



Hughes Capital Investor Update

ROI Strategies Mobile Home Park Saving Money with City Water Plan

Here's another update from our partner, Major, who oversees the mobile home park in South Carolina. Major is great at keeping us informed on his progress and is very efficient at getting things accomplished. Steve made a trip to inspect the property in late October, so we have included a picture of Steve and Major.

"I expect all main water valve installations to be completed this week. The plumbers will then start the installation of new water hook-ups and ball valves for each home and empty lots as previously discussed. This is vital to be completed prior to the installation of water meters to catch any additional leaks prior to hookup of city serviced water. I have a meeting with the city of Columbia next Thursday for an updated timeline and information of the winning bid for the water conversion. After said meeting I will have the approved city contractors bid on the park hook up to the newly installed city service."

Major is touching on one of the big benefits of owning this specific park. Our park is in a part of the city that is really growing, so the park is getting hooked up to city water. **That brings the costs down for us since we don't have to pay for and maintain our own wells and equipment.**

"Street lights will commence phase 2 of installation soon (awaiting date confirmation for this month). The mail box kiosk will also be completed this week (will send pictures). After completion the same contractor will install a dumpster corral to make the entry much more pleasant. The paving company will be working diligently to finish remaining parking lots, starting tomorrow."

New Brokerage and Property Management Company in St. Louis

Our plan has always been to create a physical boots-on-the-ground presence in the cities we are purchasing our the buy and hold fund homes in. It will help us alleviate some of the challenges we have with getting the quality of service we expect from our property managers, who are vendors right now and not part of our team.



Steve (left) with our partner, Major, in South Carolina.

By the time you read this, we will have established our own real estate brokerage and property management company in St. Louis. We have hired a full-time employee to run it. This is a big step in a positive direction. **As we get St. Louis dialed in, we will look towards expanding the same structure into our other markets,** focusing first on the markets we plan to go deeper in.

1031 Exchanges into the Buy and Hold Fund Coming to Fruition

We are done with our presentations for 2018. Interestingly, we found around 75% of our event attendees were interested in using a 1031 Exchange to invest (as opposed to investing directly with cash, an IRA, or 401K). No matter how you invest, everyone receives the same benefits as an investor in the buy and hold fund. However, people choosing to sell their property and do a 1031 Exchange are enjoying the extra benefits of **eliminating their existing landlord hassles and increasing their net return, without investing a dollar more than they already have.** Since learning about this option, people have had time to get their properties on the market and sold, so 1031 Exchanges are rolling into the fund. We are glad to see all the interest and happy we can provide value to so many.

Sincerely,

A handwritten signature in black ink that reads "Steve Sixberry".

Steve Sixberry

A handwritten signature in black ink that reads "Greg Hughes".

Greg Hughes