

BOARD OF REGENTS – INVESTMENT COMMITTEE

BRIEFING PAPER

1. **Agenda Item Title:** Amendment to Existing Ground Lease with United States Postal Service Located at the University of Nevada, Reno Campus

Meeting Date: February 28 & March 1, 2013

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The University of Nevada, Reno is requesting approval for a modification to an existing ground lease previously approved by the Board of Regents.

Lease Agreement: The Lease is between BOR (Lessor) and The United State Post Office (USPS) (Lessee). NSHE leases the land to USPS for the operation of a post office. The original ground lease was initiated in 1983 with an original Term of 20 years and (6) 5-year options to renew (see Exhibit 1). The lease was amended for its current location in 2002 leaving all other terms the same. The lease is set to terminate on May 31, 2013 if USPS does not renew.

Rental Rate: Gross rents for the renewal are \$3,778 per month (\$45,336.00 annually). After expenses required by NSHE for maintenance under the contract, it is estimated that net rents are approximately \$2,500 per month.

Location of Property: The property is located in the northeast portion of the University of Nevada, Reno campus and is adjacent to Virginia Street (see Exhibits 2 & 3).

Request by USPS to their existing option: The Postal Service has requested an option to terminate the lease by giving a 180-day notice during this and future renewal options. With this request UNR has required that if such 180-day termination is optioned, that USPS waive the required buyout for the building under section 7, allowing NSHE to receive the building at no cost (see Exhibit 4).

Request for Waiver of 180 day notice for exercise of third renewal option: Because the Board will not consider this amendment until the 180 day notice deadline for USPS exercising its third renewal option has passed, the University seeks approval to waive the notice for the only the third renewal option.

Resolution: The University seeks approval of the Resolution authorizing Chancellor Klaich to sign the amendment due to USPS requirements for evidence of proper authorization. (Exhibit 5.)

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Marc A. Johnson requests approval to amend the existing ground lease establishing rent for the third renewal period and to allow for a six-month termination clause, waiver of the 180 day notice for exercising the third renewal option, waiver by USPS of any payment by the University for the building in the event USPS terminates, and a resolution authorizing Chancellor Klaich to sign the amendment.

4. IMPETUS (WHY NOW?):

- The lease has reached the end of an option period which initiated dialogue for the renewal amendment.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- If USPS options such termination clause, UNR will receive the building (approximately 5,141 square feet) at no cost which can be repurposed for university use.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

With the potential for early termination, there will be a loss of approximately \$2,500 in net revenue monthly (but gaining, at no cost to NSHE, a 5,141 square foot building for university use).

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Pass on the request and continue to lease to USPS under the terms of the original approved agreement. If USPS does not renew this contract per the original terms, acquiring the building under Section 7 of the contract would require NSHE to purchase the building at a cost of \$15,000.

8. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1.9
- Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
- Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
-

Other: Procedures & Guidelines Manual, Chapter 5, Section 3, Preparation and Approval of NSHE Contracts

- Fiscal Impact: Yes _____ No XX
Explain: _____

EXHIBIT 1

U. S. POSTAL SERVICE GROUND LEASE

1. THIS LEASE is made and entered into this 21st day of April, 1983, by and between The Board of Regents of the University of Nevada System acting on behalf of the University of Nevada-Reno, hereinafter, whether one or more, called "Owner", and owner's heirs, personal representatives, successors, and assigns, and THE UNITED STATES POSTAL SERVICE, its successors or assigns, hereinafter called the Postal Service.

2. WITNESSETH: That the Owner, for and in consideration of the rent hereinafter stipulated to be paid by the Postal Service to the Owner, demises, leases, and rents to the Postal Service those certain premises in the City of Reno, County of Washoe, and State of Nevada, and more specifically described as follows, viz:

As legally described in Exhibit "A", attached hereto.

3. TO HAVE AND TO HOLD said premises, together with the tenements, hereditaments, appurtenances, and easements thereunto belonging, for the term of twenty (20) years, commencing June 1, 1983.

4. The Postal Service covenants and agrees to pay Owner rent for the demised premises during the term of twenty (20) years as follows:

(1) The first five (5) years, thirty thousand four hundred eighty dollars (\$30,480) per annum;

(2) The second five (5) years, thirty six thousand five hundred seventy six dollars (\$36,576) per annum;

(3) The third five (5) years, forty three thousand eight hundred ninety one dollars (\$43,891) per annum;

(4) The fourth five (5) years, fifty two thousand six hundred sixty nine dollars (\$52,669) per annum;
payable in equal installments at the end of each calendar month.

Alternatively, not less than ninety (90) days prior to the end of each five (5) year period, beginning with the sixth year of the twenty year term, either party to this agreement may elect to have the premises, exclusive of improvements, appraised to determine the then-current fair market rental. If the newly determined rental is not mutually satisfactory, the other party to this agreement may order a second appraisal. The two appraisers shall exchange reports and meet to make every effort to resolve their differences. However, should differences exist

fourteen (14) days after the exchange, the two appraisers shall then appoint a third appraiser who shall also prepare an appraisal report and furnish copies thereof to the first two appraisers. After review, all three shall meet to determine the fair market value in issue. The fair market rental as determined by a majority of the appraisers shall be final and binding upon both the Owner and the Postal Service. Each of the three appraisers must be a designated appraiser of a recognized national professional appraisal organization or society. Each party to this agreement shall pay its own appraiser, and the cost of the services of the third appraiser shall be borne equally by the Owner and the Postal Service. In the event that differences still exist after fourteen (14) days following the appointment of the third appraiser, then the fair market rental shall be determined by arbitration pursuant to Chapter 38, Nevada Revised Statutes.

If the rental for any ensuing period has not been determined prior to the expiration of the preceding rental period, the Postal Service shall continue to pay the rent effective for the previous rental period, but the Postal Service shall, within thirty (30) days after the new rental has been so determined, make up the deficiency, if any.

5. The Postal Service shall have the option of renewing this Lease for six (6) additional five (5) year periods with the first of such renewal periods commencing on the day following

the expiration of the initial (20) year period and with all other terms and conditions of the basic Lease to remain the same. The rental amounts for the renewal periods shall be determined by the appraisal process described in paragraph 4 herein.

6. The option of renewing this Lease shall be exercised by causing to be delivered to the Owner, by certified or registered mail, written notice of renewal and said notice shall be mailed to the Owner at least one hundred eighty (180) days prior to commencement of such renewal period.

7. Should the Postal Service elect not to renew the lease at the end of the initial twenty (20) year term, or any five year renewal option term thereafter, the Owner shall purchase the improvements at the following respective prices:

- | | |
|--|-----------|
| (1) At the end of the twenty (20) year initial lease term | \$25,000; |
| (2) At the end of the first five (5) year renewal option term | \$20,000; |
| (3) At the end of the second five (5) year renewal option term | \$15,000; |
| (4) At the end of the third five (5) year renewal option term | \$10,000; |
| (5) At the end of the fourth five (5) year renewal option term | \$ 5,000; |
| (6) At the end of the fifth five (5) year renewal option term | \$1; |
| (7) At the end of the sixth five (5) year renewal option term | \$1; |

The Postal Service shall advise the Owner of its intent not to renew the Lease at least one year prior to the end of the initial term or any renewal option term.

8. The Owner warrants that Owner is the sole Owner of the above described lease property and that Owner has the right and authority to execute this lease. In case the Owner of said premises is a municipal corporation, or other governmental body, the complete legal authority to negotiate this lease of said demised premises may be found in the following statutes, ordinances, charter, resolutions, etc:

Article 11, Section 4 of the Nevada Constitution;
Chapter 396 of Nevada Revised Statutes.

9. The Owner covenants and warrants that the Postal Service, or its assigns, shall peaceably and quietly have, hold and enjoy the said premises for the term hereof and, for all renewal terms hereof, if the option therefor is exercised, subject to the terms, covenants, conditions, provisions and agreements hereof, and further agrees, that if there are any mortgages or other liens against the demised premises which are prior in time or right to this lease, to furnish the Postal Service an agreement from such lienors that if they should ever foreclose or otherwise enforce their lien against the property they will do so subject to this lease and the rights of the Postal Service, or its assigns, hereunder.

10. The Postal Service, at Postal Service's own cost and expense, shall maintain the demised premises, including all

buildings, structures and improvements constructed thereon, in a good condition of repair and in compliance with all requirements of law, throughout the term of the Lease.

11. It is mutually understood that the Postal Service desires to construct on the demised premises, a postal facility according to the building and design requirements of the Postal Service.

12. The Owner hereby agrees that immediately upon execution of this lease by the Postal Service, the Owner will give the Postal Service the exclusive possession of the above-described premises for the purpose of permitting the construction of a postal facility, and to do all acts necessary and incidental to accomplish such construction.

13. By acceptance of this Lease, the Postal Service agrees to reimburse the lessor, in addition to the rent provided herein, all municipal, county, and state taxes, all assessments of every kind and character, general or special water and sewer rents or rates, electric and gas charges and all license fees or charges that may be properly levied or assessed against the demised premises or the buildings or improvements thereon from and during the lease term and any renewal terms herein.

14. The Postal Service, hereby agrees to save harmless and indemnify the Owner from all claims, loss, damage, actions, causes of action, expense and/or liability resulting from the use

of said property by the Postal Service whenever such claims, loss, damage, actions, causes of action, expense and/or liability arise from the negligent or wrongful act or omission by an employee while acting within the scope of his employment under circumstances where the Postal Service, if a private person, would be liable in accordance with the law of the place where the negligent or wrongful act or omission occurred.

15. The Postal Service agrees, to hold the Owner harmless for any claim for damages for personal injury or for property damage during the period of construction of the postal facility, and also during the existence of this Lease.

16. The Postal Service agrees to comply with all federal, state, county, and municipal regulations, ordinances or rules which may apply to construction on the demised premises, and the use thereof.

17. Within 60 days after completion of construction of the postal facility, the Postal Service shall furnish to the Owner two (2) sets of the plans and specifications, together with amendments, if any, to said plans and specifications used in utility lines, as well as construction detail.

18. Should the Postal Service discontinue postal operations at any time prior to the expiration of this Lease or any renewal term hereof, the Owner agrees that the Postal Service may

continue to occupy the premises under the terms and conditions of this indenture (including the right to exercise renewal options) and lease said premises, or any part thereof, to a responsible person, partnership, or corporation, or that the Postal Service may reassign this Lease in its entirety to any responsible person, partnership or corporation, subject to the Owners written approval. Such approval shall not be unreasonably withheld.

19. Owner hereby agrees that in the event the premises, or any portion thereof, are sublet or relet to any other government tenant under the provisions of the preceding paragraph hereof, the Postal Service hereunder may alter said premises to accommodate the purposes of the subtenants or tenants, provided that such alteration does not decrease the value of the premises, subject to Owners written approval. Such approval shall not be unreasonably withheld.

20. The Owner hereby agrees that if, within six months from the date hereof, the Postal Service is unsuccessful in its efforts to obtain all necessary permits and licenses for construction and occupancy of a postal facility on subject property, then in such event, the Postal Service may terminate this lease by giving thirty (30) days' written notice to the Owner.

21. ZERO TAX CLAUSE RIDER, PS Form 7419 A (attached)

RECOMMENDED BY:

Joseph N. Crowley
Joseph N. Crowley - UNR Pres.

APPROVED FOR LEGALITY AND FORM:

Donald F. Klasic
Donald F. Klasic
UNIVERSITY GENERAL COUNSEL

The Board of Regents of the University
of Nevada System, on behalf of The
University of Nevada, Reno

APPROVED BY:

Robert M. Bersi
Robert M. Bersi - Chancellor

APPROVED BY:

Richard Bryan
Richard Bryan
Governor - State of Nevada

ACCEPTANCE BY THE POSTAL SERVICE
THE UNITED STATES POSTAL SERVICE

BY: San J. McInerney
Its Contracting Officer
Manager, Real Estate Branch
San Francisco Field Office

State of Nevada)

) ss.

County of Carson City)

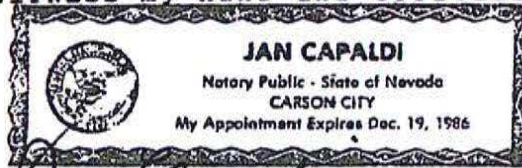
On this 21st day of April, in the year 1983,

before me _____, a Notary Public in and for
said State, duly commissioned and sworn, personally appeared

Richard Bryan, Governor, State of Nevada.

personally known to me (or proved to me on the basis of satisfactory
evidence to be the person whose name is subscribed to this
instrument, and acknowledged that he (she or they) executed it.

WITNESS my hand and official seal.



Jan Capaldi

Notary Public

State of Nevada)

) ss.

County of Washoe)

On this 13 day of April, in the year 1983,
before me Sheba Gamble, a Notary Public in and for
said State, duly commissioned and sworn, personally appeared

Joseph K. Cronley,
personally known to me (or proved to me on the basis of satisfactory
evidence to be the person whose name is subscribed to this
instrument, and acknowledged that he (she or they) executed it.

WITNESS my hand and official seal.

Sheba Gamble
Notary Public



State of Nevada)

) ss.

County of Washoe)

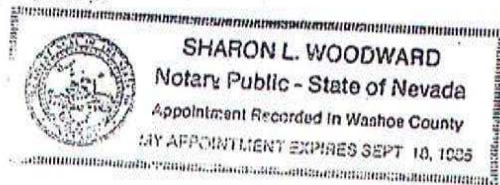
On this 20th day of April, in the year 1983,
before me Sharon L. Woodward, a Notary Public in and for
said State, duly commissioned and sworn, personally appeared
Donald F. Klasic, University General Counsel,

personally known to me (or proved to me on the basis of satisfactory
evidence to be the person whose name is subscribed to this
instrument, and acknowledged that he (she or they) executed it.

WITNESS my hand and official seal.

Sharon L. Woodward

Notary Public



State of Nevada)
) ss.
County of Washoe)

On this 26th day of April, in the year 1983,
before me Sharon L. Woodward, a Notary Public in and for
said State, duly commissioned and sworn, personally appeared
Mark H. Dawson, Vice Chancellor for Finance and Administration,
personally known to me (or proved to me on the basis of satisfactory
evidence to be the person whose name is subscribed to this
instrument, and acknowledged that he (she or they) executed it.

WITNESS my hand and official seal.

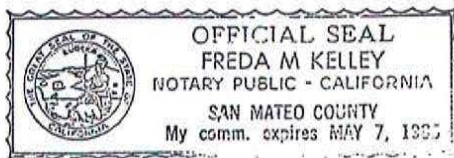
Sharon L. Woodward
Notary Public



State of CALIFORNIA)
) ss.
County of SAN MATEO)

On this 11th day of May, in the year 1983, before me,
Freda M. Kelley, a Notary Public in and for said State,
duly commissioned and sworn, personally appeared John J. McMahon,
personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person who executed this instrument as Manager,
Real Estate Branch (Contracting Officer), San Francisco Field Office,
Real Estate and Buildings Department, of the United States Postal Service
and acknowledged to me that the United States Postal Service executed it.

WITNESS my hand and official seal.



Freda M Kelley
Notary Public

AMENDMENT TO U. S. POSTAL SERVICE GROUND LEASE

This Amendment to U. S. Postal Service Ground Lease is made between the Board of Regents of the University and Community College System of Nevada, on behalf of the University of Nevada, Reno ("Owner"), and the United States Postal Service ("Postal Service").

RECITALS

On April 21, 1983, a Lease was made and entered into by and between the Board of Regents of the University and Community College System of Nevada, on behalf of the University of Nevada, Reno, and the United States Postal Service.

The Lease provided that Owner, for and in consideration of the rent stipulated to be paid by the Postal Service to Owner, demised, leased, and rented to the Postal Service certain premises located at the northeast corner of Artemesia Street and Sierra Street in Reno, Nevada, for the purpose of operating a postal facility.

The Lease provided for a term of twenty years, commencing on June 1, 1983.

The Lease provided that the Postal Service would have the option of renewing the Lease for six additional five year periods with the first of such renewal periods commencing on the day following the expiration of the initial twenty year period.

The Lease provided that the option of renewing would be exercised by causing to be delivered to Owner, by certified or registered mail, written notice of renewal and said notice would be mailed to the Owner at least one hundred eighty days prior to commencement of such renewal period.

Owner desires to relocate the postal facility from the premises located at the northeast corner of Artemesia Street and Sierra Street in Reno, Nevada, to the northeast corner of 17th Street and Virginia Street, Reno, Nevada, which premises are more fully described in Exhibit "A," attached hereto.

Postal Service desires to continue its relationship with Owner.

TERMS

1. Postal Service agrees to the relocation of its postal facility located at the northeast corner of Artemesia Street and Sierra Street in Reno, Nevada, to the northeast corner of 17th Street and Virginia Street, Reno, Nevada.
2. Postal Service understands and agrees that its postal facility will be moved to temporary quarters located at Jot Travis Student Union (ASUN auditorium) on or about July 2002.
3. Postal Service understands and agrees that its postal facility will be moved to its new permanent location on or about September 15, 2002. Owner will exercise its best efforts to complete the relocation on or about this date.
4. Owner agrees that it will move, at Owner's expense, the postal facility from its current premises located at the northeast corner of Artemesia Street and Sierra Street in Reno, Nevada, to its temporary quarters in Jot Travis Student Union (ASUN auditorium) and, thereafter, to its new permanent location at the northeast corner of 17th Street and Virginia Street, Reno, Nevada.
5. To the extent authorized by law and as limited by NRS Chapter 41, and except to the extent that damages or loss to property may be caused by the Lessee's intentional and/or negligent conduct, Owner agrees that Lessee, its successors and

Amendment to U.S. Postal Service Ground Lease

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(Revised 07/19/02)

assigns, shall not be responsible for damages or loss to property which includes but is not limited to the postal facilities, injuries, or death, which may arise from or be incident to the relocation of the postal facility to the new location which is the subject of this AMENDMENT, nor for damages or loss to property, injuries, or death, to the person of the Owner or of others who may be on said premises at the Owner's invitation in connection with the relocation of the postal facility. The "relocation of the postal facility," as used in this AMENDMENT, shall mean the disassembly of the postal facility at its existing location, the conveyance of the components that comprise the postal facility to the new permanent location at the northeast corner of 17th Street and Virginia Street, Reno, Nevada, and the reassembly of the component parts of the postal facility.

To the extent authorized by law and as limited by NRS Chapter 41, Owner agrees to defend, indemnify and hold the Lessee, its successors, and assigns, harmless against any and all claims, demands, damages, costs, expenses, and legal fees, for any loss, injury, death or damage to persons or property including damage to the postal facilities, which is suffered or sustained by Lessee, its employees, the public, or by any person whatsoever, arising out of the relocation of the postal facility that is the subject of this AMENDMENT, when such loss, injury, death or damage is asserted to have been caused by any negligent act or omission or intentional misconduct of the Owner or its agents, servants, employees, invitees, and contractors. In case of any action or proceeding brought against the Lessee, by reason of such a claim, upon notice from Lessee, the Owner covenants to defend such action or proceeding. Except to the extent that damages or loss to property may be caused by the Lessee's intentional and/or negligent conduct, as defined by the Federal Tort Claims Act, 28 U.S.C. § 2671, the Lessee shall not be liable

Amendment to U.S. Postal Service Ground Lease

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(Revised 07/19/02)

and, to the extent authorized by law and as limited by NRS Chapter 41, the Owner waives and releases the Lessee from all claims for damage to persons or property sustained by the Lessee, or the Lessee's employees, agents, servants, invitees, contractors and customers resulting by reason of relocation that is the subject of said AMENDMENT and/or appertaining to any equipment or appurtenances thereunto becoming out of repair. All property belonging to the Owner or any uses of related thereto shall be there at the risk of the Owner or such other person only, and the Lessee shall not be liable for damage thereto or theft or misappropriation thereof.

6. Owner agrees that the total square footage of the parcel of land at the new location of the postal facility at the northeast corner of 17th Street and Virginia Street will be equal to or will exceed the total square footage of the parcel of land on which the postal facility is currently located. Owner will provide parking at the new permanent location of the postal facility and at its temporary quarters that is equivalent to parking at the current location of the postal facility. Owner will provide, at the postal facility's temporary quarters, eight patron parking spaces and truck delivery access. In addition, Owner will provide employee parking and additional parking as required on the west side of Virginia Street in the parking lot at the corner of 11th Street and Virginia Street until the relocation to the new permanent location has been completed.

7. Owner shall relocate the University Station Postal Facility based on the revised "US Post Office Relocation" drawings and specifications that will be prepared by Sweeney-Rose and attached hereto as Exhibit "B."

Upon completion of said relocation, the Postal Service shall have the right to review and approve said work. The building and improvements will not be considered

complete, and will not be accepted by the Postal Service until the work has been substantially completed and is in compliance with the above plans and specifications.

8. This Amendment to the Lease is not intended to change any term or condition of the Lease except those describing the location of the premises.

UNITED STATES POSTAL SERVICE

By: Vance Bennett, Contracting Officer

Dated: 07/19/02

UNIVERSITY AND COMMUNITY COLLEGE
SYSTEM OF NEVADA

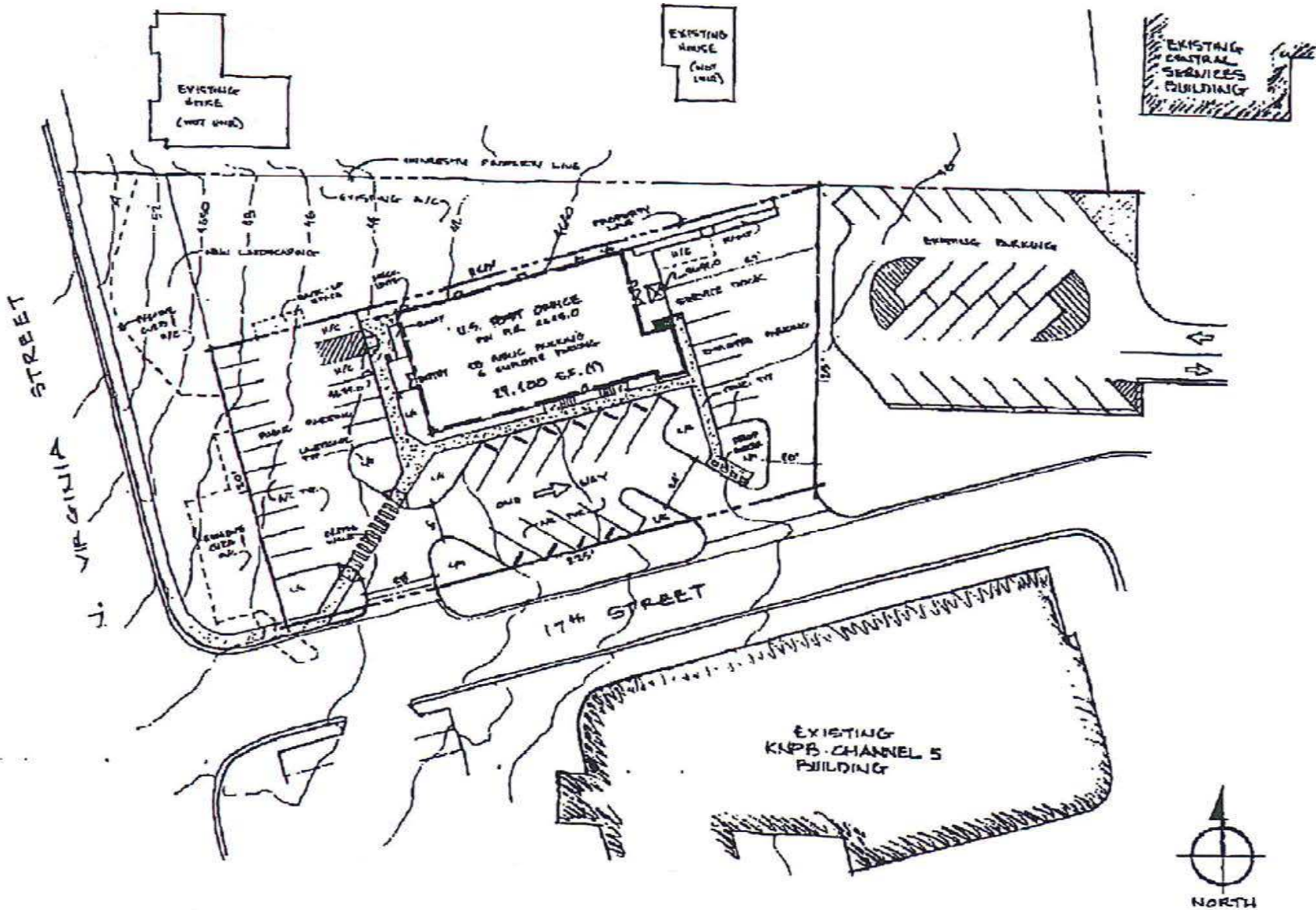
By: [Signature]

Dated: 7/19/02

Amendment to U.S. Postal Service Ground Lease

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(Revised 07/19/02)



SCHEMATIC SITE PLAN

SCALE: 1" = 10'-0"

0 1/2" x 11" COPY @ 1" = 60'-0"



APPROVED
 JUL-19-02 13:47
 FROM:

U.S. POST OFFICE RELOCATION
 UNIVERSITY OF NEVADA BRANCH
 N. VIRGINIA ST. & E. 17TH STREET
 RENO, NEV

SWOENEY - ROSE

 T-837 P. 07/07 Job-426

SITE PLAN
 SCHEME 7
 SP-1

EXHIBIT 2

USPS Virginia Street/Campus Location



White arrow shows the location of the post office location on the University of Nevada, Reno campus

EXHIBIT 3

USPS Virginia Street Leased Space



White arrow shows the leased area of the post office space on the University of Nevada, Reno campus

EXHIBIT 4



Lease Amendment

Facility Name/Location

UNIVERSITY RETAIL SITE (317280-026)

UNIV OF NV-RENO CAMPUS 1674 N VIRGINIA ST, RENO, NV 89507-9998

Amendment No: 003

Lease: F00000132059

This refers to the Lease accepted by the United States Postal Service, hereinafter called the Postal Service, under date of 04/21/1983, whereby there is leased to the Postal Service the above-described facility.

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

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

See attached Addendum.

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



Addendum

Facility Name/Location
UNIVERSITY RETAIL SITE (317280-026)

UNIV OF NV-RENO CAMPUS 1674 N VIRGINIA ST, RENO, NV 89507-9998

County: Washoe

Lease: F00000132059

The fair market annual rent for the third 5-year Renewal Option (June 1, 2013 through May 31, 2018) is hereby established at \$45,336.00 and Landlord shall continue to provide landscaping, irrigation, and debris removal at the demised premise. Upon mutual acceptance of this agreement, the Postal Service hereby exercises its Renewal Option at the above-listed rate for the 5-year period beginning June 1, 2013 through May 31, 2018.

Page 4, Section 6, Renewal Option of the existing lease states that notice must be sent, in writing one hundred and eighty (180) days before the end of the lease term. Both parties agree to waive the renewal option notice for this third renewal option only.

The Postal Service shall have the option to terminate this lease after having given 180 days written notice of termination to Owner. If the Postal Service elects to exercise this termination option, the Postal Service thereby waives the payment required of Owner in Section 7 of the Lease dated April 23, 1983, and the improvements, including but not limited to the postal facility, shall become the property of Owner at Lease termination. In that event, Postal Services shall execute any documents reasonably required by Owner to demonstrate the transfer of ownership of the improvements, including but not limited to the postal facility, to Owner.

Also in that event, USPS will remove all USPS's furnishings and equipment (lobby tables, chairs, file cabinets, etc.), unless affixed to the floor, wall or ceiling, which shall be considered personal property not encompassed by this Lease. Fixtures, such as scissors lift, counters, and security systems, shall remain with the Property, unless specifically itemized for removal by exhibit. Notwithstanding the above, artwork (murals, sculptures, etc.), post office boxes and facility identification shall be considered personal property of the USPS and all USPS personal property shall be removed by the USPS upon termination of the Lease, unless USPS makes separate arrangements with the Landlord in writing.



Lease Amendment

EXECUTED BY LANDLORD this _____ day of _____, _____.

CORPORATION

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

By: _____ Name & Title _____ Name & Title _____
 _____ Name & Title _____ Name & Title _____
 _____ Name & Title _____ Name & Title _____

Landlord's Name: BOARD OF REGENTS OF THE NEVADA SYSTEM OF e-mail: _____
 and address HIGHER EDUCATION ON BEHALF OF THE UNIVERSITY
OF NEVADA, RENO
2601 ENTERPRISE RD.
RENO, NV Zip+4: 89512

Landlord's Telephone Number(s): 775.784.4901 FAX: 775.784.1127

Social Security No. or Federal Tax Identification No.: XX-XXX0024

 Witness Witness

- a. Where the Landlord is a corporation, leases and lease amendments entered into must have the corporate seal affixed or in place thereof the statement that the corporation has no seal.
- b. Where the Landlord is a corporation, municipal corporation, non-profit organization, or fraternal order or society, the Lease Amendment must be accompanied by documentary evidence affirming the authority of the agent, or agents, to execute the Lease Amendment to bind the corporation, municipal corporation, non-profit organization, or fraternal order or society for which he (or they) purports to act. The usual evidence required to establish such authority is in the form of extracts from the articles of incorporation, or bylaws, or the minutes of the board of directors duly certified by the custodian of such records, under the corporate seal. Such resolutions, when required, must contain the essential stipulations embodied in the Lease Amendment. The names and official titles of the officers who are authorized to sign the Lease Amendment must appear in the document.
- c. Any notice to Landlord provided under this Lease Amendment or under any law or regulation must be in writing and submitted to Landlord at the address specified above, or at an address that Landlord has otherwise appropriately directed in writing. Any notice to the Postal Service provided under this Lease Amendment or under any law or regulation must be in writing and submitted to "Contracting Officer, U.S. Postal Service" at the address specified below, or at an address that the Postal Service has otherwise directed in writing.

ACCEPTANCE BY THE POSTAL SERVICE

Date: _____

Laureen A Yamakido _____
 Contracting Officer Signature of Contracting Officer

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

EXHIBIT 5

**RESOLUTION
OF
THE BOARD OF REGENTS
OF
THE NEVADA SYSTEM OF HIGHER EDUCATION**

The Board of Regents hereby approves the Lease Amendment to the U.S. Postal Service Ground Lease dated April 21, 1983, establishing rent for the third renewal period and whereby the Postal Service shall have the option to terminate the Lease after having given 180 days written notice to the Owner; whereby the requirement of 180 days notice of exercise of the Renewal Option is waived by the parties for the third renewal option only; and whereby, in the event the Postal Service exercises the option to terminate, the U.S. Postal Service thereby waives any payment required by Section 7 of the April 21, 1983, Lease and the improvements become the property of the Owner upon termination of the Lease. The Board of Regents hereby authorizes Chancellor Daniel J. Klaich to sign the Lease Amendment.

Jason Geddes, Chair
Board of Regents of the Nevada
System of Higher Education

Dated: _____