



Investor Update

ROI Strategies

How is it possible that another month has passed? It feels like I just wrote an update yesterday. I know everyone I talk to says time passes faster as you get older. Maybe that is what is happening to me.

I turned the big 50 last month. Ironically, I received an email invite to a senior's golf tournament at ArrowCreek on my birthday for people that are 50 and older. That makes me the kid in the bunch. I am definitely playing in that tournament because I need every advantage I can get when it comes to golf.

That reminds me of one of my most favorite people, Roger Iveson. I always learn something from him and I enjoy all of his stories, but best of all, he calls me "kid." Roger is 82 but he looks and acts like he is 60. I am running out of years for people like Roger to still call me "kid," but I am sure going to enjoy it while it lasts.

July was a banner month for Rent to Owns. We completed 5. We also had 5 people get financing and purchase their home from ROI Strategies. That makes a total of 50 happy homeowners who have purchased from us thus far. How exciting is that? To see these families succeed, and to see our program working just as we envisioned it almost 5 years ago. August looks promising as well, with another 4 in escrow to be purchased by Rent to Own tenants. We are getting to a point where many of our tenants are accelerating due to having enough time to solve their credit challenge and receive their financing.

Mind you, getting financing in general is not getting any easier. Our Rent to Own tenants are just doing well on following through on their plan, and perhaps we will take a little credit for good underwriting.

To date, we have had 14 Rent to Own tenants walk-away from their homes for various reasons. Most were due to divorce or job relocation. One inherited a home from an uncle, and there were a couple other oddball reasons. I think we have only had one walk-away for economic reasons.

We continue to work on senior assisted living properties. We have not found the secret sauce yet, mostly due to it being difficult (if not impossible) to run one within a community managed by an HOA. The CC&Rs within almost all HOA's have a clause disallowing running a business out of a home.

That clause makes perfect sense. However, you know it is done all the time, and if the business doesn't impact the neighbors it is most likely tolerated. We obviously can't buy a home without having a bullet proof plan to operate a senior assisted living facility out of it, so we will be avoiding HOA's.

This is really too bad because these homes will provide such a needed service for seniors, and they would be very low impact to the neighbors. **In fact, I will argue the house I live in today has more of an impact on my neighbors with my 4 kids! Their friends and all their cars coming and going are more of a nuisance than any senior assisted living home will have.** I am a little embarrassed sometimes about how many cars we have out front when all the kids are home. Compare that to a senior assisted living property where none of the seniors even own a car anymore. And unless someone were to point one out, you would be hard pressed to even recognize these properties as anything other than a single family home.

Not much to report on Assuravest yet. A few workouts are beginning to happen but the majority of the notes are still in the process of receiving the collateral files. All of this is in the plan as we buy these notes knowing it takes many months to get the machine moving.

Advanced Commission continues to grow and prosper. We are at a little more than a million in capital for the advances. The average pay-back has remained the same as last month and is still at 36 days. The first week of August we did a record 36 advances totaling \$139,000. It is not rocket growth, but steady.

Until next month, enjoy some more of these beautiful summer days.