

CREATIVE SOLUTIONS
Kenneth M. Vidar, CCIM, SEC
7 Hours of Continuing Education Credit

I. Introduction (9:00)

- A. Why formulas
- B. Where do they come from
 - 1. History
 - 2. Marketing
 - a) Networking
- C. Three types of people in this world
 - 1. Make things happen
- D. Examples to make points we want to stress during the day
 - 1. Finished Files
 - 2. The chicken riddle

II. William Broadbent slide (9:20)

- A. Reputation

III. Creation of Wealth (9:25)

- A. What are the benefits
 - 1. You create the terms
 - 2. No costs
 - 3. Estate building

IV. Blanket Mortgage (9:35)

- A. Security for seller
- B. Don't always need cash
- C. Clauses to place in documents
 - 1. Releases on performance

V. Definance (9:45)

- A. Opposite of way we usually think
 - 1. Refinance
- B. Good listing broker
 - 1. Talks to all note holders
- C. Markets change

VI. The Over-Trade (9:55)

- A. Exchanging not always tax motivated
- B. You make it happen
- C. Reverse of normal way of thinking
- D. Other solutions discussion
 - 1. Cash
 - 2. Joint venture
 - 3. Other equities

VII. The Order of Acceptability (10:10)

- A. Opportunities in the market
- B. Know your market place
- C. Is cash always on top
- D. Buy down the list
 - 1. Good "DEALS"
- E. Work your way back up
 - 1. This takes talent
- F. Story of New Mexico land transaction

MORNING BREAK (10:30)

VIII. Questions that come up during the break (10:45)

IX. Discount Sale Buy Back (10:55)

- A. Best way to generate cash
- B. Motivation
- C. Psychology of the transaction
- D. Open up your market
 - 1. More "Takers"
- E. Examples

X. Safety First (11:15)

- A. History of market
 - 1. 70's
 - 2. 80's
 - 3. 90's
- B. Real estate is a commodity that must compete in the market
- C. How formula was developed
- D. Type of buyer
- E. Security
- F. Tax laws

XI. Preferred Position (11:35)

- A. Dallas office building package
 - 1. Discuss marketing
 - a) Salability of listings
 - 2. Not addressing the problem
- B. Your role as a listing broker
- C. Know your market
 - 1. Discussion of Dallas market or current market in the country that makes the point
- D. What does preferred mean
 - 1. Preferred stock
- E. Development of formula

- F. Remember real estate is a commodity
- G. Restructure your package to solve the problem

LUNCH (12:00)

XII. Discussion of questions at lunch (1:00)

XIII. Subdivide for Profit (1:10)

- A. Looking to create “Cash Flow”
- B. Structure for sale when you buy
- C. Other examples

XIV. Land Lease (1:20)

- A. Proud of listing and offer
- B. What happened
- C. All people are different
- D. Benefits to restructuring the transaction
 - 1. From sellers side
 - 2. From buyers side

XV. Options (1:30)

- A. Set up discussion
- B. Purchase example
 - 1. Discussion of cost and profit potential
- C. Option example
 - 1. Discussion of cost and profit potential
- D. Best form of leverage
 - 1. Control versus owning
 - a) Rockefeller Foundation example
- E. Other types of options
 - 1. Rolling option
- F. Psychology of options

- G. Use a contract to purchase with proper clauses
 - 1. Why
- H. Other current examples
 - 1. Relate to current market

XVI. Equity Conversions Through Options (2:00)

- A. Convert non-marketable equities to cash
- B. Sell 50%
- C. Bring in a preferred partner
- D. Story relating to Chippley, Florida market

XVII. The Art of Restructuring Investments (2:10)

- A. Marketability of listings
- B. Discussion with class about this listing
- C. Brokers role
- D. Talk with all note holders
 - 1. Discounts available
- E. What do investors desire most
 - 1. Cash flow
- F. Restructure with land lease
- G. Benefits now
- H. Is it salable?

XVIII. Retirement Fund (2:25)

- A. Short current example
- B. Make terms easy sell
- C. Discuss management

AFTERNOON BREAK (2:30)

XIX. REO Formula (2:45)

- A. Quick presentation

XX. REO Paper (2:50)

- A. More of a current opportunity
- B. Yield discussion
- C. Why low yield for a lender can be an opportunity for you
- D. Lead into a discussion of paper
 - 1. Mortgage and trust deeds

XXI. \$10,000 Note Example (3:00)

- A. Discussion of yield versus discount
 - 1. Psychology of the market
- B. Quick financial calculator review
 - 1. Present value versus future value
- C. Cash flow
 - 1. The only thing you need to know
- D. "Always Try to Renegotiate" slide

XXII. Reduce Interest / Increase Payments (3:10)

- A. Do a new yield calculation
- B. Why does this work
 - 1. Present value versus future value
- C. Benefits to all parties
- D. How do you negotiate the terms
- E. Now sell 50% to an investor

XXIII. No Interest Shorter Amortization (3:20)

- A. How do you negotiate the terms
- B. Calculate the yield
- C. Now sell 50%
 - 1. Preferred position

XXIV. Broker Estate Building (3:30)

- A. Notes versus real estate
- B. Benefits to all

XXV. \$25,000 Note / 10% / 7 years (3:35)

XXVI. Divide the Equity (3:45)

XXVII. Development (3:55)

- A. Preferred Position

XXVIII. Trader Board (4:15)

- A. Personal property
- B. Marketing sessions

XXIX. Running Exchange (4:30)

XXX. Closing Questions & Remarks (4:50)

- A. Make something happen

ADJOURN (5:00)