. This lease has been in place since June 2004. The lease rate is deemed competitive based upon an analysis of current fair market value.

Attachments:

- Attachment A - Lease Amendment No. 002
- Attachment B - Original Lease (including amendments)
- Attachment C - Notice of Exemption

ATTACHMENT A

Lease Amendment No. 002

(Behind this page)



Lease Amendment

Facility Name/Location

RUBIDOUX STATION (056552-002)
5757 TILTON AVE, RIVERSIDE, CA 92509-6714

Amendment No: 002
Lease: fz0000140651

This refers to the Lease accepted by the United States Postal Service, hereinafter called the Postal Service, under date of 06/21/2004, including all amendments hereto, whereby there is leased to the Postal Service the above-described postal facility.

WHEREAS the Housing Authority of the County of Riverside, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency of the County of Riverside (former RDA), has assumed all rights, title, obligations and interests of the former RDA under the Lease, and is now the "Landlord" under the Lease; and

WHEREAS the Postal Service desires and Landlord is willing to amend the Lease as specified below;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows, effective on the date this document is executed by the Postal Service and Landlord.

SEE ADDENDUM

In all other respects, the Lease shall remain the same and is hereby confirmed.



Addendum

Facility Name/Location
RUBIDOUX STATION (056552-002)
5757 TILTON AVE, RIVERSIDE, CA 92509-6714

County: Riverside
Lease: fz0000140651

RENEGOTIATE RENEWAL OPTION RENT:

Page 2, Section 4: RENEWAL OPTIONS of the current Lease states the renewal option as follows:

Renewal Option	Commencement Date	Expiration Date	No. Yrs	Per Annum Rental
First	01/01/2014	12/31/2018	Five (5)	\$114,588

Both parties hereby agree to amend Page 2, Section 4:RENEWAL OPTIONS as follows:

Renewal Option	Commencement Date	Expiration Date	New Term	Per Annum Rental
First	01/01/2014	02/15/2017	37 1/2 mos.	\$85,941

The Second Renewal Option date shall be amended from 01/01/2019 to 12/31/2023 in the current Lease, to 02/16/2017 to 02/15/2021.

The First renewal option shall be simultaneously exercised upon counter-signature by the Postal Service. The parties waive defects, if any, in the timing of this renewal of Lease, and the notice of the renewal of Lease set forth at Page 2, Section 4 of the Renewal Option of the existing Lease, for this First renewal option only and agree to be bound by the terms of the Lease and the renewal thereof, as amended herein.

TERMINATION OPTION:

Landlord and Postal Service shall have the option to terminate this lease after Year 2 with 180 days written Notice to either party during the First and Second Option period.



Lease Amendment

The Lease Amendment may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

EXECUTED BY LANDLORD this 11 day of March 2014

GOVERNMENTAL ENTITY

By executing this Lease Amendment, Landlord certifies that Landlord is not a USPS employee or contract employee (or an immediate family member of either), or a business organization substantially owned or controlled by a USPS employee or contract employee (or an immediate family member of either)

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic

By: Jeff Stone

JEFF STONE, Chairman Board of Commissioners

APPROVED AS TO FORM:

PAMELA J. WALLS

County Counsel

By: Jhaila R. Brown

JHAILA R. BROWN, Deputy County Counsel

ATTEST:

KECIA HARPER-IHEM

Clerk of the Board

By: [Signature]

Deputy

Landlord's Address: HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE 5555 Arlington Ave.

RIVERSIDE, CA Zip+ 92504

Landlord's Telephone Number(s): (951) 343-5409

Federal Tax Identification No: XX-XXX1631

Witness

Witness

- a. Where the Landlord is a governmental entity or other municipal entity, the Lease must be accompanied by documentary evidence affirming the authority of the signatory(ies) to execute the Lease to bind the governmental entity or municipal entity for which he (or they) purports to act.
b. Any notice to Landlord provided under this Lease or under any law or regulation must be in writing and submitted to Landlord at the address specified above, or at an address that Landlord has otherwise appropriately directed in writing. Any notice to the Postal Service provided under this Lease or under any law or regulation must be in writing and submitted to "Contracting Officer, U.S. Postal Service" at the address specified below, or at an address that the Postal Service has otherwise directed in writing.

ACCEPTANCE BY THE POSTAL SERVICE

By executing this Lease Amendment, Postal Service as Lessee under the Lease hereby consents to and accepts the terms of the Amendment.

Date:

Laureen A Yamakido Contracting Officer

Signature of Contracting Officer

Pacific FSO 1300 EVANS AVE., SUITE 200, SAN FRANCISCO, CA 94188-8200 Address of Contracting Officer

ATTACHMENT B

Original Lease
(Including Amendment)
(Behind this page)



Lease Amendment

Facility Name/Location

RUBIDOUX STATION (056552-002)
5757 TILTON AVE, RIVERSIDE, CA 92509-9997

Amendment No: 1
Project: F25555

This refers to the Lease accepted by the United States Postal Service, hereinafter called the Postal Service, under date of 06/21/2004, whereby there is leased to the Postal Service the above-described facility.

WHEREAS, the Postal Service desires and Landlord is willing to amend the Lease as specified below;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows, effective 06/27/2005:

In the Addendum to the Lease, the provision "PROPOSITION 13/RE-ASSESSMENT," is hereby deleted and replaced with the following:

"Tax Rider Reimbursement of Paid Taxes is hereby attached and made a part of the Lease and is in full force and effect for the remainder of the Lease. The Postal Service shall pay taxes in accordance with said Rider less \$7,487.94 for any given tax year. For example, if the amount of tax paid by the Landlord in a tax year is \$10,000, then the Postal Service would pay to the Landlord \$2,512.06."

In all other respects, the Lease shall remain the same and is hereby confirmed.



Lease

Facility Name/Location

RIVERSIDE - RUBIDOUX STATION (056552-002)
5757 TILTON AVE RIVERSIDE, CA 92509-9997

RIVERSIDE COUNTY
Project: F76190

This LEASE, made and entered into by and between TEXAS HOLDING COMPANY A NEW YORK PARTNERSHIP hereinafter called the Lessor, and the United States Postal Service, hereinafter called the Postal Service:

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

1. The Lessor hereby leases to the Postal Service and the Postal Service leases from the Lessor the following premises, hereinafter legally described in paragraph 8, in accordance with the terms and conditions described herein and contained in the 'General Conditions to U.S. Postal Service Lease,' Section A, attached hereto and made a part hereof.

Upon which is a one-story masonry block building and which property contains areas, spaces, improvements, and appurtenances as follows:

AREA	SQ. FEET	AREA	SQ. FEET
Nel Floor Space	9,549	Joint Use/Common Areas:	
Platform	547		
Parking and Maneuvering	33,562		
Other:			
Driveway			
Landscaping	7,255		
Sidewalks			
Ramp	105		

Total Site Area: 51,018

2. RENTAL: The Postal Service will pay the Lessor an annual rental of: as outlined on the Attached Addendum.

Rent checks shall be disbursed as follows:

payable to:

TEXAS HOLDING COMPANY A NEW YORK PARTNERSHIP
290 CENTRAL AVENUE #205
LAWRENCE NY 11559-8507

unless the Contracting Officer is notified, in writing by Lessor, of any change in payee or address at least sixty (60) days before the effective date of the change.

3. TO HAVE AND TO HOLD the said premises with their appurtenances:

FIXED TERM: The term beginning Jun 01, 2004 and ending Dec 31, 2013 for a total of 9 years and 7 months.

4. **RENEWAL OPTIONS:** The Lease may be renewed at the option of the Postal Service, for the following separate and consecutive terms and at the following annual rentals:

RENEWAL OPTION	EFFECTIVE DATE	EXPIRATION DATE	PER ANNUM RENTAL
1	1/1/2014	12/31/2018	\$114,588.00
2	1/1/2019	12/31/2023	\$133,686.00

provided that notice is sent, in writing, to the Lessor at least 90 days before the end of the original 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. **UTILITIES, SERVICES, AND EQUIPMENT:** Lessor, as part of the rental consideration, shall furnish the following utilities, services and equipment: (See Lessor Obligations of General Conditions (A.24) and/or attached addendum for definitions.) Heating System, Air Conditioning, Light Fixtures, Sewerage System, Electrical System, Water System, as currently installed. USPS is responsible for custodial maintenance, trash and snow removal and separately metered utilities.

6. **OTHER PROVISIONS:** The following additional provisions, modifications, riders, layouts and/or forms were agreed upon prior to execution and made a part hereof:
Maintenance Rider - USPS (M-1), See Attached Addendum.

~~7. The undersigned has completed the Representations and Certifications. (See Section B).~~ 

8. **LEGAL DESCRIPTION:**

Lots 5, 6, 7, 8, and 9 of Mayfair Square Unit Number One as shown on Map on file in Book 39, pages 50 and 51 of Maps in the Office of the County Recorder of Riverside County, State of California. All of that certain plot is situated at 5757 Tilton Avenue, Riverside, California.



Lease

EXECUTED BY LESSOR this 1 day of JUNE, 2004.

PARTNERSHIP

Texas Holding Company (a New York Partnership)

DAVID GOLD GENI PARTNER
Print Name & Title

David Gold
Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Lessor, Address: TEXAS HOLDING COMPANY A NEW YORK PARTNERSHIP
290 CENTRAL AVENUE #205 LAWRENCE NY 11559-8507

Telephone No: (516) 371-4635

Taxpayer ID: 13-3683023

Witness *Evelyn Lee*

Witness *Gene Burt*

ACCEPTANCE BY THE POSTAL SERVICE

Date: 6/21/04

LAUREEN YAMAKIDO
Contracting Officer
395 OYSTER PT BLVD, STE 225
SO SAN FRANCISCO, CA 94080-0300

Laureen Yamakido
Signature of Contracting Officer

Address of Contracting Officer



71750
Addendum

Facility Name/Location RIVERSIDE - RUBIDOUX STATION (056552-002)
5757 TILTON AVE RIVERSIDE, CA 92509-9997

County: RIVERSIDE
Project: F76190

2. RENTAL:

Annual rent shall be payable in equal monthly installments at the end of each calendar month. Annual rent shall be paid at the following rates:

\$44,497 for the period ~~January~~ ^{JUNE} 1, 2004 through December 31, 2008, and
\$77,000 for the period January 1, 2009 through December 31, 2013.

SUPERCEDING LEASE:

This Lease supercedes and cancels that certain Lease entered into on January 31, 1969.

PROPOSITION 13/RE-ASSESSMENT:

In the event Proposition 13 (passed on June 6, 1978 in the State of California) is repealed, or, if the property is re-assessed resulting in a tax of 10% greater than the previous year's tax, during the term of this lease or any renewal periods thereof, rent shall be reduced by the amount of the real property tax for the most recent tax year (first year of new assessed value). Exhibit A, The Tax Rider-Reimbursement of paid Taxes/98, or any subsequent version thereof, shall then be incorporated as part of this lease.

This lease shall be amended to reflect this action. Rent and taxes shall be prorated as of the effective date of the amendment.

MODIFICATIONS TO THE GENERAL CONDITIONS:

See General Conditions to USPS Lease for modifications, specifically:

In Section A.17:

On page A.5, in the second paragraph after "The Lessor must" add "to the best of his knowledge".

On page A.5, in the third paragraph after "Unless due to the act or negligence" add "or building specifications or plans".

On page A.6, in the third paragraph after "Postal Service has the right to accomplish the work" add "at its own expense" and delete "and deduct the cost plus administrative costs, from future rent payments or recover these costs from Lessor by other means".

On page A.6, delete "By execution of this Lease the Lessor certifies:" and subsections 1, 2, and 3.

In Section A.21:

On page A.5, delete the last portion of the last sentence, "and any rights of restoration are waived."

In Section A.23:

On page A.5, after "the Postal Service may" add ", unless such case is due to Postal Service negligence".



Tax Rider
Reimbursement of Paid Taxes/98

RIVERSIDE - RUBIDOUX STATION (056552-002)
5757 TILTON AVE RIVERSIDE, CA 92509-9997

EXHIBIT "A"

Assessor's Parcel Number:

a. Definitions

Ad Valorem means according to the value of the property.

Property Tax Rate is an amount expressed as dollars and cents per \$100.00 or per \$1,000.00 of assessed value or as mills per \$1.00 of assessed value as set by authorities for tax jurisdictions.

Real Property Taxes, as used in this clause, shall mean those taxes, including *ad valorem* taxes, special assessments, fees and charges, that are assessed against any or all taxable real property appearing on the assessment roll or list in a taxing authority's jurisdiction and that are identified by a taxing authority for the support of government activities within its jurisdiction, whether such activities are general or specific. Real Property Taxes also include administrative charges or fees imposed by a taxing authority for the support of its tax assessment and collection activities.

b. The lessor agrees to pay all taxes of any kind, including Real Property Taxes, special assessments, and charges and fees of every kind and nature levied on the Demised Premises.

c. The Postal Service will reimburse Lessor for paid Real Property Taxes, as defined above, only under the following terms:

1. Lessor may submit not more than one request for reimbursement in any calendar year, irrespective of the number of taxing authorities included; and reimbursement will be made not more than one time annually by the Postal Service.
2. No reimbursement will be made for fines, penalties, interest or costs imposed for late payment.
3. Reimbursement will be made only for paid taxes, less the maximum discount allowed by the taxing authority for prompt or early payment, regardless of whether Lessor actually received any such discount.
4. Notwithstanding anything contained in section c.3 above, in the case of a special assessment for which a taxing authority permits or prescribes installment payments that extend beyond the lease term, reimbursement will be made only for those installments that are required to be made during the lease term, regardless of whether Lessor pays in full or otherwise adjusts the payment schedule within the lease term.
5. Reimbursement will be made only for taxes levied for periods of time within the term of this Lease.
6. In order to qualify for reimbursement, the tax bill as issued by the taxing authority must pertain only to the Demised Premises, and to no other real property.
7. Lessor must provide copies of the front and back of the complete tax bill issued by the taxing authority, along with satisfactory proof of payment. Satisfactory proof of payment shall be (i) a receipt for payment shown on the face of the tax bill, (ii) a copy of the front and back of the canceled payment check, (iii) a statement from a lender verifying payment of the tax, or (iv) other documentation satisfactory to the Postal Service.
8. Incomplete or improper requests for reimbursement will be returned to Lessor without payment.
9. The Postal Service is not required to reimburse paid taxes unless the request for reimbursement is made within 18 months after the close of the tax year.

d. The Lessor must promptly furnish to the Postal Service copies of all notices that may affect the valuation of the Demised Premises for Real Property Tax purposes or that may affect the levy or assessment of Real Property Taxes thereon. If Lessor does not timely furnish such notices relating to valuation changes or the levy or assessment of taxes or fails to meet any legal prerequisite for appeal and the Postal Service loses the right to contest the validity or the amount of the taxes, then the Postal Service shall be responsible to reimburse Lessor for only 75% of the reimbursable taxes due for the year involved.



EXHIBIT "A"

Tax Rider
Reimbursement of Paid Taxes/98

All notices required under this paragraph must be delivered or mailed, using certified mail with a return receipt or other verified method of delivery, within ten (10) days from the receipt thereof by the Lessor to:

or to such other office as the Postal Service may later direct in writing.

- e. The Postal Service may contest the validity of any valuation for Real Property Tax purposes or of any levy or assessment of any Real Property Taxes by appropriate proceedings either in the name of the Postal Service or of the Lessor or in the names of both. Notwithstanding any contest of valuation, levy, assessment, or Property Tax Rate, Lessor must pay under protest the Real Property Taxes involved when requested to do so by the Postal Service. The Lessor, upon reasonable notice and request by the Postal Service, must join in any proceedings, must cooperate with the Postal Service, and must execute and file any documents or pleadings as the Postal Service may require for such proceeding, provided the Lessor is reasonably satisfied that the facts and data contained therein are accurate. Lessor will not be responsible for the payment of penalties, costs, or legal expenses in connection with any protest or appeal proceedings brought by the Postal Service, and the Postal Service will indemnify and save harmless the Lessor from any such penalties, costs, or expenses. Lessor hereby authorizes the Postal Service as its agent to represent its interest in any appeal or protest proceeding authorized under this paragraph.
- f. Lessor shall promptly notify the Postal Service of any appeal or other action it takes or initiates to adjust any valuation of the property, Property Tax Rate, or levy or assessment of Real Property Taxes. The Postal Service is entitled to any and all monies obtained through such actions or any other refunds or remissions of Real Property Taxes paid in any year subsequent to the commencement of the lease. If any such refunded or remitted monies are paid or delivered to Lessor, Lessor must immediately forward them to the Postal Service. If Lessor is informed that he is entitled to a refund or remission of monies paid as Real Property Taxes upon the submission of an application, Lessor will promptly make and file such application, and upon receipt of such refund or remission, immediately forward it to the Postal Service. The Postal Service reserves the right to offset refund and remission payments not so obtained or forwarded, against rental or other payments due the Lessor.
- g. The Postal Service is entitled to the benefits of all tax exemptions or abatements authorized by law or regulation that may be available with respect to the Demised Premises. Lessor shall take all necessary steps to obtain such exemptions or abatements. The Postal Service reserves the right to offset against rental or other payments due the Lessor the amount or value of any abatement or exemption that would have been available if Lessor had properly applied for it, and any amount for which the Postal Service is not to be responsible under paragraph (b), above.
- h. Nothing herein contained shall operate to waive or deprive the Postal Service of any rights, privileges or immunities it enjoys under law.

SECTION A

A.1 CHOICE OF LAW

This Lease shall be governed by federal law.

A.2 DEFINITIONS

As used in this contract, the following terms have the following meanings:

a. "Contracting officer" means the person executing this contract on behalf of the Postal Service, and any other employee who is a property authorized contracting officer; the term includes, except as otherwise provided in the contract, the authorized representative of a contracting officer acting within the limits of the authority conferred upon that person.

b. "Successful offeror," "offeror," "owner," "contractor," or "Lessor" are interchangeable and refer to the party whose proposal is accepted by the Postal Service.

c. "Lease" and "agreement" are interchangeable and refer to this document, including all riders and attachments thereto.

A.3 EXECUTION REQUIREMENTS

a. All co-owners and all other persons having or to have a legal interest in the property must execute the Lease. If the offeror is married, the husband or wife of the offeror must also execute the Lease. The offeror must submit adequate evidence of title.

b. If the offeror is a general partnership, each member must sign.

c. If the offeror is a limited partnership, all general partners must sign.

d. Where the offeror is an administrator or an executor of an estate, there must be furnished a certificate of the clerk of the court or certified copy of the court order showing the appointment of the administrator or executor, together with a certified copy of the will of the deceased. If there is no will, or in the event the will of the deceased does not specifically authorize the administrator or the executor to enter into a contract to lease the proposed quarters, it will generally be necessary to furnish, in addition to the above named items, a certified copy of the court order authorizing such administrator or executor to enter into a lease with the Postal Service.

e. Where the offeror is a trustee, a certified copy of the instrument creating the trust must be furnished together with any other evidence necessary to establish the trustee's authority to lease.

f. Where the offeror is a corporation, leases and lease agreements entered into must have the corporate seal affixed or in place thereof the statement that the corporation has no seal.

g. Where the offeror is a corporation, municipal corporation, fraternal order or society, the Lease must be accompanied by documentary evidence affirming the authority of the agent, or agents, to execute the Lease to bind the municipal corporation, fraternal order or society for which he (or they) purports to act. The usual evidence required to establish such authority is in the form of extracts from the articles of incorporation, or bylaws, or the minutes of the board of directors duly certified by the custodian of such records, under the corporate seal. Such resolutions, when required, must contain the essential stipulations embodied in the Lease. The names and official titles of the officers who are authorized to sign the Lease must appear in the document.

h. Notices. Any notice to Lessor provided under this Lease or under any law or regulation must be in writing and may be hand delivered or mailed to Lessor at the address specified on page 3 of the Lease, or at an address that Lessor has otherwise appropriately directed in writing. Any notice to the Postal Service provided under this Lease or under any

law or regulation must be in writing and may be hand delivered or mailed, addressed to "Contracting Officer, U.S. Postal Service" at the address specified on page 3 of the Lease, or at an address that the Postal Service has otherwise directed in writing.

A.4 MORTGAGEE'S AGREEMENT

If there is now or will be a mortgage on the property which is or will be recorded prior to the recording of the Lease, the offeror must notify the contracting officer of the facts concerning such mortgage and, unless in his sole discretion the contracting officer waives the requirement, the offeror must furnish a Mortgagee's Agreement, which will consent to this Lease and shall provide that, in the event of foreclosure, mortgages, successors, and assigns shall cause such foreclosures to be subject to the Lease.

A.5 EQUAL OPPORTUNITY

a. The contractor may not discriminate against employees or applicants because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, or national origin. This action must include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants, notices provided by the contracting officer setting forth the provisions of this clause.

b. The contractor must, in all solicitations or advertisements for employees placed by it or on its behalf, state that all qualified applicants will be considered for employment without regard to race, color, religion, sex, or national origin.

c. The contractor must send to each union or workers' representative with which the contractor has a collective bargaining agreement or other understanding, a notice, provided by the contracting officer, advising the union or workers' representative of the contractor's commitments under this clause, and must post copies of the notice in conspicuous places available to employees and applicants.

d. The contractor must comply with all provisions of Executive Order (EO) 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

e. The contractor must furnish all information and reports required by the Executive order, and by the rules, regulations, and orders of the Secretary, and must permit access to the contractor's books, records, and accounts by the Postal Service and the Secretary for purposes of investigation to ascertain compliance with these rules, regulations, and orders.

f. If the contractor fails to comply with this clause or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part; the contractor may be declared ineligible for further contracts in accordance with the Executive order; and other sanctions may be imposed and remedies invoked under the Executive order, or by rule, regulation, or order of the Secretary, or as otherwise provided by law.

g. The contractor must insert this clause, including this paragraph g, in all subcontracts or purchase orders under this contract unless exempted by Secretary of Labor rules, regulations, or orders issued under the Executive order. The contractor must take such action with respect to any such subcontract or purchase order as the Postal Service may direct as a means of enforcing the terms and conditions of this clause (including sanctions for noncompliance), provided, however, that if the contractor becomes involved in, or is threatened with, litigation as a



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result, the contractor may request the Postal Service to enter into the litigation to protect the interests of the Postal Service.

h. Disputes under this clause will be governed by the procedures in 41 CFR 60-1.1.

A.6 FACILITIES NONDISCRIMINATION

a. As used in this clause, the term "facility" means stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in the building in which the space covered by this Lease is located.

b. The Lessor agrees that he will not discriminate by segregation or otherwise against any person or persons because of race, religion, color, age, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility including any and all services, privileges, accommodations, and activities provided thereby.

c. It is agreed that the Lessor's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Postal Service may take appropriate action to enforce compliance, may terminate this lease, or may pursue such other remedies as may be provided by law. In the event of termination, the Lessor shall be liable for all excess costs of the Postal Service in acquiring substitute space, including but not limited to the cost of moving to such space.

d. The Lessor agrees to include, or to require the inclusion of the foregoing provisions of this clause (with the terms "Lessor" and "Lease" appropriately modified) in every agreement or concession pursuant to which any person other than the Lessor operates or has the right to operate any facility. The Lessor also agrees that it will take such action with respect to any such agreement as the Postal Service may direct as a means of enforcing this clause, including but not limited to termination of the agreement or concession.

A.7 RESERVED

A.8 CONTINGENT FEES

a. The contractor warrants that no person or selling agency has been employed or retained to solicit or obtain this contract for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide, established commercial or selling agencies employed by the contractor for the purpose of obtaining business.

b. For breach or violation of this warranty, the Postal Service has the right to annul this contract without liability or to deduct from the contract price or otherwise recover the full amount of the commission, percentage, brokerage fee, or contingent fee.

c. Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practice, and who have not obtained such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within the exception contained in this clause.

A.9 ASSIGNMENT OF CLAIMS

a. If this contract provides for payments aggregating \$10,000 or more, claims for moneys due or to become due from the Postal Service under it may be assigned 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, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment 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, is filed with:

1. The contracting officer;
2. The surety or sureties upon any bond; and
3. The office, if any, designated to make payment, and the contracting officer has acknowledged the assignment in writing.

b. Assignment of this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.

c. Nothing contained herein shall be construed so as to prohibit transfer of ownership of the demised premises, provided that: 1. such transfer is subject to this agreement; and 2. both the original lessor and the successor lessor execute the standard Lease Assignment and Assumption form to be provided by the USPS Contracting Officer.

A.10 COMPLIANCE WITH OSHA STANDARDS

The Lessor must (i) comply with applicable Occupational Safety and Health Standards, title 29 Code of Federal Regulations, Part 1910, promulgated pursuant to the authority of the Occupational Safety and Health Act of 1970; (ii) comply with any other applicable federal, state, or local regulation governing workplace safety to the extent they are not in conflict with (i); and (iii) take all other proper precautions to protect the health and safety of (a) any laborer or mechanic employed by the Lessor in performance of this agreement, (b) Postal Service employees, and (c) the public. The Lessor must include this clause in all subcontracts hereunder and to require its inclusion in all subcontracts of a lower tier. The term "Lessor" as used in this clause in any subcontract must be deemed to refer to the subcontractor.

A.11 EXAMINATION OF RECORDS

a. The Postal Service and its authorized representatives will, until three years after final payment under this contract, or for any shorter period specified for particular records, have access to and the right to examine any directly pertinent books, documents, papers, or other records of the contractor involving transactions related to this contract.

b. The contractor agrees to include in all subcontracts under this contract a provision to the effect that the Postal Service and its authorized representatives will, until three years after final payment under the subcontract, or for any shorter specified period for particular records, have access to and the right to examine any directly pertinent books, documents, papers, or other records of the subcontractor involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes:

1. Purchase orders; and
2. Subcontracts for public utility services at rates established for uniform applicability to the general public.

A.12 YEAR 2000 WARRANTY (REAL PROPERTY CONTRACTS)

The contractor warrants that all building systems required under this contract (including, but not limited to, HVAC, electrical, lighting, elevator, or security/alarm systems) which contain or are managed, governed, or regulated in any manner by date-sensitive computer hardware or software, will suffer no failure, irregularity, or interruption of service based on failure accurately to process date data from, into, and between the twentieth and twenty-first centuries, including recognizing the year 2000 as a leap year. For breach of this warranty, the Postal Service may require the contractor to repair or replace those portions of any building system not performing as stated above.

The Postal Service may enforce this clause prior to January 1, 2000, if testing of any system before that date results in a failure, irregularity, or



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interruption of service as described above. Accordingly, systems must permit user-programmed date changes sufficient to simulate time periods beginning with any future date, including without limitation December 31, 1999. Nothing in this warranty may be construed to limit any rights or remedies the Postal Service may otherwise have under this contract with regard to Year 2000 compliance or any other defects or failures.

A.13 CLAIMS AND DISPUTES

- a. This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613) ("the Act").
- b. Except as provided in the Act, all disputes arising under or relating to this contract 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 contract. However, a written demand or written assertion by the contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph d.2 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.
 1. A claim by the contractor must be made in writing and submitted to the contracting officer for a written decision. A claim by the Postal Service against the contractor is subject to a written decision by the contracting officer.
 2. For contractor claims exceeding \$100,000, the contractor 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 contractor believes the Postal Service is liable, and that I am duly authorized to certify the claim on behalf of the contractor."
 3. The certification may be executed by any person duly authorized to bind the contractor with respect to the claim.
- e. For contractor claims of \$100,000 or less, the contracting officer must, if requested in writing by the contractor, render a decision within 60 days of the request. For contractor-certified claims over \$100,000, the contracting officer must, within 60 days, decide the claim or notify the contractor of the date by which the decision will be made.
- f. The contracting officer's decision is final unless the contractor appeals or files a suit as provided in the Act.
- g. When a claim is submitted by or against a contractor, 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 d(2) 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 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 interest clause.
- j. The contractor must proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the contracting officer.

A.14 AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS

The following clause is applicable if this contract provides for payments aggregating \$2,500 or more.

- a. The contractor may not discriminate against any employee or applicant because of physical or mental handicap, in regard to any position for which the employee or applicant is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified handicapped individuals without discrimination in all employment practices, such as employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship).
- b. The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.
- c. In the event of the contractor's noncompliance with this clause, action may be taken in accordance with the rules and regulations and relevant orders of the Secretary of Labor.
- d. The contractor agrees to post in conspicuous places, available to employees and applicants, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. These notices state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants, and the rights of applicants and employees.
- e. The contractor must notify each union or worker's representative with which it has a collective bargaining agreement or other understanding that the contractor is bound by the terms of section 503 of the Act and is committed to taking affirmative action to employ, and advance in employment, handicapped individuals.
- f. The contractor must include this clause in every subcontract or purchase order over \$2,500 under this contract unless exempted by rules, regulations, or orders of the Secretary issued pursuant to section 503 of the Act, so its provisions will be binding upon each subcontractor or vendor. The contractor must take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce in these provisions, including action for noncompliance.

A.15 AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

If this contract provides for payments aggregating \$10,000 or more, the following clause is applicable.

- a. The contractor may not discriminate against any employee or applicant because that employee or applicant is a disabled veteran or veteran of the Vietnam era, in regard to any position for which the employee or applicant is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination in all employment practices, such as employment, upgrading, demotion or transfer, recruitment, advertising, layoff or



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contract and including those occurring at an establishment of the contractor other than the one where the contract is being performed, but excluding those of independently operated corporate affiliates, at an appropriate local office of the state employment service where the opening occurs. State and local government agencies holding Postal Service contracts of \$10,000 or more will also list their openings with the appropriate office of the state employment service.

c. Listing of employment openings with the employment service system will be made at least concurrently with the use of any other recruitment source or effort and will involve the normal obligations attaching to the placing of a bona fide job order, including the acceptance of referrals of veterans and non-veterans. The listing of employment openings does not require the hiring of any particular applicant or hiring from any particular group of applicants, and nothing herein is intended to relieve the contractor from any other requirements regarding nondiscrimination in employment.

d. Whenever the contractor becomes contractually bound to the listing provisions of this clause, it must advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. The contractor may advise the State system when it is no longer bound by this clause.

e. Paragraphs b, c, and d above do not apply to openings the contractor proposes to fill from within its own organization or under a customary and traditional employer/union hiring arrangement. But this exclusion does not apply to a particular opening once the contractor decides to consider applicants outside its own organization or employer/union arrangements for that opening.

f. Definitions

1. All Employment Openings. This includes all positions except executive and top management, those positions that will be filled from within the contractor's organization, and positions lasting three days or less. This also includes full-time employment, temporary employment of more than three days duration, and part-time employment. Under the most compelling circumstances, an employment opening may not be suitable for listing, including situations in which the needs of the Postal Service cannot reasonably be otherwise supplied, when listing would be contrary to national security, or when listing would not be in the best interest of the Postal Service.

2. Appropriate Office of the State Employment Service. This means the local office of the federal/state national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, the Commonwealth of Puerto Rico, and the Virgin Islands.

3. Positions That Will be Filled From Within the Contractor's Own Organization. This means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries and parent companies) and includes any openings which the contractor proposes to fill from regularly established recall lists.

4. Openings the Contractor Proposes to Fill Under a Customary and Traditional Employer/Union Hiring Arrangement. Employment openings the contractor proposes to fill from union halls as part of the customary and traditional hiring relationship existing between it and representatives of its employees.

g. The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.

h. In the event of the contractor's noncompliance with this clause, action may be taken in accordance with the rules, regulations, and relevant orders of the Secretary.

i. The contractor agrees to post in conspicuous places, available to employees and applicants, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. These notices state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era, and the rights of applicants and employees.

j. The contractor must notify each union or workers' representative with which it has a collective bargaining agreement or other understanding that the contractor is bound by the terms of the Act and is committed to taking affirmative action to employ, and advance in employment, qualified disabled veterans and veterans of the Vietnam era.

k. The contractor must include this clause in every subcontract or purchase order of \$10,000 or more under this contract unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so its provisions will be binding upon each subcontractor or vendor. The contractor must take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce in these provisions, including action for noncompliance.

A.16 GRATUITIES OR GIFTS

a. The Postal Service may terminate this contract for default if, after notice and a hearing, the Postal Service Board of Contract Appeals determines that the contractor or the contractor's agent or other representative:

1. Offered or gave a gratuity or gift (as defined in 5 CFR 2635) to an officer or employee of the Postal Service; and
2. Intended by the gratuity to obtain a contract or favorable treatment under a contract.

b. The rights and remedies of the Postal Service provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

A.17 HAZARDOUS/TOXIC CONDITIONS CLAUSE

"Asbestos containing building material" (ACBM) 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 ACBM that when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.

To the BEST of his knowledge
The Lessor must identify and disclose the presence, location and quantity of all ACBM 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-ACBM. The Lessor agrees to disclose any information concerning the presence of lead-based paint, radon above 4 pCi/L, and lead piping or solder in drinking water systems in the building, to the Postal Service.

Sites cannot have any contaminated soil or water above applicable federal, state or local action levels or undisclosed underground storage tanks. Unless due to the act or negligence of the Postal Service, if contaminated soil, water, underground storage tanks or piping or friable asbestos material or any other hazardous/toxic materials or substances as defined by applicable Local, State or Federal law is subsequently identified on the premises, the Lessor agrees to remove such materials or substances upon notification by the U. S. Postal Service at Lessor's sole cost and expense in accordance with EPA and/or State guidelines. If ACBM is subsequently found in the building which reasonably should



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AT ITS OWN EXPENSE

have been determined, identified, or known to the Lessor, the Lessor agrees to conduct, at Lessor's sole expense, an asbestos survey 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 the Lessor fails to remove any friable asbestos or hazardous/toxic materials or substances, or complete an AHERA asbestos survey and O&M plan, the Postal Service has the right to ~~accomplish the work and deduct the cost plus administrative costs from future rent payments or recover these costs from Lessor by other means,~~ or may, at its sole option, cancel this Lease. 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 unavailable to it by reason of such condition.

The remainder of this clause applies if this Lease is for premises not previously occupied by the Postal Service.

~~By execution of this Lease the Lessor certifies:~~

1. the property and improvements are free of all contamination from petroleum products or any hazardous/toxic or unhealthy materials or substances, including friable asbestos materials, as defined by applicable State or Federal law;
2. there are no undisclosed underground storage tanks or associated piping, ACMI lead-on, lead-based paint, or lead piping or solder in drinking water systems, on the property; and
3. it has not received, nor is it aware of, any notification or other communication from any governmental or regulatory entity concerning any environmental condition, or violation or potential violation of any local, state, or federal environmental statute or regulation existing at or adjacent to the property.

The Lessor hereby indemnifies and holds harmless the Postal Service and its officers, agents, representatives, and employees from all claims, loss, damage, actions, causes of action, expense, fees and/or liability resulting from, brought for, or on account of any violation of this clause.

A.18 ADVERTISING OF CONTRACT AWARDS

Except with the contracting officer's prior approval, the contractor agrees not to refer in its commercial advertising to the fact that it was awarded a Postal Service contract or to imply in any manner that the Postal Service endorses its products.

A.19 RECORDING

This agreement or a memorandum hereof, must be recorded at the expense of the Lessor. Such expense includes all fees required for or incident to recording. If the Lessor fails to record the Lease, or a memorandum thereof, the Postal Service may record the Lease or a memorandum thereof, and deduct all costs associated therewith from future rents.

A.20 SUBLEASE

The Postal Service may sublet all or any part of the premises or assign this lease but shall not be relieved from any obligation under this lease by reason of any subletting or assignment.

A.21 ALTERATIONS

The Postal Service shall have the right to make alterations, attach fixtures and erect additions, structures or signs in or upon the premises hereby leased (provided such alterations, additions, structures, or signs shall not be detrimental to or inconsistent with the rights granted to other tenants on the property or in the building in which said premises are located); which fixtures, additions or structures so placed in, upon or attached to the said premises shall be and remain the property of the

Postal Service and may be removed or otherwise disposed of by the Postal Service. Prior to expiration or termination of this lease the Postal Service may remove such alterations and improvements and restore the premises to as good condition as that existing at the time of entering upon the same under the lease, reasonable and ordinary wear and tear and damages by the elements or by circumstances over which the Postal Service has no control, excepted. If however, at the expiration or termination of the lease or any renewal or extension thereof, the Postal Service elects not to remove such alterations and/or improvements, said alterations and/or improvements shall become the property of the Lessor, ~~and any rights of restoration are waived.~~

A.22 APPLICABLE CODES AND ORDINANCES

The Lessor, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the building in which the rented space is situated and to obtain all necessary permits and related items at no cost to the Postal Service.

A.23 DAMAGE OR DESTRUCTION OF PREMISES

If the demised premises or any portion thereof are damaged or destroyed by fire or other casualty, Acts of God, of a public enemy, riot or insurrection or are otherwise determined by the Postal Service to be unfit for use and occupancy, the Postal Service may

- a. terminate this lease as of the date the premises become unfit for use and occupancy, or
- b. require the Lessor to repair or rebuild the premises as necessary to restore them to tenable condition to the satisfaction of the Postal Service. For any period the premises, or any part thereof, are unfit for use and occupancy, the rent will be abated in proportion to the area determined by the Postal Service to be untenable. Unfitness for use does not include unsuitability arising from such causes as design, size, or location of the premises, or
- c. accomplish all repair necessary for postal occupancy and deduct all such costs, plus administrative burden from future rents.

A.24 LESSOR OBLIGATIONS

The Lessor's obligations regarding the services to be provided are further defined as follows:

- a. If heating system and fuel are furnished - Lessor must furnish heating system together with all fuel required for proper operation of the system during the continuance of the Lease. The system must be in good working order and, if maintained by the Lessor, will be maintained in accordance with the Maintenance Rider attached hereto. Any investigative or remediation cost associated with a release of fuel from the system, including any fuel tank, shall be the responsibility of the Lessor, unless the release is caused by the act or negligence of the Postal Service.
- b. If heat is furnished - Lessor must maintain a uniform heating temperature of 65 degrees F. in all enclosed portions of the demised premises during the continuance of the Lease.
- c. If heating system is furnished - Lessor must furnish heating system in good working order and, if maintained by Lessor, will be maintained in accordance with the Maintenance Rider attached hereto. Any investigative or remediation cost associated with a release of fuel from the system, including any fuel tank, shall be the responsibility of the Lessor, unless the release is caused by the act or negligence of the Postal Service.
- d. If lighting fixtures and power are furnished - Lessor must provide light fixtures in good working order as well as pay all recurring electric bills.



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Lessor, unless the release is caused by the act or negligence of the Postal Service.

d. If lighting fixtures and power are furnished - Lessor must provide light fixtures in good working order as well as pay all recurring electric bills.

e. If light fixtures are furnished - Lessor must provide light fixtures in good working order.

f. If electricity is furnished - Lessor must pay for all recurring electric bills and furnish the electrical system during the continuance of the Lease.

g. If electrical system is furnished - Lessor must furnish an electrical system in good working order having a separate electrical meter.

h. If water system and water service are furnished - Lessor must furnish a water system in good working order and pay for all recurring water bills during the continuance of the Lease.

i. If water system is furnished - Lessor must furnish a water system in good working order with separate water meter.

j. If sewerage system and sewerage service is furnished - Lessor agrees to furnish sewerage systems including all equipment, piping, plumbing, lines, connections, septic tanks, field lines and related devices, as necessary and to pay all charges, fees and other costs for such system and services during the continuance of the Lease.

k. If sewerage system is furnished - Lessor agrees to furnish sewerage systems including all equipment, piping, plumbing, lines, connections, septic tanks, field lines, and related devices, as necessary during the continuance of the Lease.

l. **Future Availability of Public Water and/or Sewerage Services** - Regardless of Lessor's responsibility for water and/or sewerage under this Lease, if public water and/or sewerage services are not currently available, but become available in the future, the Lessor agrees to accomplish connection, maintain, and pay all fees and costs involved in connecting the building system to the public water and/or sewerage systems. After connection, the Postal Service agrees to pay recurring charges for water consumption and use of sewerage services. If connection of such services is optional, the Postal Service will determine if the connection is to be made by the Lessor.

m. If air-conditioning equipment and operating power are provided - Lessor must furnish air-conditioning equipment together with all power required for proper operation of the equipment during the continuance of the Lease. The equipment must be in good working order and, if maintained by the Lessor, will be maintained in accordance with the Maintenance Rider attached hereto.

n. If air-conditioning equipment is furnished - Lessor must furnish air conditioning equipment in the demised premises in good working order and, if maintained by Lessor, will be maintained in accordance with the Maintenance Rider included attached hereto.

o. If air-conditioning is furnished - Lessor must maintain a uniform temperature of no greater than 78 degrees F. in all enclosed portions of the demised premises and be responsible for servicing of the air conditioning equipment including, but not limited to, the replacement of necessary filters and refrigerant as required for proper operation of the equipment together with power, water and other services for its operation.

A.25 LESSOR'S SUCCESSORS

The terms and provisions of this Lease and the conditions herein are binding on the Lessor, and all heirs, executors, administrators, successors, and assigns.

A.26 RESERVED

A.27 DAVIS-BACON ACT

The following is applicable if this agreement covers premises of net interior space in excess of 6,500 square feet and involves construction work over \$2,000.00.

a. Minimum Wages

1. All mechanics and laborers employed in the contract work (other than maintenance work of a recurring, routine nature necessary to keep the building or space in condition to be continuously used at an established capacity and efficiency for its intended purpose) must be paid unconditionally, and not less than once a week, without deduction or rebate (except for deductions permitted by the Copeland Regulations (29 CFR Part 3)), the amounts due at the time of payment computed at rates not less than the aggregate of the basic hourly rates and rates of payments, contributions, or costs for any fringe benefits contained in the wage-determination decision of the Secretary of Labor, attached hereto, regardless of any contractual relationship alleged to exist between the Lessor, or subcontractor and these laborers and mechanics. A copy of the wage-determination decision must be kept posted by the Lessor at the site of the work in a prominent place where it can easily be seen by the workers.

2. The Lessor may discharge its obligation under this clause to workers in any classification for which the wage-determination decision contains:

(a) Only a basic hourly rate of pay, by making payment at not less than that rate, except as otherwise provided in the Copeland Regulations (29 CFR Part 3); or

(b) Both a basic hourly rate of pay and fringe-benefit payments, by paying in cash, by irrevocably contributing to a fund, plan, or program for, or by assuming an enforceable commitment to bear the cost of, bona fide fringe benefits contemplated by 40 U.S.C. 276a, or by a combination of these.

3. Contributions made, or costs assumed, on other than a weekly basis (but not less often than quarterly) are considered as having been constructively made for a weekly period. When a fringe benefit is expressed in a wage determination in any manner other than as an hourly rate and the Lessor pays a cash equivalent or provides an alternative fringe benefit, the Lessor must furnish information with the Lessor's payrolls showing how the Lessor determined that the cost incurred to make the cash payment or to provide the alternative fringe benefit is equal to the cost of the wage-determination fringe benefits. When the Lessor provides a fringe benefit different from that contained in the wage determination, the Lessor must show how the hourly rate was arrived at. In the event of disagreement as to an equivalent of any fringe benefit, the contracting officer must submit the question, together with the contracting officer's recommendation, to the Secretary of Labor for final determination.

4. If the contractor does not make payments to a trustee or other third person, the contractor may consider as payment of wages the costs reasonably anticipated in providing bona fide fringe benefits, but only with the approval of the Secretary of Labor pursuant to a written request by the Lessor. The Secretary of Labor may require the Lessor to set aside assets in a separate account, to meet the Lessor's obligations under any unfunded plan or program.

5. The contracting officer will require that any class of laborers or mechanics not listed in the wage-determination but to be employed under the contract will be classified in conformance with the wage-determination and report the action taken to the Administrator of the Wage and Hour Division, Employment Standards Administration,



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U.S. Department of Labor, Washington, D.C. 20210-0001, for approval. The contracting officer will approve an additional classification and wage rate and fringe benefits therefor only if:

- (a) The work to be performed by the classification requested is not performed by a classification in the wage-determination;
- (b) The classification is utilized in the area by the construction industry; and
- (c) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

6. If the Lessor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate and fringe benefits therefor, the contracting officer must submit the question, together with the views of the interested parties and the contracting officer's recommendation, to the Wage and Hour Administrator for final determination. The Administrator or authorized representative will, within 30 days of receipt, approve, modify, or disapprove every proposed additional classification action, or issue a final determination if the parties disagree, and so advise the contracting officer or advise that additional time is necessary. The final approved wage rate (and fringe benefits if appropriate) must be paid to all workers performing work in the classification under the contract from the first day work is performed in the classification. The Lessor will post a copy of the final determination of the conformance action with the wage-determination determination at the site of the work. (The Department of Labor information collection and reporting requirements contained in subparagraph a.5 above and in this subparagraph a.6 have been approved by the Office of Management and Budget under OMB control number 1215-0140.)

b. Apprentices and Trainees

1. Apprentices may be permitted to work only when

- (a) registered, individually, under a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, U.S. Department of Labor, or, if no such recognized agency exists in a state, under a program registered with the Bureau of Apprenticeship and Training; or
- (b) if not individually registered in the program, certified by the Bureau of Apprenticeship and Training or state agency (as appropriate) to be eligible for probationary employment as an apprentice. Trainees may be permitted to work only if individually registered in a program approved by the Employment and Training Administration, U.S. Department of Labor.

2. The ratio of apprentices to journeymen or trainees to journeymen in any craft classification must not be greater than that permitted for the Lessor's entire work force under the registered apprenticeship or trainee program. Apprentices and trainees must be paid at least the applicable wage rates and fringe benefits specified in the approved apprenticeship or trainee program for the particular apprentice's or trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage-determination. If the apprenticeship or trainee program does not specify fringe benefits, apprentices or trainees must be paid in the full amount of fringe benefits listed on the wage-determination for the applicable classification unless the Administrator of Wage and Hour Division determines that a different practice prevails. Any employees listed on a payroll at an apprentice or trainee wage rate not registered, or performing work on the job site in excess of the ratio permitted under the registered program, must be paid the wage rate

on the wage determination for the classification of work actually performed.

3. If the Bureau of Apprenticeship and Training or State agency recognized by the Bureau (as appropriate) withdraws approval of an apprenticeship program, or if the Employment and Training Administration withdraws approval of a trainee program, the contractor will no longer be permitted to utilize apprentices or trainees (as appropriate) at less than the applicable predetermined rate for the work performed until an acceptable program is approved. (See 29 CFR 5.16 for special provisions that apply to training plans approved or recognized by the Department of Labor prior to August 20, 1975.)

4. The utilization of apprentices, trainees, and journeymen must be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

c. Overtime Compensation

1. The Lessor may not require or permit any laborer or mechanic employed on any work under this contract to work more than 40 hours in any workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), unless the laborer or mechanic receives compensation at a rate not less than one-and-one-half times the laborer's or mechanic's basic rate of pay for all such hours worked in excess of 40 hours.

2. For violations of subparagraph c.1 above, the Lessor is liable for liquidated damages, which will be computed for each laborer or mechanic at \$10 for each day on which the employee was required or permitted to work in violation of subparagraph c.1 above.

3. The contracting officer may withhold from the Lessor sums as may administratively be determined necessary to satisfy any liabilities of the Lessor for unpaid wages and liquidated damages pursuant to subparagraph c.2 above.

d. Payroll and Other Records

1. For all laborers and mechanics employed in the work covered by this clause, the Lessor must maintain payrolls and related basic records and preserve them for a period of three years after contract completion. The records must contain the name, address, and social security number of each employee, the employee's correct classification, rate of pay (including rates of contributions for, or costs assumed to provide, fringe benefits), the daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Lessor has obtained approval from the Secretary of Labor to assume a commitment to bear the cost of fringe benefits under subparagraph a.4 above, the Lessor must maintain records showing the commitment and its approval, communication of the plan or program to the employees affected, and the costs anticipated or incurred under the plan or program. Lessors employing apprentices or trainees under approved programs must maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (The Department of Labor information collection and record keeping requirements in this subparagraph d.1 have been approved by the Office of Management and Budget under OMB control numbers 1215-0140 and 1215-0017)

2. The Lessor must submit weekly, for each week in which any work covered by this clause is performed, a copy of all payrolls to the contracting officer. The Lessor is responsible for the submission of copies of payrolls of all subcontractors. The copy must be accompanied by a statement signed by the Lessor indicating that the payrolls are correct and complete, that the wage rates contained in them are not less than those determined by the Secretary of Labor,

and that the classifications set forth for each laborer or mechanic conform with the work the laborer or mechanic performed. Submission of the Weekly Statement of Compliance (see 29 CFR 5.5(a)(3)(ii)) required under this agreement satisfies this requirement. As required by this clause, the Lessor must submit a copy of any approval by the Secretary of Labor. (The Department of Labor information collection and reporting requirements in this subparagraph d.2 have been approved by the Office of Management and Budget under OMB control number 1215-0149.)

3. The Lessor's records required under this clause must be available for inspection by authorized representatives of the contracting officer and the Department of Labor, and the Lessor must permit the representative to interview employees during working hours on the job.

4. The Lessor must comply with the Copeland Regulations of the Secretary of Labor (29 CFR Part 3), which are hereby incorporated in this contract by reference.

e. **Withholding of Funds.** The contracting officer may withhold from the Lessor under this or any other contract with the Lessor so much of the accrued payments or advances as is considered necessary to pay all laborers and mechanics the full amount of wages required by this contract or any other contract subject to the Davis-Bacon prevailing wage requirements that is held by the Lessor.

f. **Subcontracts**

1. If the Lessor or any subcontractor fails to pay any laborer or mechanic employed on the site of the work any of the wages required by the contract, the contracting officer may, after written notice to the lessor, suspend further payments or advances to the lessor until violations have ceased.

2. The lessor agrees to insert this clause, including this paragraph f, in all subcontracts hereunder. The term "lessor" as used in this clause in any subcontract, is deemed to refer to the lower-tier subcontractor.

g. **Compliance with Davis-Bacon and Related Acts Requirements.** All rulings and interpretations of the Davis-Bacon Act and related acts contained in 29 CFR Parts 1, 3, and 5 are hereby incorporated by reference in this contract.

h. **Certification of Eligibility**

1. By entering into this contract, the lessor certifies that neither it or any person or firm having an interest in the lessor is ineligible to be awarded contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

2. No part of this contract will be subcontracted to any person or firm ineligible for contract award by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

3. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

i. **Contract Termination and Debarment.** A breach of this Davis-Bacon Act clause may be grounds for termination of the contract and debarment as a contractor and subcontractor as provided in 29 CFR 5.12.

j. **Disputes Concerning Labor Standards.** Disputes arising out of the labor standards provisions of this contract are not subject to the Claims and Disputes clause. They will be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the lessor (or any of its subcontractors)

and the Postal Service, the U.S. Department of Labor, or the employees or their representatives.

A.28 BANKRUPTCY

In the event the Lessor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Lessor will furnish, by certified mail, written notification of the bankruptcy to the contracting officer responsible for administering the contract. The notification must be furnished within five days of the initiation of the bankruptcy proceedings. The notification must include the date on which the bankruptcy petition was filed, the court in which the petition was filed, and a list of Postal Service contracts and contracting officers for all Postal Service contracts for which final payment has not yet been made. This obligation remains in effect until final payment under this contract.



Mortgagee's Agreement

(To be executed and attached to lease before it is recorded)

Facility Name/Location RIVERSIDE - RUBIDOUX STATION (056552-002)
5757 TILTON AVE RIVERSIDE, CA 92509-9997

County: RIVERSIDE
Project: F76190

The undersigned, _____
holder(s) of a mortgage in the sum of _____
on the property situated at: 5757 TILTON AVE RIVERSIDE, CA 92509-9997

hereby consent(s) to the leasing of said property to the U.S. Postal Service and agree(s) for itself, its successors, executors, administrators, and assigns that in the event it should become necessary to foreclose said mortgage the mortgagee will cause the sale of said premises to be made subject to said lease.

Witness

N/A

Mortgagee Company

By: _____

Signature of Mortgagee's Officer

Its _____

Title of Mortgagee's Officer

Street Address

City, State and ZIP+4

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

this _____ day of _____

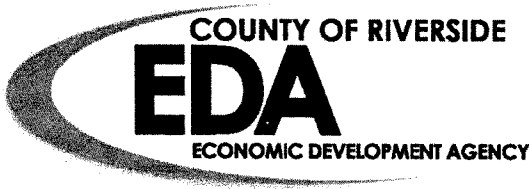
Notary Public

My commission expires _____

ATTACHMENT C

Notice of Exemption

(Behind this page)



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

3/11/14
Date

Bar
Initial

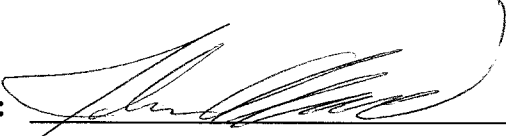
Date: January 21, 2014
To: Mary Ann Meyer, Office of the County Clerk
From: John Alfred, Acting Senior Environmental Planner, Project Management Office
Subject: **County of Riverside Economic Development Agency Project # FM047611050100**
Rubidoux Post Office Lease

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10th Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.

Attachment

cc: file

Signed:  Date: 1.21.14

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

Date Initial

NOTICE OF EXEMPTION

January 21, 2014

Project Name: County of Riverside, Rubidoux Post Office Lease

Project Number: FM047611050100

Project Location: APN: 181-041-007, 5757 Tilton Avenue Riverside, CA 92509.
Latitude: 33° 59' 44.81"N, Longitude: -117° 24' 47.81"W. (See attached exhibit).

Description of Project: The County of Riverside Economic Development Agency proposes to extend an existing lease agreement by and between the County of Riverside and the United States Postal Service. The leased building in question is located at 5757 Tilton Avenue, County of Riverside, California. The proposed project is the amendment of the existing Rubidoux Post Office Lease, for a property involving existing facilities and no expansion of an existing use. The lease has been ongoing between the County of Riverside and the United States Postal Service since June 21, 2004. The lease agreement is for the renewal of three years, with various amendments including changes to the rent, length of the term of the lease, and termination rights. The project does not involve any changes to land use, the existing building, or to the environment. The lease amendment and renewal will not alter or increase any continuing activities or uses of the site and no potential environmental impacts would occur.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1 Existing Facilities and Section 15061, General Rule Exemption.

Reasons Why Project is Exempt: The project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause any impacts to scenic resources, historic resources, or unique sensitive environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The project only includes renewing an existing lease with minor changes to the lease terms. These changes will not alter the existing and ongoing use of the site as a post office and will neither increase nor decrease the level of service that occurs at the site. Therefore, no environmental impacts are anticipated to occur.

- Section 15301 – Class 1 Existing Facilities Exemption. The project as proposed is a continued lease of public facilities between the United States Postal Service and the County of Riverside. The lease for the existing public structure has been ongoing between both agencies since 2004. Neither the lease renewal nor changes to the language of the lease will expand the ongoing use of the site as a post office.

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686 www.rivcoeda.org

Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

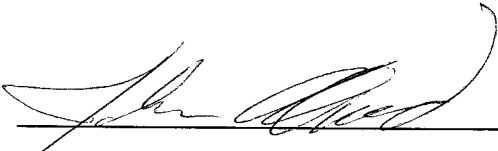
Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

MAR 11 2014

10-1

- Section 15061 (b) (3) - General Rule Exemption. With certainty, there is no possibility that the proposed project may have a significant effect on the environment. The lease renewal and amendments to the lease will not require any construction activities and will not result in any operational changes of the use of the site as a post office. Therefore, in no way would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed meets all of the required categorical exemptions as identified. No further environmental analysis is warranted.

Signed:  _____ Date: 1-21-2014

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Rubidoux Post Office Lease

Accounting String: 524830-47220-7200400000-FM047611050100

DATE: January 21, 2014

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: John Alfred, Acting Senior Environmental Planner, Economic Development Agency

Signature: _____



PRESENTED BY: Maribel Hyer, Real Property Agent III, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

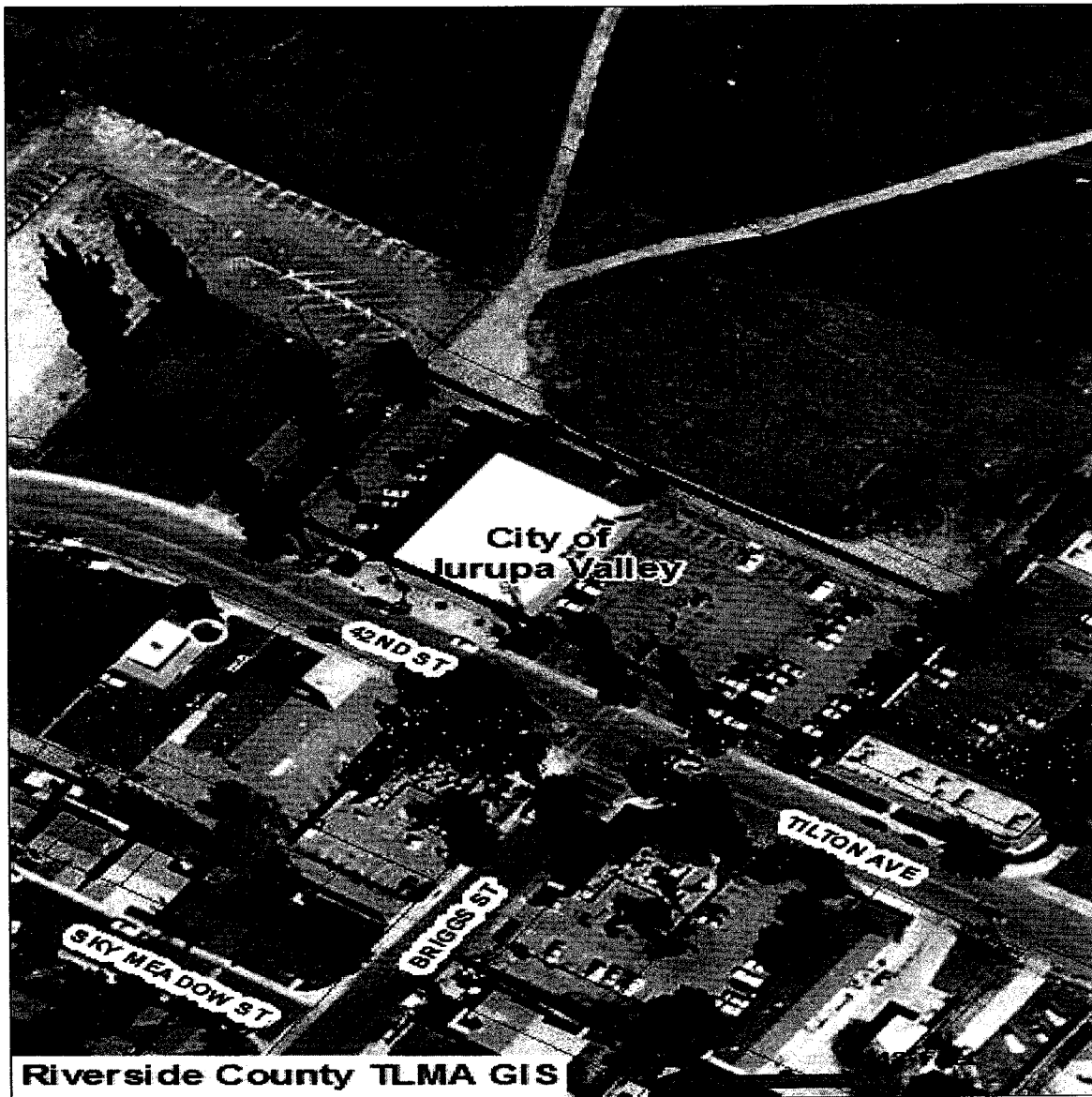
ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____

MAR 11 2014 10-1

Rubidoux Post Office



Selected parcel(s):

181-041-007

IMPORTANT

Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON...Thu Jan 16 11:13:52 2014

Version 131127