Risk Factors Comparison 2024-02-29 to 2023-03-07 Form: 10-K

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Risk Factor Summary Risks Related to the USPS • Our business is substantially dependent on the demand for leased postal properties. • The USPS' inability to meet its financial obligations may have a material adverse effect on our business. • The USPS has a substantial amount of indebtedness and is subject to rising expenses. • The USPS is subject to congressional oversight and regulation by the PRC and other agencies. • Intense competition faced by the USPS. • The USPS' potential insolvency, inability to pay rent or bankruptcy. • ~~Implementation of the Ten- Year Plan proposed by the USPS. •~~ Our properties may have a higher risk of terrorist attacks. • Litigation and catastrophic events involving the USPS may disrupt our business. Risks Related to Our Business **and** Operations • We may be unable to acquire and / or manage additional USPS- leased properties at competitive prices or at all. • **Our acquisitions may not achieve the returns we expect. •** Concentration of our postal properties in certain regions. • We may be unable to renew leases or sell vacated properties on favorable terms, or at all, as leases expire. • **We may incur significant maintenance, repair and capital expenses under our leases. •** Property vacancies could result in significant capital expenditures and illiquidity. • As of ~~March 7~~ **February 29** , ~~2023~~ **2024** , the leases at ~~100~~ **91** of our properties were expired. • Our use of OP Units as consideration to acquire properties. • ~~Postal properties are~~ **Commercial real estate investments may be** illiquid. • An increase in the amount of USPS or U. S. government- owned real estate may adversely affect us. • Our real estate taxes for properties where we are not reimbursed could increase **. • We may be exposed to risks associated with property development and redevelopment** . • Increases in interest rates or unavailability of debt financing. • Mortgage debt obligations expose us to the possibility of foreclosure. • Failure to comply with covenants in our debt instruments could adversely affect our financial condition. • Failure to hedge effectively against interest rate changes may have a material adverse effect on our business. • Our success depends on key personnel whose continued service is not guaranteed. • Risks associated with on- going or future litigation. • Insurance on our properties may not adequately cover all losses ~~and uninsured losses~~ . • Risks associated with **potential** joint venture investments. • Competition for skilled personnel could increase our labor costs. • Our growth depends on external sources of capital. • We could incur significant costs and liabilities related to environmental matters. • Our properties may contain or develop harmful mold or suffer from other air quality issues. • We are subject to risks from natural disasters and risks associated with climate change. • Our properties may be subject to impairment charges **or reduction in value** . • Our title insurance policies may not cover all title defects. • Significant costs for complying with various federal, state and local laws, regulations and covenants. • We may not be able to adapt to potential new business models. • We have acquired properties that are subject to purchase options in favor of the USPS. • We may incur goodwill and other intangible asset impairment charges. • We may have difficulty implementing changes to our information technology systems. • Use of social media may adversely impact our reputation and business. **• Our ability to pay dividends in the future.** Risks Related to Our Organizational Structure • Mr. Spodek and his affiliates own, directly or indirectly, a substantial beneficial interest in our company. • Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our Operating Partnership. • Our charter contains certain provisions restricting the ownership and transfer of our stock. • We could increase **our equity** ~~the number of authorized shares of stock, classify and reclassify unissued stock and issue~~ **issuance** ~~stock~~ without stockholder approval. • Certain provisions of the Maryland General Corporation Law could inhibit changes of control. • Certain provisions of our Operating Partnership may delay or prevent unsolicited acquisitions of us. • Tax protection agreements may limit our ability to sell or otherwise dispose of certain properties and may require our Operating Partnership to maintain certain debt levels that otherwise would not be required. • Our Board of Directors may change our strategies, policies and procedures without stockholder approval, and we may become more highly leveraged, which may increase our risk of default under our debt obligations. • Our rights and the rights of our stockholders to take action against our directors and officers are limited. • We are a holding company with no direct operations, and the interests of our stockholders are structurally subordinated to all liabilities and obligations of our Operating Partnership and its subsidiaries. • Our Operating Partnership may issue additional OP Units to third parties without the consent of our stockholders. Risks Related to Our Status as a REIT • Failure to remain qualified as a REIT would cause us to be taxed as a regular corporation. • Failure to make required distributions would subject us to federal corporate income tax. • Complying with REIT requirements may cause us to forego certain opportunities or investments. • The prohibited transactions tax may limit our ability to dispose of our properties. • We could be affected by tax liabilities or earnings and profits of our predecessor. • There are uncertainties relating to the estimate of the accumulated earnings and profits attributable to United Postal Holdings, Inc. (" UPH") **.** • A sale of assets acquired as part of the merger between us and UPH within five years after the merger would result in corporate income tax. • The ability of our Board of Directors to revoke our REIT qualification without stockholder approval may cause adverse consequences to our stockholders. • Our transactions with our TRS will cause us to be subject to a 100 % penalty tax on certain income or deductions if those transactions are not conducted on arm' s- length terms. • You may be restricted from acquiring or transferring certain amounts of our Class A common stock. • Dividends payable by REITs generally do not qualify for the reduced tax rates on dividend income from regular corporations. • If our Operating Partnership failed to qualify as a partnership for federal income tax purposes, we would cease to qualify as a REIT. • To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions or on unfavorable terms at desired times. • Covenants in our debt instruments may restrict our ability to pay distributions. • New legislation or administrative or judicial action could adversely affect us or our stockholders. General Risk Factors • An increase in market interest rates may have an adverse effect on the market price of our securities. • Inflation may adversely affect our financial condition and results of operations. • Changes in accounting pronouncements could adversely impact our reported financial performance. • We could be adversely impacted if there are deficiencies in our disclosure controls ~~and procedures~~ or internal ~~control~~ **controls** ~~over financial reporting~~ . • Future offerings of equity securities may adversely affect the market price of our Class A common stock. • The market price of our Class A common stock ~~has been, and~~ may ~~continue to~~ be ~~,~~ volatile and ~~has declined, and~~ may ~~continue to~~ decline. • We face cybersecurity risks and risks associated with security breaches. • Risks associated with third- party expectations relating to environmental, social and governance factors. The following risk factors may adversely affect our overall business, financial condition, results of operations, cash flows and prospects; our ability to make distributions to our stockholders; our access to capital; or the market price of our Class A common stock, as further described in each risk factor below. In addition to the information set forth ~~herein,~~ in this Annual Report on Form 10- K, one should carefully review and consider the information contained in our other reports and periodic filings that we make with the SEC. Those risk factors could materially affect our overall business, financial condition, results of operations, cash flows and prospects; our ability to make distributions to our stockholders; our access to capital; or the market price of our Class A common stock. The risks that we describe in our public filings are not the only risks that we face. Additional risks and uncertainties not presently known to us, or that we currently consider immaterial, also may materially adversely affect our business, financial condition, results of operations, cash flows and prospects. Additional information regarding forward- looking statements is included herein. **Substantially all of our revenue come from properties leased to the USPS.** Any significant decrease in the demand for leased postal properties could have a material adverse effect on our business. The number of ~~retail~~ postal locations nationwide has been decreasing over the prior decade. Additionally, on March 23, 2021, the USPS released **the** ~~a ten- year plan entitled~~ Delivering for America: Our Vision and Ten- Year Plan to Achieve Financial Sustainability and Service Excellence (the " Ten- Year Plan "), which includes evaluating the facility consolidations that were deferred in 2015 and potentially consolidating the facilities that remain underutilized. The USPS has ~~recently began~~ **begun** to undertake, and proposes to further undertake, a number of operational reforms and cost reduction measures under the Ten- Year Plan **and other USPS initiatives** , such as higher rates, slower deliveries for certain services, formation of large sorting and delivery centers and closure, relocation or consolidation of certain facilities and delivery ~~units~~ **routes** . Consolidation of our postal properties or delivery ~~units~~ **routes** attached to our postal properties ~~would~~ **under the Ten- Year Plan or other USPS initiatives may lead to the USPS vacating or declining to renew leases on such properties and** materially adversely affect our operations. **As part of its larger, multi- phased plan, the USPS has included a number of our properties on lists identifying postal facilities under consideration to relocate delivery routes into larger sorting and delivery centers. As of the date of this report, the USPS had not vacated or notified us of its intention to vacate any properties related to route relocations.** Further reductions in the number of postal properties **or downsizing of operations in existing postal properties under the Ten- Year Plan or other USPS initiatives** could result in entering into leases with the USPS in the future on less favorable terms than current leases, the failure of the USPS to renew leases or the termination by the USPS of existing leases for our properties **, the decrease in value of the affected properties upon sale** and the reduction of the number of acquisition opportunities available to us. The level of demand for postal properties may **also** be impacted by a variety of factors outside of our control, including changes in U. S. federal government and USPS policies or funding, changes in population density, the health and sustainability of local, regional and national economies, the existence of epidemics and pandemics, such as the ~~ongoing~~ COVID- 19 pandemic, ~~and the~~ **changes in** demand **for the products** and ~~use~~ **services** of the USPS **by its customers and the changing demands and uses of the USPS itself for postal properties** . Moreover, technological innovations, such as autonomous delivery devices, may decrease the need for hand delivery or in- person pick up, thereby decreasing the demand for retail post offices **or other postal properties** . In addition, package delivery service providers, such as FedEx, Amazon, UPS and DHL, ~~begun~~ **began** implementing autonomous delivery devices to assist retail companies with same- day and last- mile deliveries, in addition to ~~publicly stating~~ **significantly expanding** their **own** ~~intention to expand their~~ last- mile delivery capabilities. The development, implementation and broad adoption of these devices may decrease the demand for postal services. The USPS is facing legislative constraints that are hindering its ability to maintain adequate liquidity to sustain its current operations. If the USPS' revenues decrease due to reduced demand for postal services, then the USPS may reduce its number of ~~post~~ **postal properties** ~~office locations~~ . The USPS' inability to meet its financial obligations may render it insolvent or increase the likelihood of Congressional or regulatory reform of the USPS, which may have a material adverse effect on our business and operations. A significant portion of the USPS' liabilities consist of unfunded fixed benefits, such as pensions and healthcare, to retired USPS workers. Although Congress regularly debates the future of the USPS, the USPS is unlikely to be able to retire its existing liabilities without regulatory or Congressional relief. If the USPS becomes unable to meet its financial obligations, many of our leases may be vacated by the USPS, which would have a material adverse effect on our business and operations. Any Congressional or regulatory action that decreases demand by the USPS for leased postal properties would also have a material adverse effect on our business and operations. We cannot predict whether any currently contemplated reforms or any reforms pursued by the U. S. federal government will ultimately take effect and, if so, how such reforms would specifically affect us. The USPS has significant outstanding debt obligations to the Federal Financing Bank (the " FFB "). Under the note purchase agreement between the USPS and the FFB (the" NPA"), **the** USPS can issue short- term or long- term notes to the FFB and receive funds within two business days. If the FFB elects not to purchase the USPS' notes, the USPS would need to issue and sell such notes potentially in the public or private debt markets to other parties or seek financing through other means. The NPA will expire on September 30, 2025. There can be no assurance that the USPS will be able to extend the term of the NPA beyond expiration or, if the FFB declines to purchase the notes issued by the USPS, obtain alternative sources of financing on the terms or timing that it expects or at all. If the USPS is unable to extend the NPA beyond expiration, the USPS may not be able to refinance debt with the FFB in the future at comparable terms to those currently available. The USPS also has a significant underfunded Postal Service Retiree Health Benefit Fund (the" PSRHBF") liability, which the USPS is required to fund in future periods.

Additionally, the USPS has significantly underfunded retirement benefits amortization payable to the Civil Service Retirement System (the" CSRS") and Federal Employees Retirement System (the" FERS") funds, which the USPS is required to fund in future periods. On March 8, 2022, Congress passed the Postal Service Reform Act, which significantly alleviated the obligations of the USPS by repealing the requirement for USPS to pre- fund the PSRHBF, forgiving the USPS' $ 57 billion outstanding liability under the PSRHBF and requiring future postal retirees to enroll in Medicare, although significant underfunded liability remains under the PSRHBF in the long term. The USPS’ substantial obligations under the NPA and the CSRS and FERS funds also remain outstanding. In addition, the USPS' collective bargaining agreements include provisions for mandatory cost of living adjustments, which, in recent years coupled with continued impacts to consumer inflation, have resulted in significant increase in labor costs for the USPS. The USPS has also been exposed to rising commodity prices, primarily for diesel fuel, unleaded gasoline, and aircraft fuel for transportation of mail ~~,~~ and natural gas and heating oil for its facilities. The USPS’ significant debt and unpaid health and retirement obligations have in the past required, and could in the future require, the USPS to dedicate a substantial portion of its cash flow from operations to payments on debt and health and retirement obligations, thus reducing the availability of cash flow to fund operating expenses, including lease payments, working capital, capital expenditures and other business activities. If the USPS becomes unable to meet its debt and other obligations or control its expenses and generate sufficient liquidity for its business, the USPS may reduce its demand for leasing postal properties, which would have a material adverse effect on our business and operations. The USPS is subject to congressional oversight and regulation by the PRC and other government agencies. The USPS has a wide variety of stakeholders whose interests and needs are sometimes in conflict. The USPS operates as an independent establishment of the executive branch of the U. S. government and, as a result, is subject to a variety of regulations and other limitations applicable to federal agencies. The **USPS is constrained by laws and regulations that restrict revenue sources and mandate certain expenses. The** ability of the USPS to raise rates for its products and services and sell new products and services in new or existing markets is subject to the regulatory oversight and approval of the PRC **. However, the USPS' costs are not similarly constrained or capped. A large portion of the USPS' cost structure cannot be altered expeditiously due to its universal service mission. Many of its employee costs, such as compensation and employee health benefit premiums, are subject to contractual arrangements. Other employee costs such as workers' compensation costs and retiree pension benefit amortization costs are mandated by law** . Limitations on the USPS’ ability to take action could adversely affect its operating and financial results, and as a result, reduce demand for leasing postal properties. Furthermore, a change in the structure, mission or leasing requirements of the USPS, a significant reduction in the USPS’ workforce, relocation of personnel resources, delivery ~~units~~ **routes** or postal offices, other internal reorganization or a change in the ~~post offices or~~ delivery ~~units occupying~~ **routes serviced by** our properties ~~would~~ **could** affect our lease renewal opportunities and have a material adverse effect on our business. In addition, any change in the U. S. federal government’ s treatment of the USPS as an independent agency, including, but not limited to, the privatization **or outsourcing** of all or a portion of the USPS business operations, may have a material adverse effect on our business. The business and results of operations of the USPS are significantly affected by competition from both competitors in the delivery marketplace as well as substitute products and digital communication. Failure of the USPS to compete effectively and operate efficiently, grow marketing mail and package delivery services and increase revenue and contribution from other sources will adversely impact the USPS’ financial condition and this adverse impact will become more substantial over time. The USPS’ marketplace competitors include both local and national providers of package delivery services. The USPS’ competitors have different cost structures and fewer regulatory restrictions and are able to offer differing services and pricing, which may hinder the USPS’ ability to remain competitive in these service areas. In addition, most of the USPS’ competitors have access to capital markets, which allows them greater flexibility in the financing and expansion of their business. Customer usage of postal services continues to shift to substitute products and digital communication. The use of e- mail and other forms of electronic communication have reduced first class mail volume, as have electronic billing and payment. Marketing mail ~~has recently~~ **continues to** ~~experienced~~ - **experience** declines due to mailers’ growing use of digital advertising including digital mobile advertising **and a cyclical decline in advertising spending due to economic pressures** . The volume of periodicals services continues to decline as consumers increasingly use electronic media for news and information. Periodical advertising has also experienced a decline as a result of move to electronic media. The growth in the USPS’ competitive service volumes, such as Priority Mail, Priority Mail Express, First- Class Package Service, Parcel Select, Parcel Return Service and some types of International Mail, is largely attributable to certain of the USPS’ largest customers, including UPS, FedEx and Amazon. **In recent years,** ~~Each~~ **each** of these customers ~~is building~~ **has been significantly expanding** its own delivery capability that ~~could enable~~ **enables** it to divert volume away from the USPS over time. If these customers **continue to** divert significant volume away from the USPS, the growth in the USPS’ competitive service volumes may not continue, and there may be reduced demand for leasing postal properties by the USPS **, which would have a material adverse effect on our business and operations** . The USPS’ potential insolvency, inability to pay rent or bankruptcy would have a material adverse effect on our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations and could result in our inability to continue as a going concern. Default by the USPS is likely to cause a significant or complete reduction in the operating cash flow generated by our properties. There can be no assurance that the USPS will be able to avoid insolvency, make timely rental payments or avoid defaulting under or terminating its leases. If the USPS defaults, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment. Because we depend on rental payments from the USPS, the inability of the USPS to make its lease payments could adversely affect us and our ability to make distributions to our stockholders. Although we do not believe that bankruptcy protection under the United States bankruptcy code is available to the USPS, the law is unclear. If the USPS were to file for bankruptcy, we would become a creditor, but we may not be able to collect all or any of the pre- bankruptcy amounts owed to ~~owe~~ us by the USPS. In addition, if the USPS were to file for bankruptcy protection, it potentially could terminate its leases with us under federal law, in which event we would have a general unsecured claim against the USPS that would likely be worth less than the full amount owed to us for the remainder of the lease term. This would have a severe adverse effect on our business, financial condition and results of operations. Implementation of the Ten- Year Plan proposed by the USPS could have a material adverse effect on our operations, financial position and results of operations. The USPS has published its Ten- Year Plan to address the challenges of the shift from traditional letter- mail to package delivery, underperformance in processing, transportation, delivery and retail operations, failure to meet service performance standards and a perilous and worsening financial situation that has resulted in significant losses. The strategic initiatives are designed to reverse projected losses and to operate at a positive net income in the long term. The Ten- Year Plan includes realignment, procurement of new facilities, expansion of existing facilities and consolidation of underused facilities **and delivery routes** as well as modernization of retail lobbies to enable expanded digital, small, medium-sized business and government services, which could affect our operations if our postal properties are consolidated. The USPS has recently begun to undertake a number of operational reforms and cost reduction measures under the Ten- Year Plan, such as higher rates, slower deliveries for certain services, formation of large sorting and delivery centers and closure, relocation or consolidation of certain facilities and delivery ~~units~~ **routes** . The extent to which the implementation of this Ten- Year Plan will affect our business, liquidity, financial condition ~~,~~ and results of operations will depend on numerous factors that we may not be able to accurately predict or assess. Portions of the Ten- Year Plan require Congressional approval, which we cannot predict at this time and there will be additional conversations with stakeholders about implementation and changes to the Ten- Year Plan. The USPS' failure to implement the Ten- Year Plan or receive Congressional approval may affect its ability to maintain adequate liquidity to sustain its current operations, which may result in the USPS reducing its number of postal locations and adversely affecting our business and results of operations. Because the USPS is an independent agency of the U. S. federal government, our properties may have a higher risk of terrorist attacks than similar properties leased to non- governmental tenants. Terrorist attacks may materially adversely affect our operations, as well as directly or indirectly damage our assets, both physically and financially. Because the USPS is, and is expected to continue to be, an independent agency of the U. S. federal government, our properties are presumed to have a higher risk of terrorist attack than similar properties that are leased to non-governmental affiliated tenants. Terrorist attacks, to the extent that these properties are uninsured or underinsured, could have a material adverse effect on our business, financial condition and results of operations. As a result of the proposed and executed operational, managerial and strategic changes within the USPS, including the Ten- Year Plan, the USPS is the focal point of significant public criticism and litigation. As of the date of this report, several lawsuits have been filed and remain pending against the USPS pertaining to operational change at the USPS, such as higher rates and slower deliveries for certain services. If, as a result of such criticism or litigation, the USPS suffers reputational or financial harm or an increase in regulatory scrutiny, the demand for USPS services may decline, which may lead to reduced demand for USPS properties. The results of these changes or any future changes could lead to additional delays or financing shortfalls for the USPS. The **USPS is** ~~COVID- 19 pandemic has~~ also ~~had severe impacts on the USPS and its operations, customer demands, supply chains and labor force. The USPS will continue to be~~ at risk of the adverse impact of another regional epidemic, global pandemic or other adverse public health developments in the future **, such as those experienced during the COVID- 19 pandemic** , which could reduce demand for USPS properties and adversely affect our business, financial condition and results of operations. ~~Risks Related to Our Business and Operations~~ A significant portion of our business plan is to acquire additional properties that are leased to the USPS. There are a limited number of such properties, and we will have fewer opportunities to grow our investments than REITs that purchase properties that are leased to a variety of tenants or that are not leased when they are acquired. In addition, the current ownership of properties leased to the USPS is highly fragmented with the overwhelming majority of owners holding a single property. As a result, we **have expended, and** may ~~need~~ **in the future continue** to expend **,** significant resources to source acquisition opportunities and complete our due diligence, underwriting and acquisition accounting process on many individual properties, thereby increasing our acquisition costs, lengthening the acquisition timeline and possibly reducing the amount that we are able to pay for a particular property **. Agreements for the acquisitions of postal properties are also subject to customary conditions to closing, including completion of due diligence investigations and other conditions that are not within our control and may not be satisfied. In this event, we may be unable to complete an acquisition after incurring significant acquisition- related costs** . Accordingly, our plan to grow our business largely by acquiring additional properties that are leased to the USPS and managing properties leased to the USPS by third parties may not succeed. We also face **regular and** significant competition for acquisition opportunities for properties leased to the USPS from other market participants, including private investment funds, individual investors and others, and, as a result, we may be unable to acquire a desired property at competitive price, or at all **. This competition could also increase prices for properties we may pursue and adversely affect our profitability and impede our growth** . In addition, because of our public profile as the only publicly traded REIT dedicated to USPS properties, our operations may generate new interest in USPS- leased properties from other REITs, real estate companies and other investors with more resources than we have that did not previously focus on investment opportunities with USPS- leased properties. **Our business has grown significantly through active acquisitions of postal properties. However, our acquisitions and our ability to successfully integrate and operate the acquired properties are subject to the following significant risks: • we may acquire properties that are not accretive to our results upon acquisition; • we may not successfully manage and lease newly acquired properties to meet our financial or strategic goals and realize the anticipated benefits; • we may have to spend more than budgeted to make necessary improvements to acquired properties and we may underestimate the repair, maintenance and capital expenses for the acquired properties; • we may not be able to obtain sufficient and economical insurance coverage for the acquired properties; • our cash flows from the acquired properties may be insufficient to meet the required principal and interest payments on the property- level financing, if any; • the integration of acquired properties into our existing portfolio may require significant expenses and time from our management team and may divert attention from other important areas of our**

business; • changing market and regulatory conditions, particularly those associated with the USPS, may result in higher- than- expected vacancy rates and lower than expected rental rates on newly acquired properties; and • we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties and liabilities incurred in the ordinary course of business. If we cannot integrate and operate acquired properties to meet our financial or strategic goals, our financial condition, results of operations, cash flow, cash available for distributions and our ability to service our debt obligations could be materially adversely affected. We currently have a concentration of postal properties in certain regions and are exposed to changes in regional or local conditions in these states. Our business may be adversely affected by regional or local conditions and events in the areas in which we operate, particularly in **Pennsylvania,** Wisconsin, ~~Pennsylvania, Kansas, Alabama and~~ Texas **, California and North Carolina** , where many of our postal properties are concentrated. Developments or conditions in these regions that may adversely affect our occupancy levels and renewals, our rental revenues, our funds from operations or the value of our properties include the following, among others: • downturns in economic conditions ~~, including as a result of the COVID- 19 pandemic~~ ; • unforeseen events beyond our control, including, among others, natural disasters, terrorist attacks and travel related health concerns including pandemics and epidemics; • possible reduction of the USPS workforce, relocation of postal offices or consolidation of delivery ~~units~~ **routes** by the USPS; and • economic conditions that could cause an increase in our operating expenses, insurance and routine maintenance. We may be unable to renew leases or sell vacated properties on favorable terms, or at all, as leases expire, which could materially adversely affect us. We cannot assure you that any leases will be renewed or that vacated properties will be sold on favorable terms, or at all. **Some of our leases also provide the tenants with a right to vacate their space during a specified period before the stated terms of their leases expire. If they were to occur and we were not able to lease the vacant space to another tenant in a timely manner or at all, such event could have a material adverse effect on our business, financial condition and results of operations.** As of the date of this report, the USPS has vacated ~~one~~ **two** ~~property~~ **properties** in our portfolio. For leases which include renewal options that specify a maximum rate, the renewal may result in below- market lease rates over time. **In addition, when we renew leases with the USPS, we may have to spend substantial amounts for improvements and other inducements in order to renew such leases.** If we are subject to below- market lease rates on a significant number of our properties, rental rates for our properties decrease, our existing tenants do not renew their leases or we do not sell vacated properties on favorable terms, our financial condition, results of operations, cash flow, cash available for distributions and our ability to service our debt obligations could be materially adversely affected. ~~In addition, under~~ **Under** some of our leases, we retain certain obligations with respect to the property, including, among other things, the responsibility for **certain** maintenance and repair **obligations** of the property and capital improvements such as roof **or parking lot** replacement **, asbestos- related projects, replacement of heating or ventilation equipment** and major structural improvements. The expenditure of any sums in connection therewith will reduce the cash available for distribution and may require us to fund deficits resulting from operating a property **. In addition, risks beyond our control, such as weather, labor conditions, material shortages caused by supply chain disruptions or inflationary price increases for materials, could lead to cost overruns and untimely completion of projects, which could also damage our relationship with tenants. Meeting these obligations also require us to hire and maintain a sizable project management team and incur significant property management and administrative expenses, which may continue to grow as we acquire more properties, particularly those with landlord being responsible for certain maintenance and capital improvements. In addition, we may incur unexpected increase in maintenance, repair or capital expenses as tenants adjust their standards, requirements, demands and expectations for the operation of the leased properties, increase their inspection efforts and require certain upgrades or as we acquire more properties with landlord being responsible for certain maintenance and capital improvements** . If we were to fail to meet these obligations, then the tenant could abate rent or terminate the applicable lease, which could have a material adverse effect on our business, financial condition and results of operations. The loss of a tenant through lease expiration may require us to spend significant amounts of capital to renovate the property before it is suitable for a new tenant. Substantially all of the properties we acquire are specifically suited to the particular business of the USPS and, as a result, if the USPS vacates a property, does not renew its lease or decides to relocate a postal office to another location, we may be required to renovate the property at substantial costs, decrease the rent we charge or provide other concessions in order to lease the property to another tenant. In the event we are required or elect to sell the property, we may have difficulty selling it to a party other than the USPS, which may result in an impairment loss. This potential illiquidity may limit our ability to quickly modify our portfolio in response to changes in economic or other conditions, which may materially and adversely affect us. As of ~~March 7~~ **February 29** , ~~2023~~ **2024** , the leases at ~~100~~ **91** of our properties were expired and the USPS is occupying such properties as a holdover tenant. If we are not successful in renewing these expired leases, we will likely experience reduced occupancy, rental income and net operating income and potential impairment loss. As of ~~March 7~~ **February 29** , ~~2023~~ **2024** , the leases at ~~100~~ **91** of our properties, representing approximately ~~320~~ **631** , 000 net leasable interior square feet ~~and $ 4. 0 million in annual contractual rental revenue~~ , were expired and the USPS is occupying such properties as a holdover tenant. When a lease expires, the USPS becomes a holdover tenant on a month- to- month basis, typically paying the greater of estimated market rent or the rent amount under the expired lease. While we currently anticipate that we will renew the leases that have expired or will expire, there can be no guarantee that we will be successful in renewing these leases, obtaining positive rent renewal spreads or renewing the leases **in an expeditious manner** on terms comparable to those of the expiring leases. Even if we are able to renew these expired leases, the lease terms may not be comparable to those of the previous leases. If we are not successful, we will likely experience reduced occupancy, rental income and net operating income and potential impairment loss, as well as diminished borrowing capacity under our Credit Facilities, which could have a material adverse effect on our financial condition, results of operations and ability to make distributions to stockholders. Our use of OP Units as consideration to acquire properties could result in stockholder dilution and / or limit our ability to sell such properties. We have acquired and may continue to acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for OP Units, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties **and increasing our tax compliance and other administrative expenses** , and may require that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and / or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell properties at a time, or on terms, that would be favorable absent such restrictions. Illiquidity of ~~postal properties~~ **commercial real estate** could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition. Our ability to promptly sell one or more **properties in our portfolio in response to changing economic, financial and investment conditions and conditions of the USPS may be limited. Certain types of real estate and in particular,** postal properties ~~in our portfolio in response to changing economic, financial and investment conditions and conditions of the USPS may be limited. Certain types of real estate and in particular, postal offices~~ , may have limited alternative uses and thus are relatively illiquid. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, our ability to dispose of one or more ~~postal~~ properties within a specific time period is subject to certain limitations imposed by our tax protection agreements, as well as weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located. **Furthermore, if we dispose any property in transactions that are intended to qualify for federal income tax deferral as a " like- kind exchange " under Section 1031 of the Code, it is possible that such transaction could later be determined to have been taxable or that we may be unable to identify and complete the acquisition of a suitable replacement property to complete a 1031 exchange and therefore face adverse tax consequences.** In addition, the Internal Revenue Code of 1986, as amended (the" Code"), imposes restrictions on a REIT' s ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, further limiting our ability to quickly adjust our portfolio in response to changing economic, financial and investment conditions and conditions of the USPS. **In recent years, the USPS completed and also announced plans to further construct a significant number of new sorting and delivery and other facilities across the country.** If there is a large increase in the amount of real estate **constructed and** owned by the USPS or other U. S. government agencies, the USPS may relocate from our properties to such USPS or U. S. government- owned facilities at the expiration of their respective leases. Similarly, it may become more difficult for us to renew our leases with the USPS when they expire or identify additional properties that are leased to the USPS in order to grow our portfolio. Our real estate taxes for properties where we are not reimbursed could increase due to property tax rate changes or reassessment. Even though we currently qualify as a REIT for U. S. federal income tax purposes, we are required to pay state and local taxes on some of our properties. The real property taxes on our properties have increased in the past and may increase in the future as property tax rates change or as our properties are assessed or reassessed by taxing authorities. Therefore, the amount of property taxes we pay in the future may increase substantially from what we have paid in the past. If the property taxes we pay increase, our financial condition, results of operations, cash flows, per share trading price of our Class A common stock and our ability to satisfy our principal and interest obligations and to make distributions to our stockholders could be adversely affected **. We may engage in development and redevelopment activities with respect to our properties, including build- to- suit renovations and new developments for our existing or prospective tenants and, as a result, will be subject to certain risks, which could adversely affect us, including our financial condition and results of operations. These risks include: • development costs that may be higher than anticipated; • cost overruns and delays of construction; • the availability of financing on favorable terms or at all; • various local, state and federal statutes, ordinances, rules and regulations concerning zoning, building design, construction and similar matters; • registration and filing requirements in connection with these developments in certain states and localities; • the potential that we may expend funds on and devote management time to projects that we do not complete; and • the inability to complete construction and leasing of a property on schedule, resulting in increased debt service expense and development and renovation costs. These risks could result in substantial unanticipated delays or expenses and could prevent the initiation or the completion of development and renovation activities, any of which could have a material adverse effect on our business, financial condition and results of operations** . Increases in interest rates or unavailability of debt financing may make it difficult for us to finance or refinance our debt. If debt financing, including mortgage loans, is unavailable to us at reasonable rates or at all, we may not be able to finance the purchase of additional properties or refinance existing debt when it becomes due. If interest rates are higher when we refinance our existing debt, our income and cash flow could be reduced, which would reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing more stock or by borrowing more money. In addition, to the extent we are unable to refinance our debt when it becomes due, we will have fewer debt guarantee opportunities available to offer under our tax protection agreements, which could trigger an obligation to indemnify the protected parties under the tax protection agreements. Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt. Mortgage and other secured debt obligations increase our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure on any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code. Foreclosures could also trigger our tax indemnification obligations under the terms of our tax protection agreements with respect to the sales of certain properties **. In addition, some of our financing arrangements require us to make a lump- sum or " balloon " payment at maturity. Our ability to satisfy a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the existing financing on terms as favorable as the original loan or sell the property at a price sufficient to satisfy the balloon payment. Such a refinancing or sale could affect the rate of return to stockholders and the projected time of disposition of our assets** . Covenants in our debt instruments could adversely affect our financial condition. Our Credit Facilities and other debt instruments contain certain customary restrictions, requirements and other limitations on our ability to incur indebtedness. Under our Credit Facilities, we must maintain certain ratios, including a minimum fixed charge coverage ratio, maximum total leverage ratio, minimum tangible net worth, maximum secured leverage ratio, maximum unsecured leverage ratio, minimum unsecured debt service coverage ratio and maximum secured recourse leverage ratio. Our ability to borrow under our Credit Facilities and other debt instruments is subject to compliance with our financial and other covenants. Failure to comply with any of the covenants under our Credit Facilities or other debt instruments could result in a default under one or more of our debt instruments. In particular, we could suffer a default under a secured debt instrument that could exceed a cross- default threshold under our Credit Facilities, causing an event of default thereunder. Under those circumstances, other sources of capital may not be available to us or be available only on unattractive terms. In addition, if we breach covenants in any of our debt agreements, the lenders can declare a default and, if the debt is secured, take possession of the collateral securing the defaulted loan. Alternatively, even if a secured debt instrument is below the cross- default threshold for non- recourse secured debt under our Credit Facilities, a default under such secured debt instrument may still cause a cross default under our Credit Facilities because such secured debt instrument may not qualify as " non- recourse " under our Credit Facilities. Another possible cross default could occur between the credit facilities that we enter into and any senior unsecured notes that we issue. Any of the foregoing default or cross- default events could cause our lenders to accelerate the timing of payments and / or prohibit future borrowings, either of which would have a material adverse effect on our business, operations, financial condition and liquidity. Failure to hedge effectively against interest rate changes may adversely affect our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations. Subject to maintaining our qualification as a REIT, we manage our market risk on variable rate debt through the use of interest rate swaps that fix the rate on all or a portion of our variable rate debt for varying periods up to maturity. See Note 6. Derivatives and Hedging Activities in the Notes to our Consolidated Financial Statements included herein for further details. In the future, we may use other derivative instruments such as interest cap agreements to, in effect, cap the interest rate on all or a portion of the debt for varying periods up to maturity. These agreements involve risks, such as the risk that such arrangements would not be effective in reducing our exposure to interest rate changes or that a court could rule that such an agreement is not legally enforceable. In addition, interest rate hedging can be expensive, particularly during **the recent** ~~periods~~ **period** of rising and volatile interest rates. Hedging could increase our costs and reduce the overall returns on our investments. In addition, while hedging agreements would be intended to lessen the impact of rising interest rates on us, they could also expose us to the risk that the other parties to the agreements would not perform, we could incur significant costs associated with the settlement of the agreements or that the underlying transactions could fail to qualify as highly- effective cash flow hedges under Financial Accounting Standards Board (" FASB") Accounting Standards Codification (" ASC"), Topic 815, Derivatives and Hedging. The REIT provisions of the Code also limit our ability to hedge our liabilities. Generally, income from a hedging transaction we enter into (i) to manage the risk of interest rate changes with respect to borrowings incurred or to be incurred to acquire or carry real estate assets, (ii) to manage the risk of currency fluctuations with respect to any item of income or gain that constitutes " qualifying income " for purposes of the 75 % or 95 % gross income tests applicable to REITs (or any property that generates such income or gain) or (iii) that hedges against transactions described in clauses (i) and (ii) and is entered into in connection with the extinguishment of debt or sale of property that is being hedged against by the transactions described in clauses (i) and (ii) does not constitute " gross income " for purposes of the 75 % or 95 % gross income tests, provided that we comply with certain identification requirements pursuant to the applicable sections of the Code and Treasury Regulations. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non- qualifying income for purposes of both gross income tests. As a result of these rules, we may need to limit our use of otherwise advantageous hedging techniques or implement those hedges through a TRS. The use of a TRS could increase the cost of our hedging activities or expose us to greater risks than we would otherwise want to bear. Our success depends on key personnel whose continued service is not guaranteed, and the loss of one or more of our key personnel could adversely affect our ability to manage our business and to implement our growth strategies, or could create a negative perception of our company in the capital markets. Our continued success and our ability to manage anticipated future growth depend, in large part, upon the efforts of key personnel, particularly Messrs. Spodek, Garber and Klein who have extensive market knowledge and relationships and exercise substantial influence over our acquisition, operational and financing activities. Among the reasons that these individuals are important to our success is that each has a national or regional industry reputation that attracts business and investment opportunities and assists us in negotiations with investors, lenders, the USPS and owners of postal properties. If we lose their services, such relationships could diminish or be adversely affected. Our employment agreements with Messrs. Spodek, Garber and Klein do not guarantee their continued employment with us. Many of our other senior executives also have extensive experience and strong reputations in the real estate industry, particularly in the postal real estate sector, which aid us in identifying opportunities, having opportunities brought to us and negotiating. Many of these individuals have developed specialized knowledge and skills in the postal real estate sector. The loss of services of one or more members of our senior management team, or our inability to attract and retain highly qualified personnel, could adversely affect our business, diminish our investment opportunities and weaken our relationships with investors, lenders, owners of postal properties, business partners, existing and prospective tenants and industry participants, which could materially adversely affect our financial condition, results of operations, cash flow and the per share trading price of our Class A common stock. We may be subject to on- going or future litigation, including existing claims relating to the entities that owned the properties previously and otherwise in the ordinary course of business, which could have a material adverse effect on our financial condition, results of operations, cash flow and the per share trading price of our Class A common stock. We **are, and** may **in the future** be subject to **, various claims, disputes and** litigation, **which may** ~~including~~ **include** existing claims relating to the entities that owned the properties previously **, disputes during the acquisition process** and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. In addition, with respect to any claims under our leases with the USPS, the procedures for settling such disputes with the USPS under the Contract Disputes Act of 1978 could be costly, time consuming and may divert the attention of management from other operations of our business. Specifically, the claim process first requires a contractor to file a claim with a USPS- assigned contracting officer. After the contracting officer has issued a final decision, the contractor may appeal such decision before the Postal Service Board of Contract Appeals or the U. S. Court of Federal Claims. **The U. S. government could also institute condemnation proceedings against us and seek to take our property, or a leasehold interest therein, through its power of eminent domain, which may result in a costly and time consuming dispute with the government.** We generally intend to vigorously defend ourselves or pursue our claims. However, we cannot be certain of the ultimate outcomes of any currently asserted claims or of those that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, **legal expenses** or settlements, which, if uninsured, or if the fines, judgments, and settlements and any related expenses exceed insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations. Certain litigation or the resolution of certain litigation may adversely affect our relationship with tenants, vendors and other parties involved in the disputes and impact the availability or cost of some of our insurance coverage, which could materially adversely affect our results of operations and cash flows, expose us to increased risks that would be uninsured and / or adversely impact our ability to attract officers and directors. **In addition, assets that we have acquired or may acquire in the future may be subject to unknown or contingent liabilities for which we may have limited recourse against the sellers. Unknown or contingent liabilities might include liabilities for clean- up or remediation of environmental conditions, claims of customers, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise. In the future, we may enter into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of the transactions, in which event we would have no or limited recourse against the sellers of such properties. The total amount of costs and expenses that we may incur with respect to liabilities associated with acquired properties may also exceed our expectations, which may adversely affect our business, financial condition and results of operations.** Insurance on our properties may not adequately cover all losses and uninsured losses if we experience a substantial or comprehensive loss of such properties. **We carry commercial property, liability, environmental, earthquake and terrorism coverage on our properties in our portfolio, some of which are insured subject to limitations involving significant deductibles or co- payments and policy limits that may not be sufficient to cover losses.** Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, may **also** make any insurance proceeds we receive insufficient to repair or replace a property if it is damaged or destroyed. In those circumstances, the insurance proceeds received may not be adequate to restore our economic position with respect to the affected real property and its generation of rental revenue. Certain types of losses, generally of a catastrophic nature, such as earthquakes, **storms,** hurricanes and floods **, are often subject to material deductibles** , may be uninsurable or **are** not economically insurable by us. In addition, in the event that we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications without significant capital expenditures which may exceed any amounts received pursuant to insurance policies. Further, reconstruction or improvement of such a property would likely require significant upgrades to meet zoning and building code requirements. The loss of our capital investment in or anticipated future returns from our properties due to material uninsured losses could materially and adversely affect us. **In addition, if any one of insurance carriers or insurance programs that we work with were to become insolvent, we would be forced to replace the existing insurance coverage with another suitable carrier, and any outstanding claims would be at significant risk for collection. In such an event, we cannot be certain that we would be able to replace the coverage at similar or otherwise favorable terms, or at all. Potential future** ~~Joint~~ **joint** venture investments could be adversely affected by our lack of sole decision- making authority, our reliance on co- venturers' financial condition and disputes between us and our co- venturers. In the future, we may co- invest with third parties through partnerships, joint ventures or other entities, acquiring non- controlling interests in and managing the affairs of a property, partnership, joint venture or other entity. With respect to any such arrangement or any similar arrangement that we may enter into in the future, we may not be in a position to exercise sole decision- making authority regarding the development, property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present where a third party is not involved, including the possibility that partners or co- venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co- venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives, and they may have competing interests in our markets that could create conflicts of interest. Such investments may also have the potential risk of impasses on decisions, such as a sale or financing, because neither we nor the partner (s) or co- venturer (s) would have full control over the partnership or joint venture. In addition, a sale or transfer by us to a third party of our interests in the joint venture may be subject to consent rights or rights of first refusal, in favor of our joint venture partners, which would in each case restrict our ability to dispose of our interest in the joint venture. Where we are a limited partner or non- managing member in any partnership or limited liability company, if such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. We may, in certain circumstances, be liable for the actions of a partner, and the activities of a partner could adversely affect our ability to maintain our qualification as a REIT or our exclusion or exemption from registration under the Investment Company Act of 1940, as amended, even if we do not control the joint venture. Disputes between us and partners or co- venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with partners or co- venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third- party partners or co- venturers. Our joint ventures may be subject to debt and, during periods of volatile credit markets, the refinancing of such debt may require equity capital calls. We compete intensely with various real estate and other companies in attracting and retaining qualified and skilled personnel. We depend on our ability to attract and retain skilled management personnel in order to successfully manage the day- to- day operations of our company and execute our business plan. As we continue to grow, we have faced and may continue to face increased challenges in hiring and retaining qualified and skilled personnel, especially during periods of labor shortage and intense competition for talents. Competitive pressures may require that we enhance our pay and benefits package to compete effectively for such personnel. We may not be able to offset such added costs by increasing the rates we charge the USPS. If there is an increase in these costs or if we fail to attract and retain qualified and skilled personnel, our business and operating results could be harmed. Our growth depends on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all, which could limit our ability to, among other things, meet our capital and operating needs or make the cash distributions to our stockholders necessary to qualify and maintain our qualification as a REIT. In order to qualify and maintain our qualification as a REIT, we are required under the Code to, among other things, distribute annually at least 90 % of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100 % of our REIT taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary capital expenditures, from operating cash flow. Consequently, we rely on third- party sources to fund our capital needs. We may not be able to obtain such financing on favorable terms or at all and any additional debt we incur will increase our leverage and likelihood of default. Our access to third- party sources of capital depends, in part, on: • general market conditions and the conditions of the USPS; • the market' s perception of our growth potential; • our current debt levels; • our current and expected performance and future earnings; • our cash flow and cash distributions; and • the market price per share of our Class A common stock. Historically, the capital markets have been subject to significant disruptions. If we cannot obtain capital from third- party sources **on cost effective terms** , we may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to qualify and maintain our qualification as a REIT **. To the extent that we are able or choose to access capital at a higher cost than we have experienced in recent years, as reflected in higher interest rates for debt financing or a lower stock price for equity financing, our earnings per share and cash flow could also be adversely affected** . Under various federal, state and local laws and regulations relating to the environment, as a current or former owner of real property, we may be liable for costs and damages resulting from the presence or release of hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating from such property, including costs to investigate, clean up such contamination and liability for any alleged harm to human health, property or natural resources. Such laws often impose strict liability without regard to fault, including whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability may be joint and several. These liabilities could be substantial and the cost of any required investigation, remediation, removal, fines or other costs could exceed the value of the property and / or our aggregate assets. In addition, the presence of contamination or the failure to remediate contamination at our properties may expose us to third- party liability for costs of remediation and / or personal or property damage or materially adversely affect our ability to sell, lease or develop our properties or to borrow using the properties as collateral. In addition, environmental laws may create liens on contaminated sites in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures. See Item 1." Business — Environmental Matters. " **We generally obtain environmental assessments by independent environmental consultants at the time of acquisition of a property. If the consultant identifies any unexplained recognized environmental concerns, then the consultant may recommend further investigation, usually through specific invasive property tests. Invasive testing may or may not include air, soil, soil vapor or ground water sampling. Additionally, it may or may not include an asbestos and / or lead- based paint survey. These environmental assessments may not reveal all environmental risks that might have a materially adverse economic effect on our business, assets and results of operations or liquidity, and may not identify all potential environmental liabilities, and our portfolio environmental and any site- specific insurance policies may be insufficient to cover any such environmental costs and liabilities.** Some of our properties ~~may~~ have been or may **in the future** be impacted by contamination arising from current or prior uses of the property, or adjacent properties, for commercial or industrial purposes. Such contamination ~~may~~ **can** arise from spills of petroleum or hazardous substances or releases from tanks used to store such materials. We may not be aware of all potential or existing environmental contamination liabilities at the properties in our portfolio **or at the properties we acquire** . As a result, we could potentially incur material liability for these issues. As the owner of the buildings on our properties, we could face liability for the presence of hazardous materials, such as asbestos, lead or underground storage tanks used to store petroleum products or other potentially hazardous or toxic substances, or other adverse conditions, such as poor indoor air quality, in our buildings. Environmental laws govern the presence, maintenance, and removal of hazardous materials in buildings, and if we do not comply with such laws, we could face fines for such noncompliance and could be required to abate, remove or otherwise address the hazardous material to achieve compliance with applicable environmental laws and regulations. Also, we could be liable to third parties, such as occupants or employees of the buildings, for damages related to exposure to hazardous materials or adverse conditions in our buildings, and we could incur material expenses with respect to abatement or remediation of hazardous materials or other adverse conditions in our buildings. If we incur material environmental liabilities in the future, we may find it difficult to sell or lease any affected properties. Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from the USPS, employees of the USPS or others if property damage or personal injury is alleged to have occurred. We are subject to risks from natural disasters ~~, such as earthquakes and severe weather,~~ and the risks associated with climate change. Natural disasters and severe weather such as flooding, **wildfires,** earthquakes, tornadoes or hurricanes **have resulted in the past and** may **in the future** result in ~~significant damage~~ **damages** to our properties. Many of our properties are located in states like Oklahoma, Texas, Missouri, Louisiana and Florida that historically have experienced heightened risk for natural disasters like tornados and hurricanes. The extent of our casualty losses and loss in operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. While we carry insurance to cover a substantial portion of the cost of such events, our insurance includes **significant** deductible amounts and certain items ~~may~~ **are** not ~~be~~ covered by insurance. When we have geographic concentration of exposures, a single catastrophe (such as an earthquake) or destructive weather event (such as a tornado or hurricane) affecting a region may have a significant negative effect on our financial condition and results of operations. Our financial results may be adversely affected by our exposure to losses arising from natural disasters or severe weather. We also are exposed to risks associated with inclement winter weather, particularly in the Northeast, Mid- Atlantic and Mid- West, including increased costs for the removal of snow and ice. Inclement weather also could increase the need for maintenance and repair of our properties. Lastly, we cannot predict the rate at which climate change will progress. However, the effects of climate change could have a material adverse effect on our properties, operations and business. To the extent climate change causes changes in weather patterns, our markets could experience increases in **extreme and** severe weather, including **floods,** hurricanes, severe winter storms and tornadoes ~~,~~ and unpredictable weather patterns. These conditions could result in physical damage to our properties or declining demand for space in our buildings or the inability of us to operate the buildings at all in the areas affected by these conditions. Climate change also may have indirect adverse effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy, maintenance, repair of water and / or wind damage, cost of snow removal or related costs at our properties or causing the USPS to relocate its postal offices to other locations. In recent years, a number of states and municipalities have adopted laws and policies on climate change and emission reduction targets. Changes in federal, state, and local legislation and regulation based on concerns about climate change could result in increased capital expenditures on our properties (for example, to improve their energy efficiency and / or resistance to severe weather **or limit greenhouse gas emissions) and administrative expenses (such as the climate change disclosure rules proposed by the SEC**) without a corresponding increase in revenue, which may result in adverse impacts to our net income. Should the impact of climate change be material in nature or occur for lengthy periods of time, our properties, operations or business would be adversely affected **.** **Our properties may be subject to impairment charges and we are subject to risks related to commercial real estate ownership that could reduce the value of our properties** . We will assess whether there are any indicators that the value of our properties may be impaired. A property' s value is considered to be impaired only if the estimated aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. In our estimate of cash flows, we will consider factors such as expected future operating income, trends and prospects, the effects of demand, competition and other factors. If we are evaluating the potential sale of an asset or development alternatives, the undiscounted future cash flows analysis will consider the most likely course of action at the balance sheet date based on current plans, intended holding periods and available market information. We will be required to make subjective assessments as to whether there are impairments in the value of our properties. These assessments may be influenced by factors beyond our control, such as early vacating or relocation by a tenant or damage to properties due to **flooding,** earthquakes, tornadoes, hurricanes and other natural disasters **, accidents** , fire, civil unrest, terrorist acts or acts of war. These assessments may have a direct impact on our earnings because recording an impairment charge results in an immediate negative adjustment to earnings. There can be no assurance that we will not take impairment charges in the future related to the impairment of our properties. Any such impairment could have a material adverse effect on our business, financial condition and results of operations in the period in which the charge is taken **. In addition, our core business is the ownership of single- tenant commercial real estate. Accordingly, our performance is subject to risks incident to the ownership of commercial real estate, which include the inability to collect rents from tenants due to financial hardship, including bankruptcy; changes in local real estate conditions in the markets in which we operate; changes in consumer trends and preferences that affect the demand for products and services offered by our tenants; inability to lease or sell properties upon expiration or termination of existing leases; environmental risks, including the presence of hazardous or toxic substances or materials on our properties; the subjectivity of real estate valuations and changes in such valuations over time; the illiquid nature of real estate compared to most other financial assets; changes in laws and governmental regulations, including those governing real estate usage and zoning; changes in interest rates and the availability of financing; and changes in the general economic and business climate. The occurrence of any of these may cause the value of our real estate to decline, which could materially and adversely affect us** . Our properties are insured by title policies. We have not, however, obtained new owner' s title insurance policies in connection with the acquisition of our initial properties in our formation transactions and certain acquisitions subsequent to the formation transactions. In some instances, these insurance policies are effective as of the time of the acquisition or later refinancing. As such, it is possible that there may be title defects that have arisen since such acquisition or refinancing for which we will have no title insurance coverage. If there were a material title defect related to any of our properties that is not adequately covered by a title insurance policy, we could lose some or all of our capital invested in and our anticipated profits from such property. We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties. Properties are subject to various covenants and federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to developing or acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future development, acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. In addition, federal and state laws and regulations, including laws such as the ADA and the Fair Housing Amendment Act of 1988 (" FHAA"), impose further restrictions on our properties and operations. Under the ADA and the FHAA, all public accommodations must meet federal requirements related to access and use by disabled persons. Some of our properties may currently be in non- compliance with the ADA or the FHAA. If one or more of the properties in our portfolio is not in compliance with the ADA, the FHAA or any other regulatory requirements, we may incur additional costs to bring the property into compliance, incur governmental fines, award damages to private litigants or be unable to refinance such properties. In addition, we do not know whether existing requirements will change or whether future requirements will require us to make significant unanticipated expenditures that will adversely impact our financial condition, results of operations and cash flow. We are also subject to compliance with a wide variety of complex legal requirements because we are a federal government contractor. These laws, which are generally incorporated into our leases with the USPS, regulate how we conduct business, require us to administer various compliance programs and require us to impose compliance responsibilities on some of our contractors. Our failure to comply with these laws could subject us to fines, penalties and damages, cause us to be in default of our leases with the USPS and bar us from entering into future leases with the USPS. There can be no assurance that these potential costs and losses of revenue will not have a material adverse effect on our results of operations, financial condition and cash flow. We have acquired and may continue to acquire properties that are (i) leased to both the USPS and non- postal tenants, (ii) leased solely to non- postal tenants or (iii) in markets that are new to us, and we may not be able to adapt to these new business models. We have acquired and may continue to acquire properties that are (i) leased to both the USPS and non- postal tenants, (ii) leased solely to non- postal tenants or (iii) in markets that are new to us, and we may not be able to adapt to these new business models. When we acquire such properties, we may face risks associated with lack of market or tenant knowledge or understanding of the local economy or operations of the new tenant. Subject to maintaining our qualification as a REIT, we may also provide other services through our TRS, such as consulting services for postal property owners, to complement our core business. Additionally, we may face risks associated with forging new business relationships and unfamiliarity with local government and local or tenant- specific permitting procedures. We work to mitigate such risks through extensive diligence and research and associations with experienced service providers. However, there can be no guarantee that all such risks will be eliminated. We have acquired and may continue to acquire properties that are subject to purchase options in favor of the USPS. Certain of our leases provide the USPS with the right to purchase the underlying property at fair market value or at fixed prices as of dates as set forth in the lease agreement. We may in the future acquire additional properties that provide the USPS with similar purchase options. If the USPS decides to exercise a purchase option, we would lose the right to future rent from the property. If the purchase price we are entitled to receive is less than the price we paid for the related property, we may incur losses. We may also not be able to reinvest the purchase price we receive in comparable investments that produce similar or better returns and, as a result, experience a decline in lease revenues and profitability. We may incur goodwill and other intangible asset impairment charges, which could adversely affect our earnings and financial condition. In accordance with U. S. generally accepted accounting practices (" GAAP"), we are required to assess any goodwill and indefinite- lived intangible assets assumed in any acquisition transactions, annually, or more frequently whenever events or changes in circumstances indicate potential impairment, such as changing market conditions or any changes in key assumptions. If the testing performed indicates that an asset may not be recoverable, we are required to record a non- cash impairment charge for the difference between the carrying value of the goodwill or indefinite- lived intangible assets and the implied fair value of the goodwill or intangible assets in the period the determination is made. We also continually evaluate whether events or circumstances have occurred that indicate the remaining estimated useful lives of definite- lived intangible assets, excluding goodwill, and other long- lived assets may warrant revision or whether the remaining balance of such assets may not be recoverable. We use an estimate of the related undiscounted cash flow over the remaining life of such asset in measuring whether the asset is recoverable. These impairment charges could be significant and could adversely affect our financial condition, results of operations and cash available for distribution. We have made significant investments to update and improve our information technology systems and expect such investments to continue in order to meet our business needs, including for sourcing acquisition opportunities, managing the maintenance and repair of our properties and enhancing our cybersecurity. Transitioning to new or upgraded systems can create difficulties, including potential disruptions to current processes and security complexities. In addition, our information technology systems may require further modification as we grow and as our business needs change, which could prolong difficulties we experience with transitions. Such significant investments in our systems may take longer to deploy and cost more than originally planned. In addition, we may not realize the full benefits we hoped to achieve and we may need to expend significant attention, time and resources to correct problems or find alternative sources for performing various functions. Difficulties in implementing new or upgraded information technology systems or significant system failures or delays or the failure to successfully modify our systems and respond to changes in our business needs could adversely affect our business and results of operations. The use of social media platforms, including blogs, social media websites and other forms of internet- based communication, has become commonplace. Negative commentary regarding us by third parties may be posted on social media platforms or similar devices at any time and may harm our reputation or business. We also use social media platforms to disseminate information and source acquisition opportunities. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact our business or subject us to fines or other penalties. **Furthermore, our reputation and our tenants’ reputations are important to our business. Our reputation affects our ability to access capital, acquire additional properties and recruit and retain talented employees. Our tenants’ reputations affect their ability to continue to operate profitably and make payments under their lease agreements with us on time. There are numerous ways our reputation or our tenants’ reputation could be damaged. These include unethical behavior or misconduct, workplace safety incidents, environmental impact, corporate governance issues, data breaches or human rights records. We or our tenants may experience backlash from customers, government entities, advocacy groups, employees, and other stakeholders that disagree with our operating decisions or public policy positions. If our or our tenants’ reputation is damaged, it could adversely affect our business, results of operations, financial condition or ability to attract the most highly qualified employees. We cannot assure shareholders of our ability to pay dividends in the future. Our ability to pay dividends may be adversely affected by a number of factors, including the risk factors described in this Annual Report on Form 10- K. Dividends and other distributions made by us will be authorized and determined by our Board of Directors in its sole discretion out of funds legally available therefor and will be dependent upon a number of factors, including restrictions under applicable law and other factors described below. We cannot assure you that future dividends will be made or sustained or that our board of directors will not change our dividend policy in the future. Any dividends or other distributions that we pay in the future will depend upon our actual results of operations, economic conditions, debt service requirements, capital expenditures and other factors that could differ materially from our current expectations. We may also pay a portion of our dividends in common stock.** Mr. Spodek and his affiliates own, directly or indirectly, a substantial beneficial interest in our company on a fully diluted basis and have the ability to exercise significant influence on our company and our Operating Partnership, including the approval of significant corporate transactions. Mr. Spodek and his affiliates held approximately ~~10~~ **9** . ~~3~~ **4** % of the combined voting power of our outstanding shares of common stock as of ~~March 7~~ **February 29** , ~~2023~~ **2024** . Pursuant to his ownership of Class A common stock and Class B common stock, $ 0. 01 par value per share (the “ Voting Equivalency stock ”), Mr. Spodek and his affiliates have the ability to influence the outcome of matters presented to our stockholders, including the election of our Board of Directors and approval of significant corporate transactions, including business combinations, consolidations and mergers. Therefore, Mr. Spodek has substantial influence over us and could exercise influence in a manner that is not in the best interests of our other stockholders. This concentration of voting power might also have the effect of delaying or preventing a change of control that our stockholders may view as beneficial. Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our Operating Partnership, which may impede business decisions that could benefit our stockholders. Conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our Operating Partnership or any partner thereof, on the other. Our directors and officers have duties to our company under Maryland law in connection with their management of our company. At the same time, we, as the general partner of our Operating Partnership, have fiduciary duties and obligations to our Operating Partnership and its limited partners under Delaware law and the partnership agreement of our Operating Partnership in connection with the management of our Operating Partnership. Our fiduciary duties and obligations as the general partner of our Operating Partnership may come into conflict with the duties of our directors and officers to our company. Mr. Spodek owns a significant interest in our Operating Partnership as a limited partner and may have conflicts of interest in making decisions that affect both our stockholders and the limited partners of our Operating Partnership **. In addition, certain of our executive officers and directors have outside business interests, including in the real estate industry. Their involvement in other businesses and real estate- related activities could divert their attention from our day- to- day operations and also create conflicts of interest in potential acquisitions or other business transactions** . The partnership agreement provides that, in the event of a conflict between the interests of our Operating

Partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our Operating Partnership, are under no obligation not to give priority to the separate interests of our company or our stockholders, and that any action or failure to act on our part or on the part of our Board of Directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of the Operating Partnership under its partnership agreement does not violate the duty of loyalty that we, in our capacity as the general partner of our Operating Partnership, owe to the Operating Partnership and its partners. Additionally, the partnership agreement provides that we will not be liable to the Operating Partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Operating Partnership or any limited partner, except for liability for our intentional harm or gross negligence. Our Operating Partnership must indemnify us, our directors and officers, officers of our Operating Partnership and our designees from and against any and all claims that relate to the operations of our Operating Partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) the person actually received an improper personal benefit in violation or breach of the partnership agreement or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our Operating Partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person' s good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our Operating Partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person' s right to indemnification under the partnership agreement) or if the person is found to be liable to our Operating Partnership on any portion of any claim in the action. Our charter contains certain provisions restricting the ownership and transfer of our stock that may delay, defer or prevent a change of control transaction that might involve a premium price for our Class A common stock or that our stockholders otherwise believe to be in their best interests. Our charter contains certain ownership limits with respect to our stock. Our charter, among other restrictions, prohibits, subject to certain exceptions, the beneficial or constructive ownership by any person of more than 8. 5 % in value or number of shares, whichever is more restrictive, of the aggregate outstanding shares of our common stock or more than 8. 5 % of the outstanding shares of any class or series of our preferred stock. Our Board of Directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from this ownership limit if certain conditions are satisfied. This ownership limit as well as other restrictions on ownership and transfer of our stock in our charter may: • discourage a tender offer, proxy contest, or other transactions or a change in management or of control that might result in a premium price for our Class A common stock or that our stockholders otherwise believe to be in their best interests; and • result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of certain of the benefits of owning the additional shares **. We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval** . Our Board of Directors, without stockholder approval, has the power under our charter to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue; provided that our board may not increase the number of shares of Voting Equivalency stock that we have authority to issue or reclassify any shares of our capital stock as Voting Equivalency stock without the approval of the holders of a majority of the outstanding shares of Class A common stock. In addition, under our charter, our Board of Directors, without stockholder approval, has the power to authorize us to issue authorized but unissued shares of our Class A common stock or preferred stock and to classify or reclassify any unissued shares of our Class A common stock or preferred stock into one or more classes or series of stock and set the preference, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications or terms or conditions of redemption for such newly classified or reclassified shares. As a result, we may issue series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our Class A common stock. Although our Board of Directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our Class A common stock or that our stockholders otherwise believe to be in their best interests. Certain provisions of the Maryland General Corporation Law could inhibit changes of control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our Class A common stock or that our stockholders otherwise believe to be in their best interests. Certain provisions of the Maryland General Corporation Law (" MGCL") may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of shares of our Class A common stock with the opportunity to realize a premium over the then- prevailing market price of such shares, including: • " business combination " provisions that, subject to limitations, prohibit certain business combinations between us and an " interested stockholder " (defined generally as any person who beneficially owns 10 % or more of the voting power of our shares or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10 % or more of the voting power of our then outstanding voting stock at any time within the two- year period immediately prior to the date in question) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes certain fair price and / or supermajority stockholder voting requirements on these combinations; and • " control share " provisions that provide that holders of " control shares " of our company (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a " control share acquisition " (defined as the direct or indirect acquisition of ownership or control of issued and outstanding " control shares ") have no voting rights with respect to their control shares, except to the extent approved by our stockholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding all interested shares. By resolution of our Board of Directors, we have opted out of the business combination provisions of the MGCL and provide that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by our Board of Directors (including a majority of directors who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, our Board of Directors may by resolution elect to opt into the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt into the control share provisions of the MGCL in the future. Certain provisions of the MGCL permit our Board of Directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain corporate governance provisions, some of which (for example, a classified board) are not currently applicable to us. If implemented, these provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for us or of delaying, deferring or preventing a change in control of us under circumstances that otherwise could provide the holders of shares of our Class A common stock with the opportunity to realize a premium over the then current market price. Our charter contains a provision whereby we elect, at such time as we become eligible to do so, to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our Board of Directors. Our bylaws designate the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our bylaws generally provide that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland (or in certain circumstances, the United States District Court for the District of Maryland, Northern Division) shall be the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders with respect to our company, our directors, our officers or our employees. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that the stockholder believes is favorable for disputes with us or our directors, officers or employees, which may discourage meritorious claims from being asserted against us and our directors, officers and employees. Alternatively, if a court were to find this provision of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations. We adopted this provision because Maryland judges have more experience in dealing with issues of Maryland corporate law than judges in any other state and we believe it makes it less likely that we will be forced to incur the expense of defending duplicative actions in multiple forums and less likely that plaintiffs' attorneys will be able to employ such litigation to coerce us into otherwise unjustified settlements. Certain provisions in the partnership agreement of our Operating Partnership may delay or prevent unsolicited acquisitions of us. Provisions in the partnership agreement of our Operating Partnership may delay, or make more difficult, unsolicited acquisitions of us or changes of our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some of our stockholders might consider such proposals, if made, desirable. These provisions include, among others: • redemption rights; • a requirement that we may not be removed as the general partner of our Operating Partnership without our consent; • transfer restrictions on OP Units; • our ability, as general partner, in some cases, to amend the partnership agreement and to cause the Operating Partnership to issue units with terms that could delay, defer or prevent a merger or other change of control of us or our Operating Partnership without the consent of the limited partners; and • the right of the limited partners to consent to direct or indirect transfers of the general partnership interest, including as a result of a merger or a sale of all or substantially all of our assets, in the event that such transfer requires approval by our common stockholders. As of ~~March 7~~ **February 29** , ~~2023~~ **2024** , Mr. Spodek and his affiliates owned approximately ~~39~~ **37** . ~~2~~ **5** % of the outstanding OP Units (including LTIP Units) that are not owned by us and approximately ~~4~~ **3** . ~~1~~ **9** % of the outstanding shares of our Class A common stock and all of the Voting Equivalency stock, which together represent an approximate ~~11~~ **10** . ~~2~~ **6** % beneficial economic interest in our Company on a fully diluted basis. Tax protection agreements may limit our ability to sell or otherwise dispose of certain properties and may require our Operating Partnership to maintain certain debt levels that otherwise would not be required to operate our business. In connection with contributions of properties to our Operating Partnership, our Operating Partnership has entered and may in the future enter into tax protection agreements under which it agrees to minimize the tax consequences to the contributing partners resulting from the sale or other disposition of the contributed properties. Tax protection agreements may make it economically prohibitive to sell any properties that are subject to such agreements even though it may otherwise be in our stockholders' best interests to do so. In addition, we may be required to maintain a minimum level of indebtedness throughout the term of any tax protection agreement regardless of whether such debt levels are otherwise required to operate our business or provide certain of our contributors the opportunity to guarantee debt or enter into a deficit restoration obligations upon a future repayment, retirement, refinancing or other reduction (other than scheduled amortization) of currently outstanding debt prior to the tenth anniversary of the completion of our formation transactions. If we fail to make such opportunities available, we will be required to deliver to each such contributor a cash payment intended to approximate the contributor' s tax liability resulting from our failure to make such opportunities available to that contributor and the tax liabilities incurred as a result of such tax protection payment. Nevertheless, we have entered and may in the future enter into tax protection agreements to assist contributors of properties to our Operating Partnership in deferring the recognition of taxable gain as a result of and after any such contribution. Our investment, financing, leverage and distribution policies, and our policies with respect to all other activities, including growth, capitalization and operations, will be determined exclusively by our Board of Directors, and may be amended or revised at any time by our Board of Directors without notice to or a vote of our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated in this report. Further, our charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our Board of Directors may alter or eliminate our current policy on borrowing at any time without stockholder approval. If this policy changed, we could become more highly leveraged which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to our policies with regards to the foregoing could materially adversely affect our financial condition, results of operations and cash flow. Under Maryland law, generally, a director will not be liable if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter limits the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from: • actual receipt of an improper benefit or profit in money, property or services; or • active and deliberate dishonesty by the director or officer that was established by a final judgment as being material to the cause of action adjudicated. Our charter requires us to indemnify, and advance expenses to, each director and officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. We have entered into indemnification agreements with each of our executive officers and directors whereby we will indemnify our directors and executive officers to the fullest extent permitted by Maryland law against all expenses and liabilities incurred in their capacity as an officer and / or director, subject to limited exceptions. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter or that might exist with other companies. We are a holding company with no direct operations and, as such, we rely on funds received from our Operating Partnership to pay liabilities, and the interests of our stockholders are structurally subordinated to all liabilities and obligations of our Operating Partnership and its subsidiaries. We are a holding company and conduct substantially all of our operations through our Operating Partnership. We do not have, apart from an interest in our Operating Partnership, any independent operations. As a result, we rely on cash distributions from our Operating Partnership to pay any dividends we declare on shares of our Class A common stock. We also rely on distributions from our Operating Partnership to meet any of our obligations, including any tax liability on taxable income allocated to us from our Operating Partnership. In addition, because we are a holding company, your claims as a stockholder will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our Operating Partnership and its subsidiaries will be available to satisfy the claims of our stockholders only after all of our and our Operating Partnership' s and its subsidiaries' liabilities and obligations have been paid in full. Our Operating Partnership may issue additional OP Units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our Operating Partnership and could have a dilutive effect on the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders. As of ~~March~~ **February 29, 2024, approximately 19.** 7 ~~, 2023, approximately 20. 0~~ % of the outstanding OP Units (including the LTIP Units) of our Operating Partnership were held by third parties. We may, in connection with our acquisition of properties or otherwise, continue to issue additional OP Units to third parties. Such issuances would reduce our ownership percentage in our Operating Partnership and could affect the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders. Holders of OP Units do not have any voting rights with respect to any such issuances or other partnership level activities of our Operating Partnership. Failure to remain qualified as a REIT would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our stockholders. We have elected and intend to continue to operate in a manner that will allow us to qualify to be taxed as a REIT under Sections 856- 860 of the Code commencing with our short taxable year ended December 31, 2019. Qualification as a REIT involves the application of highly technical and complex tax rules, for which there are only limited judicial and administrative interpretations. The fact that we hold substantially all our assets through a partnership further complicates the application of the REIT requirements. Even a seemingly minor technical or inadvertent mistake could jeopardize our REIT status. Our REIT status depends upon various factual matters and circumstances that may not be entirely within our control. Moreover, our qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the federal tax laws. For example, in order to qualify as a REIT, at least 95 % of our gross income in any year must be derived from qualifying sources, such as rents from real property, and we must satisfy a number of requirements regarding the composition of our assets. Also, we must make distributions to stockholders aggregating annually at least 90 % of our REIT taxable income, excluding net capital gains. No assurances can be given that our actual results of operations for any particular taxable year will satisfy such requirements. In addition, new legislation, regulations, administrative interpretations or court decisions, each of which could have retroactive effect, may make it more difficult or impossible for us to qualify as a REIT, or could reduce the desirability of an investment in a REIT relative to other investments. We have not requested and do not plan to request a ruling from the Internal Revenue Services (the" IRS") that we qualify as a REIT, and the statements in this Annual Report on Form 10- K are not binding on the IRS or any court. Accordingly, we cannot be certain that we will be successful in qualifying as a REIT. If we fail to maintain our qualification as a REIT in any taxable year, we will face serious tax consequences that will substantially reduce the funds available for distributions to our stockholders because: • we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates; • we could be subject to increased state and local taxes; and • unless we are entitled to relief under certain federal income tax laws, we could not re- elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT. In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions to our stockholders. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it would adversely affect the value of our Class A common stock. Even if we qualify as a REIT, we may be subject to some U. S. federal, state and local income, property and excise taxes on our income or property, including tax on income from some activities conducted as a result of foreclosure, and state or local income, property and transfer taxes, and, in certain cases, a 100 % penalty tax, in the event we sell property that we hold primarily for sale to customers in the ordinary course of business. In addition, our TRS is subject to tax as a regular corporation in the jurisdictions in which it operates, which would decrease cash available for distributions to stockholders. We have operated and intend to continue to operate so as to maintain our qualification as a REIT for federal income tax purposes. In order to maintain our qualification as a REIT, we generally are required to distribute at least 90 % of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, each year to our stockholders. To the extent that we satisfy this distribution requirement but distribute less than 100 % of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4 % non- deductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under the Code. Differences in timing between the recognition of income and the related cash receipts, limitations on our ability or the ability of our subsidiaries to deduct interest expense from borrowings under Section 163 (j) of the Code or the effect of required debt amortization payments could require us to borrow or raise capital on terms we regard as unfavorable, or sell assets at prices or at times we regard as unfavorable to distribute out enough of our taxable income to satisfy the distribution requirement and to avoid corporate income tax and the 4 % nondeductible excise tax in a particular year. Complying with REIT requirements may cause us to forego otherwise attractive opportunities or liquidate otherwise attractive investments. To maintain qualification as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our capital stock. In order to meet these tests, we may be required to forego investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our performance. In particular, we must ensure that at the end of each calendar quarter, at least 75 % of the value of our assets consists of cash, cash items, government securities and qualified real estate assets. The remainder of our investment in securities (other than government securities, securities of TRSs and qualified real estate assets) generally cannot include more than 10 % of the outstanding voting securities of any one issuer or more than 10 % of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5 % of the value of our assets (other than government securities, securities of TRSs and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20 % of the value of our total assets can be represented by the securities of one or more TRSs. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders. A REIT' s net income from prohibited transactions is subject to a 100 % tax. In general, prohibited transactions are sales or other dispositions of property other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We may be subject to the prohibited transaction tax equal to 100 % of net gain upon a disposition of real property. Although a safe harbor to the characterization of the sale of real property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or may conduct such sales through our TRS, which would be subject to federal and state income taxation. A portion of our predecessor, UPH, that was taxable as a C corporation merged into us as a part of our formation transactions. As a result of the merger, any unpaid tax liabilities of such taxable C corporation were transferred to us. Under an indemnification agreement, Mr. Spodek and his affiliates are required to make a payment to us in the event that there is a final determination of any such tax liabilities. If Mr. Spodek and his affiliates do not make such payment, we would be responsible for paying such tax liabilities, which would decrease cash available for distributions to stockholders. There are uncertainties relating to the estimate of the accumulated earnings and profits attributable to UPH. Because a portion of our predecessor, UPH, was a C corporation, to qualify as a REIT, we were required to distribute to our stockholders prior to the end of the taxable year ended December 31, 2019 all of UPH' s accumulated earnings and profits attributable taxable years prior to our formation transactions. Based on an earnings and profits study we obtained from an accounting firm, we do not believe that we had any accumulated earnings and profits attributable to UPH. While we believe that we satisfied the requirements relating to the distribution of UPH' s earnings and profits, the determination of the amount of accumulated earnings and profits attributable to UPH is a complex factual and legal determination. There are substantial uncertainties relating to the computation of our accumulated earnings and profits attributable to UPH, including our interpretation of the applicable law differently from the IRS. In addition, the IRS could, in auditing UPH' s tax years through the effective date of the merger with us, successfully assert that our taxable income should be increased, which could increase our earnings and profits attributable to UPH. Although there are procedures available to cure a failure to distribute all of our non- REIT earnings and profits, we cannot determine now whether we will be able to take advantage of them or the economic impact to us of doing so. If it is determined that we had undistributed non- REIT earnings and profits as of the end of any taxable year in which we elect to qualify as a REIT, and we are unable to cure the failure to distribute such earnings and profits, then we would fail to qualify as a REIT under the Code. A sale of assets acquired as part of the merger between us and UPH within five years after the merger would result in corporate income tax, which would reduce the cash available for distribution to our stockholders. If we sell any asset that we acquired as part of the merger between us and UPH within five years after the merger and recognize a taxable gain on the sale, we will be taxed at the highest corporate rate on an amount equal to the lesser of: • the amount of gain that we recognize at the time of the sale; or • the amount of gain that we would have recognized if we had sold the asset at the time of the merger for its then fair market value. This rule potentially could inhibit us from selling assets acquired as part of the merger within five years after the merger. Our charter provides that our Board of Directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders. Overall, no more than 20 % of the value of a REIT' s assets may consist of stock or securities of one or more TRSs. In addition, the Code limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation and, in certain circumstances, other limitations on deductibility may apply. The Code also imposes a 100 % excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm' s- length basis. Our TRS will be subject to applicable federal, foreign, state and local income tax on its taxable income, and its after- tax net income will be available for distribution to us but is not required to be distributed to us. We believe that the aggregate value of the stock and securities of our TRS will be less than 20 % of the value of our total assets (including our TRS stock and securities). Furthermore, we will monitor the value of our respective investments in our TRS for the purpose of ensuring compliance with TRS ownership limitations and will structure our transactions with our TRS on terms that we believe are arm' s length to avoid incurring the 100 % excise tax described above. There can be no assurance, however, that we will be able to comply with the 20 % limitation discussed above or to avoid application of the 100 % excise tax. You may be restricted from acquiring or transferring certain amounts of our Class A common stock. The restrictions on ownership and transfer in our charter may inhibit market activity in our capital stock and restrict our business combination opportunities. In order to maintain our qualification as a REIT for each taxable year, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50 % in value of our issued and outstanding stock at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our capital stock under this requirement. Additionally, at least 100 persons must beneficially own our capital stock during at least 335 days of a taxable year for each taxable year. To help ensure that we meet these tests, our charter restricts the acquisition and ownership of shares of our capital stock. Our charter, with certain exceptions, authorizes our Board of Directors to take such actions as are necessary to preserve our qualification as a REIT. Unless exempted by our Board of Directors, our charter prohibits any person, other than Mr. Spodek, from beneficially or constructively owning more than 8. 5 % in value or number of shares, whichever is more restrictive, of the aggregate outstanding shares of our common stock or more than 8. 5 % in value of the outstanding shares of any class or series of our preferred stock. Our charter permits Mr. Spodek to own up to 15. 0 % in value or number of shares, whichever is more restrictive, of our outstanding shares of common stock. Our Board of Directors may not grant an exemption from this restriction to any proposed transferee whose ownership would result in our failing to qualify as a REIT. This as well as other restrictions on transferability and ownership will not apply, however, if our Board of Directors determines that it is no longer in our best interests to continue to qualify as a REIT. Qualified dividend income payable to U. S. stockholders that are individuals, trusts and estates is subject to the reduced maximum tax rate applicable to capital gains. Dividends payable by REITs, however, generally are not eligible for the reduced qualified dividend rates. For taxable years beginning before January 1, 2026, non- corporate taxpayers may deduct up to 20 % of certain pass- through business income, including " qualified REIT dividends " (generally, dividends received by a REIT shareholder that are not designated as capital gain dividends or qualified dividend income), subject to certain limitations. Although the reduced federal income tax rate applicable to qualified dividend income does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non- REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our Class A common stock. Tax rates could be changed in future legislation. If our Operating Partnership failed to qualify as a partnership for federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences. We believe that our Operating Partnership has been and will be treated as a partnership for federal income tax purposes. As a partnership, our Operating Partnership generally will not be subject to federal income tax on its income. Instead, each of its partners, including us, will be allocated, and may be required to pay tax with respect to, its share of our Operating Partnership' s income. We cannot assure you, however, that the IRS will not challenge the status of our Operating Partnership or any other subsidiary partnership in which we own an interest as a partnership for federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our Operating Partnership or any such other subsidiary partnership as an entity taxable as a corporation for federal income tax purposes, we could fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of our Operating Partnership or any subsidiary partnerships to qualify as a partnership could cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners, including us. To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions, and the unavailability of such capital on favorable terms at the desired times, or at all, may cause us to curtail our investment activities or dispose of assets at inopportune times and / or on unfavorable terms, which could materially adversely affect our financial condition, results of operations and cash flow. In order to qualify as a REIT, we generally must distribute to our stockholders, on an annual basis, at least 90 % of our " REIT taxable income, " determined without regard to the deduction for dividends paid and excluding net capital gains. In addition, we will be subject to U. S. federal income tax at the regular corporate rate to the extent that we distribute less than 100 % of our net taxable income (including net capital gains) and will be subject to a 4 % non- deductible excise tax on the amount by which our distributions in any calendar year are less than a minimum amount specified under U. S. federal income tax laws. We intend to continue to distribute our net income to our stockholders in a manner intended to satisfy the REIT 90 % distribution requirement and to avoid U. S. federal income tax and the 4 % non- deductible excise tax. In addition, from time to time our taxable income may exceed our net income as determined by GAAP. This may occur, for instance, because realized capital losses are deducted in determining our GAAP net income, but may not be deductible in computing our taxable income. In addition, we may incur non- deductible capital expenditures or be required to make debt or amortization payments. As a result of the foregoing, we may generate less cash flow than taxable income in a particular year and we may incur U. S. federal income tax and the 4 % non- deductible excise tax on that income if we do not distribute such income to stockholders in that year. In that event, we may be required to (i) use cash reserves, (ii) incur debt at rates or times that we regard as unfavorable, (iii) sell assets in adverse market conditions, (iv) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt, or (v) make a taxable distribution of our shares as part of a distribution in which stockholders may elect to receive our shares or (subject to a limit measured as a percentage of the total distribution) cash in order to satisfy the REIT 90 % distribution requirement and to avoid U. S. federal income tax and the 4 % non- deductible excise tax in that year. These alternatives could increase our costs or reduce our equity. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect our business, financial condition and results of operations. Covenants in our agreements for our Credit Facilities or other borrowings may restrict our ability to pay distributions which could cause us to fail to qualify as a REIT. In order to maintain our qualification as a REIT, we are generally required under the Code to distribute annually at least 90 % of our net taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100 % of our net taxable income, including any net capital gains. Under agreements for our Credit Facilities or other borrowings, we may be subject to various financial covenants that may inhibit our ability to make distributions to our stockholders, which could restrict us from making sufficient distributions to maintain our REIT status. New legislation or administrative or judicial action, in each instance potentially with retroactive effect, could adversely affect us or our stockholders. The federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the federal income tax treatment of an investment in us. The federal income tax rules dealing with REITs constantly are under review by persons involved in the legislative process, the IRS and the U. S. Treasury Department, which could result in statutory changes as well as frequent revisions to regulations and interpretations. We and our stockholders could be adversely affected by any new federal income tax law, regulation or administrative interpretation. One of the factors that investors may consider in deciding whether to buy or sell our securities is our dividend rate as a percentage of our share or unit price, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher dividend or interest rate on our securities or seek securities paying higher dividends or interest. The market price of our Class A common stock likely will be based primarily on the earnings and return that we derive from our investments and income with respect to our properties and our related distributions to stockholders, and not from the market value or underlying appraised value of the properties or investments themselves. As a result, interest rate fluctuations and capital market conditions can affect the market price of our Class A common stock. For instance, if interest rates rise without an increase in our dividend rate, the market price of our Class A common stock could decrease because potential investors may require a higher dividend yield on our Class A common stock as market rates on interest- bearing securities, such as bonds, rise. In addition, rising interest rates would result in increased interest expense on our variable rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and pay dividends. ~~An~~ **In recent years, the consumer price index has increased substantially. Federal policies and recent global events, such as the rising price of oil and the conflict between Russia and Ukraine, may have exacerbated, and may continue to exacerbate, increases in the consumer price index. A sustained** increase in inflation could have an adverse impact on our operating and general and administrative expenses, interest expense and real estate acquisition costs **. Similarly, professional service fees are also subject to the impact of inflation and expected to increase proportionately with increasing market prices for such services** . During inflationary periods, these costs could increase at a rate higher than our rental revenue. Inflation could also have an adverse effect on consumer spending, which could adversely impact demand for postal services and therefore the demand for postal properties. **Increased costs may also have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue, which may adversely affect the tenants' ability to pay rent owed to us. While certain of our leases contain provisions, such as rent escalators, designed to mitigate the adverse impact of inflation, the increases in rent provided by many of our leases may not keep up with the rate of inflation. Similarly,** ~~Periodic~~ **periodic** rental increases through lease renewal may not adequately protect us from the impact of inflation. If our operating and other expenses are increasing faster than anticipated due to inflation, our financial condition, results of operations, cash flow, cash available for distributions and our ability to service our debt obligations could be materially adversely affected. **In addition, historically, during periods of increasing interest rates, real estate valuations have generally decreased as a result of rising capitalization rates, which tend to be positively correlated with interest rates. Consequently, prolonged periods of higher interest rates may negatively impact the valuation of our portfolio and result in the decline of the quoted trading price of our securities and market capitalization, as well as lower sales proceeds from future dispositions.** Accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time the Financial Accounting Standards Board and the SEC, which create and interpret appropriate accounting standards, may change the financial accounting and reporting standards or their interpretation and application of these standards that govern the preparation of our financial statements. These changes could have a material impact on our reported financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in reclassifying or restating prior period financial statements **. We could be adversely impacted if there are deficiencies in our disclosure controls and procedures or internal control over financial reporting** . Our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. There can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies in our internal controls over financial reporting that may occur in the future could result in misstatements of our results of operations, restatements of our financial statements or otherwise adversely impact our financial condition, results of operations, cash flows, or the market price of our Class A common stock and our ability to satisfy our debt service obligations and to pay dividends and distributions to the holders of our Class A common stock. Future offerings of equity securities, which would dilute our existing stockholders and may be senior to our Class A common stock for the purposes of dividend distributions, may adversely affect the market price of our Class A common stock. In the future, we may attempt to increase our capital resources by making additional offerings of equity securities, including classes of preferred or common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our Class A common stock, or both. Preferred stock or units could have a preference on liquidating distributions or a preference on dividend or distribution payments that could limit our ability to make a dividend distribution to the holders of our common stock and common units. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our Class A common stock and diluting their holdings in us. The market price of our Class A common stock has been, and may continue to be, volatile and has declined, and may continue to decline, which may result in a substantial or complete loss of your investment in our Class A common stock. The stock markets have previously and recently experienced significant price and volume fluctuations. As a result, the market price of our Class A common stock has been and could be similarly volatile in the future, and investors in our Class A common stock may experience a decrease in the value of their investments, including decreases unrelated to our operating performance or prospects. The market price of our Class A common stock could be subject to wide fluctuations in response to a number of factors, including: • our operating performance and the performance of other similar companies; • the operating performance of the USPS; • actual or anticipated differences in our operating results; • changes in our revenues or earnings estimates or recommendations by securities analysts; • publication of research reports about us or our industry by securities analysts; • additions and departures of key personnel; • strategic decisions by us or our competitors, such as mergers and acquisitions, divestments, spin- offs, joint ventures, strategic investments or changes in business strategy; • the passage of legislation or other regulatory developments or executive policies that adversely affect us or our industry; • speculation in the press or investment community; • actions by institutional stockholders; • changes in accounting principles; • terrorist acts; • general market conditions, including factors unrelated to our performance; and • pandemics and epidemics, such as the COVID- 19 pandemic, and the related governmental and economic responses thereto. In addition, while we expect to continue to make regular quarterly distributions to the holders of our Class A common stock, if sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital or net proceeds from asset sales, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by our assets is less than expected, or if such cash available for distribution decreases in future periods from expected levels, our inability to make distributions, or to make distributions at expected levels, could result in a decrease in the market price of our Class A common stock. In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management' s attention and resources. Future sales of our Class A common stock, preferred stock, or securities convertible into or exchangeable or exercisable for our Class A common stock could depress the market price of our Class A common stock. We cannot predict whether future sales of our Class A common stock, preferred stock, or securities convertible into or exchangeable or exercisable for our Class A common stock or the availability of these securities for resale in the open market will decrease the market price of our Class A common stock. Sales of a substantial number of these securities in the public market, including sales upon the redemption of OP Units, or the perception that these sales might occur, may cause the market price of our common shares to decline and you could lose all or a portion of your investment. Future issuances of our Class A common stock, preferred stock, or other securities convertible into or exchangeable or exercisable for our Class A common stock, including, without limitation, OP Units, in connection with property, portfolio or business acquisitions and issuances of equity- based awards to participants in our 2019 Equity Incentive Plan, could have an adverse effect on the market price of our Class A common stock. Future issuances of these securities also could adversely affect the terms upon which we obtain additional capital through the sale of equity securities. In addition, future sales or issuances of our Class A common stock may be dilutive to existing stockholders. We face cybersecurity risks ~~. We face cybersecurity risks~~ and risks associated with security breaches or disruptions, such as through **physical or electronic break- ins,** cyber- attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to emails, social engineering and phishing schemes or persons inside our organization. The risk of a security breach or disruption, particularly through cyber- attacks or cyber intrusions, including by computer hackers, nation- state affiliated actors, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. These incidents may result in disruption of our operations, **delays or interruptions to our ability to meet tenant needs,** material harm to our financial condition, cash flows and the market price of our common shares, misappropriation of assets, compromise or corruption of confidential information collected in the course of conducting our business, liability for stolen information or assets, increased cybersecurity protection and insurance costs, regulatory enforcement, litigation **, inability to access or rely upon critical business records** and damage to our stakeholder relationships. These risks require continuous and likely increasing attention and other resources from us to, among other actions, identify and quantify these risks, upgrade and expand our technologies, systems and processes to adequately address them and provide periodic training for our employees and contractors to assist them in detecting phishing, malware and other schemes. Such attention diverts time and other resources from other activities and there is no assurance that our efforts will be effective **. There can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Even the most well**

protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases, are designed to not be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk . Additionally, we rely on third- party service providers in our conduct of day- to- day property management, leasing and other activities at our properties and we can provide no assurance that the networks and systems that our third- party vendors have established or used will be effective. In the normal course of business, we and our service providers (including service providers engaged in providing property management, leasing, accounting and / or payroll services) collect and retain certain personal information provided by our tenants, employees and vendors. We also rely extensively on computer systems to process transactions and manage our business. We can provide no assurance that the data security measures designed to protect confidential information on our systems established by us and our service providers will be able to prevent unauthorized access to this personal information. We maintain cyber liability insurance; however, this insurance may not be sufficient to cover the financial, legal, business, or reputational losses that may result from an interruption or breach of our systems. Some of our employees also work remotely, which could introduce additional cybersecurity risks. There can be no assurance that our efforts to maintain the security and integrity of the information we and our service providers collect and our and their computer systems will be effective or that attempted security breaches or disruptions would not be successful or damaging with the potential for disruption in our operations, material harm to our financial condition, cash flows and the market price of our common shares, increased cybersecurity protection and insurance costs, regulatory enforcement, litigation and damage to our stakeholder relationships. Third- party expectations relating to environmental, social and governance factors may impose additional costs and expose us to new risks. Certain investors may use environmental, social and governance factors to guide their investment strategies and, in some cases, may choose not to invest in our securities if they believe our policies relating to corporate responsibility are inadequate. Third- party providers of corporate responsibility ratings and reports on companies have increased in number, resulting in varied and in some cases inconsistent standards. In addition, the criteria by which corporate responsibility practices are assessed are evolving, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. We may face reputational damage in the event that our corporate responsibility procedures or standards do not meet the standards set by various constituencies. In addition, in the event that we communicate certain initiatives and goals regarding environmental, social and governance matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. If we fail to satisfy the expectations of investors, tenants and other stakeholders or our initiatives are not executed as planned, our reputation and financial results could be adversely affected.