



Hughes Capital Investor Update

ROI Strategies

Nineteen homes remain in ROI Strategies' Lease to Own portfolio. The tenants are slowly working on getting the financing in place so that they can purchase the homes from us; until that time, they continue to pay rent. Currently, there is one Lease to Own tenant in Gardnerville who is unfortunately unable to realize the dream of homeownership and will have to vacate. It will, however, be a good deal for ROI Strategies investors as the home has gone up in value.

As for the mobile home park, below is a short update from Major. **You will see that we had a few extra expenses, but we're only moving forward with improvements that will increase the overall market value of the property.**

We are getting close to finishing this project. The rental income for December has already been allocated to normal park fixed expenses, ROI interest payment, and January's mortgage payment. That leaves us a [little] low on funds, and it will not be enough to keep running and finish the renovation of this property. We will need a cash infusion this month.

As you know, the plumbing of the park was much worse than originally anticipated. [The] majority of the previously received funds went to installing new sewer lines, main water valves, fixing main waterline leaks, and installing new water supply line connections on each lot (current total paid for plumbing \$71,000). However, all this additional work and the connection to city utilities will have a large impact on the overall property market value.

Here is a list of items to finish before we can refinance:

-Removal of dead trees	\$2,800
-Final payment of water meter install	\$18,500
-Final payment of valve install	\$6,000
-Payment for water meters	\$12,000
-Finish paving and parking lines	\$30,000
-Entry sign and fencing	\$11,000
-City water connection	Out for bid
Total	\$80,300

Buy and Hold Fund

You might have noticed that we have started referring to Guardian Fund as "the buy and hold fund." The fund itself hasn't changed, but we've had to use a different name when publicly referring to the fund. We attempted to trademark "The Guardian Solution" but received a letter from the Guardian Life Insurance Company telling us not to use the name Guardian publicly anymore. (They have been around for 102 years, so they have a couple years on us.) **The name of the fund is and will remain Guardian Fund, LLC.** We have agreed to refrain from using the name Guardian in our marketing materials and public documents.

The fund has been receiving a very positive response. With new cash investors, new 1031 Exchange investors, and existing investors putting more money in, we are getting a little heavy on cash in the bank. Cash in the bank doesn't produce anything, so it will slightly dilute the return overall until we can get it deployed. **You can be assured we always prioritize buying good properties over just deploying cash.**

We have been transitioning and onboarding our new full-time team members in Cleveland, Akron, St. Louis, Memphis, and Birmingham. Because of the shift in staff resources, we have had to temporarily slow our acquisitions and rehab operations as we ramp up and optimize new systems, getting the property management team completely up to speed so that we can quickly resume acquiring new properties. **We expect to be back to buying 15 to 30 homes per month within the next 30 days.** And once we start, the rest will happen fast! That also means we'll be rehabbing the properties *as we acquire them* – a process that takes another 30 to 45 days, depending on the rehab.

Hey, there is nothing like visiting Cleveland in the winter! Does it get any better than that?

Until next time,

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

Steve Sixberry

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

Greg Hughes