

Buy and Hold Fund

Having teams on the ground (especially in Cleveland) has been an important development for the buy and hold fund. As we get deeper into managing the homes, we are finding that the 3rd party property manager we recently let go had failed us in many different ways. The primary offense was in not taking care of tenants' repair and maintenance requests. We understand that maintenance and repair is a never-ending process, but we have identified over 40 requests that the previous manager failed to remedy. *That is not the way we do business, and it's not the way we treat our tenants.*

We are feverishly working our way through all the repair requests and are communicating with each tenant to make sure that their home is safe, secure, and well maintained.

While the presence of boots on the ground is an important, positive step, it doesn't mean that everything is working perfectly. Our team is so new, we have already had growing pains and have had to let go of a few people. *Surprise, surprise!* (Doesn't that phrase remind you of Gomer Pyle?) We severed ties with a rehab manager in Cleveland and a property manager in Memphis. However, we have already found a more qualified person to replace the rehab manager, so, as usually happens, it looks like the change in personnel will work out for the best.

It seems like we're painting a gloomy picture of the Midwest, but things are looking up! (It doesn't hurt that spring is here. The sun always makes everyone feel happier.) Thanks to improved systems with our acquisition team, acquisitions are picking up. **We continue to buy homes in the \$45,000 to \$75,000 range, including duplexes, triplexes, and quadplexes. These slightly higher-priced homes will continue to strengthen the asset base for the fund.**

In April, we purchased about \$1.3 million in homes, and in May, we expect to be on track for purchasing over \$2 million.

ROI Strategies

Here is your monthly update on Polo Estates mobile home park from Major, our "man on the scene."

"We are still waiting on the PRV valve to be delivered for installation. The city of Columbia is still taking its sweet time to finalize its inspections for their side of the water service line, further delaying our ability to obtain the master meter for the park.

Now, I know what you are thinking. "Major, where is the money coming from for these costs?" To answer your question, I have already personally made all payments for these installations as the property at this time can't produce the funds (after normal operating costs and ROI interest). I will cover the water conversion to finish and make sure there are no other outstanding or unexpected expenses. Once finished, I will have the finalized expenditure to present to you. We can then make a plan to either reimburse at that time or do so at refinancing while also cashing out ROI.


Finally, it has been a year already! Time has flown by. So many things have happened in such a short time. Bonnie and I thank you again for the opportunity to work together with you. This project, though not easy, has made a huge positive impact on the community as a whole. This past year, hundreds of people in the community and surrounding areas continually came (still to this day) to show their thanks and express their appreciation for the transformation of Polo Estates. Further putting to the truth that we can create cashflow communities while making a difference."

On the North Dakota front, the one home we owned is in escrow, and it may be sold by the time you read this. (If you'll recall, the home had frozen due to a water leak.) *We are thrilled to have this home sold.* Since it was our only home in North Dakota, and it was in a different area than our trailers, it had been difficult to manage.

Until next time,



Steve Sixberry



Greg Hughes