

TAX ESCALATION CLAUSE RIDER

15. It is mutually understood and agreed that the rent herein reserved is based in part upon the payment by the lessor of general real estate taxes upon the land and the building appurtenant thereto in the sum of \$ 675.00 per annum. It, therefore, is agreed that there shall be a readjustment of the rent hereby reserved in each year of the term hereby demised on the following basis:

- (a) In the event that the amount of the general real estate taxes levied on said land and building for any tax year or part thereof within the term hereby demised shall be levied at a rate greater than the sum last-above mentioned, than after the lessor has paid such taxes the Government shall pay the lessor upon demand, accompanied by satisfactory proof as to correctness of the claim as additional rent due hereunder a sum equal to such excess; or in the event that the amount of general real estate taxes levied on said land and building for any tax year or part thereof within the term hereby demised shall be levied at a rate less than the sum last-above mentioned, the rent due hereunder shall be decreased by the amount of such decrease, it being understood that said readjustment of rent shall be made in each year of the term hereby demised including the terms of any renewal options. In the event that general real estate taxes are levied on the land only for any tax year or part thereof within the demised term, this entire paragraph shall be and remain operative in the same manner and to the same extent as though said taxes were levied on both land and building. The lessor shall pay the general real estate taxes levied hereunder before any fine, penalty, interest or cost may be added thereto for the non-payment thereof and at such time and manner and amount as to obtain any discount allowed by the taxing authority.
- (b) The general real estate taxes referred to in subparagraph (a) of this Tax Escalation Clause which relate to a fiscal period of the taxing authority, a part of which period is prior to the commencement of the term of this lease, and a part of which is within the term of this lease, shall be so allocated that the portion of such taxes which that part of such fiscal period prior to the commencement of said lease term bears to such fiscal period shall be excluded in computing the amount of such taxes attributable to the demised term and the remainder thereof shall be considered as general real estate taxes levied within the demised term. A similar allocation shall be made to determine the amount of general real estate taxes which shall be considered as levied during the lease term or any renewal term where part of the fiscal period of the taxing authority is subsequent to the expiration of the lease term or any renewal term and a part of such fiscal period is within the lease term or a renewal term.
- (c) The lessor shall furnish the Government copies of all notices which may affect the valuation of said land and building for general real estate tax purposes or which may affect the levy or assessment of general real estate taxes thereon. Such copies shall be delivered or mailed within three days from the receipt thereof by the lessor to the Assistant Postmaster General, Bureau of Facilities, Post Office Department, Washington 25, D. C., or to such other officer as he may in writing direct. The Government may contest the amount or validity of any valuation for general real estate tax purposes or of any levy or assessment of any general real estate taxes by appropriate legal proceedings either in the name of the Government or the name of the lessor or in the names of both. The lessor upon reasonable notice and request by the Government shall join in any such proceeding, but the lessor shall not be subject to any liability for the payment of any liabilities, costs or expenses in connection with any proceeding brought by the Government and the Government hereby covenants to indemnify and save harmless the lessor from any such liabilities, costs or expenses. The lessor shall cooperate with the Government in any such contest or proceeding and execute any documents or pleadings required for such purpose provided the lessor shall reasonably be satisfied that the facts and data set forth in such documents or pleadings are accurate.

(Continued on next page)