



4-STAR PACKAGE DEFINITION

- 1. The package must be in the marketing book and exclusively listed or controlled by the presenter.**
- 2. The presenter must have personally and thoroughly counseled the client.**
- 3. An adequate backup package is available at the meeting which will include:**
 - a. Title page**
 - b. Pictures of the property**
 - c. A detailed description of the property, including zoning**
 - d. A summary of the owner's intentions**
 - e. A detailed background of the owner of the property**
 - f. A detailed APOD**
 - g. A description of financing details**
 - h. A rent roll, if applicable**
- 4. Color photos available to project during your presentation at the meeting.**

Responsibility for ensuring that a presenter has a 4-Star presentation will be with the individual who is pre-moderating the presenter.

SUGGESTED INFORMATION FOR YOUR BACK-UP PACKAGE

1. TITLE PAGE
2. PICTURES - COLOR - 8 x 10
(Aerial very helpful)
3. TABLE OF CONTENTS
4. DESCRIPTION OF THE PROPERTY
(Area and actual structure, type of construction, floor plan)
5. OWNER'S INTENT - IN DETAIL
6. APPRAISAL OR APPRAISAL LETTER
7. A.P.O.D.
(Actual - Last 12 months)
(Projected - Next 12 months and explanation of projection)
8. RENT ROLL
9. SYNOPSIS OF LEASES
10. COPY OF LEASES
11. NOTE AND DEED OF TRUST SYNOPSIS
12. NOTE AND DEED OF TRUST
13. COPY OF TAX BILL
14. COPY OF INSURANCE POLICY
15. MAPS
16. ZONING INFORMATION
17. CHAMBER OF COMMERCE
18. PRELIMINARY TITLE REPORT
19. DISCLAIMER

CREATIVE REAL ESTATE JARGON



ALLIGATOR

A property that eats, producing a large negative cash flow.

BACKUP

All records and references pertaining to the subject property.

BASIS

Represents the taxpayer's investment in the property adjusted for depreciation taken and capital improvements made. Basis equals purchase price plus improvements minus depreciation.

BENEFITS

Represents tangible and intangible values or advantages associated with a property as perceived by either party to the transaction.

BLACK HATTER

A person who accentuates only the negative aspects of a situation.

BLACK HATTING

The act of accentuating the negative to the detriment of the presentation.

BLANKET MORTGAGE

A loan that is secured by more than one property.

BOOT

Unlike property, including mortgage relief, cash, paper and other personal property received in an exchange.

CAN ADDS

Anything of value that increases a client's equity in a transaction.

CARRYBACK

A note that is created in the transaction, secured by the property transferred, and retained by the party going out of title.

CASH GENERATOR

Any real or personal property that can be easily converted to cash or refinanced.

CATALYST

An element (cash, property, services, or person) brought into an otherwise impossible or improbable transaction to effect its completion.

CLIENT

A carefully counseled person under contract whose situation has been accepted for representation by the professional.

COUNSELING

Seeking information, which enables one to help a client achieve his goals through intelligent questions and insightful listening.

COUNSELOR

A real estate practitioner who has acquired the knowledge and developed the skills necessary to more effectively assist the client in achieving his goals.

In the context of the Society of Exchange Counselors (S.E.C.), a Counselor is the title conveyed upon a full member of the S.E.C.

COUPLETS

That segment of a multiple party exchange where property is transferred between only two parties at a time. The total exchange transaction may consist of any number of these segments or couplets.

CRANK

Cash generated from a property or note.

CREATED PAPER

A note originated by an owner under agreeable terms to owner and used to acquire benefits such as other property without transferring title to the property that is used to secure the note.

CURRENCY LAND

Land that is used like money as a down payment on other property.

CREATIVE REAL ESTATE JARGON

CUSTOMER

An un-counseled person in a transaction with whom the professional has no contractual relationship.

CYA

Cover Your Assets (Assets is sometimes abbreviated). Steps taken to protect yourself.

DEALER

One who buys and sells real estate as a business, as opposed to an investor. The term has importance in relation to taxation of income derived from dealer activities.

DEBT RELIEF

Reduction of a mortgage obligation that may result in a taxable event. For tax purposes, debt relief is considered income to the person being relieved of the debt.

DEFINANCE

Reduction of the loan amount on a property designed to increase its equity.

DELAYED EXCHANGE

A non-simultaneous transaction where the taxpayer goes out of title on his property before he has completed acquisition of the replacement property.

DEPRECIATION

A tax concept reducing the cost basis of a property.

DON'T WANTER

A property owner who is highly motivated to go out of title.

DOWN AND OUTER

An owner willing to accept cash or other unlike property without regard to tax consequences.

DOWNSTROKE

Another word for down payment; may be cash or other property.

EAT

Any out-of-pocket money over and above the income.

EQUITY

Equity equals Value minus Debt. That part of the property value not encumbered by loans.

EQUITY FOR EQUITY

An exchange in which the equities are considered equal and no further balancing is needed.

EQUITY MARKETING

The merchandising of properties exclusive of cash, or at least the majority of the values transferred is in the form of unencumbered value in real property.

ESCROW

A neutral third party responsible for determining that all agreed-upon terms and conditions have been met prior to the closing of the transaction.

EXCHANGING

The process of transferring equity in one property for equity in another property. The giving of a deed for a deed.

FACILITATOR

A knowledgeable third party who assists in structuring a transaction but does not participate in the actual transaction.

FAIR MARKET VALUE (FMV)

The amount an informed buyer is willing and able to pay, and a seller is willing to accept, for a property after adequate exposure to the market.

FEED

The amount of money required to meet the negative cash flow (eat) requirement of a property.

FORMULA

A model or method for structuring a transaction.

FREE AND CLEAR

Without debt.

CREATIVE REAL ESTATE JARGON

FRONT PORCH

A term or condition made in an offer as a negotiating ploy that is made without expectation of acceptance and may be readily surrendered by the person making the offer.

HARD MONEY

Any loan other than purchase money loan. A term often applied to loans made at rates significantly higher than interest rates on loans being offered by traditional lenders, such as banks.

HOLDING PERIOD

The time a particular taxpayer holds a particular asset. In a "tax-free" exchange, the holding period carries through and goes along with a person to the new property acquired.

HOMEWORK

Collecting and analyzing all pertinent information related to a client's situation and property.

HYPOTHECATE

To pledge as collateral for a loan.

ICEBOX LAND

Property having undeterminable value held as a means of preserving equity in a neutral position.

IN ACQUISITION

A term used to describe a property that a person has under contract to acquire and is offered out but is not yet owned by the person making the offer.

IN LIEU

Using a property that has been offered to you, without taking title to that property to acquire the desired property.

IN KIND FEE

Agent compensation, other than cash or paper, received in the same form as the property, accepted by client, such as real property, or an ownership interest in real property.

KIDNEY KICKER

An offer consisting of properties deemed to be something other than what the client actually requested. Often used to provide an opportunity for further counseling.

KILLER THOUGHT

A remark that destroys the free flow of creative thought.

K.I.S.S. (KEEP IT SIMPLE STUPID)

Avoid making the transaction more complicated than it needs to be.

LAUNDRY LIST

A compilation of all properties, real or personal, being represented currently by the exchange broker.

LEG

That portion of a multiple party transaction associated with one of the parties.

LETTER TO SANTA CLAUS

A list of the client's highest priorities or type of properties "wanted" by client.

LEVERAGE

The ratio of equity to value.

LIKE KIND PROPERTY

Property (real or personal) eligible for a tax deferred exchange. The term does not refer to the physical similarity of the properties, but to the purpose and intent (investment) of the owner.

M.O.L. (MORE OR LESS)

A term used to disclose that the figures are not exact, also (+/-).

MISSOURI WALTZ

A 3-way transaction in which two "legs" are exchanged and one "leg" receives cash.

CREATIVE REAL ESTATE JARGON

MODERATOR

The person who directs a formal presentation at a marketing meeting. Through a series of questions, the Moderator assists the Presenter in making an effective presentation.

MORTGAGE RELIEF

A tax consideration resulting when a property owner acquires another property in an exchange, with a debt that is lower than the debt on the property transferred.

MULTIPLE EXCHANGE

A series of three or more exchanges to complete one transaction.

NEUTRAL VEHICLE

A property that does not require any attention: i.e., management, debt service, etc. (Example: free & clear land).

OFFSETTING PAPER

A note received in a transaction that produces an income stream used to offset a negative cash flow in a property.

OPTION

A contractual agreement granting the right, but not the obligation, for a party (optionee) to acquire property for a given period of time and predetermined conditions to.

O.P.M. (OTHER PEOPLE'S MONEY)

Borrowed money.

O.V. (OWNER'S VALUE)

Client's estimate of what his property is worth.

OVERTRADE

To give more equity than received.

PACKAGE

A presentation form, usually standardized, used exclusively for broker-to-broker communication; often referred to as "Reno format" or "set-up."

PAPER

Secured or unsecured notes.

PIGGYBACKING

A thought process that is inspired by a previously expressed idea.

P.F.A. (PULLED FROM AIR)

An unsubstantiated value.

POT THEORY

A method of closing a multiple party exchange transaction in which each owner receives the deed to the property being acquired directly from the former owner simultaneously and through the service of a neutral third party such as an escrow officer or closing agent.

PRESENTER

A person who is representing a client and property in front of an audience of other brokers.

PYRAMIDING

The process of building a real estate portfolio, often through a series of tax deferred exchanges.

3 R's OF REAL ESTATE OWNERSHIP

Responsibility, risk, and reward.

REALIZED GAIN

An accounting concept that is the difference between the net sales price and the adjusted basis of the property sold. It may or may not be taxable in whole or in part.

RECOGNIZED GAIN

An income tax concept which is the portion of the realized gain that is reported as taxable income at the time of closing.

RECOURSE

The right of the holder of a note to look personally to the borrower or endorser for payment, not just to the security for the note.

REAL WORLD

Conditions as they actually exist, as opposed to wishful thinking.

CREATIVE REAL ESTATE JARGON

SEQUENTIAL DEEDING

A method of structuring a multiple party transaction by closing the transaction in a series of transfers involving two parties at a time.

SHARE THE WEALTH

When cash is generated in a transaction and distributed to more than one party.

SOFT PAPER

Notes written with easy terms, such as low interest rates, deferred payments, long holding periods, etc.

SOLUTION

A property or situation that satisfies the benefits needed.

SPLITTING THE FEE

Treating the ownership of land and the improvements thereon as two separate entities.

STARKER

A generic term for a delayed exchange named after an early and well-known court case related a non-concurrent closing of an exchange.

TAKER

One who will accept a property offered but may or may not own a suitable property to complete the exchange with the party to whom the property is offered.

TAX DEFERRED

Postponement of the requirement to pay taxes until a later date.

TAX SHELTER

A property or investment that creates a tax deduction which may be used as a deduction against the taxpayer's ordinary income.

THIRD LEG

A property that provides the benefits needed to complete a multiple transaction.

THREE WAY

A term commonly used to refer to a multiple transaction.

UP LEG

The property to be acquired in an exchange that provides an increase in value and an increase in indebtedness.

USER

A party who personally has a specific use for the property.

VEHICLE

A property, real or personal, that provides an interim step to accomplish the client's ultimate objective.

WALK THE LOAN

Substituting an alternate security for the existing note, thus removing the obligation from the original property.

WANTER

One who is reluctant to give up ownership in a property for non-economic reasons, making this type of person extremely difficult to motivate to close

WEASEL CLAUSE

A contingency in a contract allowing the offeror to "back out" of the transaction with no personal liability.

WETE

Whatever The Equity (un-priced property). The equity to be determined by the taker of the property based primarily on benefits perceived by the taker.

WETV

Whatever The Value (un-priced property). The value of the property has not been defined by the owner.

WRAP AROUND (FINANCING)

A junior loan with a face value equal to both the amount of equity it secures and the balance(s) due represented by the senior loan(s).

YKYIKM

You Keep Yours I Keep Mine. Refers to Single Agency Fee Arrangement where the fee of one owner is not shared with any other broker.

Most Motivated Transaction Ideas

- 1. Discount and Buy Back**
- 2. Lease Back**
- 3. Lend Back**
- 4. JV forfeiting cash flow**
- 5. Partition the cash flow and provide high rate of return**
- 6. Give "soft" option to purchase**
- 7. JV and provide a safety first position**
- 8. Take a low interest carry back note**
- 9. Make a geographical move (relocate)**
- 10. Take back a "soft" land lease**
- 11. Take on reverse cash flow**
- 12. Use financial strength**
- 13. Accept personal property**
- 14. Move the debt**
- 15. Sell below appraisal**
- 16. Add cash (amount)**
- 17. Provide management**
- 18. Take a risk**
- 19. Take property anywhere**
- 20. Client will remain responsible on the existing debt**
- 21. Client will guarantee the NOI**
- 22. Client will "Take" a problem property for equity. Identify what kind of "problem"**
- 23. Client will guarantee cost of renovation or completion of project**
- 24. Client will offset mortgage payments**
- 25. Client will add services**
- 26. Client will accept unsecured note**
- 27. Client will obtain entitlement for the property**
- 28. Client will mitigate wetlands or other environmental restraints on the property**
- 29. Client will pay all closing costs**
- 30. Other**

MONDAY MODERATED PACKAGE REGISTRATION
(Pre-register Before Morning Writing Break If You Wish To Present)

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

TUESDAY MODERATED PACKAGE REGISTRATION

(Pre-register by 5:00 PM Monday or Before 8:30 AM Monday If You Wish To Present)

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

WEDNESDAY MODERATED PACKAGE REGISTRATION

(Pre-register By 5:00 PM Tuesday or Before 8:30 AM Wednesday If You Wish To Present)

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____

Title of Segment in Agenda: _____

Time Stated in Agenda: _____

Your Name: _____

Your Meeting ID Number: _____