

HOW TO FIND YOUR MOST FULFILLING LIFE AND GO
AFTER IT WITH PASSION

TIM RHODE

My Dream

January 5, 1997

It's January, 2002 and I sold my business within the last six months for \$250,000 with \$75,000 down and a \$175,000 note payable over 5 years at 8% interest. We bought our new business in 2001 and we are now ready to start operating our new business.

We live in a small town in northern California with good schools for the kids and an excellent tourist base in which to promote our business. We live in a beautiful mountain community with truly inspiring mountains, lakes, rivers, trees, etc. There are tall peaks surrounding us that I constantly gaze at, drawing strength from their absolute sheer beauty.

We will purchase (or build) our dream house (Tina will pick the home, location, style, etc.) within six months. We will spend time familiarizing ourselves with the community prior to purchasing a home, which will be close to our business and easily accessible to our work. The town we live in is above the fog, below major snow, provides for pretty scenery, and has each distinct, changing season. We have studied the community and have taken our time figuring where we want to live and what we want to do that is fun, challenging and highly profitable.

We have saved \$250,000 in addition to the \$250,000 we have from selling Rhode & Associates, so we have \$500,000 to purchase or start up our new venture. We have thoroughly researched our new field and are very confident for future success for our business. It is recreation-related, and people will be very excited and happy to come stay and play with us.

We will work very hard to get everything up and running (or transition from existing business). We will take it to a thriving, desirable commodity in which everyone who comes there cares about the experience and the word-of-mouth is incredible. I am very personally involved with the clientele and will personally create a bike tour or something similar with physical exercise for both our customers and myself. Tina is behind the scenes with accounting, mechanical and day-to-day operational supervising duties.

I am constantly looking for new profit centers and ways to make our customers happier and us richer. We own some sort of resort or campground with unique physical entertainment that is fun, invigorating and makes people smile. Our staff is well trained; our systems are based on our E-Myth training and our attention to our customers' satisfaction is unparalleled.

We have an exciting new business in the best place to live on Earth. My entire family is happy, productive, close and excited about our future.

Financial Update to “My Dream”

May 31, 1997

We have recently merged or downsized our company and have subsequently become more profitable. With this in mind, we have decided to move our target date up for our new life to 2 years. Our new goal is to move and sell our business by August 1, 1999 (Sarah starts 9th grade and Andy starts 1st grade in Sept.).

My goal is to have \$500,000 disposable cash to start our new life. We will limit our business expenses to \$15,000 per month. We will limit our personal expenses to \$10,000 per month. We will net \$45,000 per month (after paying Buyer Specialists) and BANK \$20,000 PER MONTH starting July 1, 1997! We will save \$480,000 by July 1, 1999 and will have well over \$500,000. We will use up to \$250,000 towards our “dream home” and have the resources to take up to one year to explore our career future.

The 5 levels of Financial Freedom:

Where do you find yourself today financially?

1. You are just starting out on your financial journey. You have no clue what to do financially. (or have been going a while and are in a big hole they need to dig out of) Little to no real financial knowledge –
Financial Rookie

2. Starting to make some money and are monitoring what is coming in and out monthly on a regular basis. You have little or no retirement, little, or no savings and not very savvy on investments. –
Financial Apprentice

3. Retirement in place, extra money coming in, basic investing knowledge, not sure how to take advantage of where you are, and need a better long term plan. –

Financial Journeyman

4. You have some passive income producing investments, maybe own your own business, strong retirement in place. Have not reached critical mass. Good plan in place for your future retirement. Many or all insurances, trusts etc are in place –

Financial Star

5. Have reached critical mass (passive income is well more than monthly expenses) Choose to work if you wish. You invest, or work for fun and pleasure only and your “work” time is spent monitoring and moving money only. 'Your ship has come in'

Financial Superstar

My 5 year vision

The year is 2019 and I just celebrated my 40th birthday. I am I am in the best shape of my life. I am working out 5 days a week as well as getting out and doing something in the outdoors every week. We have paid down our current mortgage 50% and have been able to put away \$100k in savings and have maintained a consumer debt free lifestyle while focusing on building our net worth. Our income is currently 25k a month from my real estate business and another 5k a month from investment properties.

My real-estate business is running well I have built up the team to consist of an assistant, buyer's agent, showing agent, transaction coordinator. And listing agent. We are currently closing 100 transactions annually. I am focusing more on the investment part of the business spending more time between Sandy and Shingleton where we have built up a small investment portfolio of single family and multifamily rental properties.

Shiela and I are enjoy taking time off of work from Nov27-Jan 6th for the last few years spending time with family between Cleveland and Cinnicinatti and taking one big summer vacation. This year we are going to travel throughout Europe and Ireland.

Our involvement with the local Habitat for humanity and wilderness trails In Cincinnati has been going well. I am becoming more of an active partner with wilderness trails giving more of my time and cash contributions.

I am excited to see what the next 5 years bring. As the last 5 years have been magnificent for Sheila and I.

Blank Vision Plan

(This is YOUR blank canvas in which to paint YOUR Dream!) Where do you live? What is the physical environment like. Who is there with you? What is your life like now? How is your health? Finances, What is different in your life now? What new hobbies are you doing? What is most important to you now? What are you looking forward to in the future?

DREAM big! Write it all out and then go create it!

Flipper Sources and Follow-up Prospecting Plan

A and B Leads: Call all A & B leads until they sell to us or lose interest.

1. Tim's database (approx. 2,000)
 - a. Mail quarterly "WE BUY" or "WE LIST".
 - b. Tim call all twice annually and follow up on possible leads—move them to our A Lead and B Lead files.
2. Non owner and owner occupied mailings
 - a. Mail approximately 5,000 postcards monthly to our target market.
 - b. Tim call one week after mail out.
 - c. Go back and mail a letter to all six months later.
3. Notice of default and notice of trustee sales
 - a. Mail postcard.
 - b. Tim knocks or calls and gives to Kelley to input.
 - c. Second letter goes out.
 - d. Tim follows up with a call or door knock.
 - e. Third letter goes out.
4. Divorce, estate, probate, bankruptcy and code violation follow-ups
 - a. Go to courthouse and city with Kelley and see how, what, who, when and why and make a plan from there.
 - b. Devise tactful letters A, B and C to follow them up.
5. Tax defaults
 - a. Find out when lists comes out.
 - b. Tim door knock or call locals.
 - c. Mail to all letter A or B.
6. Multiple Listing Service
 - a. Kelley and team watch MLS daily.
7. Realtor leads
 - a. Send quarterly letter or flyer to all San Joaquin and Stanislaus County Realtors (include index card).
8. Attorneys
 - a. Mail to semi-annually.
 - b. Tim call annually.
9. Accountants
 - a. Mail to semi-annually.
 - b. Tim call annually.
10. VA and HUD repo's
 - a. Kelley pull weekly.
11. Property managers
 - a. Mail to semi-annually.
 - b. Tim call quarterly.
12. Unlawful detainers
13. Small banks and thrifts
14. Services that board up homes
15. Old folks' homes

Tim is Now an "Investor" Plan

DATE 5/8/2002

Outcome	Purpose	Action Plan	How I See My Team	What I'll Be Doing	Money Sources	Property Sources
<p>I transition my career to an investor.</p> <p>My team takes over my listing and selling business, freeing me up to follow my passion.</p> <p>I have over \$1.5 million available credit for capital investment by 8/10/02.</p> <p>I close on over 30 flippers between 8/1/09 and 7/31/03 with a net to me of \$20,000 per flipper.</p>	<p>To revitalize my energies in my career area of my life.</p> <p>I <u>am</u> an investor by nature and this plan is in concert with who I am at my core.</p> <p>To set up an operation that fits in with how I see the rest of our life going; something I can do from here, the mountains and the ocean.</p> <p>To keep my team growing and working together, all in new directions. To stimulate them and kept them juiced and forward-moving.</p>	<p>Meet with and find sources for \$1 million of new capital.</p> <p>Immediately start working the trustee sales and other sources for properties.</p> <p>Have Tina, Garber and Byron critique my plan.</p> <p>Meet with staff and set them up to succeed in each other's place and role.</p> <p>Find the right person for the new role.</p> <p>Meet weekly with team to implement.</p> <p>Write weekly plans and follow through.</p> <p>Do a financial pro forma.</p>	<p>Kelley is key. She will help with research and learn the business as I do. We will be on trustee sales, NOD's and other distress avenues.</p> <p>Valerie, Richard and Lupe will list and sell. They will need to step up prospecting, open houses, and be more accountable.</p> <p>New receptionist will do more property management. Memory will help run this more and oversee operations.</p> <p>Valerie will list and be escrow coordinator.</p> <p>Erinn will propect for team business.</p> <p>Expenses should be only slightly higher-- Erinn and more for new receptionist and Kelley, too.</p>	<p>Finding more financing sources, looking at tons of properties all over south San Joaquin County and Salida areas (expand to).</p> <p>Doing research with Kelley.</p> <p>Prospecting NOD's.</p> <p>Attending any and all lecturing opportunities I can.</p> <p>Helping my team grow in their individual areas.</p> <p>Getting more high tech so we can operate from away from home.</p> <p>Expanding our cash flow through diligent follow-through on our rentals and other operations.</p> <p>Calling listing leads to buy first and then turn over to my team.</p> <p>Courthouse steps.</p>	<p>My goal is to pay no more than 9% interest secured by a first against the poperty to be purchased.</p> <p>Close family will be called.</p> <p>Accountants for self-directed IRA's.</p> <p>Business leaders.</p> <p>Team members.</p> <p>Past clients.</p> <p>Bay Area Investor Club members.</p> <p>Newspaper ads.</p> <p>Mortgage brokers.</p>	<p>Trustee sales.</p> <p>Prospecting.</p> <p>NOD's.</p> <p>Learn new sources.</p> <p>Diligently stay on bankruptcy stays.</p> <p>FHA & VA listings.</p> <p>MLS.</p> <p>Team members.</p> <p>Buy seconds at a discount from the lender, make up back pay and foreclosures.</p> <p>Find investor partner and bird-dogs that need money.</p> <p>Send out "I Buy Homes for Cash" cards.</p> <p>Prospect "for rents".</p>