

HOMEFront

Building a High Growth Company

by Buck Teeter, Chairman and Co-CEO, and
Lad Dawson, President and Co-CEO

On March 28, 1996, American Homestar completed a successful secondary equity offering of 1.5 million shares, raising additional equity capital to fuel our high Growth Strategy. Since then, our stock has soared from an offering price of \$17 per share to the current range of \$22 to \$24 per share. The major institutional investors are starting to understand and value American Homestar as a successful, vertically integrated growth company. The stock offering "Road Show" gave us a chance to meet with our 55 institutional investors and tell the "American Homestar Story"! We decided to take

"We decided to take the 'Road Show' to the people who have the most to do with our Company's success..."

the "Road Show" to the people who have the most to do with the Company's success, our talented and motivated employees! So far, we've held 10 "Road Show" meetings for groups of employees as

small as 30, and as large as 160, from Stayton, Oregon to Houston, Texas.

Over the past four years, together we all have built American Homestar into one of the most exciting growth companies in the manufactured hous-

American Homestar will finish fiscal 1996 with over \$230 million in revenues, more than ten-fold growth in just 6 years!



Each month, HomeFront will feature an article from Co-CEO's Buck Teeter and Lad Dawson.

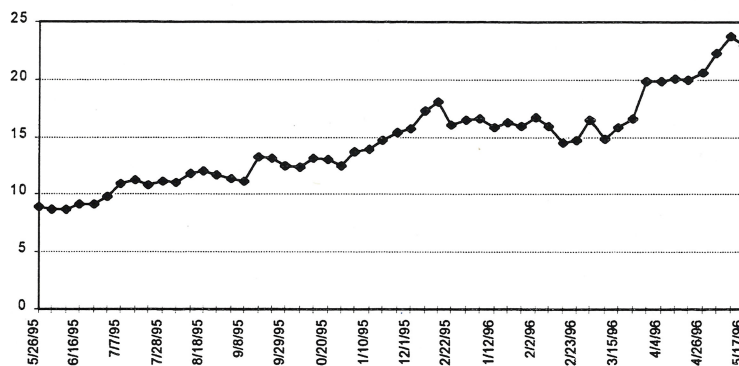
ing business. Just consider these statistics:

In 1990, our predecessor companies, Mobile America Housing Corporation and Oak Creek Homes, had combined sales of just over \$20 million. This month,

With the completion of the Guerdon Acquisition, we expect to end fiscal 1997 at an annual rate of sales in excess of \$400 million.

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Fifty-two Week Stock Price Performance



Welcome to the First Issue of "HomeFront"

May marks the beginning of a new era for the Company Newsletter. Our new, updated monthly periodical, "HomeFront", will have a more balanced approach to covering the different areas of our business. As you'll read, this first issue features an introduction to the people and products of our new partner, Guerdon Homes. Also, a new monthly article from Buck Teeter and Lad Dawson will provide readers with a viewpoints on Company activities from the perspectives of its Co-CEO's.

New editors Tom Jewell and Robin Cooper join Dwayne Teeter and Ronnie Richards as creative contribu-

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Stars and Stats

Top G.M.'s and Presidents

Lanette Carpenter

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May, 1996



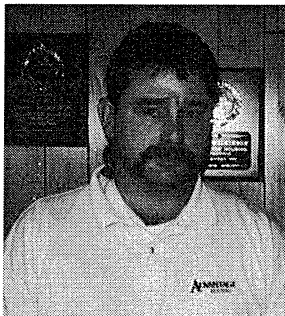
The 15 Point Bonus Program on Burleson Houses proved to be the difference for the company's top sales pros in April. In all, the four top stars each sold at least one stock Burleson during the month. Remember, folks, to make the big trip in July, you'll need to maximize every deal using every available promotional program. Special Kudo's to our top five salespeople for the month, whose pictures are featured in the "Gallery of Stars" at the bottom of this page. People, the time is NOW to pour on the heat for a big year end finish!

These are the Sales SUPER-STARs who sold at least four new homes in the month of April. Way to go, people... you make the difference!

Salesperson	Lot	NS	ND	U	R	T	Pay. Gross
Daryl Wilkinson	Advantage Greenville	0	4	0	2	6	\$ 28,245.00
Christi Lancaster	Nationwide Denton	3	2.5	3	1	9.5	\$ 35,935.41
Rick Vaughan	Nationwide Tulsa	2	4	1	0	7	\$ 29,308.11
Trey Webb	Nationwide Cedar Park	1	4	0	0	5	\$ 30,329.00
Cesar Garza	Nationwide New Braunfels	1	4	0	0	5	\$ 31,252.00
Dave Fortreide	Nationwide Tyler	3	3	1	0	7	\$ 39,931.40
Alan Waren	Nationwide Burleson	2	4	0	0	6	\$ 37,693.40
John Estes	Nationwide Lufkin	3	3	0	0	6	\$ 31,884.00
James Karrh	AHFO Lancaster	0	4	1	0	5	\$ 39,735.89
Tim White	Instant Living Granbury	1	4	0	0	5	\$ 21,719.73
Charles Hermmann	Instant Living Spring	1	4	0	0	5	\$ 26,160.00
Barry Rogers	F&M Nationwide	3	2	0	0	5	\$ 29,734.00
James Morrison	AHFO Lancaster	2	2	0	0	4	\$ 22,194.94
Mike Levin	Nationwide Mesquite	1	4	0	0	5	\$ 25,269.80
M'Lissa Manning	Nationwide Tyler	2	2	2	0	6	\$ 32,152.18
Marianna Sattar	AHFO Lancaster	2	2	1	0	5	\$ 22,970.06
Sandy Cantu	Nationwide Seguin	1	3	0	0	4	\$ 29,895.00
Tonia Keesee	Instant Living Granbury	2	2	0	0	4	\$ 22,134.00
Michael Jones	Advantage Longview	2	2	0	0	4	\$ 18,556.00
James Baronet	Key Homes Bryan	3	2	0	0	5	\$ 23,253.95
Joe Woods	AHFO Lancaster	1	3	0	0	4	\$ 18,718.60
William Fortney	Nationwide Burleson	2	2	0	0	4	\$ 25,008.34
Fred McDonald	Nationwide Tyler	3	1	1	0	5	\$ 18,751.00
James Barringer	Nationwide Cedar Park	3	1	0	0	4	\$ 20,100.00

DARYL WILKINSON CHRISTI LANCASTER RICK VAUGHAN

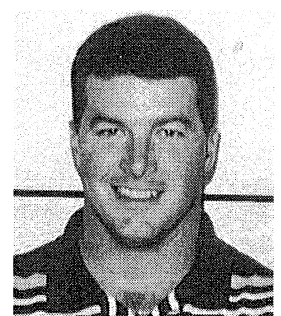
Folks, here's the face behind the profits, the man who used all of the company's programs to vault himself into the top 10 list of salespeople!



Month after month, you'll find her name in the company newsletter. In July, you'll probably find her on the company cruise!



Get out of Rick's way... he's a man with a mission. Rick's 7 big deals in April made him the #3 salesperson for the month.





TYLER - #1 with a Bullet! Jim Clark and company continue to astound all! With the number one position within reach, the question remaining is will they make the \$73k needed to break the Super-Center's record from last year. The smart money says "look for Tyler to set the new standard!"

BURLESON - Ranked 3rd and Coming on Strong! - Jack "Maximum" Maxey has led this supreme staff of sales stars to consistent profitability throughout the year. Look for them to finish strong in May!

DENTON, a strong 2nd! - Robby Golden and his amazing staff of sales superstars have edged into second place with one month to go! Holy Cow, these folks can sell manufactured housing!

4. Mesquite
5. Lancaster
6. Jacksonville
7. Instant Gulf
8. Instant - Granbury
9. Lufkin
10. Cedar Park

The Company's Top 10 Locations YTD FY 1996

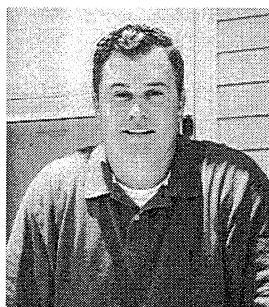
TOP 20 SALESPeOPLE

- 1) M'Lissa Manning
Tyler 372.1 pts
- 2) Richard Loftin
Cleveland 361.4 pts
- 3) Christi Lancaster
Denton 336.8 pts
- 4) Bill Hopkins
Instant Gulf 324.7 pts
- 5) John Estes
Lufkin 316.5 pts
- 6) Mike Levin
Mesquite 311.6 pts
- 7) Trey Webb
Cedar Park 311.3 pts
- 8) Paul Taylor
Lufkin 290.3 pts
- 9) Jack Williams
Jacksonville 285.2 pts
- 10) Daryl Wilkinson
Greenville 281.7 pts
- 11) Ed Sampson
AHFO Lancaster 281.2 pts
- 12) Phil Essex
Cedar Park 281.2 pts
- 13) Dave Fortriede
Tyler 278.3 pts
- 14) Susan Lewis
Denton 277.7 pts
- 15) James Morrison
DeSoto 276.9 pts
- 16) Clint Fawcett
Instant Gulf 266.6 pts
- 17) David McMichael
Key Athens 249.5 pts
- 18) Greg Culverhouse
Seguin 246.3 pts
- 19) Lori Anne Lawson
Seguin 241.2 pts
- 20) Larry Key
Instant Granbury 237.8 pts

PD	CL	Vol. Pts	P.D. Pts	C.L. Pts	Inc. Pts	Fast Start	Ext. War.	Bonus	Total
\$ 5,884.00	\$ 6,456.35	2.0	4.0	12.0	28.3	5.0	3.0	30.0	84.3
\$19,129.20	\$ 6,201.31	5.0	6.0	12.0	35.9	0.0	3.5	15.0	77.4
\$12,300.00	\$ 4,160.06	5.0	3.0	4.0	29.3	0.0	5.0	30.0	76.3
\$ 8,623.00	\$ 5,177.37	5.0	5.0	12.0	30.3	2.0	5.0	15.0	74.3
\$ 5,422.00	\$ 8,924.19	5.0	3.0	16.0	31.3	5.0	4.0	0.0	64.3
\$14,117.00	\$ 4,756.41	5.0	5.0	8.0	39.9	2.0	4.0	0.0	63.9
\$ 8,530.00	\$ 3,033.08	5.0	4.0	8.0	37.7	1.0	5.0	0.0	60.7
\$ 6,596.00	\$ 6,058.78	5.0	3.0	12.0	31.9	3.0	3.0	0.0	57.9
\$11,548.00	\$ 3,416.58	2.0	3.0	8.0	39.7	1.0	1.0	0.0	54.7
\$11,646.00	\$ 6,592.56	5.0	4.0	16.0	21.7	0.0	3.0	0.0	49.7
\$ 7,583.00	\$ 5,012.35	5.0	3.0	8.0	26.2	0.0	4.0	0.0	46.2
\$ 8,943.00	\$ 2,491.11	5.0	2.0	4.0	29.7	4.0	0.0	0.0	44.7
\$11,784.00	\$ 8,992.69	2.0	4.0	12.0	22.2	0.0	4.0	0.0	44.2
\$ 6,750.00	\$ 1,080.00	5.0	3.0	8.0	25.3	0.0	1.0	0.0	42.3
\$11,102.00	\$ -	2.0	5.0	0.0	32.2	0.0	1.0	0.0	40.2
\$ 7,287.00	\$ 3,817.60	2.0	3.0	8.0	23.0	1.0	3.0	0.0	40.0
\$ 4,902.00	\$ 1,922.43	2.0	2.0	4.0	29.9	0.0	0.0	0.0	37.9
\$10,184.00	\$ 1,525.78	2.0	4.0	4.0	22.1	0.0	4.0	0.0	36.1
\$ 6,505.00	\$ 2,963.21	2.0	2.0	8.0	18.6	0.0	2.0	0.0	32.6
\$ 7,876.00	\$ -	5.0	3.0	0.0	23.3	0.0	1.0	0.0	32.3
\$ 8,193.00	\$ 1,730.63	2.0	3.0	4.0	18.7	0.0	3.0	0.0	30.7
\$ 7,018.00	\$ (2,899.70)	2.0	3.0	-4.0	25.0	0.0	3.0	0.0	29.0
\$ 9,884.00	\$ -	2.0	3.0	0.0	18.7	3.0	2.0	0.0	28.7
\$ 6,297.00	\$ -	2.0	4.0	0.0	20.1	0.0	2.0	0.0	28.1

TREY WEBB

Trey will not be denied his place on the big year-end trip... folks he's possessed by some kind of mobile home selling man/ animal/ demon! In April, he was the 4th ranked salesperson!



CESAR GARZA

ONCE AGAIN, FOLKS, it's time to HAIL CESAR. The big man did it again in April, scoring big in sales volume and insurance penetration! Keep it going, Cesar!



Building a High Growth Company, Continued

We have committed to the investment community and to our shareholders to grow bottom line profits (our net income) by 20% or more per year in the future. We've developed a systematic Growth Strategy based on Vertical Integration that will allow us to meet or exceed those growth targets even as the Company gets bigger and bigger each year.

The strategy of Vertical Integration is the key - the absolute power to outperform most of our competitors. Vertical Integration gives us two big advantages:

1. The greater ability to control our business and our destiny! We can control our distribution, adjust inventories to maximize seasonal patterns, use our "shock absorbers" to maximize both retail and manufacturing profits, and systematically increase market share by expanding Company stores into target markets.
2. The ability to make multiple levels of profits on each home sale to a customer! We can make a retail profit, a manufacturing profit, insurance commissions, and underwriting profits on the policies we sell to the home buyer. Now, when we finance that sale with 21st Century Mortgage, we make a financing profit on that sale year after year, for the life of the loan.

The Growth Strategy for American Homestar is our "core strategy" we've implemented effectively over the last 3 years, plus 2 new "strategic initiatives" launched in fiscal 1996 to fuel our growth in the future. Here's a quick look at the key elements of the Growth Strategy:

"Core Strategy":

1. Open 10 new sales centers each year as we expand our base of Company owned retail sales centers. Number 44, our tenth new center for 1996, opened this month.
2. Increase the production of Company manufactured homes sold by our own retail sales centers. Company product was up to 65% last quarter and our goal for the future is 80%!
3. Expand manufacturing capacity and production volume at our plants to satisfy the growing retail demand! Current production rates are at record levels over 6,000 floors per day - a rate 35% over 1995 average production levels.
4. Strengthen and maintain independent retailer relationships. As an important part of our "shock absorber", independent retailers purchase 25% to 30% of our production. As we move into new regional markets, independents will be very important while we build a Company store network.

"New Strategic Initiatives":

5. Build 21st Century Mortgage into a major manufactured housing lender. The first step is to ramp up this new company by capturing the vast majority of Company store finance business. The second step is to develop several niche markets so that combined, we can build a \$1.0 billion portfolio within 5 years.
6. Implement our Vertical Integration Strategy in new regional markets by seeking strategic acquisitions. Guerdon Homes is our first step in this strategy. We're now in four regional markets across 20 states, including the Pacific Northwest, Rocky Mountains, and South Central U.S., as well as our Southwest home market.

We'll be talking about these 6 elements of our Growth Strategy in more detail in future issues. In the meantime, we thank all of you on the Homestar Team! Your hard work and dedication has made our Company an exciting, emerging leader among manufactured housing companies.

Welcome to **HOMEFront**

Continued from Page 1

tors. As with the *President's Club Monthly*, it will be the responsibility of management to make sure the editors are notified of any item of interest that should be published. For manufacturing news, Robin and Tom are your contacts, and Dwayne is still the point-person for retail.

"HomeFront" is still very much a work in process. Ideas for features and articles are welcomed. We hope you enjoy it!

Top 20 Presidents/ VP's and G.M.'s Year to Date

Person	Loc./Comp	Points
1) Larry Speck	N/W Mes.	1832.6
2) Jim Clark	N/W E. TX	1696.7
3) R. McKinney	N/W FW	970.2
4) Jack Maxey	Burleson	867.2
5) D. Simonson	AHFO	805.2
6) Robby Golden	N/W N. TX	685.7
7) Dave Davis	Ins. Gran.	657.8
8) Jim Taylor	N/W South	646.5
9) Dave Shetler	Mesquite	603.4
10) Larry Moran	RoadMasters	451.6
11) John Raine	DeSoto	449.6
12) Dawn Clark	Jacksonville	439.7
13) Rick Carver	ARG	437.5
14) Craig Pickett	Longview	427.4
15) Bob Legg	N/W Bryan	419.6
16) Jim Tierney	Lufkin	401.8
17) C. Carney, Sr.	Channelview	386.6
18) R. Coffman	Cedar Park	370.7
19) Jim Rudolph	Phoenix	334.3
20) Chuck Cantu	Seguin	313.9

Interim Version of Tracker Announced

Designed for Bus. Managers

At the request of **Chuck Carney, Jr.** and many of the company's Business Managers, an updated version of Tracker (v. 3.5) will be available in mid-June. It will only incorporate changes to the Paperwork program, however, the improvements will be substantial. Firstly, all 21st Century Paperwork packages will be produced by the system, including Convention, FHA, Land/Home and BUBBA. Unlike version 3.3, though, virtually each item of information will be completely filled in by the program. Also, Tracker will now handle the complicated BUBBA bi-weekly payment calculations. Simply press a button labeled "BUBBA" and the program does the rest.

v3.5

Financing Flexibility

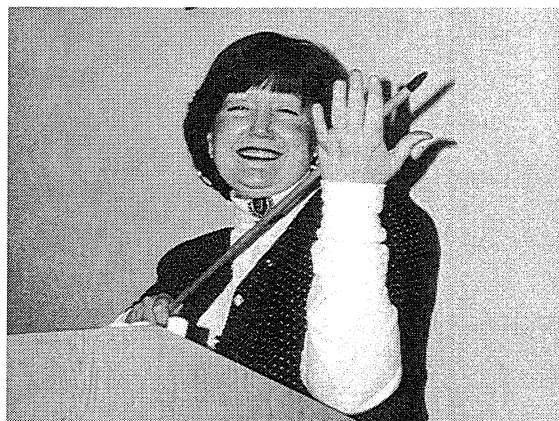
These improvements will allow for a Business Manager to change the variable elements of a closing package at a moments notice. For example, a package is prepared at closing which includes credit life and physical damage insurance. The customer decides while signing that they don't want the life insurance but they would appreciate the available extended service policy. With Tracker version 3.5, (assuming the Business Manager is good with a computer) the new package reflecting this change will be produced in only a few minutes. Hands-on training seminars will be offered starting in July for these new features.

Later in the year, the fully updated version 4.0 will be available to all locations. As promised, it will feature modem connection data downloads and enhancements to the service and prospecting features.

The Critical Path to Selling Homes

by Lanette Carpenter

Lanette, Retail's Vice President of Training and the woman lovingly referred to as "Midwife to the Sales Superstars", will continue to write articles for "HOMEFront."



There are five negotiations a Salesperson must win. The first negotiation, "Setting the Agenda," was covered last month. The second negotiation is "Getting the Issues on the Table."

"Getting the Issues on the Table" means ALL issues. In sales, it is essential that the Salesperson addresses issues that are commonly held by most clients.

In our industry research has shown us that our clientele have four common issues. These issues are:

- They want assurance they are dealing with a reputable, stable company.
- They want to know they are purchase a proven, quality home.
- They want assurance that the company has the ability and willingness to service their new home.
- They want to know that the company can provide them with flexible financing for their new home.

Our Company Story Interview Book was designed to address these common issues up front. By addressing them at the beginning of the selling sequence the client will be more relaxed and forthcoming.

The last three pages of the Story Book were designed to comfortably uncover the client's unique issues. These issues are:

- They may need help finding a place to put the home.
- They may need help with land improvements.
- They have bedroom requirements.
- They have floorplan likes and dislikes.
- They have special needs, such as a place for their large antique dining room set.
- What the lender will allow them to invest in a home.
- What they would feel comfortable investing in a home.
- What they have for an initial investment.

Know the Facts Up Front

As you can see, "Getting the Issues on the Table" is a very important negotiation to win. If you stumble and bumble through this process, your client will NOT feel comfortable, and when this happens, you will get resistance.

It takes practice to make this negotiation seem effortless. Strong performers in any profession must PRACTICE, PRACTICE, PRACTICE to continue to excel.

GUERDON CORPORATE PROFILE

THE GUERDON "Growth"

The Guerdon acquisition represents an important initial growth strategy. Guerdon distributes its homes through...

Guerdon Corporate Profile

- Guerdon Homes was founded in 1953.
- Guerdon employs over 600 associates in 4 states.
- In 1995, Guerdon produced 2,383 homes that...
- Guerdon gives American Homestar a presence in the South Central regions of the U.S.
- Guerdon will double American Homestar's market share.
- Guerdon produced revenues of \$103 million in 1995.
- Guerdon produces modular homes built to the highest standards.
- The Vicksburg facility provides additional manufacturing capacity and retail sales centers in the Southwest and South...

PROFILE: GUERDON - STAYTON, OREGON

It has been an exciting twenty-seven years for Guerdon Homes in Stayton. Much has been accomplished through the years, and now with new ownership, our company is experiencing a time of rebirth. We are experiencing firsthand American Homestar's energy, excitement, and fresh perspective in methods of doing business.

Our division has been a leading manufacturer in the Pacific Northwest for many years, and we've distinguished ourselves from other manufacturers because of our:

- Solid well built homes!
- Honest appreciation of retail customers!
- Respect & appreciation of our retailing network!
- Ability to adapt & survive!
- Versatility in product offering!

We now offer our retailers and customers in the Pacific Northwest the advantages of being a part of the American Homestar family. Today, we distinguish ourselves even further from other manufacturers because of our:

- Financial strength & stability!
- Solid top management experience!
- Innovative styling & design!
- Fresh perspective!
- Renewed vitality!

The Stayton plant is honored to be a part of the American Homestar family and we will distinguish ourselves as an integral part of the Company's tremendous growth.

*Guerdon, Stayton . . .
...the Northwest housing choice into the 21st century!!!*

PROFILE: GUERDON - BOISE, IDAHO

The Guerdon Homes Boise plant is proud of its accomplishments in the past three years as it moved from last place among the five Idaho manufactured housing plants, to first place.

What We Build

Our Boise plant builds three distinct product lines. The Cascade is our popular house for the entry level buyer. The Americana series features drywall in all living areas, upgraded exteriors, and many options. The Builder series is designed for sub-divisions with all floorplans engineered to accommodate attached garages.

Meet the Management

Dave Shigekawa, Division Manager: Dave started in the manufactured housing industry in 1969 and joined Guerdon Homes in 1992. He has an industrial engineering degree from Johns Hopkins University and an MBA from the University of Santa Clara. Dave is a Commander in the U.S. Naval Reserve.

Mike Carberry, Sales Manager: Mike is a graduate of Boise State University and was recently promoted to Lt. Colonel in the U.S. Army Reserves. Mike has been in the manufactured housing and RV industries since 1978.

Tom Campbell, Production Manager: Tom joined our team in November 1994 after 26 years with Fleetwood in Nampa, Idaho. Tom is one of the most quality-oriented production managers in our industry and has been a welcome addition to the Boise team.

- Company Primary Market Area
- Company Secondary Market Area
- Additional Guerdon Market Area
- ▲ Manufacturing Facilities
- Company Owned Sales Centers
- ☆ Corporate Office
- ▲ Guerdon Manufacturing Facilities

Pull Out this Page
to View Guerdon Profile!

New Locations Opening in Cleburne, Lytle and Azle

Every time you turn around, the Retail division of American Homestar has opened another dealership. Our three new locations are in Lytle, Texas (South of San Antonio), Cleburne and Azle (both near Fort

Worth).

Ray McKinney Continues to Expand His Organization

In Cleburne, longtime sales pro and former Granbury Sales Manager **Tim White** has been promoted to Asst. General Manager of our newest Advantage Housing location. Located on seven and a half acres, the location promises to be another barn-burner for Nationwide of Fort Worth President, **Ray McKinney**. Tim will be joined in sales by **Chris Thykeson**, **Tonia Keesee** and **Matt Stanley**.

In Azle, Ray has acquired an existing dealership, the former Oakcrest Homes. Staying on to lead will be previous owner **Clay Byrne**, who prospered as a proprietor for over 16 years. "Clay has always done well on his own," said McKinney, "but he decided to sell to us and stay on because he wanted to be a part of our dynamic organization. I'm very excited to have him and Patti our the team." Patti is Clay's wife and Business Manager, **Patti Byrne**. Oakcrest has been a longtime top independent dealer of Oak Creek homes.

There's No Slowing Down Chet Kearney

He's the main man hot on the expansion scene... he's **Chet Kearney**, Central Texas's number one manufactured housing guru. In June, Chet will be opening the fifth location of his mini-mobile-empire with none other than **George Stanley** at the helm. George, as most of you know, is New Braunfels's former Sales Manager and is sure to show the San Antonio market just how manufactured housing is sold. The new dealerships located on a prime stretch of I-37 and is well positioned for that market. George says that he "couldn't be happier with this opportunity" and looks forward to the challenge.

Ben White SuperCenter Nears Completion; Two Locations to Close

Thanks to the help of Nationwide V.P. **Larry Wilkinson**, the highly anticipated new mega-store on Ben White Boulevard is nearly complete. Guaranteed to be one of the Company's largest, this future volume leader will be open for business on or around July 1st. In Houston, one of American Homestar's oldest locations, Eastex Advantage Housing will close on June 15th. Also, the American Homestar Factory Outlet in Burleson will be closed to make room for expansion at the plant. After these closings are taken into account, these new locations will bring the Company total to 47.

Moving Up!



COMPANY PROMOTIONS

Brandon Stanley, former Sales Manager of New Braunfels (and son of the above mentioned **George Stanley**) has been promoted to General Manager of Nationwide in Boerne. Brandon's been setting the world on fire with his sales performance in New Braunfels and everyone's confident that this track record of success will carry over into his new management position.

Also, as mentioned above, the great **Tim**

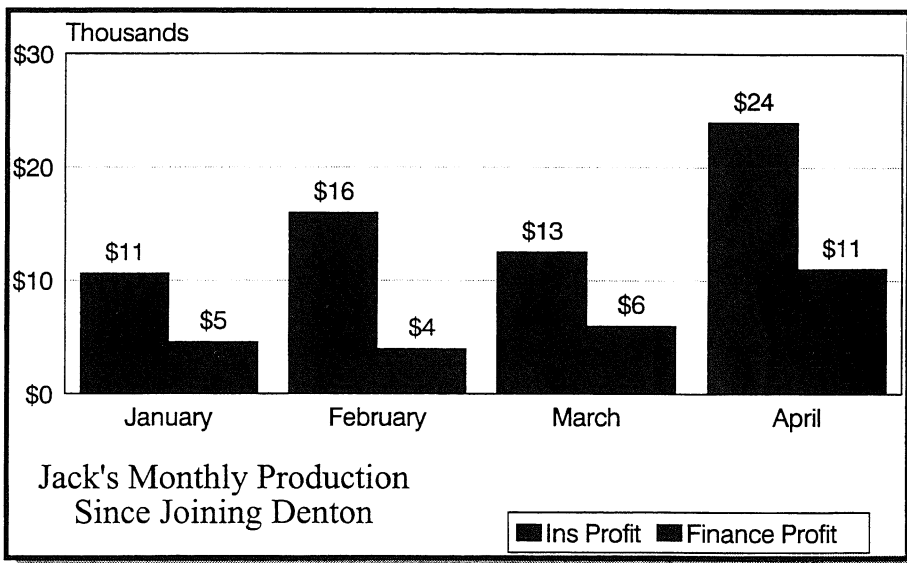
White has been promoted to Asst. G.M. of the new Cleburne location. Tim, 1995's number one salesperson company-wide, is a proven winner and is bound to succeed in his new position. In Cleveland, **Teri Meza** has been promoted to the position of Business Manager, effective June 1st. She will be filling the big shoes of **Mark Beauchamp**, how was promoted to G.M. of Cleveland last month.

Location
#45
Location
#46
Location
#47

CALL HIM "MR. PROFIT"

Denton's Jack Smith is a Man who Makes Things Happen...

These are not Jack's words but when the cleats fit...you should wear them, right? **Jack Smith**, Nationwide Denton's new Business Manager just finished up his fourth month with the company in April. On the eve of our next fiscal year, Jack is setting aggressive goals that include selling \$1.2 million in insurance premiums, attaining a 70% closing ratio for submitted applications and 90% finance penetration with 21st Century-on all contracts, in addition to helping the rest of the Nationwide Denton team achieve all their own personal and professional goals. All of which can and will be done. After all, he closed 23 deals in April producing over 90K in insurance premiums, 60% penetration with 21st Century and 50% bumped for participation dollars. All this hard work translates into approx. \$34,500 in additional profits to Nationwide Denton and untold additional future profits to American Homestar by utilizing our own finance source, 21st Century. In the few short months he has been with the company, it seems that Mr. Smith knows more about "walking the walk" than most of us.



RACE FOR GOLD Bus Mgr PC Club

Single Store

Levels: 400 Gold

350 Silver, 300 Bronze

Marc Beauchamp	481.0
Jim Rea	477.0
Mitch Brown	344.0
John Gutierrez	261.0
*Brad Carlton	254.0
David O'Reilly	218.0
Randy Wilson	212.0

Multi-Store

Levels: 600 Gold

525 Silver, 450 Bronze

Cathy Jackson	579.0
Bruce Reynolds	433.0
Bryan Grace	244.0

Remember: #1 BMs in both categories go on PC Trip in July. All other Gold level winners go on the 2nd trip in Sept.!

* BM w/ start date between June 1st and Nov.30th is eligible for program on a pro rata basis.

How does he do it? Well, you have to go back a ways to get the big picture. Jack Smith was raised in Ohio after his family left the coal mines of West Virginia. Not long after graduating from high school in 1977, he was drafted by the Detroit Tigers and played professional baseball for the next seven years. Jack pitched for the Tigers, the Oakland A's and finally for the Houston Astros...even had a locker next to Nolan Ryan. His baseball career ended in 1984 with an automobile accident which left him paralyzed. After the accident, Jack began an illustrious career in the automobile industry which included being the top salesperson for the largest volume Chevrolet dealer in the country and Finance Manager at then start-up dealerships, Landmark Chevrolet in Houston and Bill Heard Chevrolet in Sugarland, two of Chevrolet's highest volume stores. Jack is married to his high school sweetheart, Patty and has one daughter, Jackelyn who is currently playing for the second ranked soccer team in the state for her division.

When he was approached by **Ken Andoe** while working at Bill Utter Ford in Denton as Business Manager, Jack wasn't at all sure about trying on a new hat. It took **Robby Golden's** help and a few weeks of thought for Mr. Smith to decide to try out the mobile home industry. When asked how 12 years in the auto industry had prepared him to be successful, Jack replied "The spontaneity of the car business, as far as delivering cars on the spot, allows you to develop a strong closing attitude and quick negotiating skills". Otherwise, the closings are very similar. In the auto F&I system, the Business Manager generates profit and is compensated by selling credit life and extended service insurance products, in addition to bumping rates. "I would have to say that the insurance products are easier to sell in this industry for several reasons. First, the fact that physical damage is required and offered in such a limited way by our competitors makes our product and our product knowledge seem so appealing to the customer that it should almost be automatic that they secure it with us. Second, credit life is a product that I have found most of our clients are responsive to if you really out-

#1 TOP OFFICE MANAGERS YTD President's Club Pts

1) Linda Toombs

Lancaster 509

2) Devra Norton

Lufkin 475

3) Debbie Maxey

Burleson 474

4) Connie Snyder

Spring 424

5) Kim Stafford

Mesquite 393

6) Cheryl Cowie

SuperCenter 375

7) Karen Stevens

Albuquerque 342

8) Cindy Garcia

Instant Gulf 271

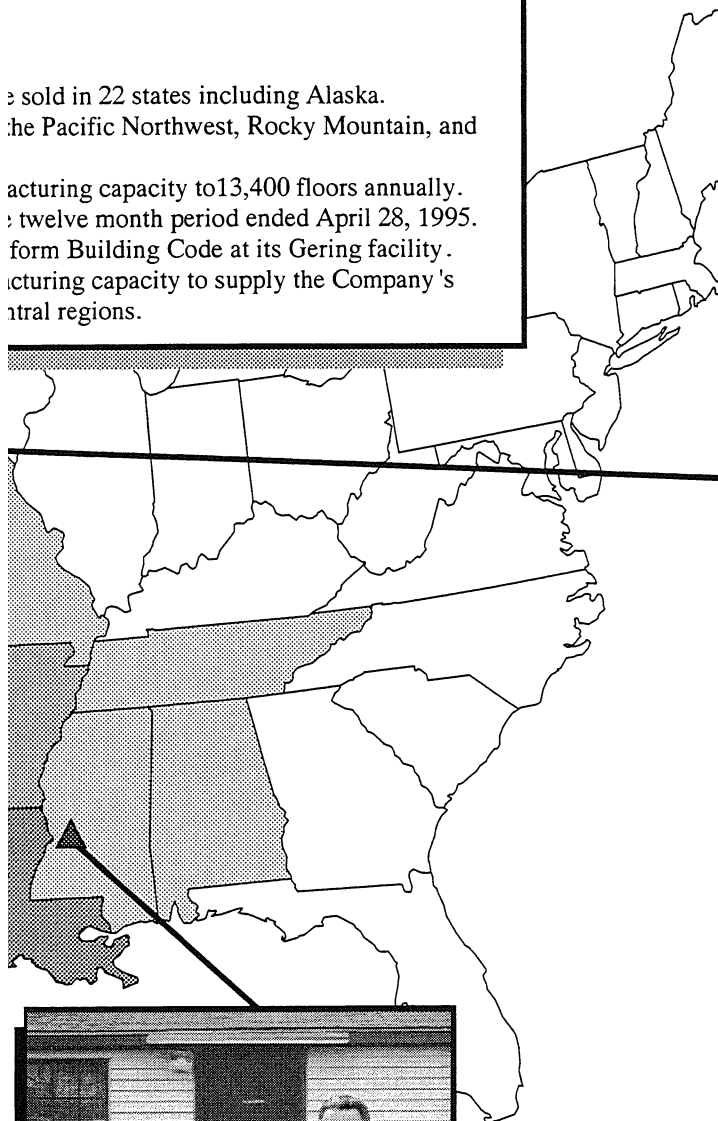
Continued on Page 14

ACQUISITION

"together"

in American Homestar's vertical integration and network of 163 independent dealers in 17 states.

is sold in 22 states including Alaska.
the Pacific Northwest, Rocky Mountain, and
manufacturing capacity to 13,400 floors annually.
twelve month period ended April 28, 1995.
form Building Code at its Gering facility.
manufacturing capacity to supply the Company's
central regions.



PROFILE: GUERDON - GERING NEBRASKA

The Gering Magnolia facility has approximately 80,000 sq. ft. of manufacturing space with a market area covering eight states including Nebraska, Colorado, Montana, Wyoming, South Dakota, New Mexico, Utah, and Nevada. We are located in a small community with a population of 4,500 at the far western edge of the Nebraska panhandle. The surrounding communities bring our total population base to somewhere near 35,000. Guerdon Homes is the second largest employer in the vicinity employing approximately 185 associates. Our management and office staff at the Gering Division includes:

General Manager:	John Fillingham
Sales Manager:	Roger Phillips
Sales Representatives:	Rollie Coe, Bobby Allbaugh
Production Manager:	Doug Fillingham

Gering is unique among the Guerdon family in that we build a wide variety of products ranging from single section 16' wide homes, to quadruple section 28' wide homes. Gering is the only Guerdon facility that produces a modular product built to the Uniform Building Code.

Production at Gering is made up of 80% modular homes (UBC) and 20% manufactured homes (HUD). All of the homes currently produced would be categorized as high-end product. All homes feature totally taped, textured and painted interiors and a wide variety of siding options, from painted vertical hardboard to pine logs. The standard roof is shingled with a 3/12 pitch and we offer up to a 5/12 roof pitch option which is popular with the developers. Several cabinet options, prismatic dormers, stairwells, ceramic tile backsplashes, 80 lb. roof loads, and double car garages are a few of the numerous options offered.

The Gering Division's product offering includes the following series:

Premier Series: This series is the main HUD Code offering and includes 16', 24', and 28' wide homes ranging from 36' to 76' in length.

Magnum Series: This series consists of the same multi-section floorplans as the Premier series, but are built to the Uniform Building Code.

Cabin Series: These homes, which are very popular in the mountains of Colorado, Wyoming, and Montana, can be purchased as either HUD or UBC coded homes and provide prow fronts with attached redwood decks.

Retreat Series: This is the new UBC, 18' wide product ranging from 36' to 48' in length. These compact homes make great mountain get-away cabins and are popular park models.

Developer Series: These homes are available only as UBC modulars and range from doublewide homes to quadruple-wide homes. This series is the highest class of homes built at Gering and has become the mainstay of production.

Special Products: The plant has the capability and has built duplexes and a wide variety of commercial buildings including banks, medical facilities, offices, and classrooms.

PROFILE: GUERDON - VICKSBURG, MISSISSIPPI

Guerdon - Vicksburg is proud and excited to be a part of the American Homestar team!!! With our new additions, CHARLIE SMITH as Division Manager, and CHARLIE MILLER as Production Manager, along with 160 dedicated office employees, supervisors, and production workers, we're putting together a lot of positive changes at our plant!

Both single and double section homes are manufactured in our facility, and in the near future, we'll be introducing some innovative models featuring all new, exciting decors. The current leading seller is our new Front Porch Model 28x68 which has been geared for "southern style" living.

On Friday, May 10th, the Vicksburg plant employees were honored with a cookout celebrating a fantastic NCSBCS score for achievement of good quality. We are continually striving to improve our scores and our product quality.

Pictured at left is Dave Whitson turning over the plant keys to Charlie Smith the new Division manager.

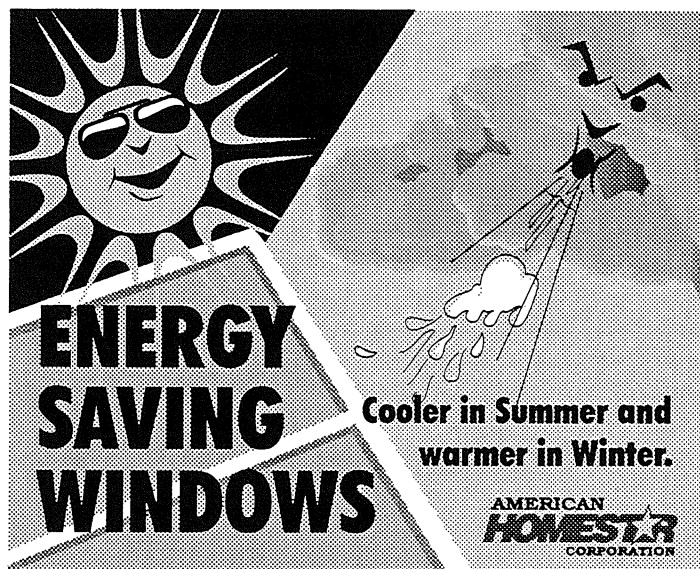
BURLESON **STAR** NOTES

SELL YOUR STRENGTHS!

The Benchmark/Lifestyle product lines produced at American Homestar of Burleson use Kinro state-of-the-art, white aluminum framed, "Solex" tinted windows....*standard!*

"Solex" glass, manufactured by P.P.G., is lightly tinted green glass which reduces solar heat gain by almost 14% from typical clear glass windows. Simply stated, during daytime hours, a home with "Solex" should stay 14% cooler than the same home with clear glass windows. Energy savings resulting from less use of home air conditioning systems during daytime hours will be noticed by your customers. In addition, by reducing the sun's damaging UV rays into our homes, draperies and carpet will resist fading longer.

The Kinro residential white window frame is a match to our storm doors, giving the Benchmark/Lifestyle product a uniform, residential, crisp, clean exterior appeal. The windows' strong aluminum frame contains an oversized flange that allows for secure mounting and reduces air and moisture infiltration. The sloped window sill and large built-in weep holes provide superior drainage around the base of



the windows, alleviating potential sweating problems. The window also offers trouble-free nylon guides for easy window operation, along with numerous notched opening positions. Yes, Kinro windows may cost a little more, but your customer will enjoy the benefits of this strong, energy efficient, weather-resistant, attractive window for years and years.

SNEAK PREVIEW

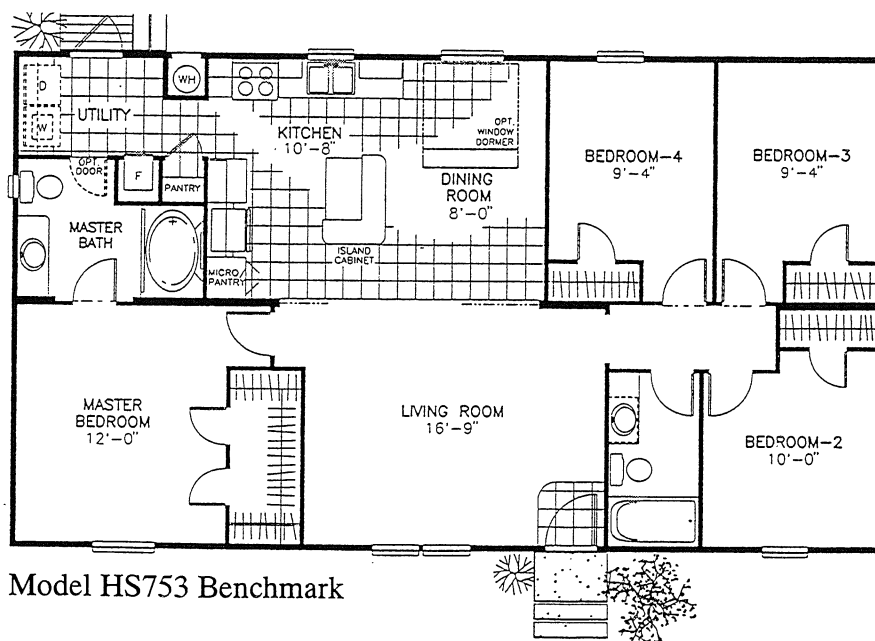
The newest entry to the Benchmark product line has been appropriately named the "Bunkhouse"!

With four bedrooms and two baths, this 28x52, 1,310 sq. ft. "Bunkhouse" is crammed with selling features and is a great price leader! It comes

equipped with both microwave pantry, full pantry, and an oversized kitchen island cabinet. The spacious master bedroom incorporates a huge walk-in closet with his and her entries.

The "Bunkhouse" is a natural for the budget conscious buyer with a large family. Contact your sales representative, Sam or Glenn, in mid-June for pricing on your newest inventory leader.

**"It's no
bunk.
Buy the
Bunkhouse!"**



Model HS753 Benchmark

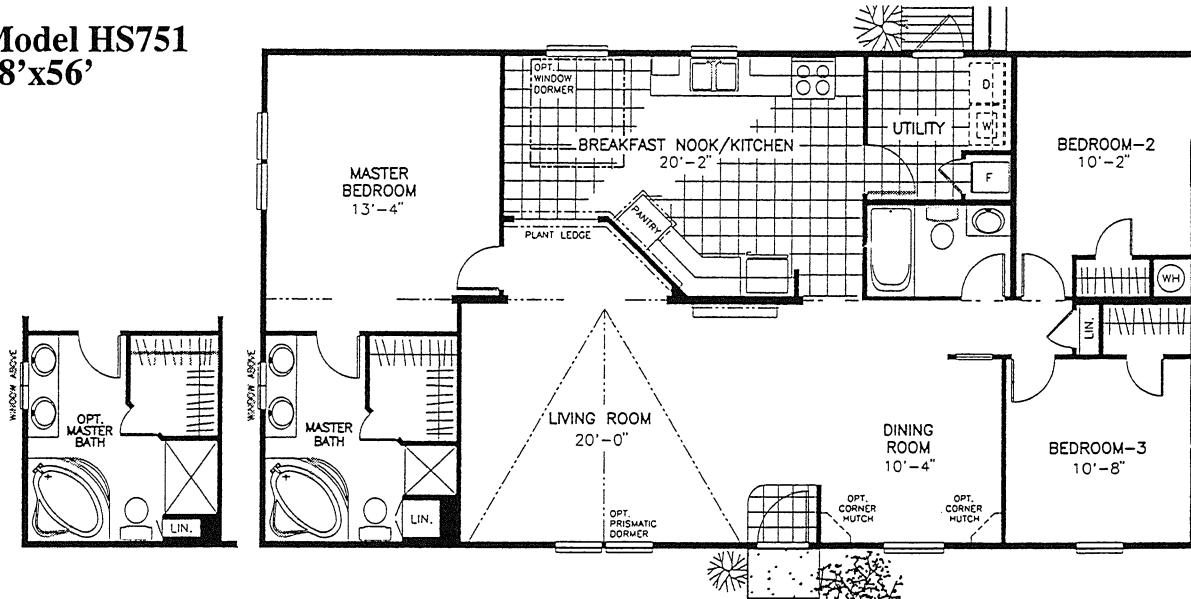
NEW "BELLAIRE"

The newest Lifestyle entry, the "Bellaire", adds a touch of affordable elegance to your display. The charming 28x56, three bedroom, two bath, 1,420 sq. ft. "Bellaire" boasts a huge master bedroom,

informal breakfast nook, and spacious living area. The large walk-in closet is accessible from the master bath, allowing couples to prepare for work while the other partner rests. The "Bellaire" also offers the exterior

appeal of much larger homes due to the availability of optional prism dormers and window dormers. Increase the flexibility of your \$400.00 per month inventory.....order your "Bellaire" today!

Model HS751
28'x56'



LITERATURE IS OUT

By now, you should have received your initial mailing of literature. The models sent include:

Benchmark

The Chalet 28x50 HS750
The Bunkhouse 28x52 HS753
The Cape Cod 28x56 HS744
The Manor 28x60 HS746
The Villa 28x64 HS724
The Park Avenue 28x64 HS760
The Retreat 28x80 HS780

Lifestyle

The Carmel 28x52 HS752
The Bellaire 28x56 HS751
The Aspen 28x60 HS748
The Savannah 28x76 HS776

Should you have further literature needs, please contact Robin Copeland to order more!

Turn...Turn...Turn!

Since April 4th, when the first Benchmark shipped, up until this writing (May 15th), a total of 23 new Benchmark/Lifestyle homes have been placed in inventory. The undeniable facts are in...they turn, turn, turn!!! Here's a breakdown of retail sold homes:

Model	Location	Manager
The Chalet 28x50	NW/Abilene	Tom Bradford
The Cape Cod 28x56	NW/Desoto	John Raines
	NW/Monroe	Leon Dooley
	NW/Mesquite	Dave Shetler
	NW/Burleson-2	Jack Maxey
	NW/Corpus Christi	Danny Rudd
	ADV/Greenville	Brian Shear
The Manor 28x60	NW/Abilene	Tom Bradford
	NW/Abilene	Tom Bradford
	NW/Denton	Robbie Golden
	ADV/Greenville	Brian Shear
The Savannah 28x76	AHSFO/Lancaster	Don Simonson
The Retreat 28x80	AHSFO/Lancaster-2	Don Simonson
	IL/Granbury-2	Dave Davis
	NW/Burleson	Jack Maxey
	NW/New Braunfels	Diana Stoeltje
	NW/Corpus Christi	Danny Rudd
	NW/Lorena	Bill Hicks
	KEY/Brian	Ron Beauchamp
	NW/Tyler	Jim Clark

Yes, it's **astounding**....24 retail sold homes for 23 inventory homes in one month's time. Many of the stock homes are still not set. If you need help spec'ing your inventory, contact your sales representative or visit with any of the successful lot managers listed above. Whatever you do, **do it now!!! Buy Benchmark/Lifestyle...they sell!!!**

LANCASTER NEWS

New Options Announced

With the new fiscal year just around the corner, we have added some new options. You asked for it, you now can have it:

NOW AVAILABLE - The Optional Backsplash Behind the Range. For only \$60.00, the panel behind the range can be protected with ceramic tile (4" squares) and will really dress up the kitchen nicely.

NOW AVAILABLE - The New Doublewide Exterior Column Accent Treatment. For only \$75.00, we will install simulated columns on both

sides of the front door with an accent color starting at the columns to the front door. This adds great eye appeal and makes the house look longer from the outside . . . you will not believe your eyes.

Please try to add these options to your next stock unit so you can see the difference for yourself.

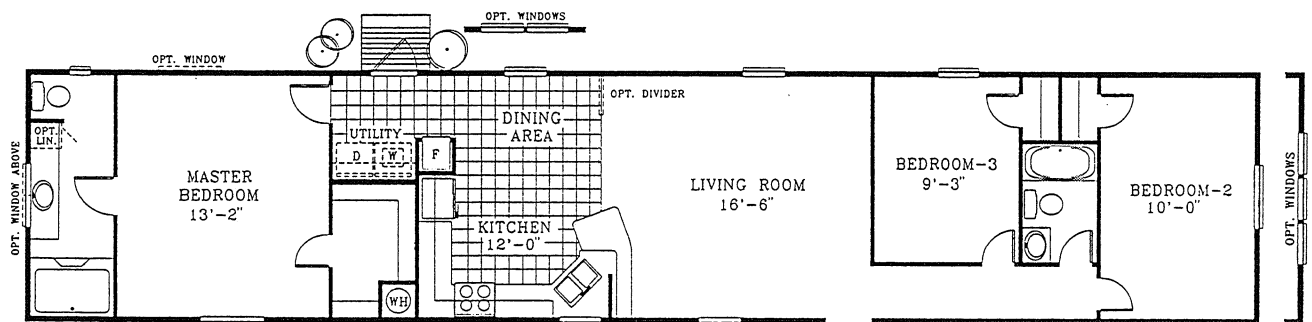
Summer Sizzlers on the Way

The new fiscal year also means new models featuring the Summer Sizzler Specials' "Limited Edition Series" (LE Models). The first LE model 690LE was launched in the weeks prior to this newsletter and we've had a great response so far. In fact, there are a few sales centers that have already retailed the home without

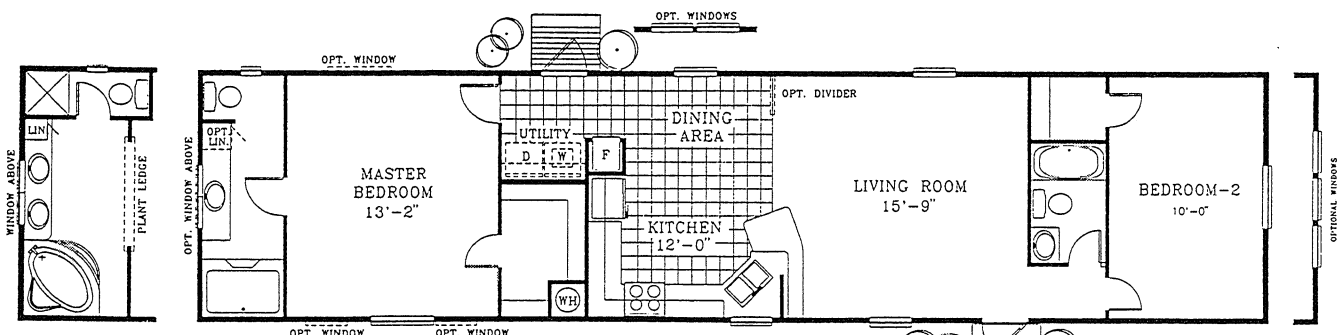
having seen it. This model is selling like hot cakes so if you haven't got your's on order, please do so quickly. First available spots for the new year are going fast. Remember, though, that the Limited Edition Series (LE Models) come with **LIMITED OPTIONS ONLY!!!** Please take note of the standard features and optional features when ordering this house for a customer.

We're also introducing the newly designed Summer Sizzler II - model 610LE. This is the 16x70 two bedroom, two bath price leader that everybody has asked for. If you have any questions, please feel free to give Brian Owens or Brian Shaw a call.

SUMMER SIZZLERS ARE ON THE WAY!



Model 690LE 16'x80'



OPTIONAL LUXURY BATH

Model 610LE 16'x70'



UNDER THE OAKS

Oak Creek Facility Selected as Tour Plant for National MHI Developer Seminar

On May 22, 1996, the Oak Creek facility hosted a Factory Tour for over 100 of the nation's largest home developers in conjunction with an MHI (Manufactured Housing Institute) Seminar held in Dallas. The comprehensive tour lasted 2 1/2 hours and explained our factory and the manufacturing process. The tour included a total residential tape & textured multi-section home and a partial 18x80 textured home displayed for the attendees to touch and feel. We selected two of our best designs which were ordered for the new Nationwide location in Colorado Springs, Colorado.

The manufactured housing industry's acceptance by developers is essential to our overall growth and this type of interaction will put the Oak Creek facility in the national spotlight.

The New Southern Star 983 (28x80) & 963 (28x64) Models

First, let's welcome Mr. Greg Nichols to the Corporate Engineering Department. And second, "***Draw, Greg, DRAW!!!***" Mr. Nichols has finally seen the light and joined the American Homestar team. His first duty is to complete the necessary engineering on these two new Southern Star homes. Model 983 should be prototyped by May 30th and Model 963 will follow shortly thereafter. We have customers stacking up at the sales centers waiting to see these great new models . . . ***Go get 'em Greg!!!***

The Whispering Oak Says...
"Success is a State of mind."
We don't mind being in that state!!!

Special Thanks to Dwayne Teeter - "Editor Extraordinaire"

From all of us at Oak Creek Homes, I would like to give Dwayne Teeter and his staff a big "Atta-Boy" for a great job as Editor of the President's Club Monthly. Even though Dwayne was continually on my butt to get our articles in each month, it was a pleasure to help with this special part of our company! Everyone here anticipated each month's newsletter to keep us abreast of what was happening and who was doing it at American Homestar. We will miss Dwayne's special touches and offbeat humor! The new editor will have a heavy legacy to fill the big shoes of this monster word mixing muncher!!!

Customizing of Floorplans Costs You & Us \$\$\$ and Causes Production Delays

Believe it or not, our homes are designed by professional designers with both the customer and production in mind. Manufactured housing is affordable because we build repetitious products over and over again. Any changes in the original design causes production delays since the home must be re-engineered to meet the needs of production personnel and HUD in Washington D.C.! Current demands on our Engineering Department will cause at least six to eight week delays over the sale of a standard floorplan or pre-approved options. Combine this with a normal four week lead time for the busy Spring, Summer and Fall backlogs and you can see that variations for standard plans will cost you and us \$\$\$\$\$. When something new is injected into the system, everyone gets bogged down so shipments, funding, and the customer's satisfaction with their buying decision suffers. Take the time to sell the standard models or shift the customer towards a more suitable model or get ready for delays in your sales!!

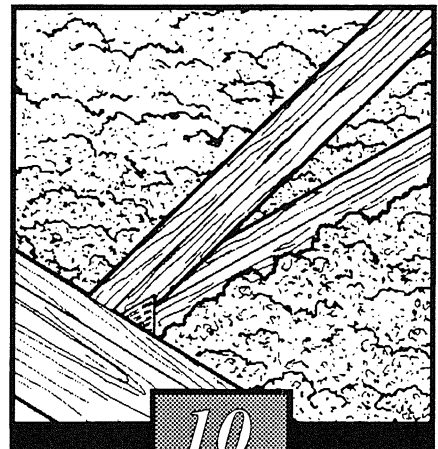
New Southern Star Multi-Section Brochure

Take a look at the new product literature (attached to this month's issue) for the Southern Star Multi-Section line of homes from Oak Creek. This new product guide has been designed to depict all the wonderful Southern Star Models in one comprehensive sales tool. Watch the mail for a bulk mailing of this literature piece very soon!

Southern Star Homebuyers are the Best!!!

29 Reasons You Live Better in an Oak Creek Home

Each month, we will feature one of our copyrighted "29 Reasons" to assist in your education of "Why You Live Better in an Oak Creek Home". This information is also listed in detail on our famous "29 Reasons" brochure. Each sales center has this brochure to use as a sales training tool and point-of-purchase sales brochure.



Roofs Insulated with Blown-In Material

We've got you covered. Oak Creek uses mineral wool blown-in insulation. Unlike fiberglass battens, blown wool insulation flows over and around truss members, wires, light boxes, etc. to provide a continuous insulating barrier with no gaps in coverage or "energy leaks." Better coverage means your home is more energy efficient. Plus, it's fire resistant. So you live safe and secure, and save money at the same time.

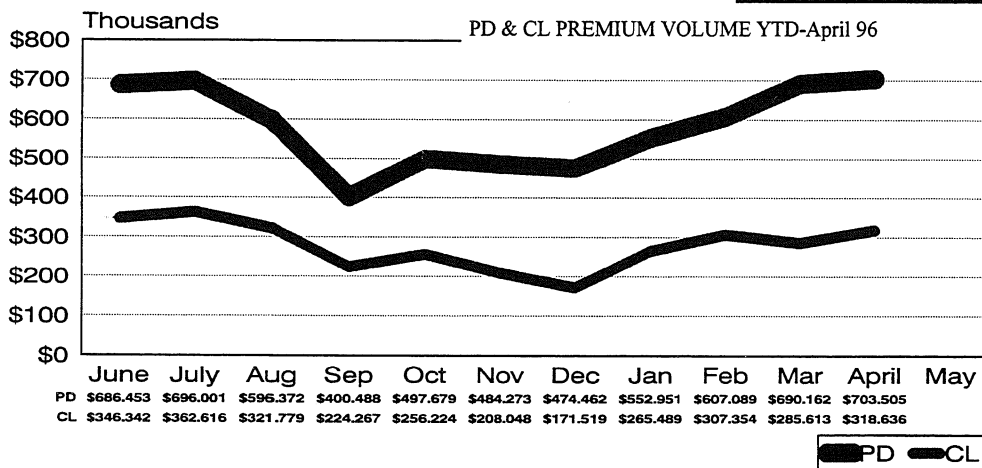
Good Luck and Good Selling!!!

The Heavy Hitters

April was a strong month. Penetration levels moved up to very respectable levels: 89% physical damage, 51% Credit Life and 54% Extended Service. Premium volumes were exceeded only by last May, a record breaking month. All in all, everyone pulled their weight. Those that were in the "Heavy Weight" category included **Bruce Reynolds of Instant Living - Granbury**, who closed 20+ houses and pulled in 50K in insurance premiums, **Cathy Jackson of Nationwide and AHO Lancaster**, who closed roughly 40 houses for 130+K in insurance premiums, **Angela Jackson of Nationwide Tyler** with 20+ houses and 60K insurance premiums, and **Jack Smith of Nationwide Denton** with 20+ houses and 90+K insurance premiums. Fantastic Job!



by Laurie Lowery



TEXAS LICENSING UPDATE

Effective August 1, 1996 the Texas Department of Insurance will adopt new insurance licensing rules that will require new applicants to be fingerprinted and undergo a criminal history background check. Each new licensing application must be accompanied by a completed original, legible fingerprint card which can be obtained at one of Insur-

ance Testing Corporation's 16 test centers or at a local law enforcement agency. A fee will be charged for this service. This change is part of TDI's push to reduce insurance fraud. Again, this only applies to new licensees. It does not apply to license renewals, unless the license has expired. Given the additional time and expense required to obtain a license under these new rules, now is the time to apply for Group II

licenses. If you do not have two licensed individuals at your location, please notify Western as soon as possible.

21st CENTURY & LAND/HOME
On May 3rd, **Tim Williams** announced that 21st Century Mortgage would change its policy regarding physical damage insurance on Land/Home financing. Previously, 21st Century had, like many other lenders, required that the physical damage policy cover the entire loan balance rather than the sales price of the home. This is not allowed by any of our carriers since the policy would have a limit of liability on the home far above the replacement cost and the customer would pay higher premiums for unnecessary coverage, a hot consumer litigation topic as of late. Land/Home financing is a growing opportunity for American Homestar. Fortunately, we can continue to maximize our profit opportunities on these deals through 21st Century Mortgage.

Jack Smith, Continued

line the benefits and security it provides. Most of them are grossly uninsured to the point that a death could be much more than emotionally devastating, it could be financially catastrophic."

In last month's newsletter article about technology and F&I, Jack was mentioned as one of the few Business Managers within our company and perhaps our industry that fully utilizes the computer to do his job. When asked how it has helped him be successful, he replied "Having a computer terminal and printer on hand is

in my opinion, a must. The versatility of having these tools and being familiar with their capabilities will lead to more rapid closings and increased sales for our secondary products. I use my computer in front of each customer. I try to have all the customers see me input the insurance premiums and selling price in the system to calculate their payment and terms because as we all know, computers are never wrong. There are a few functions that our system does not offer us at this time such as auto rolls for cash down, trade equity, sales price and interest rates, in order to achieve a desired payment for the customer with

just the touch of a key. Also, automatic stock in of trades upon booking the deal would also be an asset and time saver."

When Jack was interviewed for this article, his General Manager and Nationwide President **Robby Golden** asked for the following to be included, "I consider myself very fortunate to have been able to find Jack. I am also glad to see our company have enough financial clout to be able to offer someone of Jack's caliber a position." Ditto, for us Mr. Smith. You are a winner through and through and we are glad to have you on our team.