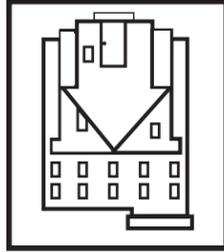


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Notable Quotables

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The secret of health for both mind and body is not to mourn for the past, worry about the future, or anticipate troubles, but to live in the present moment wisely and earnestly.

-Buddha

Patience, persistence and perspiration make an unbeatable combination for success.

-Napoleon Hill

Courage doesn't always roar. Sometimes courage is the quiet voice at the end of the day saying, "I will try again tomorrow."

-Unknown

A person without a sense of humor is like a wagon without springs. It's jolted by every pebble in the road.

-Harriet Ward Beecher

We avoid the things that we're afraid of because we think there will be dire consequences if we confront them.

But the truly dire consequences in our lives come from avoiding things that we need to learn about or discover.

-Shakti Gawain

Only as high as I reach can I grow, only as far as I seek can I go, only as deep as I look can I see, only as much as I dream can I be.

-Karen Ravn

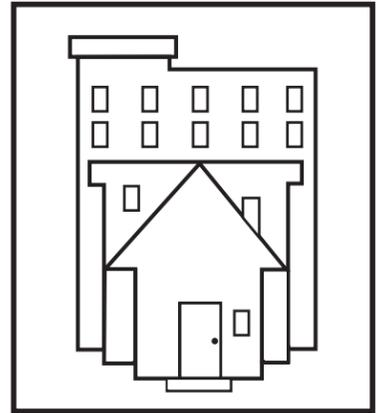
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Builder Dispute? Law Now Mandates Cooperation Before Confrontation

by Charley Hess, Attorney at Law

Finally, there is an area of the law where the clash of rights and obligations meets common sense. It is the area of builders and homeowners, and it is found in Chapter 1312 of the Ohio Revised Code. A dispute with your builder can now be resolved with mandated but common sense cooperation instead of accusatory and inflammatory confrontation. By taking some simple steps as a homeowner, you can get a properly constructed house for your contract price, and the builder will be able to fulfill his or her part of the contract with neither party having to engage in a drawn-out costly lawsuit that almost always ends in a net loss for all concerned except their attorneys.

When you discover defects in the construction, you can no longer fire out a lawsuit. Even before you give the builder any official notice of the defects or your claims, you should do your homework right then and spend some money by retaining an independent contractor-consultant to examine the work and provide a list of the defects. That list must be sent to your builder attached to a notice letter along with the name, address, and contact information for the contractor-consultant and the statement that you are asserting a claim against the builder.

Although you must use the phrase "asserting a claim" or some similar language, which sounds confrontational,

the builder is actually invited to respond to your notice letter within 21 days in one of three ways two of which are amicable. The builder may offer to inspect the defects and/or to negotiate a compromise. Both of these options are designed to avoid litigation and encourage resolution.

So, it is up to the builder to elect whether to cooperate with you or to battle. If the builder elects the third option and disputes the existence of the defects, or does not respond, then you may immediately commence legal action. If the builder's offer in response is unsatisfactory, you must, within 14 days, notify the builder of your rejection of the offer including the reason for the rejection. Then you may bring suit.

In the event that you do need to bring a lawsuit against your contractor, you will have already spent the money necessary to retain an expert witness which is usually always mandatory in construction litigation. Your expert is your contractor-consultant that you hired to inspect the house and compile the list of defects. If you are able to resolve the matter short of filing a lawsuit, the money that you spent on the contractor-consultant was well-spent anyway because his services were no doubt instrumental in obtaining your desired result.

Unfortunately, whether or not you file a lawsuit, you will probably not be able to recover the contractor-consultant or expert witness cost from your builder. However, if a lawsuit is filed, according to Chapter 4722 of the Ohio Revised Code, you will be able to recover your attorney's fees in most circumstances.

None of the above applies to you if your builder has filed a lawsuit against you. In that case you may immediately file a counterclaim against the builder within that same lawsuit without the need for providing the builder with prior notice of the defects. You will, though, eventually need to retain a contractor-consultant as an expert witness to testify in the case on your behalf as to the proof of the existence of the construction defects.

While you can navigate these waters yourself, your interests are better served if you obtain the advice of an attorney who should draft and send the notice and then negotiate on your behalf.

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What is a Net Lease?

by Drew Reynolds,

Vice President, Real Estate Investments at Realized Holdings

If you've ever considered investing in commercial real estate, you've likely heard the term "net lease" or "triple-net" mentioned. Unfortunately, these terms can have different interpretations depending on the context and market. They are also amongst the most commonly misused terms in real estate, which can be quite confusing for potential investors.

While a "net lease" technically refers to the type of lease and not the property type, the phrase is often used to describe single-tenant properties that are leased on a "triple net" or "NNN" basis, which means that the tenant is responsible for all property operating expenses. Triple net lease investments can apply to a variety of property types but are most commonly found in retail, industrial and office properties.

To provide more context, consider the various types of leases in commercial real estate. Each type of lease varies in whether the tenant or the landlord is responsible for certain property operating expenses. From an investor's perspective, investment risk and landlord responsibilities both increase as the number of "nets" decrease. Lease types generally fall into one of the following categories:

Full Service or Gross Lease

In a "full service" or "gross" lease, the tenant pays a negotiated sum for the rent and the landlord is responsible for all property expenses.

Single-Net or "N" Lease

In a "single net" lease, the tenant is responsible for paying monthly rent plus property taxes. The landlord is responsible for all other expenses.

Double-Net or "NN" Lease

In a "double net" lease, the responsibilities of paying monthly rent, property taxes, and property insurance fall on the tenant. The landlord is responsible for all other operating expenses.

Triple-Net or "NNN" Lease

In a "triple net lease," the tenant pays for property taxes, property insurance, and operating expenses in addition to monthly rent. Operating expenses may include the tenant's share of common area maintenance, normal repairs and maintenance, and utilities. The landlord remains responsible for capital items pertaining to structural components of the building, such as roof replacements.

Absolute or Bondable Lease

An "absolute net" or "bondable lease" is similar to a triple-net lease in that all responsibilities fall upon the tenant, but a bondable lease additionally places "roof and structure" responsibilities on the tenant, regardless of circumstance. Due to the potential financial exposure as well as construction and building maintenance resources required, bondable leases are generally only found in stand-alone single-tenant buildings with national tenants, often with investment-grade credit ratings. This type of lease is often described as a corporate bond backed by commercial real estate.

No matter the lease type terminology used to describe a property, investors should carefully review the specific lease terms. There can be hybrids of the above definitions, such as the modified gross lease, which starts off as a gross lease, but more closely resembles a triple-net lease in subsequent years. There may also be nuances and caveats to the lease terms including which expenses are and are not included, floors and caps on expenses, gross-up provisions, etc. Again, these lease terms can have different interpretations depending on the context and market, and what is stated in the specific lease language ultimately governs responsibility and extent of responsibility for various operating and capital expenses.

Net lease properties are a popular choice for investors seeking passive real estate investments, often with long-term, stable cash flow. However, investors should take care to understand the specifics of individual leases. To learn more about some of the more common single-tenant triple-net tenants, view our NNN Tenant Profile page.

5 Things You Didn't Know You Could Negotiate

by Cathie Ericson - *LearnVest*

Don't be afraid to strike a bargain.

"You don't get what you don't ask for."

Many of us have heard the phrase, but most of us never think to ask for a price break while shopping.

According to a 2013 Consumer Reports study, only 48% of people even attempt to bargain for a better deal on the products and services they buy every day—even though a whopping 89% of those who said they did haggle were able to nab a discount at least once.

So why are we so hesitant to even ask? For starters, "many people think that negotiation is reserved for the big boardroom-type deals and don't realize how many day-to-day things, such as retail [items], groceries and medical bills, they could negotiate," says Eldonna Lewis Fernandez, a corporate trainer and author of "Think Like a Negotiator: 50 Ways to Create Win-Win Results by Understanding the Pitfalls to Avoid."

Additionally, the mere thought of haggling can feel intimidating to many people, notes Ed Brodow, a negotiation-skills trainer and author of "Negotiation Boot Camp: How to Resolve Conflict, Satisfy Customers, and Make Better Deals."

"People are either afraid to ask for a better deal or are convinced it can't happen," he says. "They become their own worst enemy if they don't try. You have to have the 'negotiation consciousness': [the willingness] to challenge everything, be assertive and say, 'This is too much,' or 'This is not reasonable,' or 'Can you help me out?'"

Of course, your chances of success will be helped if you know what surprising products or services are actually negotiable. So we rounded up five things you may not have realized you could haggle over, along with some insider tips that could help you move from too-scared-to-ask to negotiating-ninja status.

1. Haggling Hints for ... Appliances and Electronics

Missed the big-box sale on that washer-dryer set, or need a new big-screen TV for the rec room but don't want to pay an arm and a leg? One smart tactic is to ask about floor models, returns and overstocks, says Kyle James, owner and founder of coupon and bargain-hunting site Rather-Be-Shopping.com.

"Store managers typically want them sold immediately so they don't take up valuable real estate," he says. "These items will typically be marked with a special tag. Start the negotiating at 20% off the asking price and be prepared to meet in the middle." While you're at it, it doesn't hurt to ask if they can throw in an extended warranty or delivery for free.

And if you're in the market for more than one big-ticket item, bundling those purchases may help you gain even more leverage.

James discovered the lure of the bundled sale when he was in the market for a new HDTV and DVD player a few years ago. He walked into a major electronics chain and asked the salesperson to knock off \$100 if he bought both right then and there.

"He went and asked his manager, and within a minute, he came back and said they could reduce the overall price by \$75," James says.

2. Haggling Hints for ... Interest Rates

We've all felt the pinch of interest rates, whether on our credit cards, auto loans, mortgages or student debt—but how much leeway do you actually have to negotiate for a lower one?

One of the biggest factors, of course, is your credit rating and history. "If you've made late payments or have a bad credit score, you're more of a credit risk, so the lender may not lower the rate," says Priyanka Prakash, a finance specialist for FitBiz Loans, an online platform that helps business owners find financing. On the flip side, having a high credit score and a positive payment history only works in your favor.

Additionally, the kind of borrowing you're dealing with is important; the more regulated a particular type of loan or line of credit tends to be, the less likely you'll be able to negotiate the interest rate. "Credit card rates are relatively easy to negotiate compared to rates on other [types of] debt," Prakash says. "Student loans are difficult to negotiate because the rates are set at the federal level." Business loans, home loans and auto loans probably fall somewhere in between, she adds.

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Showing that you've been shopping around also helps prove how serious you are about finding a lower interest rate. For instance, you could tell your credit card issuer that you're thinking of taking advantage of another company's 0% balance-transfer offer. Or perhaps you have a quote from a lender for a personal loan that you're hoping another bank matches. "Having the quote in writing shows you're serious," Prakash says. Additionally, if there's a timely reason why you're trying to lower your interest rate—maybe a job loss or medical crisis means finances are tight—she recommends having that documentation on hand.

Still unsuccessful? Then try your hand at getting loan fees reduced. Prakash says you'll have more leeway with fees that are charged directly by the lender, such as origination fees, application fees and closing costs, rather than those charged by a third party, such as appraisal fees or credit-report fees.

3. Haggling Hints for ... Groceries

Maybe you're already a master coupon clipper—but it's always a win when you can pay even less at checkout, right?

James highlights the deli and meat counters as great places to haggle. "In particular, look for hams and roasts that are less than a pound in size and politely ask for a discount," he says. That's because they may be too small to slice and sell, so the store may be willing to sell them for much less. "Start by asking for 50% off and negotiate from there."

James adds that meats nearing their sell-by date are potentially another good bet, since the store will lose money on them once they expire. "This works best if you're buying more than one cut, so stock up and take it all off their hands for a discount," he says. "Then you can freeze what you can't use in the next day or two."

If your neighborhood has a local farmers' market, you're in luck: They're ripe for heavy discounts if you buy toward the end of the day, says John Vespasian, the author of "The 10 Principles of Rational Living."

"Farmers much prefer to get rid of any remaining vegetables or fruit at a low price, rather than having to haul them back," he says. "This is the perfect opportunity not only to save money by negotiating but also to purchase healthy food."

4. Haggling Hints for ... Moving Services

When you start seeking quotes for movers, the shock can often be enough to make you think twice about relocating. But most people don't realize how much negotiating power they have, regardless of whether they're

dealing with big or small moving companies, says Jacob Beckstead, marketing manager at Bailey's Moving & Storage in the Denver area.

Moving companies use different variables to come up with their quotes, but often this is more of an art than a science, says Beckstead. "Moving and storage services can often be negotiated in order to fit your particular budget—especially on such a major purchase," he says. "Even the major carriers with more scientific approaches wouldn't want to lose a sale over 5%."

The services most likely to be negotiable? When a salesperson comes to visit, Beckstead suggests haggling on the packing rates, box rates or hourly loading rates.

5. Haggling Hints for ... Medical Costs

You've gotten over an ailment, and just as you're feeling better, you get your doctor's bill—and it nearly sends you back to the emergency room. Often, consumers feel obligated to pay the bill as is, without realizing that the cost for many types of medical services or procedures isn't set in stone.

First, check that bill carefully—were you billed twice for the same procedure? Were your medical services improperly coded? Ferreting out billing errors could help lower your bill quickly. But if you're sure there are no mistakes, asking your doctor or hospital nicely for a discount could go a long way.

There are a "certain number of patients who never pay their bill, so they'd rather get something than nothing," Brodow says. When he was recently billed \$1,800 for a minor lab test, he explained that his insurance wouldn't cover it and that he was older and semi-retired, and then asked if they could adjust the cost. Sure enough, he was able to lower it to \$500.

Fernandez says that the billing department can be your ally since they routinely deal with hostile customers. "You will stand out if you leave emotion out and you are kind and cooperative," she says. Fernandez also suggests starting your request with, "Is there any reason you can't ... ?" For example: "Is there any reason you can't delay sending this to collections for a month so I can work on getting it paid?"

"You're not asking, 'Why can't you?' or 'Will you?' You're changing the language of the question to invoke a positive response," Fernandez says. The billing specialists likely won't have a good reason why they can't help fulfill your request. "That interruption [from a typical 'no' response] may be just enough to get the person on the other end to feel a little of the human element, versus the mentality of you just being another cog in the wheel of their job."