

December 27, 2019

City of Winter Park, FL
401 Park Ave. South
Winter Park, FL 32789
Attn: Randy Knight

RE: Potential Sale of Winter Park Main Post Office

Dear Mr. Knight:

The City of Winter Park ("**Purchaser**") has expressed interest in acquiring the above referenced Postal Service property and relocating the Postal Service's operations. The Postal Service is willing to discuss that potential transaction based on the proposed terms outlined in this letter. Please review these proposed terms and contact me with any questions. If these proposed terms are acceptable, please execute the letter and return it to me. The terms set forth in this letter will expire if an executed copy is not returned to me within thirty (30) days of the date set forth above.

Proposed Terms.

Property Potentially for Sale	Winter Park Main Post Office, with a street address of 300 N New York Ave, Winter Park, FL (the " USPS Property "). Excluded from the sale are all intangibles, including artwork, and all rights to the use of USPS marks, including all trademarks, service marks, trade names, brands, and domain names, containing the terms "POST OFFICE," "UNITED STATES POSTAL SERVICE," "U.S. POSTAL SERVICE," "POSTAL SERVICE," and "USPS" in any form or format, with or without any accompanying design or additional terms, and regardless of spacing, logos, images, insignia, and other intangibles and USPS intellectual property.
Purchaser	City of Winter Park, FL (" Purchaser ").
Seller	United States Postal Service, an independent establishment of the Executive Branch of the Government of the United States (" USPS ").

Purchase Price	<p>The purchase price for the USPS Property would be the sum of:</p> <ul style="list-style-type: none"> • \$1.00 + • Purchaser’s conveyance of the Replacement Facilities (defined below) to USPS and relocation of USPS operations to the Replacement Facilities + • The Multi-Facility Adjustment, if applicable + • The FMV Adjustment, if applicable. <p><u>Multi-Facility Adjustment:</u> USPS gains efficiency and convenience from combining operations in one facility at the USPS Property. If the parties agree to relocate Postal operations into multiple Replacement Facilities, then to offset the decrease in efficiency and convenience, USPS would require increasing the Purchase Price by an amount to be determined.</p> <p><u>FMV Adjustment:</u> Within 60 days after USPS’s approval of the final design and construction plans and drawings, as described in the section titled “Replacement Facilities - Identification and Design Process” below, the parties would engage a qualified appraiser to determine (i) the fair market value of the USPS Property (“USPS Property FMV”) and the aggregate of the projected fair market values of the Replacement Facilities (“Replacement Facilities FMV”), assuming completion of the Replacement Facilities according to the approved final design and construction plans and drawings.</p> <ul style="list-style-type: none"> • If the USPS Property FMV is <u>greater than</u> the Replacement Facilities FMV, then the FMV Adjustment would be an amount equal to the USPS Property FMV minus the Replacement Facilities FMV, calculated as <div style="margin-left: 40px;"> USPS Property FMV - <u>Replacement Facilities FMV</u> = FMV Adjustment </div> • If the USPS Property FMV is <u>less than</u> the Replacement Facilities FMV, then the FMV Adjustment would be zero; i.e., there would be no purchase price adjustment. <p>Additionally, except for any size adjustment (discussed below), USPS would not reimburse Purchaser for any costs incurred, even if the aggregate of such costs is greater than the USPS Property FMV.</p>
Project Initiation Fee	<p>Concurrently with counter-signing and returning this letter, Purchaser must deliver a Project Initiation Fee of \$25,000 by certified check payable to United States Postal Service. This Project Initiation Fee is consideration for USPS initiating internal planning for the transaction and providing the Search Parameters (described below under “Replacement Facilities.”) USPS will have no obligation to refund any portion of the Project Initiation Fee under any circumstances, including termination of negotiations by either party for any or no reason or failure to close the transaction for any reason.</p>

Project Continuation Fee	If the Purchaser identifies one or more sites within the Search Parameters and USPS notifies Purchaser that USPS believes one or more of those identified sites may be feasible, then Purchaser must deliver an additional Project Continuation Fee of \$25,000 by certified check payable to the United States Postal Service. This Project Continuation Fee is consideration for USPS dedicating further internal resources for continued planning, seeking approvals, initial due diligence, and initial design work. USPS will have no obligation to refund any portion of the Project Continuation Fee under any circumstances, including termination of negotiations by either party for any reason or no reason or failure to close the transaction for any reason.
Deposit	Upon execution of the PSA, Purchaser must deliver a deposit of an amount to be agreed upon to be held in escrow. If the parties close the transaction, they will apply the deposit toward the purchase price. USPS and Purchaser would include in the PSA certain limited circumstances permitting a partial refund of the deposit.
USPS Property Condition	USPS would convey the USPS Property in strictly AS IS condition. No USPS representations or warranties. The USPS Property may contain asbestos and may contain other hazardous substances. Purchaser would assume all environmental liability for the USPS Property, both on-site and off-site, and all responsibility for remediation and disposal of hazardous substances in accordance with law.
Operative Agreement	Starting with a USPS form, Purchaser and USPS would negotiate a Purchase and Sale Agreement (“ PSA ”) consistent with this letter.
Responsibilities for Costs	Purchaser must agree to bear all costs that are necessary or appropriate to accomplish the transaction, including without limitation, USPS’s costs to comply with its operational, financial, legal and regulatory requirements. Accordingly, in addition to the Project Initiation Fee, promptly after Purchaser returns an executed copy of this letter, Purchaser must provide a \$50,000 initial funding into a USPS designated escrow to pay costs for USPS’s initial work to satisfy those compliance requirements. USPS may require Purchaser to add additional funds to the escrow, if costs exceed USPS’s estimate. Purchaser and USPS would then negotiate the PSA, while USPS completes its preliminary work. After USPS completes those undertakings and after accounting for all incurred costs, including USPS’s estimate of the amount necessary to cover unbilled costs, USPS would direct the escrow agent to refund any amount remaining in the escrow. USPS would have no obligation to refund any amount used or reserved to pay costs, even if USPS terminates the transaction or the transaction fails to close for any reason.

Current Postal Operations at USPS Property	<p>Currently, USPS conducts the primary operations listed below, plus other operations, in a single facility at the USPS Property:</p> <ul style="list-style-type: none"> • Carrier Operations • Retail Operations <p>USPS may conduct other operations now or in the future at the USPS Property.</p>
Replacement Facilities	<p>To accommodate Purchaser’s proposed acquisition, USPS would require another property and facility (such property and facility are together a “Replacement Facility”) to replace the USPS Property. USPS strongly prefers replacing the USPS Property with a single Replacement Facility. However, as an accommodation to Purchaser, USPS will consider replacing its existing property with two Replacement Facilities (“Replacement Facilities”). Because USPS owns the USPS Property, Purchaser must convey <u>ownership</u> of the Replacement Facilities to USPS.</p>
Search Parameters	<p>After the parties exchange executed copies of this letter and USPS receives the Project Initiation Fee, USPS will provide Purchaser with a brief list of certain basic requirements for a single replacement facility and for two replacement facilities (“Search Parameters”). Prior to committing to any transaction, USPS may revise the number of replacement facilities it requires, their size and dimensions, their location boundaries, or other attributes. The Search Parameters may include:</p> <ul style="list-style-type: none"> • Geographic boundaries • Approximate size and dimensions for site and for facility • Parking requirements • Access requirements • Loading dock requirements
Responsibility for Construction	<p>USPS and Purchaser to discuss which party would construct each of the Replacement Facilities. In any event, Purchaser would be responsible for all costs. If USPS constructs a facility, then Purchaser must fund the entire estimated cost into escrow prior to USPS bidding for contracts. If Purchaser constructs the Replacement Facilities, Purchaser must comply with requirements applicable to contractors engaged by USPS, including wage and procurement requirements.</p>
Size Adjustment	<p>If the combined square footage of the Replacement Facilities buildings is larger than the square footage of the USPS Property building, then following USPS acceptance of the Replacement Facilities, USPS would reimburse Purchaser for any increase in construction costs that Purchaser reasonably incurred attributable to the size difference, as reasonably determined by a USPS designated licensed architect.</p>

Purchaser's Title and Property Review	Beginning on the PSA effective date, Purchaser would have 30 days to review the USPS Property's title and physical condition. USPS would have the option, but no obligation, to cure any asserted defects. If USPS opts not to cure, Purchaser would have the option to purchase with those defects or to terminate the PSA. Purchaser would not conduct any invasive testing absent USPS's prior written consent. At closing, USPS may require recordation of a covenant or other agreement with the deed, as necessary to satisfy, in USPS's sole judgment, USPS's obligations under Section 106 of the National Historic Preservation Act and its implementing regulations, 36 CFR Part 800.
Purchaser Indemnity/Release	Purchaser would indemnify USPS against costs, damages and claims arising out of any Purchaser defaults. After Purchaser acquires title to the USPS Property, Purchaser would indemnify USPS against costs, damages and claims arising out of or related to the USPS Property. Purchaser would fully release and indemnify USPS for environmental contamination or other property conditions.
NEPA, NHPA (106), IGN, 241.4	<p>Before completing this transaction, USPS must comply with several different Federal regulatory requirements for taking into account the anticipated transaction's effects on environmental, historical and certain other interests, as well as input from the community and elected officials. Although these regulations do not mandate a particular outcome, each requires USPS to follow a prescribed process. The length of each process depends on the particular circumstances of the anticipated transaction. USPS would be responsible for its compliance with the applicable Federal regulatory requirements, but at Purchaser's cost. Insofar as these regulations require USPS to seek input from the community, governmental officials and others, and concurrence from state and federal agencies that may impose conditions on their concurrences, if USPS is not satisfied with the results of any of these regulatory processes, then USPS may terminate the transaction or require changes in the terms. Purchaser would cooperate fully with USPS to obtain regulatory approvals. More information about these regulatory requirements can be found at these links:</p> <p>Historic Preservation (NHPA (106))</p> <p>Environmental Protection (NEPA)</p> <p>Intergovernmental Cooperation (IGN)</p> <p>Relocation of Retail Postal Services (241.4)</p>
Party Approvals	Each party's obligation to close would be contingent on securing necessary internal approvals.
Replacement Facilities -Identification and Design Process	

<ul style="list-style-type: none"> • Preliminary Site Selection 	Purchaser to identify potential Replacement Facility site(s) consistent with USPS's Search Parameters. USPS may reject any site for any reason.
<ul style="list-style-type: none"> • Site Due Diligence 	USPS to conduct preliminary site due diligence on each preliminarily identified site, using escrowed funds to pay costs.
<ul style="list-style-type: none"> • Securing Site 	When USPS approves a potential Replacement Facility site, Purchaser would secure the right to acquire the site (e.g., by purchasing an option).
<ul style="list-style-type: none"> • 30% Design 	After Purchaser secures the right to acquire the potential Replacement Facility site, then Purchaser would engage an architectural/engineering firm acceptable to USPS to produce design-build drawings according to USPS specifications through the 30% design stage. Purchaser would submit such drawings to USPS for USPS review and approval. Purchaser would pay all costs for USPS's outside consultant's design review. Purchaser must obtain and comply with USPS's design standards, which are extensive and available on CD.
<ul style="list-style-type: none"> • 70% Design 	If USPS approves the 30% drawings, then Purchaser would cause the A/E firm to produce design-build drawings according to USPS specifications through the 70% design stage. Purchaser would submit such drawings to USPS for USPS review and approval. Purchaser would pay all costs for USPS's outside consultant's design review.
<ul style="list-style-type: none"> • Final Design 	If USPS approves the 70% drawings, then Purchaser would cause the A/E firm to produce complete design and construction plans and drawings. Purchaser would submit such drawings to USPS for USPS review and approval. Purchaser would pay all costs for USPS's outside consultant's design review.
<ul style="list-style-type: none"> • FMV Adjustment and Site Acquisition 	After USPS's approval of the final design and construction plans and drawings, the parties would determine the FMV Adjustment, as described in the Purchase Price section above. Then, Purchaser would acquire fee simple title to the site for the Replacement Facility on terms and conditions acceptable to USPS (e.g., the seller must have satisfied USPS's title and due diligence concerns).
Construction of Replacement Facility	If the PSA obligates Purchaser to complete the Replacement Facility, then the PSA would prescribe the date(s) by which Purchaser must complete construction of each Replacement Facility. If Purchaser fails to complete each Replacement Facility by its required construction completion date, then USPS would have the option to terminate the PSA without any liability to Purchaser or any third party. Purchaser would bear all costs of construction, change orders, and of USPS's engaging an independent A/E firm to review each Replacement Facility's conformance to USPS's requirements. Purchaser would provide warranties, satisfactory to USPS, covering construction and property conditions.

Equipping Replacement Facility	USPS would identify which existing equipment USPS can relocate and which equipment Purchaser must replace with new equipment. USPS would relocate or replace equipment accordingly, at Purchaser's cost. Additionally, Purchaser would pay associated one-time capital costs. Until the closing, Purchaser would bear all risks of damage to, or loss of, relocated and new equipment.
Closing	Within 30 days after USPS acceptance of the Replacement Facilities, the parties would close on the purchase and sale of the USPS Property, and concurrently, Purchaser would convey good, marketable, lien free, fee simple title of each Replacement Facility to USPS. Purchaser would pay all costs of closing, including taxes, recording charges, escrow fees, and title insurance for USPS. Purchaser would bear all risk of damage to, or loss of, each Replacement Facility through closing.
Relocation of USPS Operations	After closing, USPS, at Purchaser's cost, would relocate USPS operations to the applicable Replacement Facility according to a USPS approved schedule and plan. USPS would deliver possession of the USPS Property after the relocation of all operations is complete.
Outside Date	If closing does not occur by the 2 nd anniversary of PSA effective date, then USPS may terminate the agreement, regardless of whether Purchaser has commenced construction, and USPS would have no liability.
Profit Restrictions to Ensure Governmental Purpose	<p><u>Purchaser Acknowledgment:</u> Purchaser acknowledges that, as an accommodation to Purchaser, USPS is willing to discuss a sale to Purchaser and that otherwise, USPS is not seeking to sell the USPS Property. Further, Purchaser acknowledges that when USPS decides to sell a property, USPS policy generally requires publicly marketing the property for competitive bidding, but allows an exception to forego competitive bidding, upon the recommendation of the Manager, REA or Vice President – Facilities, for sales to state and local governments. The Vice President – Facilities is willing to recommend foregoing competitive bidding and negotiating directly with Purchaser, based upon Purchaser's representation that Purchaser will use the acquired property for governmental purposes to benefit its citizens and Purchaser is not acquiring the property merely to re-sell it for a profit.</p> <p><u>Restrictions:</u> To support the recommendation for direct negotiation with Purchaser in lieu of competitive bidding, Purchaser must agree to the requirements set forth on Exhibit A.</p>
Termination of LOI	This Letter of Intent shall terminate if Purchaser has not delivered both (i) the Project Continuance Fee into escrow and (ii) a list of proposed sites for a Replacement Facility or Replacement Facilities that meet the Search Parameters, within 60 days after USPS provides Purchaser with the Search Parameters. Thereafter, this Letter of Intent shall terminate if a mutually agreeable Purchase and Sale Agreement has not been executed within one year of the date this Letter of Intent is executed by the Postal Service.

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We are providing this letter to further discussions of a possible contract. This letter is not an offer. The terms in the Project Initiation Fee section and in the Project Continuance Fee section above are binding on the parties, but nothing else in this letter is binding on either party. In negotiating the PSA, either party may propose to vary terms or to add or substitute terms. At any time, either party may terminate discussions for any or no reason without any liability. Only a separate written PSA contract that is executed and delivered by both parties will evidence binding obligations. Each party will bear its own costs incurred in the discussions and negotiation of a contract.

If the City wishes to pursue discussions as outlined in this letter, please sign below and return a copy to me, together with the Project Initiation Fee.

Sincerely,

Tom Samra,

Vice President – Facilities

ACCEPTED:

City of Winter Park, FL

By: _____

Print Name: _____

Title: _____

Exhibit A

Profit Restriction Requirements

- Purchaser Representation: In the PSA, Purchaser would represent that Purchaser will use the USPS Property for governmental purposes to benefit its citizens and the Purchaser is not acquiring the property merely to re-sell it for a profit. Purchaser also would represent that it plans to [describe Purchaser plans for the USPS Property.]
- Public Input: The Purchaser would promise not to enter into any agreement, or deliver any letter of intent, memorandum of understanding or similar document, whether or not binding, to convey, lease, license or transfer all or any portion of the USPS Property, and the Purchaser would promise not to convey, lease, license or transfer all or any portion of the USPS Property, without first:
 - Completing a public solicitation seeking bidders for all or the applicable portion of the property, and
 - Obtaining approval of such agreement, letter of intent, memorandum of understanding or similar document, and the anticipated transaction, by the appropriate public decision making bodies, including the Winter Park City Council, after public meetings discussing it.
- Profit Recapture: If Purchaser conveys, leases, licenses or transfers all or any portion of the USPS Property to any private or public person or entity for a profit, then Purchaser immediately would pay USPS, in cash, an amount equal to (1) the profit amount multiplied by (2) the Profit Recapture Percentage in the table below. For this purpose, “profit” means the amount (but only if such amount is positive) equal to (i) aggregate of all cash plus the market value all other consideration Purchaser receives, minus (ii) the USPS Property FMV (see “Purchase Price”), pro-rated by size if Purchaser conveys, leases, licenses or transfers only a portion of the USPS Property. If Purchaser will receive the consideration over time, then the profit will include the present value of future receipts, discounted at the current Applicable Federal Rate matched to the anticipated consideration receipt date.

In the table below the “Purchaser Acquisition Date” is the date the Purchaser closes its acquisition of the USPS Property and the “Purchaser Transfer Date” is the date the Purchaser conveys, leases, licenses or transfers all or any portion of the USPS Property.

If the Purchaser Transfer Date is:	Then the Profit Recapture Percentage is:
On or before the 5 th anniversary of the Purchaser Acquisition Date	100%
After the 5 th anniversary of the Purchaser Acquisition Date and on or before the 7 th anniversary of the Purchaser Acquisition Date	75%
After the 7 th anniversary of the Purchaser Acquisition Date and on or before the 10 th anniversary of the Purchaser Acquisition Date	50%
After the 10 th anniversary of the Purchaser Acquisition Date	Zero %