

HOME Front

Retail Continues to Look to Colorado and Louisiana for Growth Opportunities

Project in Colorado, New Location in Opelousas Expand Frontiers

American Homestar has continued to diversify its retail presence geographically with the addition of two new locations in Colorado Springs, Colorado and Opelousas, Louisiana. These dealerships bring the total of Company-owned retailers to forty-nine. This number does not include the Amarillo and Fort Worth locations mentioned in last month's issue of HomeFront. These open in the next few months.

In Louisiana, **Kash Mullins** has been promoted to General Manager of the new Nationwide dealership. Kash has been a successful salesperson at the Instant Living location on the Gulf Freeway in Houston and at the Nationwide dealership in New Iberia. The new location, situated on 10 acres of prime property 18 miles North of Lafayette, is being developed from raw land. The South/Central market of Louisiana is considered a solid one for the manufactured housing business.

800 miles Northwest in Colorado, **Ray McKinney** has opened up three mini-sales centers in Subdivisions in partnership with the development company, Westar Properties. Considered one location collectively, these sales centers are overseen by **Tom Bradford**, with day to day operational responsibilities held by Subdivision Manager, **Kenny Kimble**. They are assisted on-site by **Jim Baumgardner**, **Frank Mouser**, **Marshall Young** and **Celestine Lucero**. We wish all new team members much success in the upcoming calendar year!

Burleson's Clark Moves Into 1st Place in Quarterly Contest

Anthony Clark, the manufactured home selling machine from **Jack Maxey's** powerhouse Burleson location, opened up a large lead in the second quarter contest. With \$5,750 in prize money at stake, Anthony has moved into the number one position by selling 12 big new home sales (plus a repo for good measure) in the last two months. His total of 126.1 President's Club Points this quarter places him eleven ahead of Instant Granbury's resident superstar, **Carrie Shipp**. Huntsville's **Greg Pruitt** is in hot pursuit with 93.0 points, just ahead of Albuquerque's star on the rise, **Kimberly Biggs**. Rounding out the top five with a month to go is **Timothy Solano** of Denton with 90.2 points. Also in the hunt are Lancaster's **Christi Lancaster** (is that redundant redundant?), Mesquite's **Mike Levin**, DeSoto's **James Karrh** and Mesquite's **Paul Head**. *Inside information: Sales Manager extraordinaire Phil Essex, from Austin's new Nationwide SuperCenter, is in eighth place and has a lot of business working for November. Watch for him to possibly shoot up in the rankings and into the money!*

Our Time to Shine

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

Over the last thirty days, manufactured housing stocks have taken a severe beating, American Homestar included. Virtually all of the manufactured housing stocks are 25% to 35% off the recent highs, including Clayton and Oakwood! Why the big pull back? The market has lost confidence in the ability of the industry to show continued across-the-board earnings growth. John Diffendal and other analysts have warned of industry over-capacity, both at retail and manufacturing. The industry has enjoyed four years of strong growth. However, the last year has seen growth in new retail locations and in manufacturing capacity well in excess of the growth in retail sales. The impact of these trends is now being felt across the industry. Factory backlogs are low, shipments are flattening out, and some companies are reporting earnings below analyst estimates.

A month ago, Clayton reported earnings one cent per share below estimates, and their stock fell six points in two days. A week later, Belmont reported earnings two cents per share below estimates, and their stock dropped nearly 50% within several days. Unfortunately, the entire group of stocks has suffered as a result. The market can no longer rely on "a rising tide lifts all ships". The market does not know who the winners will be and who the losers will be!

This is exactly the time we've been waiting for . . . **this is the time for American Homestar to SHINE!!!** American Homestar has been built on a strategy

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Stars and Stats

21st Century News

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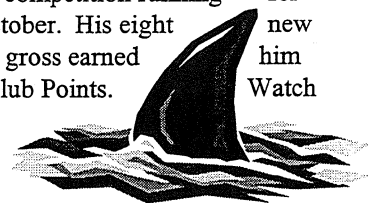
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NOVEMBER, 1996



In the sea of manufactured housing companies populating this green and blue earth, only one big fish is truly master of its underwater domain. Do you think you've got what it takes to hang with the masters of the deep, the rulers of the sea? If you can produce numbers like the ones below, you are there, funky fresh sales pros!

Mesquite's **Paul Head** had the competition running for the beaches in the month of October. His eight home deals and 36k in payable gross earned an astounding 76 President's Club Points. out for Paul, folks, he could be headed for one of the big year end trips!



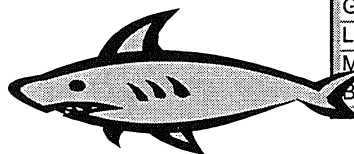
Dennis Browning - Man, this guy has exploded onto the scene in no time flat! Dennis took down six big deals and propelled Azle to one of its best months ever in October. All totaled, Dennis had over 68 points for the month. WOW!

*I Hope
There's
a Life-
Guard
on Duty!*

Gregory Pruitt - Man, where did this guy come from? Out of nowhere, he shows up on the manufactured housing sales scene in Huntsville and lights up the sales logs like there's no tomorrow! In short order, he took down six big deals for over 27k in payable gross. Well done, Greg, you are someone to watch in the coming months!

**All of these
Sales Pro-
fessionals
sold four or
more
homes or hit
at least 20k
in payable
gross in the
month of
October.**

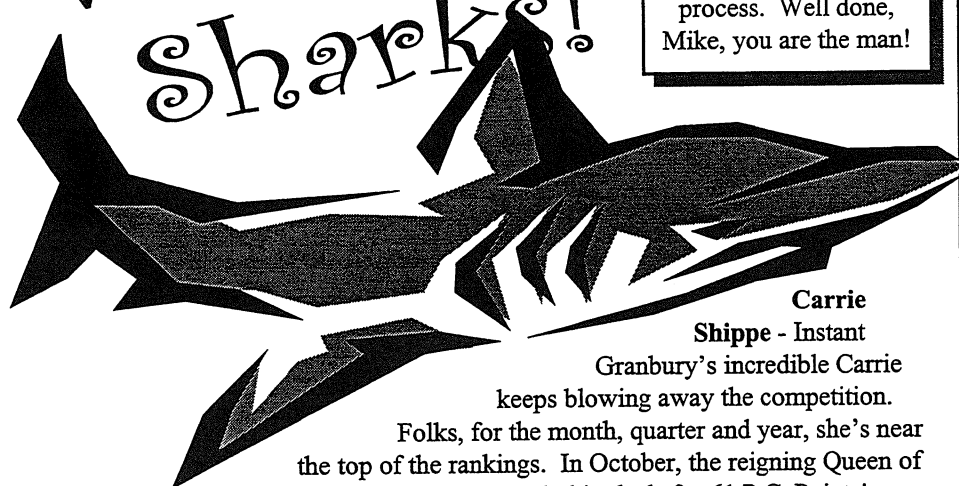
Salesperson	Lot	NS	ND	U	R	T	PG	PD	CL
HEAD, PAUL	Nationwide Mesquite	2	6	0	0	8	\$36,847.99	\$13,190.00	\$3,356.65
BROWNING, DENNIS DEAN	Nationwide Azle	2	3	1	0	6	\$33,508.00	\$11,238.00	\$0.00
LEVIN, MICHAEL L.	Nationwide Mesquite	0	5	0	0	5	\$41,290.45	\$4,842.60	\$6,573.17
PRUITT, GREGORY	Nationwide Huntsville	3	1	2	0	6	\$27,867.15	\$6,834.00	\$1,092.37
SHIPP, CARRIE	Instant Living Granbury	2	4	0	0	6	\$28,958.00	\$8,414.00	\$2,291.31
WILKINSON, DARYL R.	Advantage Greenville	1	5	1	0	7	\$33,779.20	\$11,220.00	\$3,339.24
LANCASTER, CHRISTI D.	AHFO Lancaster	1	5	0	0	6	\$30,751.18	\$11,761.00	\$5,412.18
CLARK, ANTHONY O.	Nationwide Burleson	2	3	0	1	6	\$25,864.55	\$10,181.00	\$3,375.55
ANDOE, KENNETH W.	Nationwide Denton	1	1	2	0	4	\$24,225.00	\$5,851.00	\$2,494.10
ESSEX, PHILLIP B.	Nationwide Austin	3	2	0	0	5	\$24,004.00	\$4,889.00	\$2,593.20
DOSS, JACK T.	Advantage Channelview	2	1	1	0	4	\$30,101.11	\$8,084.00	\$2,092.50
TAYLOR, WILLIAM R.	Nationwide Tyler	0	4	1	0	5	\$27,892.20	\$11,031.00	\$0.00
STIEFVATER, TODD A.	Nationwide Boerne	2	2	0	0	4	\$22,539.00	\$5,828.00	\$5,490.35
PIPKIN, MINERVA	Nationwide Denton	0	3	0	0	3	\$21,106.00	\$9,583.00	\$2,069.99
BREEDLOVE, ALLEN	Nationwide DeSoto	3	1	0	0	4	\$21,720.00	\$9,619.00	\$6,735.13
HERNANDEZ, VICTOR R	Instant Living Spring	3	0	0	0	3	\$22,109.64	\$5,918.00	\$5,485.19
DEANGELIS, VIRGINIO	Instant Living Albuquerque	3	1	0	0	4	\$28,097.18	\$768.00	\$3,498.79
BRAY, HERSHEL	Nationwide Lorena	1	2	1	0	4	\$24,554.00	\$9,124.84	\$3,814.49
SOLANO, TIMOTHY	Nationwide Denton	0	1	1	2	4	\$27,618.00	\$5,463.00	\$0.00
KARRH, JAMES M.	Nationwide DeSoto	0	2	0	0	2	\$26,344.65	\$7,390.00	\$3,396.00
DALLEY, DAVID W.	AHFO Lancaster	2	1	0	0	3	\$20,278.00	\$4,841.00	\$3,570.77
BIGGS, KIMBERLY	Nationwide Albuquerque	1	2	0	0	3	\$26,918.63	\$1,539.00	\$9,442.08
BLEVINS, DEBORAH L.	Nationwide Azle	1	2	0	0	3	\$20,472.00	\$5,060.00	\$0.00
JOHNSON, JIMMIE	Advantage Jacksonville	1	1	2	0	4	\$22,429.11	\$6,045.00	\$1,727.40
GENTRY, REBECCA L	Advantage Longview	0	4	0	0	4	\$15,108.52	\$9,841.56	\$3,468.80
GEFFERT, CRAIG E.	Nationwide Huntsville	1.5	2	0	0	4	\$21,470.50	\$960.00	\$0.00
LOPEZ, HECTOR	Nationwide El Paso	0	3	0	0	3	\$21,809.38	\$6,957.00	\$5,948.68
MCDONALD, FRED R.	Nationwide Tyler	2	2	0	0	4	\$17,345.00	\$7,610.00	\$3,109.72
BRYANT, SUSAN F.	Nationwide Huntsville	2.5	1	0	0	4	\$20,097.24	\$6,850.00	\$2,956.58



Cool Rays.....Do You Think You Have What It Takes to Be...

**Swimming
with the
Sharks!**

Mike Levin - Man this guy is good! Mesquite's super sales star had a fantastic month in October, selling five new homes and earning almost 42k in payable gross in the process. Well done, Mike, you are the man!



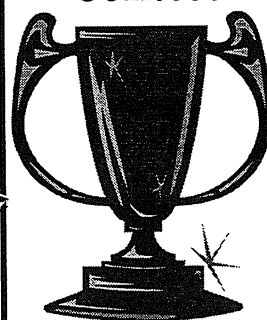
Carrie Shippe - Instant

Granbury's incredible Carrie

keeps blowing away the competition.

Folks, for the month, quarter and year, she's near the top of the rankings. In October, the reigning Queen of consistency took down six big deals for 61 P.C. Points!

The Second Quarter Sales Contest



Winners must be an employee in good standing at time of award issuance to be eligible. This newsletter reserves the right to make fun of anybody for any particular reason. Contest not open to anyone named "Maurice" or anyone who supports Texas A&M.

The five salespeople to earn the most President's Club Points from Sept. through November will earn one of five prizes...

1st Place
\$2,000

2nd Place
\$1,500

3rd Place
\$1,000

4th Place
\$750

5th Place
\$500

IPTS	PDPTS	CLPTS	IPTS	ESPTS	EWPTS	GPPTS	Total
15	8	1	36.85	3	7	0	75.85
18	6	0	33.52	4	2	0	68.52
6	3	2	41.30	3	3	0	63.30
9	5	1	27.86	0	3	15	62.86
12	5	1	28.96	6	3	0	60.96
3	6	2	33.78	5	4	0	58.78
9	5	2	30.75	0	5	0	56.75
9	6	2	25.86	3	4	0	54.86
12	4	2	24.23	2	2	0	46.23
9	3	2	24.01	0	1	0	44.01
3	4	1	30.12	3	2	0	43.12
3	4	0	27.89	2	4	0	42.89
6	3	3	22.54	1	4	0	41.54
9	3	1	21.11	2	3	0	39.11
6	4	3	21.72	0	2	0	38.72
6	3	3	22.12	2	2	0	38.12
0	2	2	28.10	1	3	0	38.10
3	3	2	24.56	0	3	0	35.56
3	3	0	27.62	0	1	0	34.62
0	2	1	26.35	2	2	0	33.35
6	3	2	20.28	0	2	0	33.28
0	3	3	26.91	0	0	0	32.91
9	3	0	20.47	0	0	0	32.47
3	4	1	22.43	1	1	0	32.43
6	4	2	15.11	0	3	0	32.11
6	2	0	21.48	0	2	0	31.48
0	3	3	21.80	0	3	0	30.80
3	4	2	17.34	0	2	0	30.34
0	2	1	20.10	0	3	0	26.10

Daryl Wilkinson - Advantage Greenville - This guy is simply a great salesperson. Month after month, he puts big numbers on the board and October was no exception. His seven deals and 34k in payable gross rocketed him into the top 10 of the yearly standings. With consistency like this, we'll see you on the big trip, Daryl!

Tough to Beat!!!

**YTD
TOP
10
Salespeople**

- 1. James Karrh**
DeSoto 227.7 pts
- 2. Carrie Shipp**
Ins. Granbury 217.9 pts
- 3. David Dalley**
Lancaster 212.9 pts
- 4. Timothy Solano**
Denton 181.6 pts
- 5. Christi Lancaster**
Lancaster 179.9 pts
- 6. Paul Head**
Mesquite 172.8 pts
- 7. Daryl Wilkinson**
Greenville 169.6 pts
- 8. Fred McDonald**
Tyler 168.8 pts
- 9. Randy "Tyler" Taylor**
Tyler 157.7 pts
- 10. Melissa Guinn**
Lake Charles 157.0 pts

21st Century Home Mortgage Corp.

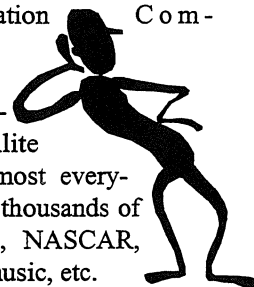
News from 21st Century Mortgage
by Rich Ray

Futurist Predicts Winning Organizations Best Listeners

Arthur Brown, a renown futurist recently made a presentation in Knoxville and discussed what the world will be like in the 21st Century – how's that for a tie in? Mr. Brown has published several books and is a consultant to Owens Corning, the fiberglass and insulation company.

He made the point several times that telecommunications is rapidly changing the world. Personal computers, cell TV with Internet connection are allowing BUBBA to be on thing. Bubba is our customer. Remember, world wide web pages to select from mobile homes, bass fishing,

phones, and direct satellite the leading edge of almost every- Bubba has hundreds of thousands of – Cybrbuba@aol.com, NASCAR, country and western music, etc.



Staff Additions!

Gene Crabtree - Credit Manager - is an experienced loan officer and administrator from banking and wholesale drug (not to be confused with recent disclosures about activities in the CIA) businesses.

Beth Cureton - Loan Processing - graduate of Bob Jones University.

Julie Moon - Document Control - worked several years at competitor "C" before taking time off to have her first baby. She knows the M/H business.

Mark Pilson - Credit Investigator - another talented UT Grad!



Brown says businesses which fail to quickly respond to Bubba's request for information, or service, or new products are going to be blown away. Through the Internet one person TODAY has the ability to communi-

cate with thousands instantaneously – this can be good news or bad news for each of us. Good news if BUBBA puts the word out about how great our homes are – Bad news if BUBBA broadcasts the poor treatment he receives.

Brown emphasized that the Internet is being used by a substantial number of all families regardless of where they live – from the inner city to rural America. In fact, there is now an increase in the number of people living in rural areas for the first time in decades!

Another piece of good news is that the demand for affordable housing will continue to be strong into the 21st century – look for more over-40's shoppers seeking multisection models. We need to listen for the features they are demanding and respond immediately!

Regional Volume in \$1,000's

Average Per Location in \$1,000's (more than 2 locations)

1	MR. LARRY SPECK, ESQ.	\$242
2	Ray McKinney	\$187
3	Chuck Ladd	\$161
4	Jim Clark	\$144
5	Greg Burnett	\$41

1	MR. LARRY SPECK	\$1,940
2	Ray McKinney	\$1,496
3	Jim Clark	\$865
4	Chet Kearney	\$482
5	Robby Golden	\$436
6	Chuck Carney, Sr.	\$413
7	Chuck Ladd	\$322
8	Greg Burnett	\$208
9	Jim Rudolph	\$107
10	Norbert Gabaldon	\$95
11	Bob Legg	\$68
12	Jim Taylor	\$60
13	Dave Miller	\$18

October - Top 21 - \$\$\$ Volume

1	24 - Instant Granbury
2	78 - Denton
3	60 - Mesquite
4	92 - Boerne
5	56 - Austin
6	59 - Tyler
7	51 - Lancaster Amer. Homstr.
8	20 - Cleveland
9	68 - Corpus Christi
10	21 - Burleson
11	30 - Fort Worth
12	79 - Lufkin
13	49 - Jacksonville
14	15 - New Iberia
15	55 - DeSoto
16	16 - Lake Charles
17	54 - Oklahoma City
18	27 - Waco
19	58 - Tulsa
20	88 - Midland
21	22 - Channelview

Lanette Carpenter

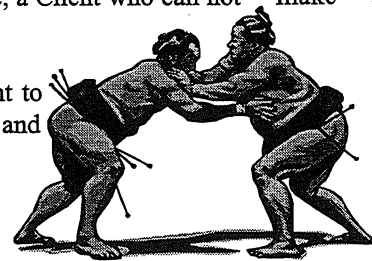


In this series of articles, we have been covering the 5 Negotiations on the Critical Path to Selling Homes. The first negotiation is *Setting the Agenda*, the second is *Getting the Issues on the Table*, the third is *Presenting the Solution*, the fourth is *Closing the Sale* and the fifth negotiation is *Closing the Continuation*.

The Critical Path to Selling Homes

For the last several months we have been covering the fourth Negotiation which is *Closing the Sale*. Remember there is a *Sequence to Closing*. The first close that should always be used is the *Value Guide Close*. If this close doesn't work, the next close to use is the *Summary Question Close*. Your Client's response to the *Summary Question Close* will let you know whether you are dealing with a Client with an Unresolved Issue, a Client who can not make a decision, or a Client who wants to Haggle.

This month we will cover the Client who wants to Haggle. First it is important to understand their mentality. They look at Haggling as a game where someone wins and someone loses. There are some basic rules to the game of Haggling.



The Client's Haggling Rules

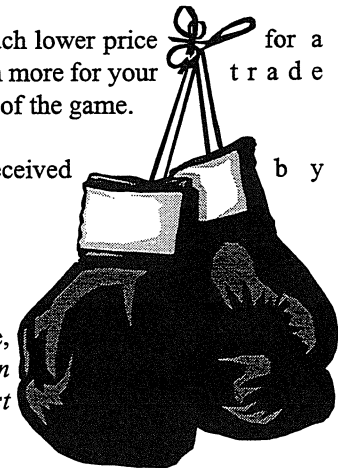


Rule #1: Don't ever stop asking for more until you are told No. As long as the salesperson is saying Yes, then there is more you can get.

Rule #2: The larger the initial discount that the salesperson gives you usually indicates how much more is available. Example: The Salesperson offers an initial discount of \$2,000. This generally means there is quite a bit more money left on the table, so expect to get at least another \$1,500 discount.

Rule #3: Always pretend that the dealer down the street quoted you a much lower price for a bigger home than they actually did. Also pretend that they offered you much more for your trade than they actually did. This is not considered to be dishonest... it is just part of the game.

Rule #4: As the Client, you should judge how good a discount you have received by how hard the salesperson makes you fight for every penny.



The Salesperson's Haggling Rules

Rule #1: When the Client asks if there is a discount available, your response should be, "John, we gave you our best price right up front because we don't believe in making our Client's become Haggler's in order to get the best price."

Rule #2: If this doesn't work and they continue to insist on a discount, always have them make an offer. They will judge whether they made a good offer, based on your response to their offer, so you must look defeated and use the following verbiage; "John, we just don't have that kind of profit built into our homes. So I know my Manager won't be able to accept your offer. How about halving this with me?"

Rule #3: Before you present the discount to your Manager, it is critical that you get money from the Client, use verbiage similar to this; "Believe me John, I'm on your side. I don't make any money unless you invest in one of our homes. Now of course I need to take in some money attached to this offer. It would help our Negotiation with him if I could take in the full down payment, if he rejects your offer, I'll bring your check right back to you. Can you give me the full amount?"

Know the
Rules of
the Game
before you
Play!!!

Continued on Next Page

The Critical Path to Selling Homes, Cont'd.

Rule #4: Bring the offer back with a counter offer. *"John, I can not believe he came off the price as much as he did, he said that he would discount the home by \$437. Congratulations, you have him down to his last penny."* Understand that the Client will judge how good a discount they have received depending on how hard you made them fight for every penny.

These Rules apply to most every Haggler out there, except one. This Haggler is the Client who tells you that no matter what kind of price you give them, they are not going to purchase until they shop prices everywhere.

Envelope Close This close is to be used on a *Very Specific Haggler*.

If a customer wants to know your rock bottom price and then tells you they are going to continue to shop, this is the close to use.

"Dave, I'll go into my Manager and ask him what his very lowest price is."

Go to your Manager for the Envelope, inside the envelope put a note that says \$100.00 off of the lowest price quoted on whatever home they want your lowest price on. Seal the envelope and have your manager sign across the seal then use this verbiage when you return to your office.

"Dave, my Manager said that he put his lowest price in this envelope. He said that after you have shopped and you are ready to buy, come back. Then we'll open it and show you a dynamite price. Just initial here so you'll know this is the same envelope. I'll give it to our Office Manager for safe keeping."

When they come back to your dealership at a later date, tell them the Office Manager stepped out for 5 minutes and she will be right back. While you wait, take them back through the home and rebuild the value.

Next month we will cover the Fifth Negotiation "Close for Continuation."

Burleson Team, with Help from Factories and 21st Century, Enjoy Fantastic 25th Anniversary Promotion

The Burleson Team, always near the top of the sales standings, are pictured here. From left, Bill Straub, J.P. Jiminez, Alan "Juarez" Waren, Ron McClure, Gary Robson, Dennis Patterson, Phillip Marchbanks.



Burleson recently celebrated the Company's 25th Anniversary the only way they know how... by selling a bunch of homes! On the weekend of November 8-11th, the Burleson crew (pictured above) blew the doors off the competition with the help of Slammin' Sam Winn, Mike "P.O." Heninger, and Charley "Cabo" Boyer. V.P. Jack Maxey said "the reps and my sales team really pulled together on this sale and I appreciate everyone's efforts!"

Our friends at 21st Century also contributed in a major league way. All totaled, they approved nine deals of the 13 the team wrote over Saturday and Sunday. "Troy was great to work with," said Maxey. "If the deal makes sense, they'll do it, and I like that approach."

Promotions!



Bill Williford has been named General Manager of last year's number one location, Nationwide of Tyler. Bill is a company veteran who has been a key operations guy at Nationwide for a number of years.

Also from Tyler, **Dave Fortreide** has been promoted to the G.M. position at Advantage in Jacksonville. Dave was last year's number two salesperson in the Company. More to the South in Texas, **Wes Chorn** has been named G.M. of Nationwide in Bryan. As you read on the front page, **Kash Mullins** has been promoted to G.M. at the new location in Opelousas, Louisiana. Hey, with a first name like that, how can he fail? Congratulations to all of this month's movers and shakers... our destiny is in your hands!



Fiscal 97 President's Club Rules Salespeople

LEVELS

GOLD 325

SILVER 275

BRONZE 225

Here's the rules for the fabulous President's Club! The **top ten salespeople** qualify to go on the annual President's Club Trip held in July or August. **Gold** levels qualify for the second trip, usually held somewhere between September to February. **Gold** level also

receive a gold PC watch, with diamonds added in subsequent years of P.C. achievement after watch is awarded. **Silver** levels receive a clock from Nationwide Housing Systems, Inc. honoring their achievement in Customer Satisfaction in Sales and Service. **Bronze** levels receive a certificate from Nationwide Housing Systems, Inc. honoring their performance. **Split Deals** must be

given to John in our Austin Office by the 15th of the month following the closed month. If information is not given, points will not be split - no exceptions. Special programs may be developed throughout the year and rules will be announced at the time. Enrollment forms will be kept by personnel and a list of those enrolled will be kept by Robin at the Home Office. Sales-

people who enroll in the Club with a start date between June 1st and November 30th will be eligible for the program on a pro rata basis. Date and month will be determined by hire date. Points

will be calculated by **John Smith** at the end of the month from the data compiled from your sales logs each month. Salespeople **MUST** be employed by the Company at the time of award issuance to be eligible for any prizes or trips.

POINT ALLOCATION

1 Pt for each 1,000 Payable Gross

1 Pt for each PD Policy

1 Pt for each CL Policy

1 Pt for each Extended Warranty

3 Pts for each 21st Century Deal

3 pts bonus for selling 3 new units in a month

4 pts bonus for selling 4 new units in a month

5 pts bonus for selling 5 new units in a month

2 pts Fast Start for completed deal in Home Office by 15th

1 pt Fast Start for completed deal in Home Office by 20th

TOP 10 LOCATIONS Year To Date

#1 - Lancaster

#2 - Mesquite

#3 - Instant Granbury

#4 - Burleson

#5 - Tulsa

#6 - DeSoto

#7 - Denton

#8 - Tyler

#9 - NEW IBERIA

#10 - Austin

Our Time to Shine - Continued from Pg. 1

designed to deal with competitive markets and seasonal factors. We've told the market that we have a superior strategy, and that we can grow our earnings even if the market stops growing! Now it's time for us to *deliver the mail* and prove that we belong among the winners, that we deserve a better PE multiple than our pure manufacturer competitors!

So, what does that mean???

First:

We've got to dig for every sale to make the winter quarter a great one. We've got to prove we can use our superior sales centers, product, personnel, and sales training to outperform our competition and increase market share.

Second:

We need to show how well our vertical integration strategy works! That means selling the Company products - we must push our rate of internalization up to 80% to 90% from the current 67% level. That way, we can keep our plants running at peak profitability during a time when retail volume and profits are seasonally lower. Remember, every Company product sale generates two profits instead of one.

Third:

We need to capture the finance business in 21st Century. *We need to dedicate ourselves to working hard with 21st Century to finance every deal we possibly can.* Again, our target is 80% internalization instead of our current rate of 45%.

The truth is, we do have the right strategy! We do have all the elements in place to grow 20% to 25% per year or more! We just have to have the *will to execute our strategy to perfection.*

This is our time to **SHINE!!** This is our time to prove to the investment community that American Homestar is the new emerging leader among manufactured housing growth companies. This is our opportunity to *deliver the mail* and position our Company at the top of the winner's column. Now is the time for all of us to . . . **JUST DO IT!!!**

LANCASTER NEWSBy *Brian Shaw***Congratulations Goes to Gary Sutton of Nationwide/Sequin**

With only two months sales experience, Gary has become the first salesperson to sell the new 664LE. When asked why he sold this particular house to his customer, Gary replied, "I believe the 664LE offers the best value for the dollar." Gary also ordered the 2nd Bath option and bookcase with overhead cabinets . . . when Gary was asked why, he replied, "The 2nd Bath option allows the adults to have some privacy away from the children, and as for the bookcase cabinets, they offered a more luxurious feel to the living room as well as expanded the amount of cabinet space." Thanks again, Gary, and keep up the good work!

Lancaster Completes its 5,000th Home!!!

The plant that opened nearly four years ago just completed its 5,000th house. We celebrated by catering lunch for all of our employees and special guests. None of this would have been possible without all of our great retailers - thank you for your continuous support and hard work during the growing years!! In addition, we'd like to send a special thank you to everyone in attendance and hope to see you all at the 10,000th home celebration in 1998!!!

We've Gone Overboard with Free Upgrades

Unlike the airlines, we've gone crazy by adding all the following upgrades without any additional costs to you on every Limited Edition (LE) model:

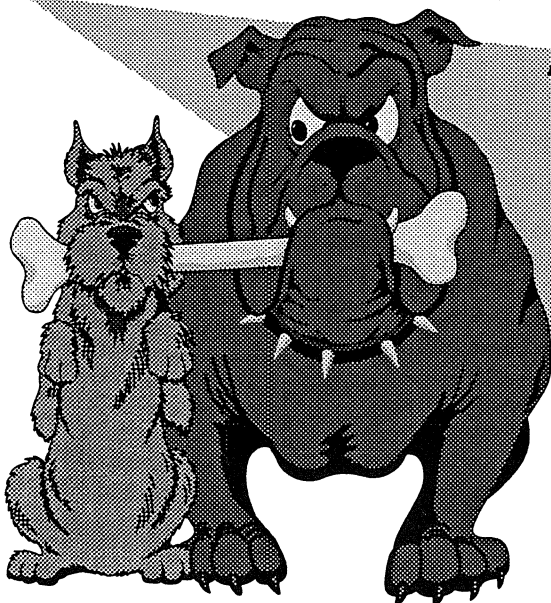
1. A shelf above the refrigerator.
2. A glass globe standard in the dining area.
3. Deluxe brass molding on kitchen cabinets.
4. Deluxe brass chair rail in living area.
5. Deluxe decorative mirror on kitchen divider at sink.
6. 14'x40' window in master bathroom (610LE & 690LE only).
7. Decorative light fixture over master bath mirror.
8. 24' stub wall between toilet & sink in master bath (610LE & 690LE only).
9. Light above toilet (610LE & 690LE only).

New Floor Plan from American Homestar of Lancaster

American Homestar of Lancaster has come up with another great floor plan: Our new 28x48 floor plan will feature an Island Kitchen and an Optional Luxury Bath. Keep your eyes open for this eye-opening floor plan.

New Option from Lancaster

You demanded it, so we now offer it - White Lined Base Shelves. The cost for this option is \$120 for the entire house! Gotta have it!!!!

**AMERICAN HOMESTAR BIG DOGS OF OCTOBER ARE:**

- | | |
|----------------------------|-----------|
| 1. Advantage/Longview | 14 Floors |
| 1. Nationwide/Austin | 14 Floors |
| 2. Nationwide/Huntsville | 14 Floors |
| 3. Nationwide/Austin | 12 Floors |
| 4. Instant Living/Granbury | 11 Floors |
| 4. Nationwide/Azle | 11 Floors |
| 4. Nationwide/Tulsa | 11 Floors |

LANCASTER

(Cont.)
By Brian Shaw

New Limited Edition Decors

We now offer a choice of decors in the Limited Edition (LE) series. The two choices are Jewel (blue) and Forest (green). Below is a list of the decors:

JEWEL	Cabinets:	Crystal Oak	
	Accent Vinyls:	Kitchen/Guest&Master Bath	Laine Jewel
		Master Bedroom	Cambridge Classic
		Main Panel	Cambridge Classic
FOREST	Carpet:	Gulfport	Denim
		Sahara	Denim
	Countertops:	Kitchen/Baths	Top: Artesia
		Kitchen/Baths	Edge: Brittany Blue
JEWEL	Cabinets:	Crystal Oak	
	Accent Vinyls:	Kitchen/Guest&Master Bath	Bramblewood Malachite
		Master Bedroom	Cambridge Classic
		Main Panel	Cambridge Classic
FOREST	Carpet:	Gulfport	Midnight Emerald
		Sahara	Midnight Emerald
	Countertops:	Kitchen/Baths	Teal Nebula
		Kitchen/Baths	Midori

BURLESON NOTES

By Charlie Lohin

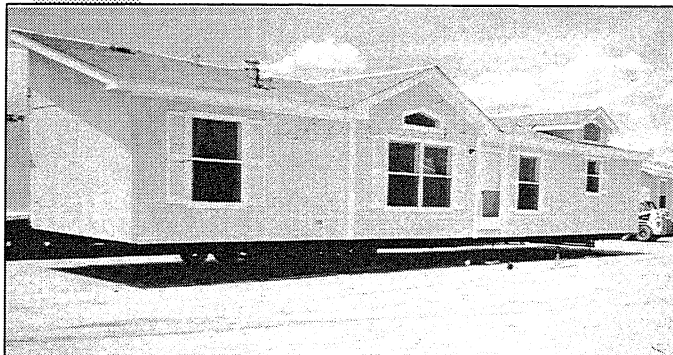
Fab 5 For Benchmark/Lifestyle

March thru October, 1996

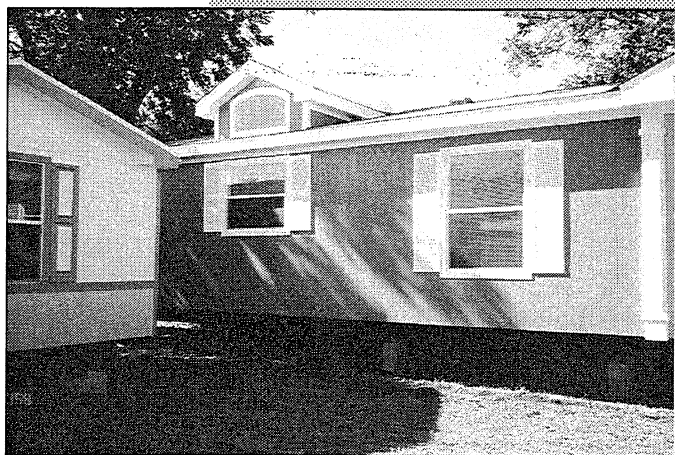
1.	Nationwide-Burleson	Jack Maxey	76 Floors
2.	AHSFO-Lancaster	Don Simonson	58 Floors
3.	Nationwide-Mesquite	Dave Shetler	46 Floors
4.	Nationwide-Corpus Christi	Danny Rudd	42 Floors
5.	Nationwide-Denton	Robbie Golden	40 Floors
5b.	Advantage-Greenville	Brian Shear (Honorary Member of FAB 5)	

Great Job!!

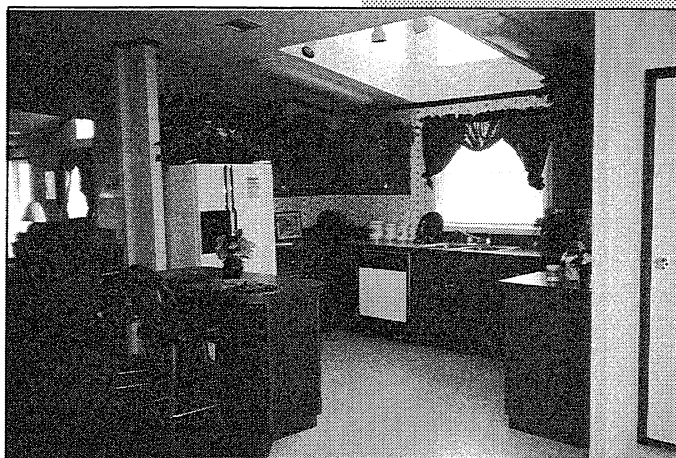
Exteriors of Distinction



WINDOW DORMER: This unique option is typically displayed in conjunction with any of the other exterior options. It adds both exterior charm and interior flair to select areas of the home. The small "cottage dormer" perches smartly on top of the roof, typically over breakfast nooks or kitchen windows. The interior appeal is generated from the huge window dormer skylight with trac lighting accent.



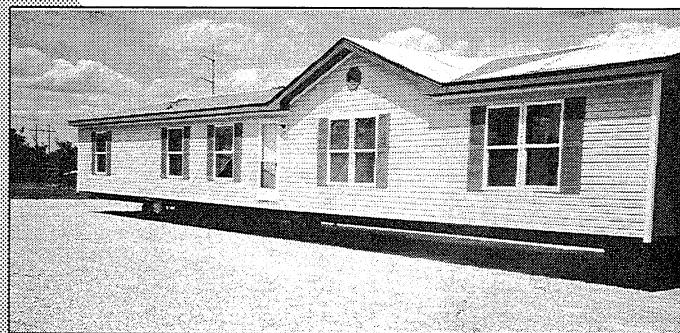
WINDOW DORMER: Exterior charm.



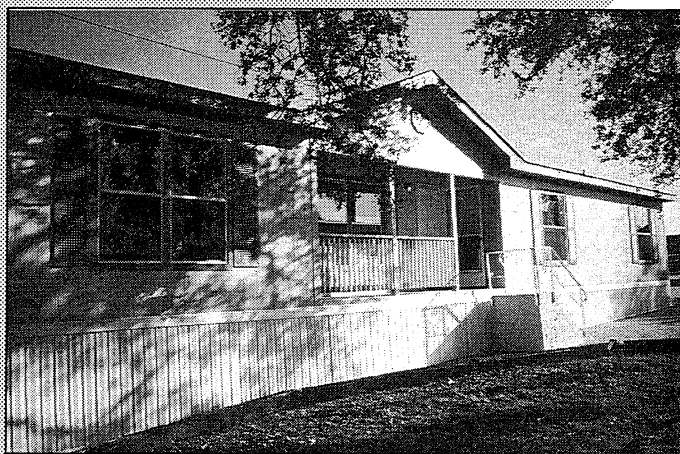
WINDOW DORMER: Interior flair.



SINGLE DORMER: This 16 foot stately dormer is highlighted with horizontal lap siding in the gable area and an octagon vent accent. This simple, elegant dormer works well with both hardboard and vinyl exteriors.

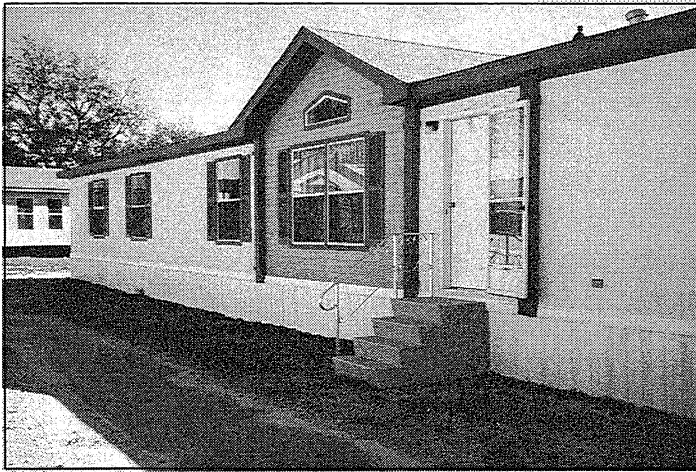
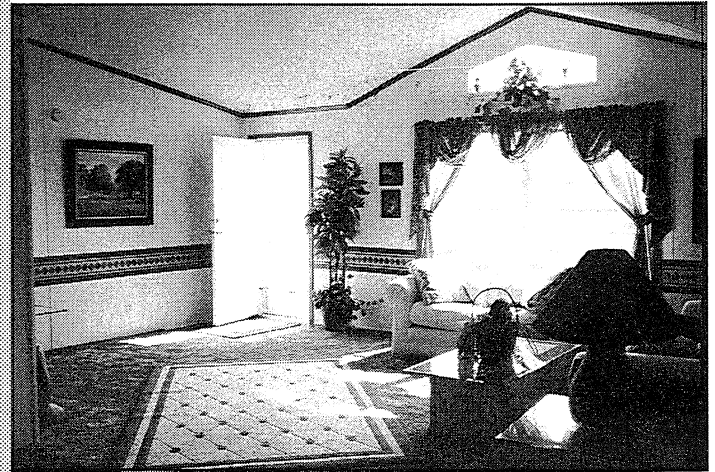


SINGLE DORMER: Vinyl lap siding application.

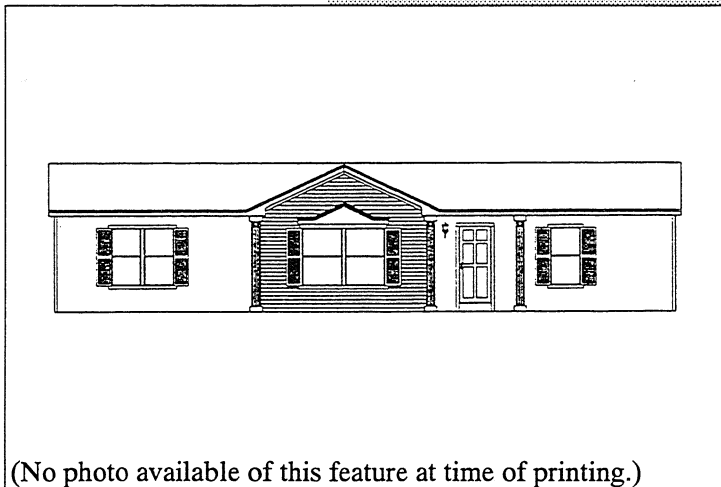


SINGLE DORMER WITH PORCH: Add a country flair to selected models (only) with the optional porch. Each porch comes complete with posts and rails for safety and charm and treated 2 x 6 lumber on the floors. Porches look super when added to models with great rooms and show well with flat eave lines or dormer accents.

Exteriors of Distinction (cont.)



PRISMATIC DORMER: This upgraded specialty dormer combines the classic look of the deluxe exterior columns and horizontal lap accent with an interior vault. The result is double impact for your option dollar. The prismatic dormer contains a pentazoid window perched high into the roof line that gives an airy cathedral look and feel to the home.

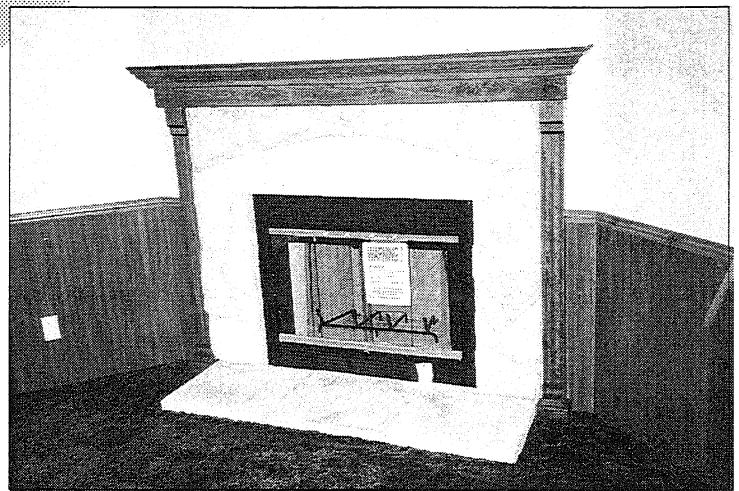


DELUXE EXTERIORS:

This upgraded version of the 16 foot dormer adds much more horizontal lap siding and frames it with three real wood columns. This deluxe appearance allows the addition of a third paint color to the homes' exterior charm. The columns add depth and distinction to the exteriors when viewed from a distance or up close.

New Half-Rock Fireplace!!!

The new 1/2 rock fireplace adds a classy, rustic appeal to your inventory at a truly affordable price! Corporate design wiz Nancy Cantu's decorative touches make this new offering the "keystone" of any room! The fireplace includes a massive hearth, distinctive mantle, "Austin-style rock" and energy saving blower! Order your next stock Benchmark/Lifestyle with the new 1/2 rock fireplace....it's Hot! Hot! Hot!



Introducing...

FEATURED FLOOR PLAN
The Ranch House

Looking for the most square footage for the dollar? It's the newest entry in the Lifestyle product line..."The Ranch House!" This flexible floorplan offers features galore: 2 or 2-1/2 bath convenience, 4 or 3 bedroom arrangements, 4 walk-in closets, island kitchen design, live-in pantry, 18 foot master bedroom and gargantuan great room. This home should become your leading 28 x 80. Call Glenn or Sam and order your new Ranch House today!!!

*Creative Ideas From
the Builders of.....*

Lifestyle
Crafted by American Homestar of Burleson

Luxury master bath is big and bright. All your customers needs are met with a relaxing glamour tub, vanity table, his and her sinks, and 1-pc. fiberglass shower.

Accommodations for your customers' current or future needs.

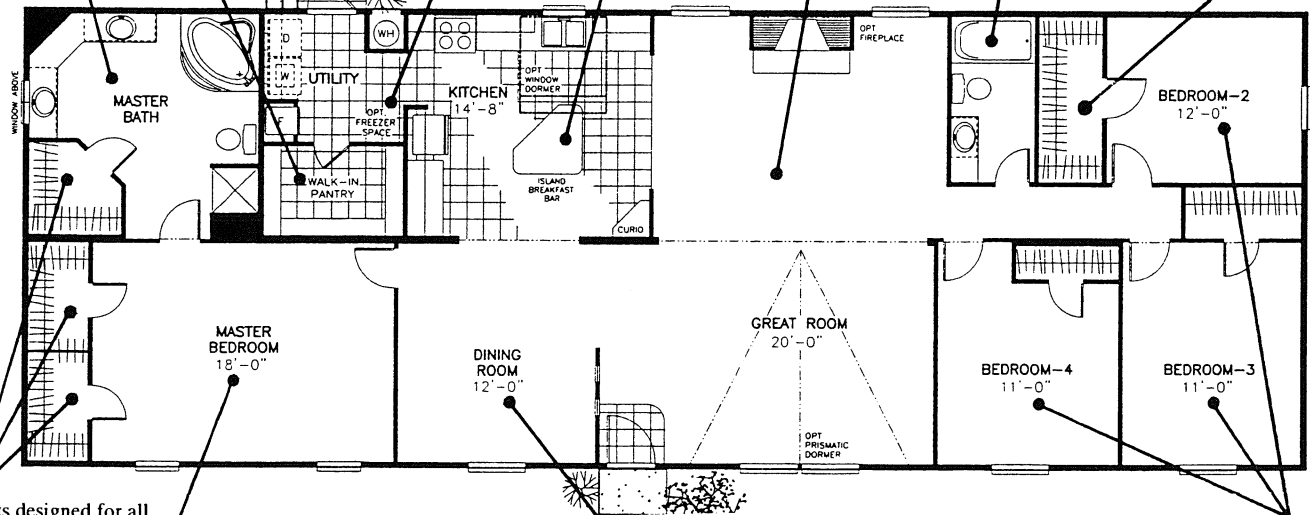
Gargantuan great room for furniture, media centers, fireplace, parties, etc., etc.

Oversized 60" tub with room to soak.

Walk-In closets galore.

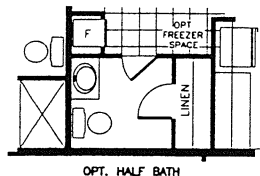
Live-In Pantry for Loads of storage!

Island storage work space and eating room....WOW!!



Closets designed for all your clothing needs.

Monster Master Suite fit for a King. Massive enough for any furniture arrangement.



Formal Dining Room will hold a table large enough for a banquet! An oversized hutch will fit easily.

Optional Half-Bath adds convenience and additional storage space.

All bedrooms will easily accommodate a king-size bed.

the "Ranch House"

UNDER THE OAKS

By Charley Boyer

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.



High Quality Plumbing Fixtures

You will find only top quality fixtures in an Oak Creek bath or kitchen. Baths feature all china commodes and tanks, wooden commode seats and lids, and one-piece fiberglass shower stalls with safety glass doors. Faucets have brass stems/seats and replacement parts are easily found at hardware stores. Our durable stainless steel double kitchen sink is deeper than standard stainless steel sinks and won't chip or stain. At Oak Creek, we believe that fixtures used every day should be durable, high quality components which offer years of trouble free performance.



Oak Creek Softball Team Captures First in 2 Leagues!!!

The Fabulous Oak Creek Softball Team claimed First Place in 2 leagues for the Fall Session in Fort Worth. Superior coaching by John DeLaCruz and week after week of dedicated play by everyone produced a true winner in only the second season as a team! In addition, Oak Creek finished a spectacular 7th place in the City Wide Tournament from over 160 teams who entered from Class A thru D Teams. Players and Coaches include: John DeLaCruz, Santos Herrera, Ramon Gonzales, Adrian Montoya, Robert Pickens, Chenier Bolden, James Fields, Charley Boyer, Shawn Higgins, Jim Fallon(sponsor & #1 Fan), Javier Castro, and David Delgado.

Oak Creek Introduces "Beveled Edge" Kitchen Countertops!!

Oak Creek Homes and Wilson Art Laminates have joined together to provide a very attractive addition to our Countertop designs...we call it "Beveled Edge". This new option is available in Kitchens only and is limited to countertops and bar tops which do not have rounded corners. Your Oak Creek Facility pioneered Ceramic Tile Countertops in the late 80's, and we're now proud to offer this exciting new feature, exclusively from Oak Creek!!

The "Beveled Edge" Countertop option provides a tailored look to kitchen countertops and when used with a Ceramic Backsplash, the combination gives a very elegant residential feature your customers cannot get from any other manufacturer.

Look for samples of this exciting new feature in the mail soon. We're offering the color combinations in 7 contrasting colors with an option price of \$225. per kitchen.

UNDER THE OAKS

By Charley Boyer

(cont.)

Oak Creek University**Oak Creek University is in Session!!!**

That's right!! You heard it first, right here!! Applications will be arriving soon to attend the ever famous "Oak Creek University" and qualify for the Associates Sales Degree. The first two sessions will be held on December 11th and 12th in Arlington, Texas, and participation will be limited to 50 students per session. Additional sessions will be held in January and February of 1997 and space will be available if you miss the December dates. Look for your information in the next few days and get ready for a one day Sales Training Extravaganza on Oak Creek Products.

**POST
CARDS
FROM
THE
FRONT
LINES!!!**

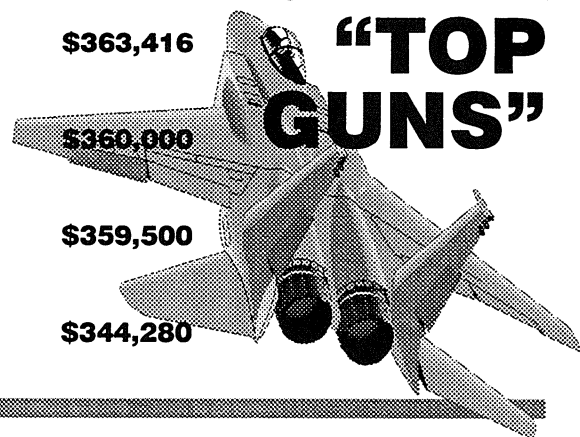
Jack Maxey of Nationwide/Burleson: "The new Moen display board is the best Marketing Point of Sale item I've ever seen. My people love to use it to dazzle their customers".

Jim Lee of Instant/Houston: "Your new Naturale Decor is the hottest thing we've seen from Oak Creek. The beige and neutral colors are a big hit with our traditional customers and with a little touch of black, this decor can't help but knock my customers socks off".

Bill Williford of Nationwide/Tyler: "The 1997 Product Improvements in your homes demonstrate once again why Oak Creek is an unequalled leader in the upscale housing market. The Oak Creek showed and sold great before, but, WOW!!! What a house now! Get ready to ramp up production because we're going to need it".

TOP FIVE LOCATIONS FOR THE 1ST QUARTER OF 1996/97

1	NATIONWIDE MIDLAND Ron Burnett, Sr.	19 FLOORS	\$424,617
2	NATIONWIDE ODESSA Greg Burnett	15 FLOORS	\$363,416
3	NATIONWIDE COLORADO SPRINGS Barry Parks	12 FLOORS	\$360,000
4	NATIONWIDE MESQUITE Dave Shetler	12 FLOORS	\$359,500
5	NATIONWIDE ALBUQUERQUE Norbert Gabaldon	12 FLOORS	\$344,280

**OAK
CREEK
"TOP
GUNS"****"Southern Star is WordPerfect!"**

The Whispering Oak

**Good Luck and
Good Selling!!!**

UNDER THE OAKS

By *Charley Boyer*

(cont.)

Oak Creek Home #10,000 is Sold to Instant Living of Albuquerque, NM

On Friday November 22, 1996, Oak Creek of Fort Worth, TX, celebrated the production of our 10,000th Home. Liz Barela and Norbert Gabaldon of Albuquerque were the proud recipients of this historic home which was celebrated with all of our employees. Festivities included a luncheon cookout by our Supervisory Staff, issuing of commemorative T-Shirts, and a Plant Wide photo session of the home and all employees.

The Oak Creek Facility started production in March of 1985 (the plant was then called Cedar Ridge) and throughout the years, has endured the lean times of the late 80's and the prosperous 90's. Each employee should be proud of their dedication to excellence and persistence to succeed!!



Pictured above (right) are the proud owners of the Oak Creek 10,000th home. From left to right: Jerry Swadling/Western Regional Sales Manager, Ramone and Liz Barella/Managers from Instant Living-Albuquerque, NM, Norbert Gabaldon/General Manager Nationwide-Albuquerque, NM, Charley Boyer/Sales Manager Oak Creek and Jim Fallon/President of Oak Creek.

AH CORPORATE-HOUSTON

Formal Dress Code Notice

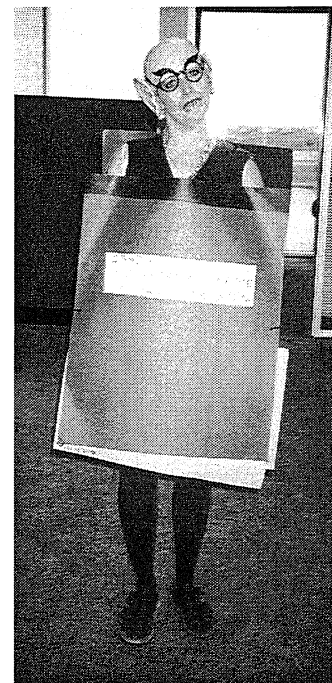
The Manufacturing Division received these pictures along with a formal dress code notice from the Houston Corporate Office. Please note that all American Homestar employees should utilize these examples when dressing for work each morning. Thanks to Aysun Decker (Cleopatra), Robin Drawing & Lucy Saenz (our two Gypsy Roses), and Paula Drawing (Whiz Book) - we shall all strive to be the fashion queens that you four are.



Lucy Saenz/General Office (right)
Robin Drawing/General Office (left)



Aysun Decker/Main Office Payrolls



Paula Drawing/File Room

STAYTON

By Jon Moon

MAKING HEADLINES

"Guerdon Homes Wins People's Choice for Manufactured Homes" was the headline in the local news, while the story read, "The Oregon Manufactured Housing Association honored Guerdon Homes as the winner of its People's Choice Award for 1996. The competition for the award is held annually at the Portland Manufactured Home Show, which recently concluded at Portland Meadows. Show attendees were asked to select three homes out of the thirty on display as the ones they felt were the best of the show." OMHA Executive Director Don Miner commented that "**over 10,000 people attended the show**" and that the homes "were all well displayed by our manufacturers' dealer representatives, and they exemplified the tremendous value, style and comfort of manufactured home living."

A great big THANK YOU goes to the entire staff at Guerdon Homes of Stayton!!

Additions

We're pleased to announce the addition of **Patty Leming** to our team as a Sales Assistant. Patty brings with her over 12 years of experience in the manufactured housing industry, as well as a great *can do attitude!!* Patty lives in the "outskirts" of Stayton with her husband Tom, her daughter Katie (16), and son Ken (14). Spare time finds Patty busy with crafts, camping, and of course, SHOPPING!!!

Boise BULLETIN

by ET AL

SALES UPDATE

The Boise plant is geared up to introduce four of the most exciting new house plans in the Northwest. Last year's show in February was a booming success for driving our winter business and we fully intend to out-do ourselves again this winter. These four models will be enhanced by Nancy Cantu's new & exciting decors, Gordon Gutchess' superior design work, and of course, excellent Boise quality! This eagerly awaited event is scheduled for the first part of 1997 . . . what a great way to start off the new year!

DEPARTURES:

Terry Workman

It is with much regret that we announce Terry's resignation due to health problems. In the short time Terry worked for us, it was very apparent that he was going to be a tremendous employee. Get well, Terry, and good luck in your future endeavors. Remember, our door is always open to employees like you!

PROMOTIONS:

Curt Lewis

First, an apology is in order to Curt for misspelling his name last month - the spell check suggested it be changed, but the button had to be pushed . . . sorry, Curt. Congratulations, though, on your promotion to Assistant Production Manager. Everyone we've talked to says you'll be great!!

ADDITIONS:

Tina Pearson

We're happy to welcome Ms. Pearson aboard our Boise Team as one of the Service Coordinators. Tina has front line experience having worked with customers at Idaho Power, and more recently, with her own construction company. Good luck, Tina!

EMPLOYEE OF THE MONTH

Randy Schlapia

Randy's now \$50 richer!! We had an unusually high turnover rate in our Shell Department and he jumped right in to help with the training of the new employees. "Just an extraordinary effort", to quote the boss. Nice job, Randy!!!

HEARTLAND HOI POLLOI by Danny Wright

Heartland Homes recently held its semi-annual round table discussion with its key dealers. Nancy Cantu and Gordon Gutchess of American Homestar attended the session. The purpose of the table top was to review the product and discuss ways to improve it. Sales Manager Steve Chandler traveled with Ms. Cantu and Mr. Gutchess throughout the market area to scope the competition and develop market data. Approximately a dozen dealers participated in the session. Plans are now currently under way for the Spring Show which will feature a host of new decors and floor plans.

In checking with the staff and plant personnel, there are no births, no weddings, and only one divorce to report for this month.

Vicksburg BLURB

By Melanie Hood and Dinah McCorquodale

On The Ball (right)

Soccer is on the move in Vicksburg!! Our team, **THE BIG GREEN**, ended the Fall Season with a 9-4 record. Go **BIG GREEN!!!** We're looking forward to the Spring Season which will start up in March. Alex Ragan, our star player, is the son of Lynda Ragan in our Accounting Department.

Ghoulish Gals (bottom)

We celebrated Halloween this year with a "Pot Luck" office party. The Best Costume Prize went to Robin Sanderson from our Service Department - she's the scarecrow in the picture. Cherise White, also from our Service Department, took the prize for Best Door Decoration!!!!



"American Homestar reps gang up on retail customer."
(Oak Creek, Magnolia and Burleson)

Welcome Back and Welcome Aboard

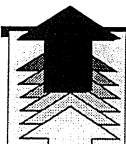
We would like to welcome back Lori Hampton who has rejoined our team as Service Coordinator. In addition, we'd also like to welcome aboard Bonny Parker as our new Service Secretary!!!

Oh, So Grand

CONGRATULATIONS to Peggy Lewis and her staff at Nationwide of Lake Charles for a very successful Grand Opening. (Make it a point to ask Jim Fallon (Oak Creek Homes) about a small wager he lost during the festivities.)

Wind Zone III

Magnolia Homes introduces our Wind Zone III product!!! This should really help our guys down around New Iberia - see Lew, we told you we'd get it!!!!!!!



OCTOBER BOASTS RECORD CREDIT LIFE SALES

This October leaves behind a milestone for measuring our credit life sales success. Our stores exceeded the \$362,000+ premium volume record set in July 1995, over a year ago. Penetration levels, however, continue to hover in the low 40's due to changes in our lending environment with respect to insurance budgets, age and health restrictions and perhaps most importantly, our own training opportunities. Due in part to the latter, credit life remains, in some regions, a relatively untapped profit source. All of these issues are slated for address at the upcoming Business Management Meeting in December where American Bankers trainer extraordinaire, **David Morris**, plans to increase our credit life sales effectiveness. With all these opportunities, the sky really is the limit!

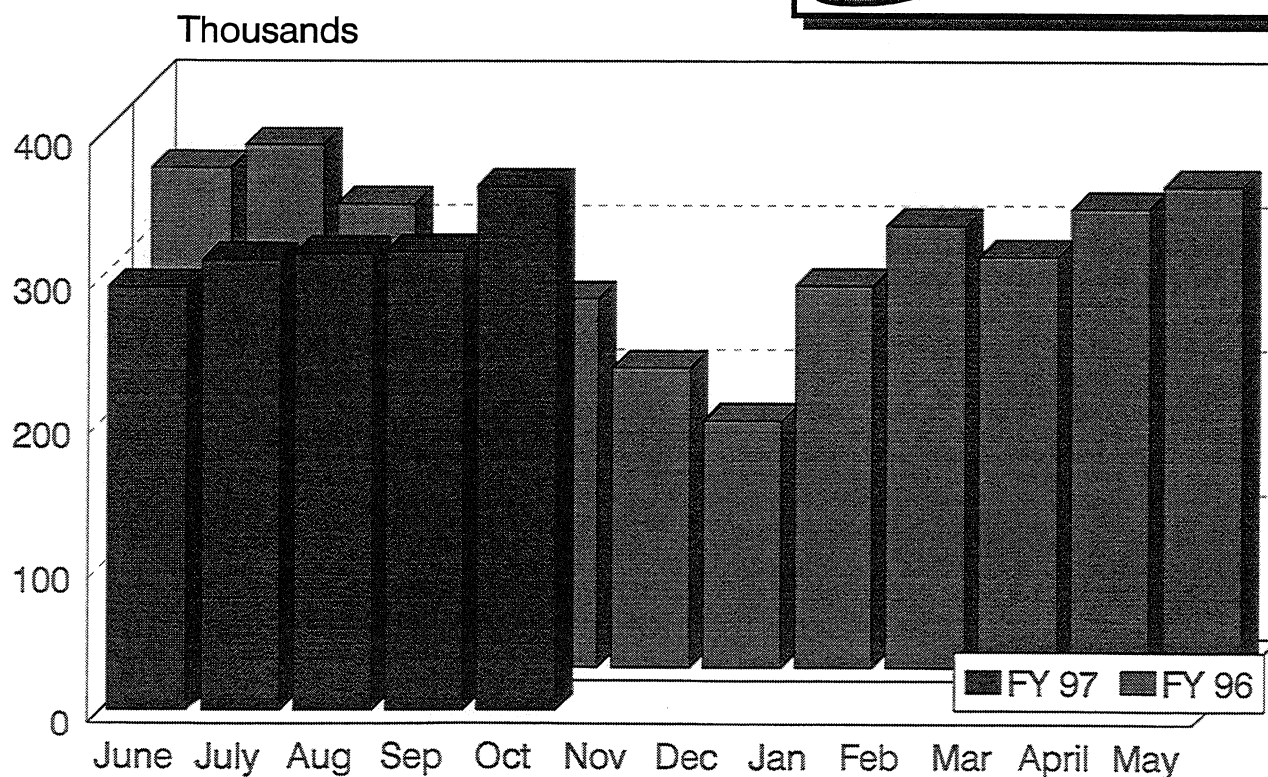
BM PRESIDENTS CLUB BONUS POINTS

Not coincidentally, October was the first month bonus Presidents Club points were given for credit life policies (i.e. 3 points per policy). Many Business Managers received bonus points in the double digits but those that boasted 20+ points included: **Randy Wilson** of IL-Gulf Freeway, **Bruce Reynolds** of IL -Granbury, newcomer **Steve Sanders** of NW-Lorena, **Cathy Jackson** of Lancaster & Desoto and **Richard Eklund** of NW-Austin.

LICENSING

For Business Managers or those persons aspiring to be, an insurance license(s) is a must! If you are currently licensed, please be aware of your renewal and make sure the state has your correct address. If you need information about licensing, please call **Laurie Lowery** at x776.

Credit Life Premium Volume THIS YEAR VS. LAST YEAR



by **Laurie Lowery**

TODAY'S Credit Life Special

GET IT WHILE ITS HOT!
3 PC Club pts
per credit life policy



for the months of...
October, November
& December