

POSTscript

August 2018

AUSPL Special 2018 Conference Edition



Gathering with G-Men and Mobsters!



The National Museum of Law Enforcement and Organized Crime, aka: The Las Vegas Mob Museum provided the venue for AUSPL Conference 2018's Networking Party.

The Museum gives a fascinating view of organized crime in Las Vegas as well as government efforts to fight back - all held in a former court house and post office building. The interactive exhibits and largest collection of mob and law enforcement artifacts in the country provided a thought-provoking backdrop for interaction between conference attendees. Great camaraderie combined with good food and drinks generated an unforgettable event!



President's Message



Another successful conference is behind us! Thanks to all of the members, sponsors, exhibitors, presenters, and staff for making our 2018 conference one of the best ever. One of the most enjoyable parts of the conference is meeting fellow members and hearing about their successes, as well as challenges doing business with the United States Postal Service.

AUSPL continues to focus upon making your leasing business more profitable. We continue to work with Congress in support of meaningful postal reform and it has been a long, and sometimes, frustrating process. Legislative reform is a major undertaking with many stakeholders. **With your support, AUSPL has been**

present, informing all of the parties about the leasing program and its importance to the future success of the Postal Service.

Most recently, a team of AUSPL board members were invited to make a presentation to the Presidential Task Force on the Postal Service. The Task Force was very interested in hearing about the leasing program and the importance of our network of facilities to achieving universal mail service to rural America. The Task Force plans to release its findings and recommendations by the end of August and the report may put pressure on Congress to finally take action to put the Postal Service in a better financial position.

We also continue to meet regularly with the Facilities headquarters office. We discuss the new leasing form and offer changes to make the agreement more reasonable for lessors. We also talk about maintenance, EMCOR, JLL, commissions, insurance issues and more. AUSPL will always listen to lessor's issues and bring them to the attention of USPS management.

We continue to add educational tools and resources to support lessors. This year we welcomed Ted Schmitz to our staff as "Marketing and Digital Media Manager". He has already brought AUSPL to Facebook and Twitter and will continue to expand AUSPL's social media presence. Lessors will have more opportunities for connecting directly with one another to share information. And social media is a great tool for keeping lessor issues in front of Congressmen and their staff. Ted is also an accomplished cinematographer and is working on bringing video content to AUSPL's website for educational workshops, event highlights, and eventually, documentary pieces.

The new lease form is here and AUSPL is working hard to educate and inform lessors about new risks and costs associated with this document. It is now more critical than ever for lessors to know the condition of their facilities and so AUSPL has introduced a new Post Office Inspection program. We have partnered with ASHI (American Society of Home Inspectors) to offer inspections designed for leased post offices. The program uses software tailored specifically to our buildings. Combined, AUSPL and ASHI offer the expertise of hundreds of years of post office development and a nationwide network of more than 8500 trained inspectors. Check out our website for more about this exciting new program.

AUSPL will continue to work to give members the right tools to be successful. We realize all our efforts are made possible by funds provided by annual membership dues, PAC contributions, and participation in the AUSPL Insurance program. Thank you for your membership and continued support.

Sincerely,

Gary Phillips,
AUSPL President

Postal Lessors Can Make a Difference for Postal Reform!

The Hill Day Workshop presented by Morgan Wolaver, Joyce McCutcheon and Harry Glenn emphasized the importance of the annual “Hill Day” event which supports AUSPL’s legislative initiatives. Each spring, AUSPL members travel to Washington D.C. to meet with Representatives, Senators and legislative staff members. AUSPL members use these meetings to strengthen recognition of the postal leasing program, explain AUSPL’s role in representing the interests of postal lessors, and discuss the importance of postal reform legislation.

Through Hill Day meetings, AUSPL members reinforce relationships established with legislators in prior Hill Day visits and call on new legislators and staff members who may be unaware of the leasing program. Harry Glenn stressed that Congressmen are more interested in hearing about postal issues from their constituents than from AUSPL leadership. “Members of Congress don’t know until we tell them. So, go tell them,” he advised.

Comprehensive postal reform bills are now pending in both the House (H.R. 756) and the Senate (S.2926). Though the bills are similar in content, Morgan Wolaver stated a preference for the Senate version which includes language prohibiting the use of temporary emergency suspensions to indefinitely close post offices.

Harry Glenn suggested several ways AUSPL members can contribute to the passage of postal reform legislation:

- ① **Meet with members of Congress at Hill Day;**
- ② **Call on members of Congress in their offices in their districts; and**
- ③ **Contribute to the AUSPL Political Action Committee.**

For further information about attending Hill Day in 2019, call the AUSPL at 800-572-9483.

“Members of Congress don’t know until we tell them. So, go tell them!”



Morgan Wolaver, Joyce McCutcheon and Harry Glenn inform members how they can participate in postal reform.



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AUSPL INSPECTION PROGRAM

AUSPL President Gary Phillips announced the launch of AUSPL's new Inspection Program. The program will provide lessors with reliable and accurate facility condition reports. Through the program, AUSPL members will be connected with building inspectors from the American Society of Home Inspectors (ASHI), who will inspect postal facilities and provide detailed building condition reports.

Why ASHI? When they were originally constructed, the USPS referred to the buildings owned by most of AUSPL's members as using a "Residential Design Standard." That is, they are in many ways more residential than commercial. Many of the building systems are designed to meet residential standards – often because of the higher energy efficiency standards of residential construction.

Frank Lesh of ASHI explained that ASHI was founded in 1976 by a group of home inspectors whose goal was to create the first standards of practice and code of ethics for home inspectors. Based on that code, the 8,500 ASHI inspectors across the country cannot perform repair work on buildings they have inspected.

An AUSPL/ASHI created training class in postal specific issues will prepare inspectors for postal facility inspections. The reports generated by these inspectors will be a great starting place for lease negotiations with the USPS. Another important benefit is that inspection reports obtained through the program can be used in appropriate cases to cause the USPS to acknowledged responsibility for deferred maintenance the USPS must rectify.



AUSPL Inspection Program



Professional Providers of Inspection Services

Reports will begin with a cover page which will include an identifier, the address, name of the inspector, and an index naming the systems and areas of the facility being inspected. The report will also contain a summary explaining the scope of the work, photos of all exterior sides of the building and a site plan showing dimensions and setbacks. Although AUSPL will archive inspection reports ordered through the program, AUSPL will not share a report with the USPS or anyone else without the permission of the lessor in question. The cost of the reports will vary regionally and will depend in part upon the size of the buildings being inspected. However, initial discussions with inspectors lead AUSPL to believe that the charge for a typical report should generally fall within a range from \$350 to \$800. In addition, AUSPL will add a fee to cover administrative work. Completion time from initial request to final report is expected to be approximately 30 days.

Creation of curriculum for the training class is in process, and ASHI is working hard to create a network of inspectors. By August 2018 the program should be up and running.

To request an inspection, call AUSPL at 800-572-9483, or visit the www.auspl.com to fill out an inspection request.

Update From the PRC

AUSPL was fortunate to have Tony Hammond, Vice Chairman of the Postal Regulatory Commission, speak at its May members' conference. Mr. Hammond last spoke at the AUSPL conference in 2010, at a time that the USPS was considering closing approximately 13,000 post offices. Mr. Hammond noted that, at the time, the PRC's advisory opinion about keeping post offices open cited formal comments and testimony from AUSPL. Mr. Hammond appreciated AUSPL's efforts then, and he encouraged lessors to remain active in advocating for the preservation of post offices.

Mr. Hammond was pleased to report that the PRC handled only two post office closing appeals in 2017, which was considerably fewer than in prior years. While the PRC has no statutory authority to prevent discontinuation of postal facilities, it is responsible for pointing out when a discontinuance would adversely impact the USPS's ability to perform its universal service obligation (USO).

Mr. Hammond stated that leased postal facilities are critical components in the accomplishment of the USPS's universal service obligation. In 2017 the PRC reported to Congress that the annual cost to the Postal Service of maintaining small post offices was \$245 million. Prior to POSTPlan, that figure was \$610 million.

In its last two annual reports the PRC has identified the obligation to prefund postal employee health care and retirement benefits as the biggest financial

burden on the Postal Service. Mr. Hammond pointed out that both the House and Senate postal reform bills eliminate existing prefunding formulae for those benefits. In addition, both bills permit the Postal Service to increase revenue by restoring half of the expired exigent rate increase and authorizing sales of non-postal products and services.

However, Mr. Hammond emphasized that, until changes are made by Congress, the PRC must work within the current system as set forth in The Postal Accountability and Enhancement Act of 2006 (PAEA). The PAEA requires a ten-year evaluation of the postal rate making system based on the attainment of certain objectives. If the PRC determines some of those objectives are not being met, it then has authority to modify the existing system, or adopt a new system.



Tony Hammond encourages AUSPL members to remain active in advocating for the preservation of post offices.





The formal review process under PAEA began in 2017, and takes into consideration the structure of the rate making system, the financial health of the USPS, and the service provided by the USPS. In its initial decision the Commission found the system did not achieve the objectives described in the PAEA and proposed modifications to the current system. The changes include allowing an additional 2% in supplemental rate authority beyond the CPI price cap for each of the next five years. No rule will be finalized by the PRC until a majority of the Commission

agrees. While Mr. Hammond agrees that the objectives are not being met, he mentioned that he does not necessarily support the solutions in the Commission's initial decision. He fears that ever-increasing price adjustments could eventually drive business away from the Postal Service.

It is Mr. Hammond's hope that the Commission will arrive at a balanced change that will allow for additional revenue while also meeting the objectives of the statutes.

Read more about the PRC at www.prc.gov

DID YOU KNOW...

When the Post Office roof is being replaced, be sure to:



1. Check the roof contractor's history with the Registrar of Contractors.
2. Make sure no one goes on the roof without first seeing the USPS safety video. To see video, go to Auspl.com under AUSPL members.
3. Sign a USPS form saying that everyone going onto the post office roof has seen the safety video.
4. Get a Certificate of Insurance from the Roofing Contractor.
5. Make sure that the roofing Contractor is a **certified installer** for the roofing system being installed. Using contractor that is not certified could void the manufacturer's warranty and leave the Lessor with only the contractor's warranty.
6. Review manufacturer's warranty before issuing contract. Often base warranty is 10 years but can be extended to 20 at a relatively low cost.
7. Get a lien release from the material supplier(s). The form for this is on the AUSPL website.

To access the Members Only portion of the AUSPL website, use your email address as the Username, and "Lessor" as the password. There is no member personal information on the AUSPL website.

THE USPS UPDATES LESSORS ON POSTAL SERVICE FACILITIES

Tom Samra, the Vice President, Facilities for the USPS addressed AUSPL members at the general session of the 2018 Conference. Mr. Samra began by thanking Lessors for their dedication to and support of the mission of the Postal Service. He emphasized the commitment of Lessors following the many natural disasters of 2017, which destroyed over 100 postal buildings and caused suspension of operations in nearly 500 facilities.

According to Mr. Samra, the state of the Postal Service remains much as he reported last year. Change in the structure of the USPS is needed, but such changes must come from Congress. Reform bills have been proposed in the House and in the Senate and are supported by the USPS and Postmaster General Megan Brennan. Although the USPS views the bills as imperfect, it believes they will help the USPS move forward. Mr. Samra also discussed the President's Task Force on the Postal Service and reported that Task Force members have been meeting with USPS management.

Addressing the USPS's financial issues, Mr. Samra reported that first Class mail volume is again dropping. He said package volume is growing and will be a key determinant of the Postal Service's future. Critical questions facing the USPS include, "What is the new combination [of standard mail to packages]? What is the new product, and how can it be delivered?" While Congress and the USPS seek to answer these questions, the USPS is working on new products and technology. Mr. Samra urged lessors to sign up for the USPS's new ***Informed Delivery Program***, saying, "It's fun to see the day's mail in an email each day."

Regarding facilities maintenance, Mr. Samra reported that 84% of the 24,805 landlord responsibility maintenance issues in 2017 were completed promptly. 16% went to enforcement, which the USPS prefers to avoid. Mr. Samra said the majority of maintenance issues are related to HVAC systems, doors and windows, lighting, plumbing, and dock equipment. He suggested landlords could identify maintenance personnel in advance, so that they can respond quickly.

Mr. Samra closed by thanking Lessors for their strong relationship with the USPS.



*Tom Samra promotes the new
Informed Delivery Program*



THE UPMA ON POSTPLAN AND POSTAL REFORM LEGISLATION

Sean Acord, Co-President of the United Postmasters and Managers of America, brought conference attendees up to date on POSTPlan and the efforts to pass H.R. 756 (the “Postal Reform” bill).

According to Mr. Acord, annual POSTPlan re-evaluations have been suspended since 2013. Such assessments would update 2, 4 and 6 hour facility classifications based on the workloads of the facilities. However, since postal reform legislation has been under consideration and has received bipartisan support, Mr. Acord said that the USPS has been avoiding potential downgrades.

According to Mr. Acord, Postmaster General Megan Brennan attended the UPMA convention in Louisville last year and told the assemblage that the financial condition of the USPS would require the USPS to decide which vendors to pay and not pay. Moreover, this year, for the first time, the USPS was unable to make prefunding payments for retiree healthcare benefits and also failed to make retirement benefit payments for active employees. Passage of reform legislation is imperative to correct this situation.

Discussing the differences between the House and Senate versions of postal reform legislation, Mr. Acord mentioned efforts to include in the Senate version language prohibiting indefinite suspensions of postal facilities. He stressed support for Senator Heidi Heitkamp, who is working to include such language.

If postal reform legislation is not passed, Mr. Acord sees only two options for repairing the USPS's finances—plant closures and reducing the frequency of delivery. Because the money saved would be minor in relation to the size of the USPS's financial issues, Mr. Acord does not believe closing post offices is under consideration. However, Mr. Acord still has concerns for level 2 facilities.

Though the recent moratorium on plant closures has ended, Mr. Acord believes further plant closures would downgrade service and exacerbate the USPS's problems. Instead, he believes that a Monday-Wednesday-Friday delivery schedule for letters and flats could be a real option if postal reform legislation does not pass.



Sean Acord discusses the future of postal reform legislation.

Mr. Acord also discussed the President's Task Force on the Postal Services and noted that, for such a task force (unlike the situation for a Presidential commission), it is not necessary to meet with stakeholders. Nevertheless, the President's Task Force on the Postal Service will involve meetings with stakeholders, including Mr. Acord's organization. Though there is debate about whether the Task Force will help bring legislation to the floor for a vote, Mr. Acord believes it will.



USPS, Office of the Inspector General –Mark Duda discusses increased foot traffic in post offices

USPS, Office of the Inspector General

Mark Duda, Assistant Inspector General for the USPS OIG spoke at the 2018 AUSPL conference about the series of retail facility condition audits begun a year ago by the OIG. Building disrepair was the most egregious issue revealed in those audits. The OIG audits determined that both landlords and the USPS are sometimes responsible for deferred maintenance conditions. But, Mr. Duda made clear that the USPS's lack of resources should not be used as an excuse for the USPS's failure to perform maintenance, stating that, as of April of 2018, the USPS had accumulated \$11.4 billion in cash. Because post office

buildings are the principal places of business for the USPS and create an impression of the entire Postal Service, Mr. Duda's position was that deferred maintenance at post offices could adversely impact foot traffic and should be avoided.

Foot traffic in postal facilities is the topic of a September 2017 audit report also discussed by Mr. Duda. Using infrared people counters installed in selected postal locations, the OIG determined that foot traffic across the US was about 2.7 billion visits in 2016. That amount was triple the USPS's stated figure of 877 million. Mr. Duda stated that the difference is attributable to the fact that Postal Service numbers count only completed transactions at the retail window. However, the OIG figures counted many other kinds of visits, including visits of individuals who use a kiosk, check a post office box, pick up mailing materials and deposit letters. From the OIG's study, it's clear that visiting the post office remains important to the public.

Based upon the actual foot traffic averages discovered by the USPS OIG, post offices are more valuable to the USPS's current business than previously thought. In addition, foot traffic is an important component in determining the market potential of a postal facility when for the provision of additional services (for example, ATM's). Both the USPS and the potential third party would use such information to project the probable frequency of customer visits.

Mr. Duda stressed the importance of communication between the OIG and stakeholders such as AUSPL. The OIG appreciates AUSPL's involvement and meets with AUSPL leadership periodically in Washington, D.C.

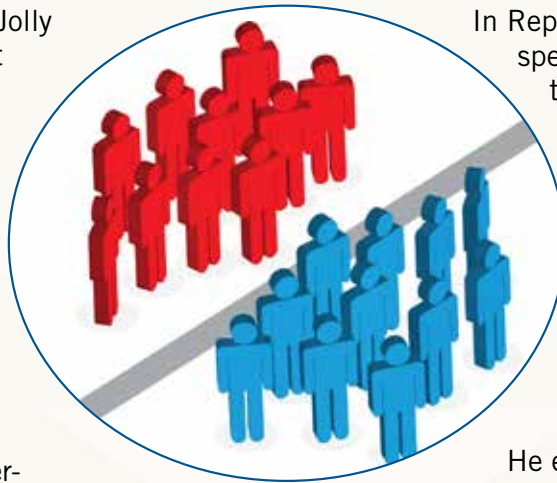


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Solving the DIVISIVENESS in Congress

Former Congressman David Jolly spoke about the lack of trust in government, which he attributes to divisiveness both between parties and within parties. This divisiveness is apparent both in Washington and in the general population as well. Mr. Jolly said that, despite increasing acceptance of issues such as interracial and same-sex marriage, acceptance of inter-political marriage has declined from 75% to 45% in the last 50 years.



In Rep. Jolly's view, the first party to speak to all constituents will be the party that governs for the next twenty years. Rep. Jolly believes the spirit of the country will be looking for bipartisanship. By this, he says he doesn't mean becoming moderates. For him, it means working together to solve problems from the easy to the difficult.

He encouraged AUSPL to continue talking to Congress. "The moment you fall silent, you fall victim to the discord we see every day," he stated.

Rep. Jolly attributed the increase in polarization to three principal causes: 1) Gerrymandered districts, 2) Closed primaries, and 3) Campaign finance. Gerrymandering refers to the establishment of an advantage for a particular party in a district through manipulation of district boundaries. Rep. Jolly believes gerrymandered districts lead to political candidates who answer to their parties ahead of their constituents. He believes closed primaries create a similar effect. Regarding campaign finance, Mr. Jolly stated his belief that the US has "One of the worst finance systems in the world."

Rep. Jolly says that voters are leading reforms. In Florida, voters passed the Fair Districts Amendment which requires Florida lawmakers to draw district maps that don't benefit incumbents or political parties. In Arizona, redistricting was given to an independent bi-partisan commission. California adopted the "jungle" primary, in which all candidates compete in one primary with the top two advancing to the general election. The Supreme Court has supported these reforms as long as they are adopted by voters.



David Jolly cites causes of political discord.

Lease Language & Lease Negotiation Workshop

The impact on lessors of changes in the language of the new USPS lease form has been a priority topic at the last two conferences. Now that the USPS is actually using the new lease forms, discussion of the provisions in the forms is even more important than before.

Mark Karolczyk, AUSPL's Director of Operations, discussed lease language and pointed out certain particularly important clauses in the the lease. However, time constraints prevented a thorough discussion of the forms, and postal lessors are reminded to review them carefully and know what they contain.

One clause discussed was the "**Landlord's Interest**" clause, which includes a representation by the lessor that the Lessor does not know of adverse conditions relating to the property. The USPS has normally occupied the property and—between the USPS and the lessor—is the party in the best position to know of adverse conditions. For example, an "adverse condition" could arise because of the failure of the USPS to perform required maintenance. If the lessor knows of the



Keith LaShier and Mark Karolczyk guide members past pitfalls in the new USPS lease.

condition, the lessor may, breach the representation that no adverse conditions exist. That could arguably make the lessor responsible for the condition despite the fact that the USPS caused it.

Another important clause in the new lease is the clause in the General Conditions which limits the USPS's obligation to restore the premises when the lease ends. Although the USPS must leave "in working order" the systems and structures it is required to maintain, it has no other obligation to restore the premises at the end of a lease. That could mean that other deferred USPS maintenance never gets done.

In addition, the "integration" clause of the lease was discussed. The clause states that neither party is bound

by any promises that are not in writing in the lease. That means a lessor cannot rely upon things a Jones Lang LaSalle (JLL) agent might say if they are not included in the written language. Lessors need to "get it in writing."

The new lease is lengthy and complex and there are many other clauses that merit discussion. AUSPL advises lessors to get assistance from professional consultants before signing the new lease.

Lease Negotiations

Lease negotiations with the USPS can be intimidating! That is especially true when the balance of power seems to favor the USPS. Lessors can gain a level of confidence by following the advice of Keith LaShier.

Keith wants lessors to know that when the USPS initiates contact, either directly or through its agent, JLL, it is because the USPS wants to stay in the building. The USPS will want a response in a few days, but a landlord should take a deep breath and work at a pace that permits a prompt response but is comfortable. Respond and say, "Thanks. This will take some time." Begin to gather information.

Ask for a copy of the specific lease which is to be signed. Review it for obvious errors (e.g., substituting a USPS Partial Maintenance Rider for a Landlord Maintenance Rider). When a Termination Rider is part of the lease, ask to have it eliminated. In the case of 2 or 4 hour buildings, increasing the time frame of the Termination Rider (e.g., from 30 or 90 days to 90 days after the first 24 months) may be the most favorable term that can be negotiated.

Ask a commercial real estate broker in the area for comparable rental rates. Remember that those rates include commissions paid to brokers, and often exclude insurance and taxes paid by the tenant. Lessors need to determine their own costs and adjust comps accordingly. Lessors can also ask to see the comparable data being used by JLL. To get a deal done, JLL may be willing to reveal that information.

Know your building. Before signing a new lease, get the USPS to repair any deferred maintenance for which the USPS is responsible. Think about what makes a post office building different from any other building and make sure JLL understands that these things are of value to the USPS. According to Keith, JLL doesn't know much about post offices and will need to be educated in a courteous and professional manner. JLL is not housed in USPS offices as CBRE was, and JLL doesn't have access to the same training CBRE had. It is up to lessors to help train JLL agents. Remember that JLL transaction managers are facilitators who have no decision-making authority.

**The more information a lessor is equipped with,
the stronger the negotiating position.**



Keith LaShier advises on improving negotiating skills.



For a list of more information about what lessor's need to be aware of, and for a list of consultants please call the AUSPL office at 800-572-9483 or visit the AUSPL website www.auspl.com.

PANEL OF EXPERTS ANSWERS QUESTIONS

A panel of legal, real estate, banking and postal service facilities experts took questions from conference attendees. The panel included Steve Hurlbut, of Akerman, LLC, Keith LaShier, AUSPL Board Member, Cathy Jones of Sun Commercial Real Estate, Terry Neal of Washington Trust Bank, and Mark Karolczyk, AUSPL Director of Operations, who offered the perspectives of their industries on a variety of topics related to postal leases.

The panel addressed member concerns about the Default and Remedies provisions in the new lease. The clause spells out remedies for lessor breaches of the lease, which can include withholding rent, suing Lessors for damages, or terminating a lease. Lessors questioned whether the USPS could easily use the termination remedy as an excuse to close a facility. According to attorney Steve Hurlbut, the lessor's breach would have to be "very substantial" for the USPS to use it to justify terminating a lease. Perhaps a breach creating a safety issue or a condition that prevented the USPS from operating its business would qualify. Mr. Hurlbut said boards and courts would consider whether lease termination was a reasonable remedy for the lessor's breach.

Regarding the likelihood of the USPS suing a lessor for damages, Mark Karolczyk advised that withholding rent is simpler and is therefore a more likely remedy for the USPS than suing a lessor. However, given the possibility of a lawsuit, lessors can protect against personal liability by holding their properties in entities such as limited liability companies. Single member and single asset LLCs offer significant liability protection.

In answer to questions about appealing a decision of a Contracting Officer, Steve Hurlbut said that "Submitting a claim and asking for a Final Decision from a Contracting Officer is not always about money." Lessors can submit a claim asking for an interpretation of a lease provision and/or a determination that the USPS is erroneously assigning to the lessor responsibility for some action. If a lessor has already rendered the performance on which the dispute is based and prevails in the action, the USPS will reimburse the lessor for



Experts in the fields of banking, real estate law, commercial real estate, and postal leases answer questions from members.

the cost of the performance. According to Mr. Hurlbut, a lessor's willingness to pursue such a dispute, "[w]ill force a Contracting Officers to get clarification from USPS lawyers."

Keith LaShier had advice for lessors whose leases include a USPS Partial Maintenance Rider, under which the USPS and lessor share maintenance responsibilities. When the new Utilities, Service, and Equipment Rider is used in combination with the USPS Partial Maintenance Rider, it is possible the JLL representative negotiating the lease will choose the selections saying the lessor must "furnish" systems in good working order. Keith believes that the word "furnish" is unclear as to whether it is or is not intended to include maintenance for systems previously maintained by the USPS. Therefore, he said lessors in that situation should insist on using the dropdown option (in the Utilities, Service, and Equipment Rider) that says, **"Follow-on Lease w/ Landlord Equipment but USPS Maintenance & Power."** Use of that selection for all clarifies that the lessor has no obligation to maintain or replace the previously provided equipment in question.

Mr. Neal and Ms. Jones both advised Lessors to avoid Termination Clauses which give the USPS the opportunity to terminate the lease early. Including a termination clause can both lower a property's value and increase the interest rate required by a lender financing the property. Mr. Neal also advised Lessors to have their properties' condition assessed at least annually. Lenders are concerned with the involvement borrowers have with the maintenance of their properties.

Real estate agents and brokers such as JLL have responsibilities as well. Cathy Jones said that JLL has the duty to "Be honest and exercise integrity." She advised Lessors to document conversations in writing, and to be aware that commissions are negotiable.



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Association of United States Postal Lessors
AUSPL Insurance Program

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Conference Exhibitors



A.P.C.U.

Atlanta Postal Credit Union is the nation's largest postal credit union. APCU works closely with the U.S. Postal Service so our business lending staff understands the USPS culture and is well positioned to assist postal lessors with their post office and/or GSA facility financing needs.

Business Lending Department
400 Tradeport Blvd., Suite 401, Atlanta, GA 30354
Contact: Margaret Glover or Steve Farley
Phone: 404-768-4126 or 800-849-8431
Email: businesslending@apcu.com



AUSPL INSURANCE

The AUSPL Insurance Program can handle commercial properties AUSPL members own in addition to Post Offices. Call us at the number below and we take care of it all over the phone. We try to make it as painless as possible and you might save some money and/or get better coverage.

Contact: Rick Austin
850 Ridge Lake Boulevard, Suite 101, Memphis, TN 38120
Phone: 877-642-8775
Email: austin@ausplins.com



CHICAGO TITLE

Chicago Title provides escrow closing services and title insurance for when you sell, buy, or refinance your post offices or other commercial properties.

5501 LBJ Freeway, Suite 200, Dallas, TX 75240
Contact: Eric Dahlberg or Dana Sawyers
Phone: 214-987-6789
Email: eric.dahlberg@cttdallas.com or dana.sawyers@cttdallas.com



EAGLE CONSULTING

John A. Doherty is a retired USPS Real Estate Contracting Officer and has over 39 years of experience exclusively negotiating USPS leases. His negotiating plan includes reducing CBRE or JLL commission, recovering of rent reduction by CBRE or JLL, and elimination of the 90/180 day termination clause.

Contact: John A. Doherty
Phone: 602-684-1554 (cell)
Email: eagles727@msn.com
www.eaglepostoffice.org



FIRST OKLAHOMA BANK

First Oklahoma Bank is a full service commercial bank. Included among its investors and directors are owners and directors of post offices nationwide. The bank structures loans to meet the needs of postal lessors.

2448 E. 81st Street, Suite 5700, Tulsa, OK 74137
Contact: Kevin Hutchens
Phone: 918-392-2516
Email: kevin.hutchens@firstoklahomabank.com

Conference Exhibitors

POST OFFICE REALTY

Post Office Realty specializes in USPS-leased properties and offers inventory for purchase including other commercial properties, as well as finding solutions for issues involving postal buildings.

Contact: Dotty Collins & Brian Collins CCIM
(Certified Commercial Investment Member)
108 Ohio Avenue, New Braunfels, TX 78130
Phone: 830-608-1231
Email: dotty@postofficerealty.com or brian@postofficerealty.com



R.E.A.C.

Real Estate Asset Counseling is the premier firm representing owners of leased USPS properties. Our unparalleled expertise in this market niche assures our clients of the best possible outcome when dealing with the USPS and CBRE or JLL.

Contact: Tom Coe
P.O. Box 27, Maysville, KY 41056
Phone: 606-782-0960 or 800-405-7179
Email: tcoe@maysvilleky.net
www.postalrealestate.com



RE/MAX

Chris is an active investor and Realtor® in Post Office buildings. His 28 years of experience include managing dozens of properties including US Post Offices. Chris and his team can help you sell your US Post Office for the best possible return. He also represents investors who are continuously looking for additional investments.

Contact: Chris Durham
22558 N. 76th. Place, Scottsdale 85255
Phone: 602-663-4743
Email: Chris@AzProp.com



TOUCHSTONE COMMERCIAL REAL ESTATE

Contact: Jamie Harrison
40 Altura Way, Greenbrae, CA 94904
Phone: 415-307-8489
Email: harrison@tcpre.com



MARCUS & MILLICHAP – THE ISAAC GROUP

Contact: Drew Isaac
1225 17th Street, #1800, Denver CO 80202
Phone: 303-328-2048
Email: drew.isaac@marcusmillichap.com

VISION BANK

Contact: Rodney Stine
P.O. Box 669, Ada, OK 74821-0669
Phone: 580-310-1184
Email: rstine@visionbankok.com



Negotiating Skills

Ms. Shoemaker spoke on the daily use of negotiating skills to resolve conflict. Improving those skills is valuable for both negotiating a postal lease and for day to day interactions.

Ms. Shoemaker said, "The single thing that goes wrong most often in negotiations is failure to plan." Her "homework" assignment for conference attendees to prepare for lease negotiations was for them to become familiar with the new lease by reading it and making a list of the clauses and drop downs that could be the subjects of lease negotiations.



*Martha Shoemaker, PH.D. Communications, UNLV
shares ways members can strengthen their negotiating position.*

During negotiations, she said, it is important to:

1. Listen carefully to what is being said;
2. Determine what is valued the most, which, for a lessor, is likely to be steady income;
3. Evaluate how much risk to take and any necessary back up plans;
4. Use third parties to help with negotiations when necessary; and
5. Keep planning notes available during negotiations.

CONFERENCE 2018 PRIZES

<u>Exhibitor</u>	<u>Winner</u>	<u>Prize</u>
Real Estate Asset Counseling, Tom Coe	Antonio Montoya	Vintage Post Office Box
Post Office Realty, Dottie Collins	Bob Rath	10 OZ Gold Coin
Eagle Consulting, John Doherty	Charles Ehlen Shelly Marks	Bag of Gifts Saltwater Taffy
APCU, Margaret Glover	Charles Frey	\$400 cash
First Oklahoma Bank, Kevin Hutchens	Steen Hunt	iPhone
Vision Bank, Rodney Stine	Maria Ortiz	Gift Card
Remax, Chris Durham	Richard Blessing	iPad
AUSPL	Joanne Hanson Jennifer Massey Jenelle Hiatt Deborah Rankin	\$300 in poker chips 2 nights Golden Nugget Gift Card Gift Card

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