

# CORUM

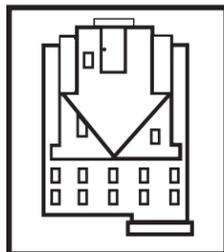
## REAL ESTATE COMPANY

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Real Estate Brokerage  
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REAL ESTATE COMPANY  
P.O. Box 322  
Mount Sterling, OH 43143

### Notable Quotables

**Dwell on the beauty of life. Watch the stars, and see yourself running with them.**

- Marcus Aurelius

**You can't be for big government, big taxes and big bureaucracy and still be for the little guy.**

- Ronald Reagan

**I think the only answer is to live life to the fullest while you can and collect memories like fools collect money. Because in the end, that's all you have - happy memories.**

- Sarah Strohmeyer

**Free enterprise has done more to reduce poverty than all the government programs dreamed up by Democrats.**

- Ronald Reagan

**To get the full value of joy you must have someone to divide it with.**

- Mark Twain

**Death is our constant companion, and it is death that gives each person's life its true meaning.**

- Paulo Coelho

### How to Turn Around Nearly Anything

by Rosabeth Moss Kanter

The Boston Red Sox 2013 World Series championship will long be remembered as proof that you can turn around nearly anything. The team ended last season at the bottom of the standings (Las Vegas odds were 28 to 1 that they'd make it to the World Series), but rallied this year. With renewed solidarity and determination, the beard-wearing Sox went on to win the division, the playoffs, and the big prize.

Their game is baseball, my game is change. I've been involved with turnarounds for years, including observing and writing about the Red Sox 2004 World Series win that reversed many decades of being almost-rans. In turbulent times, turnarounds are increasingly a fact of life. Some companies need to be rescued from the brink of extinction (BlackBerry), but that's not the only kind of turnaround. Others need a course correction while still profitable (Microsoft), or a momentum shift because of disruptive new technologies (newspaper companies). Red Sox owner John Henry recently purchased one of those newspapers needing a momentum shift, the Boston Globe. For the Globe and its counterparts, the competition is not one rival or game at a time, like baseball; it is multiple digital media offerings and others-to-be-named-later. Henry, like any leader seeking strategic change, can benefit from these turnaround lessons.

**Be prepared for bad news; the situation is always worse than you think.** One symptom of decline is withholding information. Inconvenient facts are papered over. Decisions are made behind closed doors. Accusations and blame abound. So it is almost impossible to know the full

extent of problems. When Avon Products CEO Sheri McCoy took the helm in April 2012, she acknowledged that resolving a bribery crisis in China would be a slow process, but she had no idea how slow — it's proving to take longer and cost more, she told analysts, while also mounting multiple initiatives. Facing the facts squarely is a turnaround imperative. Open dialogue encourages everyone to see their role in the fix-up.

**Identify the core assets that create value for customers, and refurbish them.** For newspaper companies, that's the news rather than the paper. For The Weather Channel Company, that's the weather rather than the TV channel; to unlock growth opportunities, new CEO David Kenny returned science to the center and took out channel in the name — it's now just The Weather Company. At the British Broadcasting Corporation, a turnaround leader reallocated resources from corporate staff to program producers. A bankrupt community health center repaired leaky ceilings in medical examination rooms. Forget bureaucrats, fancy lobbies, and marketing expense! They first restored the assets determining whether people use a health center.

**Find a meaningful unifying purpose.** Teams and companies with negative momentum are characterized by fragmentation — a drift into many activities that get tacked on and stay, becoming ends in themselves. Territories get hardened, and people seem to be out for themselves. It is too easy to lose sight of the larger purpose of being together. Why does this company/team/relationship matter? What is a common definition of success? For airlines, it is on-time performance. For consumer products company Procter & Gamble, it is improving lives, translated in the baby care group into helping babies thrive.

**Invest in team building** — a cliché but still true. Convene strategy retreats and mountain-climbing excursions, as Shinhan, a South Korean company did. This was a vital step in healing old wounds and going on to stellar performance at the top of the Korean stock market. Red Sox CEO Larry Lucchino echoes this winning strategy: "I used to believe in biology, not chemistry. Give me big and strong and fast," he said. "I'm a big believer now in team chemistry. You almost always have it when you win, and oftentimes it is team chemistry that leads to winning." His quote stood for every other turnaround examined in my book *Confidence*.

**Give voice to people who haven't been heard.** Every company/community/school is full of buried treasure. Find the ideas that might have been suppressed and bring them into the open or into action. Think small as well as big. Turnarounds operate on several time frames. There are big strategies and systems that take a long time to shift — think IT, which almost never works the first time, as Americans see in the hasty failed implementation of the Affordable Care Act website. Meanwhile, there are numerous small wins if everyone is engaged. While Verizon worked on shifting the momentum from landlines and voice to smartphones, FiOS (fiber-optic communication systems), and cloud services, mini-innovators created software and streamlined processes.

These lessons work in companies, communities, countries, sports teams, and even families. The key is to spot symptoms of decline before they accumulate, and then shift toward the actions that build positive momentum.

- Harvard Business Review, November 5, 2013

**TITLE INSURANCE CHANGES WITH REGARDS TO RATE RULE ER-112.1**

Effective May 2013 the Ohio Title Insurance Rating Bureau (OTIRB) filed for and the Ohio Department of Insurance (ODI) approved additional title insurance coverage for unrecorded mechanics' liens in Ohio under Rate Rule ER-112.1. The rate rule was then revised in its wording to the below in September 2013.

**ER-112.1 DELETION OF GENERAL EXCEPTION FOR MECHANICS' LIENS - OWNER'S POLICY OR HOMEOWNER'S POLICY**

*When mechanics' lien coverage is provided in an Owner's Policy or a Homeowner's Policy, whether within the express insuring provisions of the Policy issued or by the absence or deletion of the general exception for mechanics' liens:*

- a. *When there is a risk of loss due to mechanics' lien claims, as determined by the underwriter, the premium shall be forty percent (40%) of the Original Rate for such policy as set forth in Rule PR-1 or Rule PR-1.1 hereof, and is in addition to the Policy premium. The minimum premium shall be \$500.00.*
- b. *All other deletions of the general exception or affirmative coverage shall be ten percent (10%) of the Original Rate for such policy as set forth in Rule PR-1 or Rule PR-1.1 hereof, and is in addition to the Policy premium. The minimum premium shall be \$250.00.*

**What does this mean?**

1) Unrecorded mechanics' lien coverage was not a part of the Owner's Title Policy; however, coverage was a part of the Homeowner's Title Insurance Policy unless deleted as an exception. With this rule, the coverage now comes with an additional premium or it will be deleted from the final policy.

2) Our market has experienced highs and lows and though our market has continued to recover, there are very real issues which can arise after closing:

- A. A seller may have work done to the home to prepare the home for the market and are unable or unwilling to pay for the work, thus making the property subject to a mechanics' lien.
- B. There may be a request to remedy prior to closing and the seller is unwilling or unable to pay the provider making the property subject to mechanics' liens. This is not covered under the title insurance policy unless the buyer has been issued the mechanics' lien coverage.

Provided by Karen Lambert  
ValMer Land Title Agency, LLC  
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**Bartenders at the Kentucky Derby will serve about 120,000 MINT JULEPS, the official drink of the horse race. They will use some 1,000 POUNDS OF FRESH MINT.**



**Top 10 Cities for Fair Housing Complaints**

Rank	City	# of Complaints
1.	New York	225
2.	Fort Worth, TX	216
3.	Chicago	113
4.	Dallas	104
5.	Los Angeles	101
6.	Austin, TX	97
7.	Houston	94
8.	Phoenix	86
9.	San Antonio	74
10.	Kansas City, MO	72



**Changes to Section 179 and accelerated depreciation limits for 2014**

**By: DAVID MARRISON, ASSOCIATE PROFESSOR AND EXTENSION EDUCATOR**

Over the past decade, Congress has repeatedly allowed faster depreciation of capital assets to stimulate business investment by providing a "bonus" depreciation allowance in the year the asset is purchased. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 extended the depreciation bonus through 2012 to encourage new equipment purchasing. This was then extended through the end of 2013 by Congress in early 2013. This Accelerated First Year Depreciation or Bonus Depreciation allowance coupled with I.R.C. § 179 Expensing have allowed business to write off capital expenditures immediately minimizing taxable income or creating a loss from these schedules.

Accelerated First Year Depreciation for 2013 is limited to 50% of the purchase price. To qualify, the asset must have its original use begin with the taxpayer (only new equipment) and have a depreciable life of 20 years or less. Virtually all farm-use assets have a depreciable recovery period of 20 years or less, and accordingly are eligible. Bonus depreciation is most effective when applied to assets with a longer recovery period, such as machine sheds and shops (20 years), or drainage tile and culverts (15 years). Currently, the tax law does not extend bonus depreciation past December 31, 2013.

I.R.C. § 179 expensing allows farmers to elect to deduct part or all of the cost of qualifying farm assets in the year they are placed in service. It applies to machinery, equipment, and special use or single purpose agribusiness buildings, such as bins, drying systems, and livestock barns. But it is not available for general purpose agricultural

buildings, such as machine sheds and shops, nor is it often available to landlords who purchase or construct properties used by a tenant. New, used equipment and certain software are eligible for this deduction. The equipment, vehicle(s), and/or software must be used for business purposes more than 50% of the time to qualify for the Section 179 Deduction.

While it is a great tax incentive, there are limits to Section 179. In 2013, this deduction is limited to \$500,000 and is scheduled to plummet to \$25,000 in 2014. The total amount of Section 179 claimed cannot exceed

***Bonus depreciation is most effective when applied to assets with a longer recovery period...***

the total amount of the taxable income the farmer is reporting for 2013. Under current law, the dollar limit after which the maximum deduction allowed is reduced dollar for dollar remains at \$2 million for 2013. This investment will drop to \$200,000 in 2014.

What's the difference between Section 179 and Bonus Depreciation?

The most important difference is both new and used equipment qualify for the Section 179 Deduction as long as the used equipment is "new to you" while Bonus Depreciation covers new equipment only. There are rules which prevent the sale of equipment between related parties. When applying these provisions, Section 179 is generally taken first, followed by Bonus Depreciation.

The Future? With the dis-functionality of Congress, it is hard to get a good read if farmers will get an 11th hour extension with regards to the percentage and limitation amounts for I.R.C. § 179 Expensing and

Accelerated First Year Depreciation. In more normal times, there would be a good chance the Section 179 deduction would stay closer to \$500,000 versus \$25,000. However, this is not a normal time in Congress and with bigger fish to fry with another round of government shut down talks, farmers should not count on any changes to Section 179 and bonus depreciation for 2014. And if there are changes, it may not be until after the Mid-term elections.

With the reduction of the I.R.C. § 179 to \$25,000 and the potential elimination of accelerated first year depreciation, farm business should examine if now is the time to consider such a capital equipment purchase. If you are having a very good year and NEED to upgrade or get new equipment, it may be a good move to do this before the end of the year. Be careful however not the let the tax tail, wag the business dog. If you have started the construction of new grain bins or other larger projects, make sure those are finished by year-end as these items need to be placed in serviced before the end of the year to get the deduction.

A warning exists. If farmers have been using these measures and have financed their equipment, they may find their tax bill going up since they now have income with no tax depreciation to help offset it and still have to make equipment debt payments. Evaluate your current situation to determine if purchasing depreciable assets is appropriate. Consultation with a tax professional is highly suggested. Don't buy "new paint" or "new steel" without first doing a comprehensive cost analysis.

Additional information on Accelerated First Year Depreciation or Bonus Depreciation allowance coupled with I.R.C. § 179 Expensing can be found on the Internal Revenue Service's web page at <http://irs.gov>

**2013 TOP SALES IN FRANKLIN COUNTY**

	PropertyType	UseCategory	Property Address		Grantor	Grantee	SalePrice	BuildingSize	ConstructionType	YearBuilt	Per SF	
<b>HIGHEST OVERALL PRICE</b>												
	Office Building	OFFICE	5400 New Albany Road East	Columbus	43054	State Farm Mutual Auto Ins Co	LSREFZ Tractor REO (Direct)	\$ 25,092,326	153,360	4-sty br	2001	\$ 163.62
	Office Buildings	OFFICE	6060 Britton Pky, 4600 Lakehurst	Dublin	43017	Wells REIT II Lakehurst Britton LLC	The GC Net Lease (Dublin)	\$ 37,300,000	419,283	2-4-sty gls/con	1989	\$ 88.96
	Office Building	OFFICE	800 Brooksedge Blvd.	Columbus	43081	Wells REIT II 800 Brooksedge LLC	The GC Net Lease (Westerville)	\$ 44,500,000	421,989	2&3-sty conc	1974	\$ 105.45
<b>HIGHEST PER SF PRICE</b>												
	Fast Food	COMMERCIAL	6140 Sunbury Road	Westerville	43081	GE Capital Franchise Corp.	ARC CafeUSA 001 LLC	\$ 1,290,442	1,974	1-sty stc	1992	\$ 653.72
	Fast Food	COMMERCIAL	4595 Main Street, E	Whitehall	43213	CNL APF Partners LP	ARC Café USA 001, LLC	\$ 1,718,788	2,532	1-sty br	1983	\$ 678.83
	Bank	COMMERCIAL	2510 Bethel Road	Columbus	43220	Carriage Place	Les & Carol Imboden	\$ 3,071,524	3,696	1-sty stn	1990	\$ 831.04
<b>MOST SQUARE FOOTAGE (IMPROVEMENTS)</b>												
	Warehouse	INDUSTRIAL	6766 Pontius Road	Groveport	43125	KTR Ohio LLC	WPT Pontius Road LP	\$ 22,450,000	754,000	1-sty conc	2005	\$ 29.77
	Apartment Complex	RESIDENTIAL	Petzinger Rd (James/I70)	Columbus	43232	Welsh Bexley Apartments LLC	US Bank	\$ 11,200,000	757,016	2-sty br/frm	1973	\$ 14.79
	Warehouse	INDUSTRIAL	1635-95 Watkins Road	Columbus	43207	MS South LLC	Garrison Southfield Park LLC	\$ 12,000,000	1,050,408	1-sty conc	1974+	\$ 11.42

~ Information provided by Kim Wentzel / Mid Ohio Real Estate Research, Inc. / 11138 York Rd. / Etna, OH 43105 / (740) 927-4402