

HOME Front

American Homestar Launches the "Oak Creek Village" Franchise Program

By Buck Teeter, Chairman and Co-CEO and Lad Dawson, President & Co-CEO

This month marks the debut of the long awaited Franchise Program, under the "Oak Creek Village" banner, which will be the principle national retail brand for franchisees.

Over the past several months, we have presented our Year 2000 -Billion Dollar Vision for the Company. We have discussed the important roll of franchised retail locations in this plan. Our target is to develop a franchise network of at least 150 sales centers over the next three years.

American Homestar is pioneering the franchise concept in this industry as a true win-win relationship. Building a franchise network of dedicated exclusive distributors for our home products, insurance products, and 21st Century retail financing is a secure way to build our future. We can build dedicated distribution faster, at lower investment cost, and with less risk than any other way. A franchise store is very much like a Company store, except that it is owned and operated by an independent franchisee who has his own capital invested.

For the independent retailer, a franchise with American Homestar is truly a *Winning Strategy*, resulting in a long term, secure strategic alliance with an industry leader. As a franchisee, the independent retailer will benefit from all of the tools and retail weapons of one of the leading national retailers in the business. Although we will continue in most regions to have independent retailers, we hope that over time, most of our independents will see the much greater benefits of becoming an exclusive franchisee under the "Oak Creek Village" brand!

For the roll-out of this Program, we are conducting a series of Franchise Seminars across the country. This four-hour presentation assisted with slides and videos is designed to tell the American Homestar story, sell the concept of the Franchise, and explain in detail the terms and conditions and the Features & Benefits of the system.

On July 8th, we held our first seminar in Dallas. On July 14th & 15th, we held two days of back-to-back seminars in Boise, Idaho. So far, nearly 100 retailer personnel representing 12 states have attended. While much follow-up work remains, it is clear there is very strong interest among most of the attendees. We thank **Dave Whitson, David Brewer, Rick Carver, Lanette Carpenter, Dwayne Teeter, Ronnie Richards, Tim Williams, Mike Boyd, Rick Murdock**, and Boise sales personnel **Alan Snitily** and **Ken Hollibaugh** for their participation as presenters along with us.

Over the next 45 days, we will schedule additional seminars in Texas, North Carolina, the Deep South, and Oregon. As the first, we're sure to be copied. So we plan to move quickly to establish our program as THE CHOICE of the highest quality independent retailers across all five of our regional markets.

American Homestar Announces Private Placement of \$61 Million in Senior Notes

Press Release, HOUSTON, Texas (July 17, 1997) -American Homestar (Nasdaq/NM:HSTR) today announced that it has completed the private placement of \$61 million of 8.32% senior unsecured notes with an average life of 7.5 years and a final maturity in July 2007. Dillon, Read & Co. Inc. represented and assisted American Homestar in this transation.

The Company will use the net proceeds from this new debt to repay approximately \$25 million in existing secured bank debt and approximately \$6 million in secured debt of its recently acquired subsidiary, Brilliant Holding Corp. The remainder of the proceeds will be used to temporarily reduce borrowings under the Company's inventory financing line. The current impact on net interest expense for fiscal 1998 will be nominal; however, a one-time expense of approximately \$400,000 (net of tax), representing a prepayment penalty and unamortized debt issue costs, will be recognized in the first quarter of fiscal 1998.

Craig Reynolds, the Company's chief financial officer said, "This senior unsecured debt adds to our long-term viability by providing an additional source of growth capital under attractive terms and conditions."

President's Club

Office Manager Spotlight

21st Century News

2 Manufacturing News

3 Training

4 Bermuda Cruise

8

20

22

JULY, 1997

Presidents Club



A LETTER FROM THE MANAGER

As most of you know, effective June 1st, the Presidents Club program for all parties is now my responsibility. Since there are some 400 participants in the Presidents Club and I value my sanity, we have chosen to automate the point tallies. This automation process is currently delayed. We apologize for the inconvenience and hope to have everything resolved immediately. It is my goal to insure that we distribute the points on a more timely basis than as was in the past. To this end, I will be re-instituting the old Presidents Club Monthly, as a monthly circular sent out around the third week of the month specifically for the purpose of educating and updating the retail organization on the Presidents Club. Highlights

#1 will continue to be included in the newsletter for those of you who enjoy broader stardom. I look forward to work-

#1 Sonny Gray is a hunk, a hunk of burnin' talent from Boerne, Texas! Mr. Gray blew by the rest of pack with over 50K in payable gross on 6 deals. That's an average of \$8450 a house! Go, Sonny!

ing with all of you. Please just bare with me until we can get things off the ground. Thank you!

#2

We know now why they call the man "Rambo"! **Ronnie Ramirez** of NW-Lumberton punched his way to \$42,200 PG on 6 deals in June. Rumor has it that Ronnie should look out, his brother Jay wants to duke it out for #1.

June TOP TEN

#4 Crystal Sullivan also from the Big D-e-n-t-o-n store, helped Minnie and Tony pull in an amazing month. Ms. Sullivan pulled in 6 deals herself with over 33.9K payable gross.

Keep on truckin' **Tommy Mixon**! From the great town of Odessa, Mr. Mixon marched down the field 5 times in June for 3 doublewides and 2 singles, a winning combination!

#6

Another very recent graduate of the Homestar University, **Jerry Burk** of NW-Cleveland is a seasoned professional. Having sold a variety of products, Jerry know not to give away the goods. He averaged 7K per deal in June. 4 Total!

#8

#5 A recent alumni of Basic 101, **Eric "the energizer bunny" Snider** of NW-Mesquite was the #5 producer in month of June. Eric took down 4 deals, hoppin' home with an average payable for over \$8,000! Keep an eye out for this previous Top Gun recipient. Great job, Eric.

#3

Minnie Pipkin from NW-Denton is no featherweight! Minnie maximized her purse by closing SEVEN deals in June. Keep it up Minnie, you're doing a great job!

#7 Mr. Rosenberg, **Clint Fawcett** had an incredible month in June. His stats included 5 deals, 27.5K payable gross and a whopping \$9,000 in credit life premiums. WOW! Way to maximize those back end profits, Clint.

#10

It was a good month in Longview as usual and **Mike Jones** made the best of it generating a whole lot of summer spending money! Four deals for \$24,100 payable gross rounds out the top 10 just fine. Excellent work, Mike.

#9 **Jason Wilson** in waking up Cedar Park, TX! He closed 3 deals with over 8K payable each and managed to help out the BM with the full insurance package! Nice teamwork, Jason.

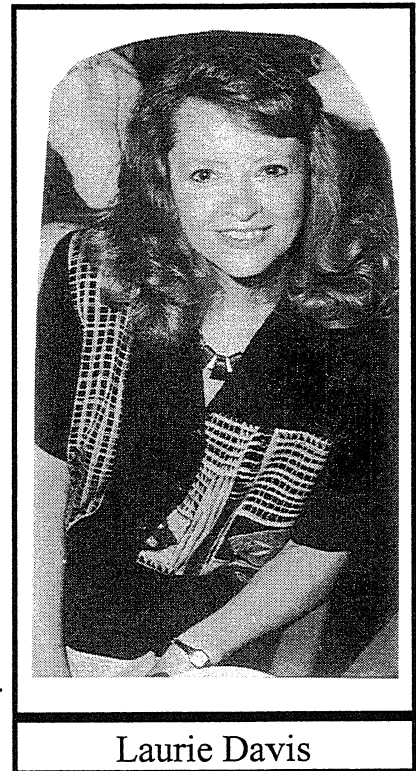
Office Manager's Spotlight

My first experience in the mobile home business was in the early 1970's when I applied for a position as bookkeeper for a newly-opened dealership in Champaign, Illinois. The sales manager there was Dave Davis and my most vivid memory of the business at that time was a manufacturer's rep who touted his newest model -a 12 x 70, "three bedrooms, bath-and-a-half, fifty-six-fifty!" Yes, the *invoice* was \$5,650.00! Have we come a long way or what????

After working for Dave for about a year, we got together on a personal basis and married in 1975. His two children by his first marriage moved with their mother to Texas, and we followed in 1979. I began a career in banking and Dave explored restaurant management with McDonalds Corporation and eventually got back into his chosen field in the early 80's.

When we moved to Granbury in 1994, we thought the smaller Nationwide lot (#23) would fit in with the relaxed Lake Granbury atmosphere and the bustle of living in the Dallas area was far behind us. Then Ray McKinney negotiated for the purchase of Art's Mobile Homes and Lot #24 was born! Dave asked me to join him as Office Manager and with some excellent training from Debbie Maxey, Diana Yauger and Dru West, I'm firmly entrenched in the business again! I really love this business, my greatest satisfaction comes from happy customers who tell us how much they appreciate the professionalism and service they receive from Nationwide Housing Systems!

Dave and I live on Lake Granbury and enjoy fishing and relaxing near the water when we have time! Our son, Jeff, has recently joined the police force in Denton, Texas, after completing the Police Academy Training at North Texas University in Denton. Our daughter, Lori, is the mother of the light of our lives, the most perfect grandchild ever born, 4-year-old Lacy Kay, who lives here in Granbury and keeps her grandpa young!!!



Laurie Davis



Thanks to the great year our Lot #24 had in FY 1997, I attained #2 Office Manager honors and will accompany the other winning Office Managers on the trip to Cabo this year -watch out Linda, I'm shooting for #1 next year!! !!!

Laurie Davis

Now Nationwide Truly is Nationwide!

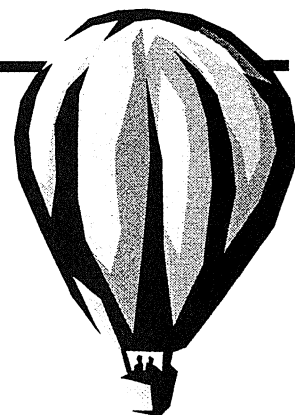
We would like to welcome two new locations to the American Homestar family, Guerdon Village #65 in Lewiston, Idaho and Guerdon Village #66 in Spokane, Washington. Ray McKinney is poised to open both locations.

The new sales center in Lewiston, Idaho will be opening soon with Bob Nason as its General Manager, Bob will be assisted by Deanna Spencer, Office Manager; Ginny Kaufman, Service Coordinator and Kyle McFarland, Shane Harrington, Melva Kukuk and Jeff Hunter to round out the staff.

Ray's second location in Spokane, Washington will have Jim Forbes at the helm as General Manager, Assisting Jim will be Julie MacDonald, Office Manager, and David Allen, Lisa Kalakosky, Steve Lanier and Christine Schultz to complete the team. Best of luck to all of you and welcome to the team!

21st Century Mortgage

Up!
Up!
Up!



Late Breaking News...



BUBBA RE-MINDER

FOR THE PROGRAM TO WORK FOR YOUR BUYER IT IS IMPORTANT THEIR PAYDAY IS WEEKLY OR BIWEEKLY. EXPERIENCE HAS SHOWN BUYERS PAID SEMI MONTHLY OR MONTHLY HAVE PROBLEMS TWICE A YEAR . . . THE TWO MONTHS WHEN THREE DRAFTS ARE MADE ON THEIR BANK ACCOUNT.

BUBBA IS A GREAT PROGRAM FOR YOUR BUYER --ELIMINATE CONFUSION UP FRONT --BE SURE THEY KNOW THE EXACT DATE THE FIRST PAYMENT WILL BE DRAFTED FROM THEIR ACCOUNT.

An upgrade of telephones at 21st Century on July 28 now allows you to contact your credit team direct. Continue to call 800-955-0021, then dial the extension of the person you wish to reach (see the listing to the right, suitable for framing!).

To further assist you in getting a quick response to your questions, Loan Processing has its own designated fax # 888-669-2100.

Welcome our newest members in the Credit/Loan Processing Departments; Robin Wise brings 12 years of experience to the Loan Processing Department and has quickly made changes to streamline our funding process for more efficient service. Kenny Harper and Jonathan Manful, graduates of Carson Newman; and Owen Robertson, graduates of University of Tennessee have joined our team of credit assistants creating an enthusiastic group at your service.

Who's On First . . .

21st



Or, Who's answering my call?

21st Century Phone Listing

Credit Manager
Gene Crabtree 1012

Troy Fussell 1016
Chuck Godfrey 1004
Richard Mann 1018
Mark Pilon 1014
Robert Schwalb 1010
Granville Young 1006

Credit Assistants
Sabrina Morris 1009
Alan Clapp 1000

Vince Xayasane 1017
Owen Robertson 1018
Chris Helwig 1015
Jon Manful 1011
Ben Zorio 1008
Kenny Harper 1007

Lanette Carpenter



The Critical Path to Selling Homes

Inbound Telemarketing

For the next few months I'm going to cover sections out of the telemarketing book. If you do not have a telemarketing book, call Ana at 972-230-4874 and request one for your location.

Secret #6 Building the Relationship

IF YOU BUILD IT, THEY WILL COME (TO SEE YOU)!

The concept of building a relationship with your client is as old as the Profession of Sales. Every successful high end Salesperson knows that first you sell yourself, then your company, then your product.

Realtors have been successfully using the phone as a tool to build relationships with their potential clients for years. They understand that their ability to do this will dramatically and directly effect their income.



Great Realtors do a great job of winning the client's mind-share on the phone, thus the client becomes convinced that there is literally no reason to contact other Realtors in order to solve their housing problem.

It takes time, energy and effort to build a relationship with anyone. Convincing salespeople to invest the same effort in developing a relationship with a phone-in client, as they do with a walk-in client, has been a challenge. The real Pros at telemarketing understand that there is NO difference. There are NO short cuts. Building the relationship on the phone is part of the sale process. If you skip this part, your telemarketing success will be minimal.

So How Do You Build a Relationship Over the Phone?

PERSONALIZATION

Personalization is tailoring your telephone presentation to your phone-in client's "wants and needs." If you are just dumping information on these people and the house you describe doesn't meet their needs, their response will probably be "Thank you, bye."

I cannot count the times I have heard a salesperson comment, after taking a telemarketing call, that the phone-in client was looking for something different than the ad in the paper. I always ask the salesperson, "What were they looking for?" and most of the time their answer is "I didn't ask." Please don't waste an opportunity for yourself and the company. There is only one way to personalize your presentation. ASK questions then LISTEN!

OBLIGATION

Relationships are bound by obligation. Obligation is a sense of being morally bound to do certain things based on what someone else has done for you. When making or taking a telemarketing call, if you illustrate, step by step, what you have done to help your prospective client, they are much more likely to feel a sense of obligation. The more time, energy, and effort you invest in your phone-in client, the more obligated they will feel towards you.

Continued on Page 7

Franchise Meeting Kickoff

- ✓ Franchise meetings kicked off in Dallas and Boise in mid July.
- ✓ Buck and Lad address retailer questions.
- ✓ Overwhelming positive response.



Carney, Sr. Wins Annual Blackjack Contest Again!

The incomparable **Chuck Carney, Sr.** has once again won the annual Blackjack contest! He took home \$500 in prize money along with \$400+ in individual winnings to blow away the competition. The Company's other gambler extraordinaire (and previous winner) **Craig Reynolds**, hung in for third place (\$100). **Dwayne Teeter** placed second (\$300) using his glamorous strategy of trying to "lose the least amount of money." Congratulations, high rollers!



The bird didn't have a chance! The only turkeys Jack Maxey and Ray McKinney get near are like the one above, dead! Great hunting guys!

Join us all in welcoming the **Richard Eklund** to the ranks of the Company M.I.S. department. As many of you know, Richard is a former Business Manager with our proud Company and has much experience at all things computer.

In a change of approach for our department, Richard will become the first tier technical support for all incoming callers. In other words, if you have support needs in terms of Tracker or your hardware, call (512) 457-0661 and ask for Richard. If he is not available,

John or Marc (recently paroled) will be available to confuse you. For all of you waiting patiently on the fabled fourth version of Tracker, keep chillin' because we're still working on the P.O. downloading feature. According to the five locations that already have it (except Farmington- sorry, gang!), you'll find it very much worth the wait. The department would like to extend a special thank you to **Travis Prescott**, who recently left Nationwide for browner pastures, but whose contribution over the last nine months was very important and much appreciated. T-Bone... you the man! - *Dwayne Teeter*



MIS NEWS

THE MORE THE MERRIER IN CABO!

After auditing Presidents Club points for last fiscal year, it came to our knowledge that some points had not be prorated for salespeople with start dates after June 1st but before November 30th. These prorating adjustments put the following people in the GOLD and on the CABO trip.



RICHARD DELAROSA - NW-AUSTIN,

SHEILA MOTT - OCV-GRANBURY

RANDY WILSON - NW-LUFKIN

There's more. . . 3 more SILVER winners too

Todd Stiefvater - NW-New Braunfels

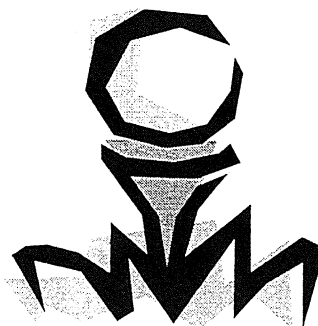
Greg Brown - NW-Colorado Springs

Lisa Dupree - NW-Mesquite

And last but not least, one more BRONZE winner,

Mark Ouchley - NW-Monroe

Great Job folks!! Sorry for the confusion and Congratulations!



BERMUDA MHMI GOLF TOURNAMENT RESULTS

Bermuda's beautiful Castle Harbour Golf Club played host to this year's Mobile Home Mogul Invitational on Monday, July 20th. Twelve spirited teams competed for the coveted 1st, 2nd and 3rd place purses as well as prize money for the top score and "closest to the pin". This year's tournament structure was very well received because none of the competitors knew the actual teams until the end of play. This format cut down on flagrant cheating and reduced whining from those with underprivedged scores. Our thanks to Chuck Carney Jr. and Mark Laznovsky of Atlantic Air for sponsoring the tournee. A great time was had by all!

In the winning circle:

1st Place: Glenn Lee, Dave Davis,
Jonathan Wells, Laurie Lowery
2nd Place: Rick Vaughan, Vollie Moberly,
Ed Sampson, Rick Dahlson
3rd Place: Derrell Nicklas, Charlie Smith,
Lanette Carpenter, Dave Shetler
Top Score: Derrel Nicklas
Closest to Pin: Jim Taylor

Lanette Carpenter, Continued

This is why spending the extra time on the phone pays off.

CONCEPT OF MULTIPLE CALL BACKS

Have you ever talked to someone on the phone several times on the same day and felt that you had spent the whole day on the phone with them? When in actual time, it probably wasn't more the 15 minutes. Multiple call backs capitalize on the perception. It is advantageous to your relationship building strategy when the client perceives they have invested a lot of time in you and you in them..

When your strategy is to build a relationship with your phone clients, multiple call backs are a great sales tool. With additional information, call the Phone-in Client back at least two times on the same day they called in. By the second call, you will notice a difference in their tone. They will be warmer and will talk to you as if they had known you for some time. If you try this, you will become a believer.

CORRECTIONS

The June edition of HOMEFront incorrectly put Don Simonson next to Mesquite and Dave Shelter next to Burleson. This should have reflected Dave Shelter at Mesquite and Jack Maxey at Burleson, we appologize for the error.

Also, in last months HOMEFront at page 12, the listing for President's Club points under Business Manager its showed 5 points per deal to the Home Office by the 20th and 2.5 points for each deal to the Home Office by the 15th. The purpose of awarding points is to encourage getting deals to the Home Office early in the month, therefore, it should have read 5 points for each deal to the Home Office by the 15th and 2.5 by the 20th. Our appologies for the mix-up.

about this newsletter...

Published in Austin, Texas on no particular day of any given month. We recycle what we write, so please recycle what you read!

If your location does not have a recycle bin, we encourage you to contact your local recycler and ask for one.



Have a story for the HOMEFront? Please forward it to us in the Austin MIS office!

Manufacturing Editors

Robin Cooper

Retail Editors

Dwayne Teeter

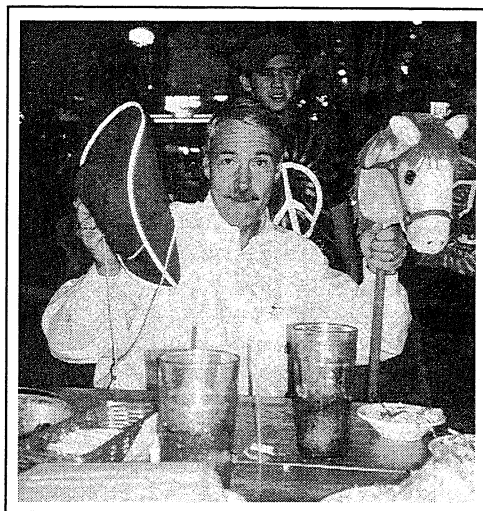
Tom Jewell

Richard Eklund

MANUFACTURED
Arlington Style

George Celebrates 49th...

birthday the "good ol' fashioned Texas way".



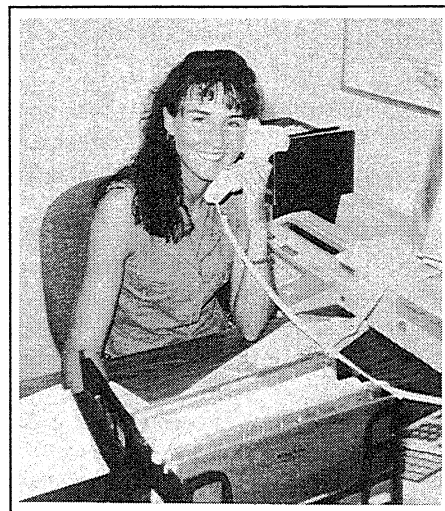
Here, **George Cooper**, Purchasing Extraordinaire, demonstrates the "dog & pony" show he performs for our vendors? Or maybe he's just feeding his faithful horse "Gunsmoke" while cockin' his hat to a passing lady? Or perhaps he's just celebrating his 49th birthday the "good ol' fashioned Texas way" at Joe's Crab Shack? The world may never know.

BURLESON **STAR** NOTES

By *Charlie Lohin*

PEOPLE POWER *Receptionist: Nancy Chancellor*

Meet the friendly face behind that cheerful, helpful voice! **Nancy Chancellor** was raised and educated in hometown Burleson, Texas. Nancy's skills on the diamond earned her a scholarship at Northwood University in Cedar Hill, Texas, where she completed an Associates degree in Accounting. She spends her time enjoying her four brothers, one sister, playing shortstop and shopping! She is engaged to Bryan Ford who works as a marketing representative for a pharmaceutical company. A big wedding is planned for June of 1998. Nancy is already planning a fun, frolic-filled honeymoon in Cancun.



Fab 5 For July (YTD)

1.	Nationwide/Burleson	Phil Essex	76 Floors
2a	OCV/Lancaster	Don Simonson	46 Floors
2b.	Nationwide/Mesquite	Dave Shetler	46 Floors
3.	Nationwide/Tulsa	Tom Wilson	42 Floors
4.	Nationwide/Mesquite	Randy Coffman	40 Floors
5.	Nationwide/Seguin	Kevin Scawthorne	36 Floors

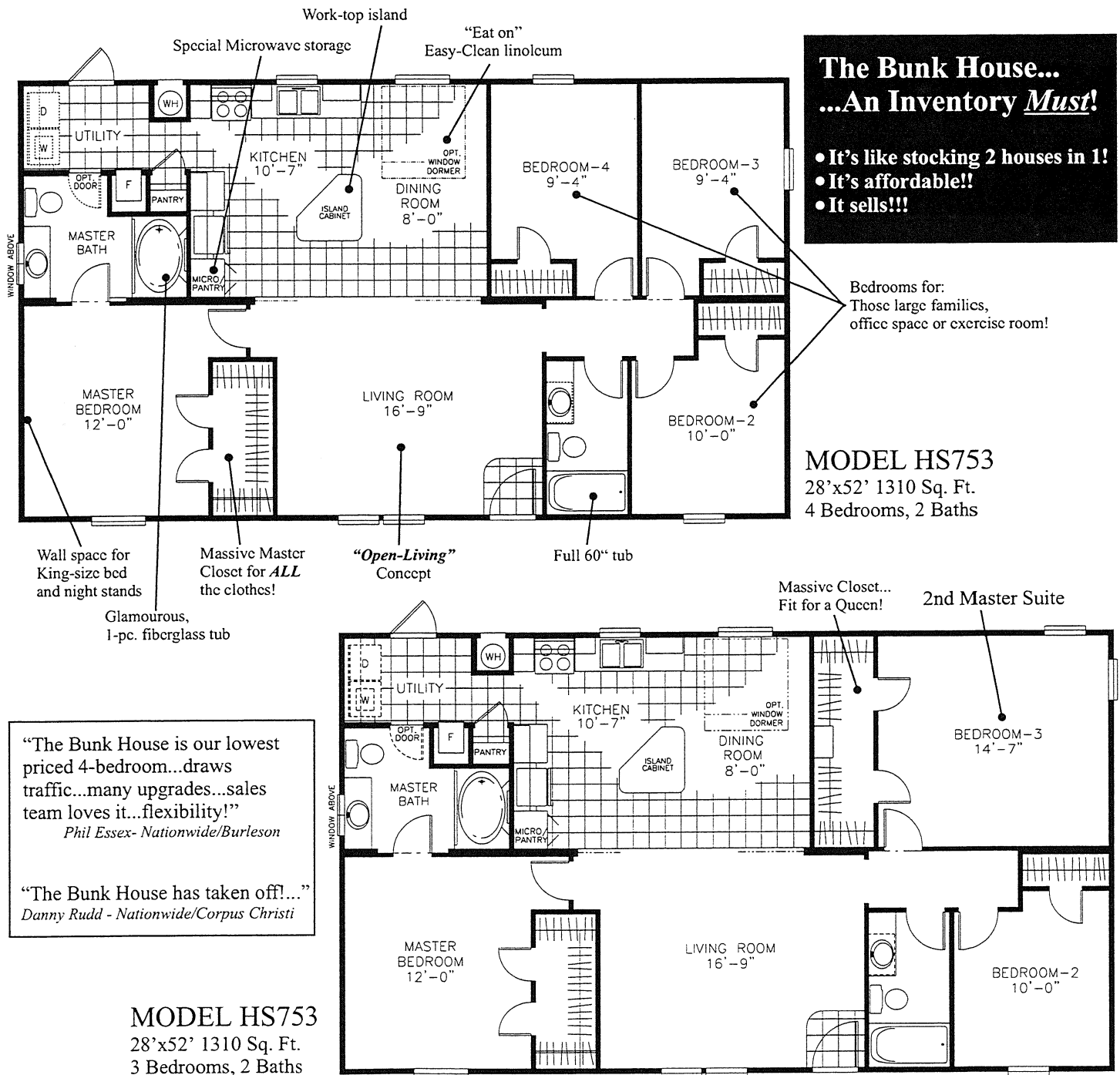
Great Job!!

“Bunkie” Only Gets Better

It's currently your lowest price 4-bedroom, and NOW, it's an affordable 3-bedroom with 2 master suites!!

Ask Phil Essex at Nationwide of Burleson: "The Bunk House is our lowest priced 4-bedroom. We use a \$39,999 4-bedroom banner to draw traffic. Most customers enjoy using Burleson's many upgrades to *customize* their homes. The sales team loves it! The 3-bedroom version gives us added flexibility!"

Or, ask Danny Rudd at Nationwide of Corpus Christi: "The Bunk House has taken off! We sold 3 4-bedrooms and have a 3-bedroom working in the month of July!"



We've Gone Crazy... It's Our Deluxe Molding Special!!

To help keep your inventory in top shape, use
our "New Molding Madness" option:

Deluxe Cove Ceiling Molding: Living Room, Dining Room, Morning Room,
Family Room, Hall, Master Bedroom, and
Master Bathroom

Doublewides 60' and under: \$125

Doublewides over 60' \$150

!!SELL BETTER MOLDINGS

!!SELL MORE HOMES!!

FOR A LIMITED TIME
ONLY

Tid Bits

Hocus Pocus, they've got Focus! Dave Shetler's team just stays HOT on Burleson product bringing down deal after deal!!

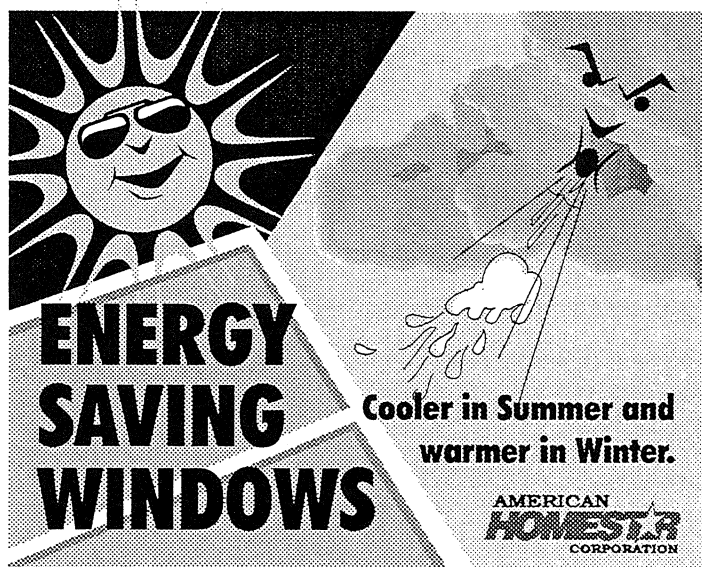
Welcome back, ***Tony!!*** Super sales-pro Tony Clark is pushing Burleson product at Nationwide of Denton. Whether it's stock or retail, ***Tony*** knows that high value Burleson product makes happy customers. His four doublewide Burleson deals in the last 45 days prove it . . . WOW!!!

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.

Look What Lancaster's Done For You NOW!

Lancaster's done it again! With the new model year finally here, we hope you will note that without raising any prices, we've totally reconstructed our 1998 model line with new colors & decors (phasing out old colors & decors), and have upgraded & added to our standard features and available options to give you more flexibility!! We are now ready to *TAKE ON* the competition.

The new 1998 model STANDARDS and new OPTIONS are as follows:

1. Dropped the standard Cambridge Classic main panel & added Bravo Multi.
2. Upgraded new decor glass for cabinet doors.
3. Upgraded new etched divider mirrors on Living Room dividers.
4. New & improved factory select linoleum in Kitchen & Dining Room: Congoleum's 20 mil linoleum promotes longer vinyl life. (*Please see this issue's article detailing this new floor vinyl.*)
5. New optional deluxe chandelier for Dining Room &/or Breakfast Nook - \$25/\$50.
6. Upgraded Limited Edition (LE) line Guest Bath mirror to a 18x30 etched decor mirror (trimmed out in the Galaxy & Northstar line).
7. Upgraded the look of the light fixtures to a new formal designer globe.
8. Added the third hinge to all interior passage doors.
9. Added elongated striker plate on door jambs for easier door adjustments.
10. Added chrome faucets to match the stainless steel Kitchen sink.
12. New optional chrome single lever faucet for Kitchen sink - \$35.
11. Added quarter-round trim door stops on both sides of door jambs.
13. Added white shower heads, levers, & beauty rings to match white shower.
14. Added new optional ceramic tile surround fireplace.
15. Upgraded to the white diverters to match tubs and showers.
16. New & improved look of the corner tub for the Luxury Bath.
17. Newly designed standard sinks for the baths.
18. Added new Southern Cherry dark wood cabinetry and trim - \$75; you now have 3 cabinet colors to choose from.
19. Added optional white 20 cu.ft. side-by-side G.E. refrigerator w/ water & ice in the door.
20. Upgraded the electrical box & furnace panels to white.
21. Added new optional deluxe coach lights for exterior doors - \$25.
22. Added brand new deluxe drape packages for all decors.

And, as you know, the retail base of Nationwide is expanding and getting much larger in size and the amount of business produced each month, each quarter, and each year! In light of this fact, we've ADDED two new STANDARDS to our Lancaster plant's front office staff to help out with quicker turn around times for faxing, mailing, and returning calls:

1. New Sales Coordinator: **Paxton Green @ ext. 123** is a "go-getter" who's ready for action! He can spec' out a house quicker than the famous "Jumpin' Jack Flash", and he's also quicker than the mailman when it comes to mailing out sales books and/or sample books. Paxton is good to go and ready to take your call!
2. New Receptionist: **Reyna Scott @ ext. 0 or 20** will rescue you from the voice mail system for immediate assistance and is the fastest person around when it comes to faxing any kind of paperwork needed to complete the close of a deal! Please call Reyna for invoices, data plates, etc....

LANCASTER NEWS (Cont.)

By Brian Shaw

Lancaster's 1998 DECOR Changes:

Our Windsor, Lodgewood, and Cilantro decors are being phased out immediately!
(These decors will still be available for units ordered by August 15th.)

- 1. Windsor Decor:** Our new Moon River decor will be replacing Windsor. The McKenzie Jewel, the Laine Jewel, and the drape package will be replaced by the Gymboree Twilight and Broadway Twilight with a new drape package. We are also phasing out the Hallmark Regalia border and replacing it with the Ribbonette Onyx border.
- 2. Lodgewood Decor:** Our new Emerald Isle decor will be replacing Lodgewood. The only changes to this decor will be the drape package and we will be phasing out the Hallmark Malachite border to be replaced by the Florence Emerald border.
- 3. Jewel LE Decor:** Our new Twilight LE decor will be replacing the Jewel LE decor.
- 4. Forest LE Decor:** Our **NEW** Forest LE decor will be replacing the current Forest LE decor.

Lancaster's 1998 COUNTERTOP Changes:

We are phasing out 3 countertops and adding 5 new countertops to our countertop line up, giving you a total of 14 countertops to choose from.

- 1. Dropping:** Illusion, Blackstar Granite, and Wild Rose. (These countertops will still be available for units ordered by August 15th.)
- 2. Adding:** Twilight Glacier, Black, Cloud Nebula, Black Faux Marble, Twilight Graphix.

These new 1998 decors, features, and options are available beginning immediately. We are currently working on getting the new samples from our distributors and will be mailing each sales center a new sample book, along with countertop and carpet samples - please call Paxton Green at extension #123 for more information on this mail-out.

Lancaster's Show of Homes for New 1998 Models

By the time you receive this newsletter, we will have concluded our already very successful **1998 Show of Homes** which began in early July and ended mid-July. Although this was the first year we have hosted such an event at our plant, we had an excellent turn out and it gave all of our retailers a great opportunity to come by and see all the neat things Lancaster's doing in 1998. All attendees at our **1998 Show of Homes** received an American Homestar pocket knife, our exclusive summer ball cap, and a Texas Quality Award t-shirt (the American Homestar of Lancaster plant is the only manufactured housing company to ever be awarded this special honor which recognizes our plant's high quality standards for 1997). In fact, we had such a good turn out that we ran out of all the goodies!

The **1998 Show of Homes** display units are available for distribution to any of our company retail centers, so if you'd like the opportunity to stock one of these fine units, please give us a call to see what we have available . . . but call **SOON** 'cuz they're going fast!!

New Congoleum Linoleum Floor Vinyl

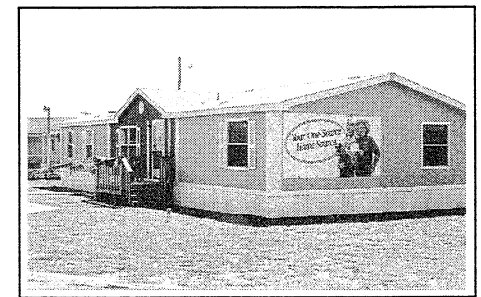
Check out this new standard upgrade we're doing for you without raising the base price! Lancaster's teamed up with Congoleum on a new floor vinyl which is thicker than the old Armstrong. Congoleum is 20 millimeters thick vs. Armstrong's 11 millimeter vinyl - almost twice the wear layer than Armstrong! Not only that, but it's also a no-wax floor with larger designer floor squares which provides for a more residential tile look, and Congoleum's 5-year warranty as well as its availability in both singlewides and doublewides, makes it very service-friendly. We will begin installing this spectacular floor vinyl immediately, so look for your sample in the mail.

Ranger Tickets Up for Grabs!!

If you're still interested in going to go see the Rangers play at Arlington Stadium, then Lancaster is your connection! We have tickets available for the August 5th Boston Red Sox game and/or the September 16th Kansas City Royals game. Remember: first come - first served.

Greenville and Lancaster Doin' It Right!

Congratulations to Sandy Robertson, the new General Manager at Nationwide of Greenville on her first promo during the July 13th weekend. Man, can she can throw a party! She had a caterer come out and cook brisket over Friday night which was ready to serve all day on Saturday. And on the dessert menu? Ten (10) approvals! And four (4) of the approvals were Lancaster's! Now that's what I call cake and ice cream!



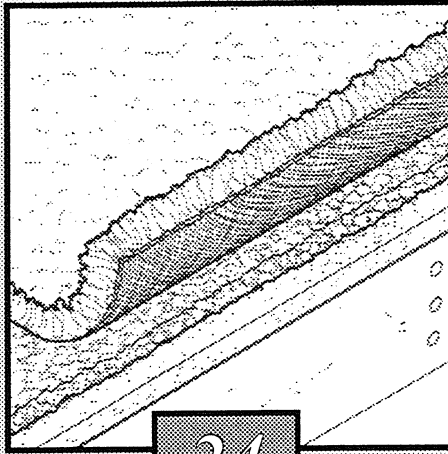
You can expect only the best from Don Simonson, GM of Oak Creek Village/Lancaster, who took advantage of our Lancaster **1998 Show of Homes!** His sales crew walked away with twelve approved deals and six of them are on our new Lancaster 28x80 580 model! The following Monday, July 14, 1997, he spec'd, special-ordered, and P.O.'d three additional 580's. He sold both the original proto 580 on his sales center and sold our **Show of Home's** display 580. Folks, if you're not stocking this outstanding 28x80 at that kind of rate, you're truly missing out! Just ask Don!!

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.



24

Upgrade Quality Carpet Installation

It's beautiful and durable! High quality Stain Resistant Carpet is installed in all Oak Creek homes at the end of construction to reduce dirt and excessive wear during production or installation of each home. All carpet is installed with residential tack strip - not stapled to the floor! It's 100% continuous filament heat set nylon pile "action backed" carpet. Optional "StainMaster or Anso" stain control features are also available in the upper grades of carpet. Our carpet is installed over a high density rebond pad for longer wear life of your carpet and pad, much superior to foam pad installations. All multi-section homes carpeting is installed after the home is completely installed on your site. With proper care, you can enjoy the comfort and beauty of your carpet for years to come.



Oak Creek Homes Celebrates 14 Year Anniversary!!!!

On June 6, 1983, Oak Creek Homes was founded by Lad Dawson and his group of highly recruited Manufactured Housing professionals. The Company was actually started under the name of "Oak Brook Homes" (remember Lad?), but after several days of copyright searching, it was revealed that Oak Brook was already used! After shifting gears, redesigning logos, and changing the receptionist's greeting, Oak Creek Homes was finalized and off the ground!

The original company facilities included: North Fort Worth, TX (which is now Town & Country), Gainesville, TX (which is now Saturn Housing), Burleson, TX (which is now Palm Harbor), and Southeast Fort Worth, TX (which was called Cedar Ridge and is now the only Oak Creek facility).

Congratulations to all of those dedicated original employees and their families for enduring both the good and the lean times, but most of all, for the insight you had to select and stick with a true winner!!!!!!!!!!

The Whispering Oak Says...

The Difference between Winners and Losers

A winner is a part of the answer; a loser is part of the problem!

A winner has a program; a loser has an excuse!

A winner sees the answer in every problem; a loser sees a problem in every answer

A Chicken in every Pot!!! A Southern Star next to every Garage!!!!!!

STAYTON

By Jon Moon & Erin Summers

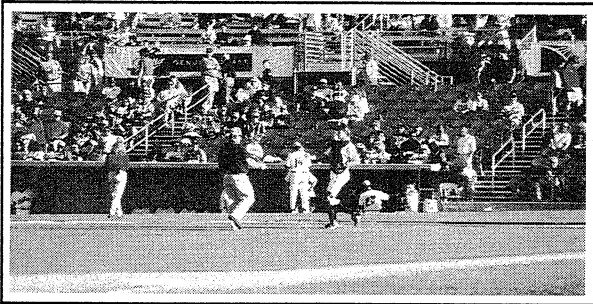
Focus 2000

Say what!?! **Focus 2000** is the plan to take the Stayton Division into the next century. "Brainchild" of GM Buck Wooton, **Focus 2000** is what the professors refer to as a strategic operating plan for the next 5 years. The Management Team recently met in Bend, Oregon for a weekend of cussin' & discussin' the *in's & out's & in's* of our future including plant expansion, construction, margins, efficiencies, and most important of all, the well-being of our employees. The Team returned to the plant with new information, ideas, and a PLAN - now it's time to "hook up"!!! Let's ROLL!!

Take me Out to the Ballpark

As you can see, a good time was had by all at the first annual employee appreciation night with the Salem-Keizer Volcanoes. The new ballpark in Keizer is wonderful - it's sort of our version of "The Ballpark in Arlington".

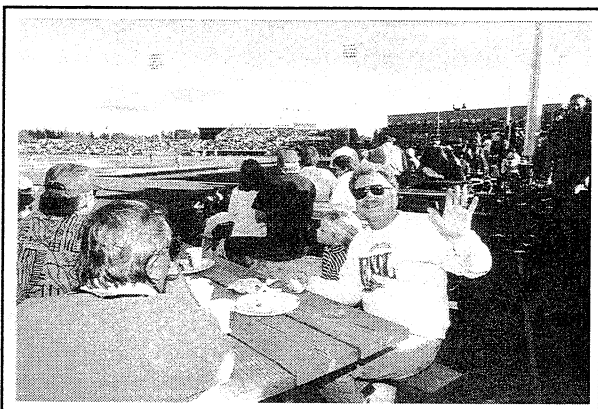
THANK YOU, EMPLOYEES... YOU'RE THE BEST!!!



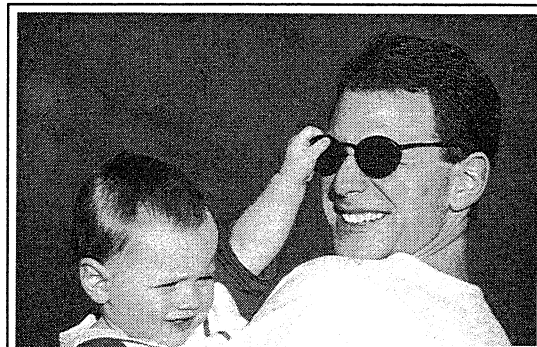
Darrell Ritchie throwing out the first ball.



Here's a happy group.

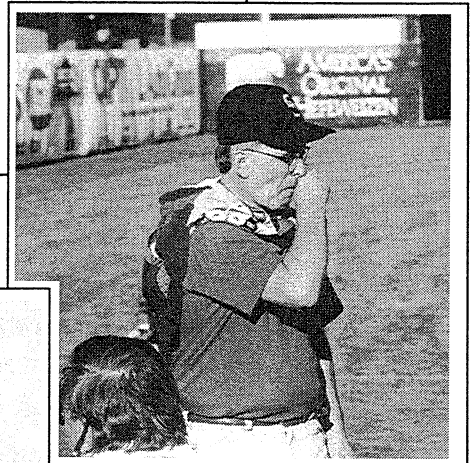
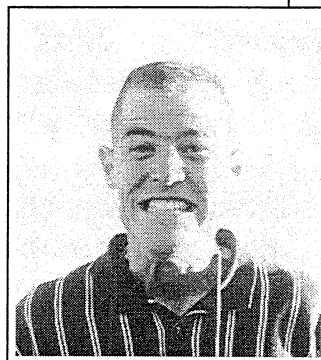


Fred Levanger and daughter

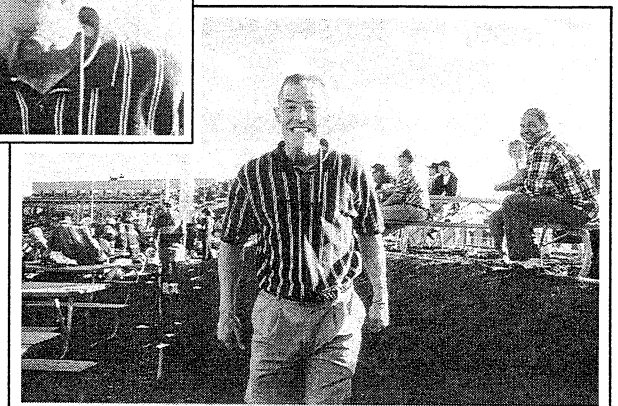


◀ Brian Woodcock and son

Buck Wooton sending "signals" out to the players.



▲ Jon Moon being "Jon Moon" ▶



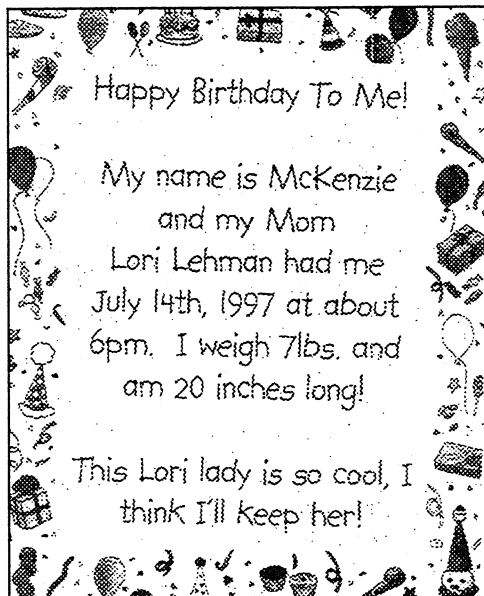
STAYTON

By Jon Moon & Erin Summers

(Cont.)

Happy Birthday... ...to ME!

My name is McKenzie and my Mom, Lori Lehman, had me July 14th, 1997, at about 6pm. I weigh 7 pounds and am 20 inches long! This Lori-lady is so cool . . . I think I'll keep her!



Welcome, Welcome, Welcome!!!

A big welcome to **Ann Tucker**, the latest to join our group at the Stayton Division as the Oregon Service Representative. **Ann** has been in the business of building - from selling lumber to using it as a residential contractor - since she was 18! And since she and her husband Jeff have two boys, Brian (14) and Jon (12), well, you do the math . . . that's experience. **Ann**, it's nice to have you join the organized chaos!!

A little rearranging here and there has also been taking place . . . **Dan Nichols** is now the Outside Contractor Coordinator (trying saying that ten times fast)!! Congrats, **Dan!!** And, **Kathy Gum** is leaving Service behind and moving on to the bright lights of the Human Resource Department as H.R. Assistant. Go, **Kathy**, go!!

Anniversaries

July/August anniversaries for over FIVE (5) years of service are listed below:

Larry Nelson	August 1972	25 Years!!
Rosie Tegan	August 1972	25 Years!!
Larry Roebke	July 1984	13 Years
Sandra Branch	July 1985	12 Years
Tommy Johnson	August 1991	6 Years
Robert Marker	July 1992	5 Years
Michael Crockett	August 1992	5 Years
Phillip Mackey	August 1992	5 Years

Thank you, all, for your past years of service and we're looking forward to many more years with all of you!

GERING GOSSIP

By Doug Tollin

The gering Magnolia Division is proud to welcome two new retailers to our team:

POWDER RIVER HOMES - GILLETTE, WYOMING
and
**PIONEER MILL AND CONSTRUCTION -
RAWLINS, WYOMING**

WELCOME ABOARD!!!

New Retailers

Sensational Suggestions

Congratulations to our Winner, **Mike Dunn**, for his Safety Suggestion of the Month which is selected by our Safety Committee.

Congratulations are also in order for **Gilbert Carrizales** for his Production Suggestion of the Month as selected by our Production Committee. In appreciation of their great suggestions, both winners were awarded gift certificates to Bush's Gaslight Restaurant. Thanks, Mike and Gilbert!

Congrats to new VP

A great big CONGRATULATIONS to Rick Murdock on his recent promotion to Vice President of Operations for the Western Region!!! We have watched Rick grow and progress within our family for the past few years and we look forward to working with him in his new position. Best of luck, Rick - we know you will do your usual outstanding job!!!!

Silhouette

By Reta Hill

HOT...HOT...HOT!

Things are HOT in Lynn, Alabama these days. Summer is truly here. Production has now resumed after a week's vacation in conjunction with the July 4th holiday. And not only are temperatures on the rise, but anticipation and excitement are also escalating for the new ventures which lie ahead of us as members of the Homestar family - a family we're very proud to be a part of.



By Amy Franks

Carriage Corner

Our Sales Manager, "Friendly Bob Dawson", celebrated his 50th birthday on July 12th, but we celebrated on Friday with a huge banner at the bottom of our driveway which read: "Happy Birthday, Friendly Bob - 50!" We had a birthday lunch for Bob, and his

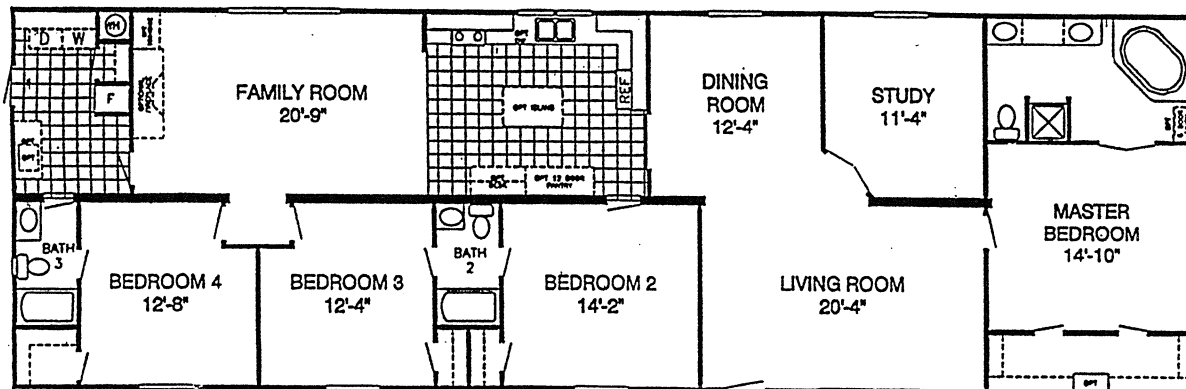
"Friendly Bob" Turns the BIG 5-0

- wife, Barbara - aka "Precious" - surprised us with a cake that said: "Fifty Stinks"!
- We all appreciate the job "Friendly Bob" does for Carriage Homes; in fact, last year, Bob won *The Best Boss Award* on a radio station for a letter we sent in on why he deserved the award. Bob won 2 tickets to see his favorite singer - Bob Dylan.



If You Think the Sun Is Hot in Texas....You Should See Our 90ft. Houses!

Through June 1997, our 90' singlewides made up 73% of our singlewide sales. However, our #1 seller is our 2,300 sq.ft. Model #509 28x90 home.



SAVANNAH
28'x90' 4+3
SV-509

Vicksburg BLURB

By Melanie Hood

...We Would Like to Welcome Aboard:

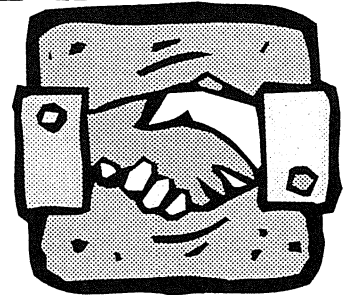
New Kids in Town...

John Mitchell, Sales Manager
Dave Owen, Zone Manager

**The following
employees
celebrated their
anniversaries
during the first
six months
of 1997:**

Eddie Tillman -	25 Years
Joe January -	15 Years
Windell Sampson -	12 Years
Vernon Davis -	12 Years
Joe McGloster -	10 Years
Willie Johnson -	10 Years
Dinah McCorquodale -	7 Years
Keith Fells -	5 Years
Floyd Sanders -	5 Years
Darnell Gales -	5 Years

**HAPPY
ANNIVERSARY,
BABY!!**



Training, Training Training....

The first class of Supervisory
Communication Training
conducted by Hinds
Community College has
graduated, while the next
session is just beginning!!!
Our honored graduates are
pictured at right.



Seated L-R Lewis Blake, U.S. Johnson, Donnic Jones, Donnic Foster, Percy Herrington,
Irving(Chico) Washington, Jimbo Hall, Larry McCormick, & Shirley Lee
Standing L-R Windell Sampson, Melvin Jackson, Dan Clark, Walter Harrington, Charles Reed, Douglas
Anderson, Bruce Buckley, and Melanie Hood

Vicksburg

BLURB (Cont.)

By Melanie Hood

**Magnolia Homes of
Vicksburg would
like to welcome all
of our new retailers
to the American
Homestar Team:**

Mid-South Homes, New Albany & Ponatoc, MS - Linda Rasberry
ShowMart Homes, Oklahoma City, OK - Scott Reed
ShowMart Homes, Durant, OK - Cliff Hester
ShowMart Homes, Fort Worth, TX - Cliff Hester
Beacon Homes, Lawton, OK - Jim Martin
Nationwide Homes, Springdale, AR - Mike Johnson
The Home Gallery, Meridian, MS - Phil Jenkins
First Texas Homes, Wimberley, TX - Tom Yankovey
Nationwide Homes, Greenville, TX - Sandy Roberson
Nationwide Homes, Huntsville, TX - Dave Miller
Nationwide Homes, Seguin, TX - Greg Benzing
Superior Homes, Tyler, TX (New Location) - Rod & Ray Dowdle
Oak Mobile Homes, Westwego, LA - Pat Higgins

New Model X-16 Orbit!!!!

Be sure to order your LE Series with
our new options, which include:

**American Homestar of VICKSBURG
delivers earth-shaking new home!**

**Send your Summer
sales into orbit
with the new X-16.**

ORBIT EARTH IN...
Model V-438
16' x 80' 1180 Sq. Ft.
3 Bedrooms, 2 Baths

**AMERICAN
HOMESTAR
of VICKSBURG**

**Color-Coordinated
Moldings**

Bookcase with Mirror

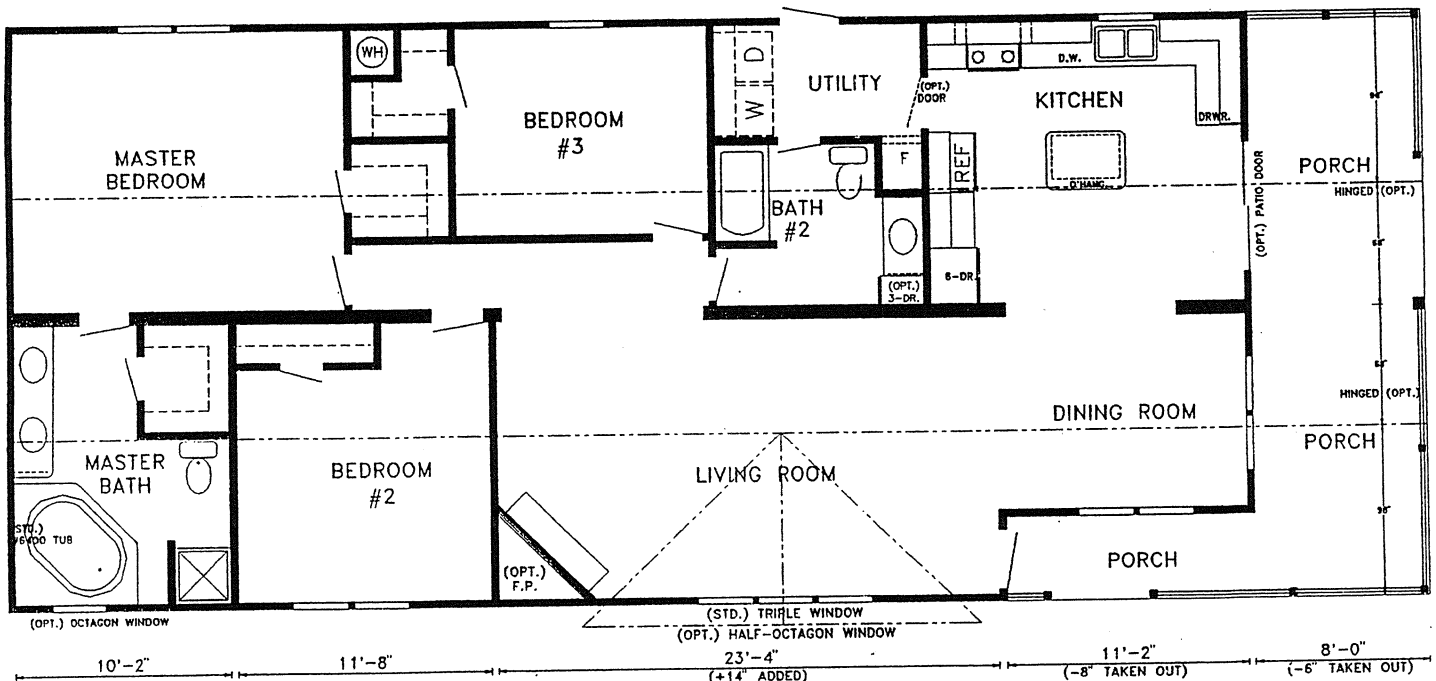
**New 4" Border to
Match All
Carpet Colors**

MASTER BEDROOM 13'-4"
UTILITY
KITCHEN/DINING 13'-5"
LIVING ROOM 18'-0"
BEDROOM 3 10'-5"
BEDROOM 2 10'-8"

A black and white cartoon illustration. A man on the left, wearing a suit and glasses, and a woman on the right, wearing a dress and glasses, are both smiling and looking at a large rectangular sign. The sign has the text "BAY BREEZE Model #28-459" written on it in a bold, sans-serif font. Behind the sign, the head and shoulders of a third person, a man with glasses and a mustache, are visible. The man and woman are holding the sign from the sides. The man is wearing a dark suit jacket over a light shirt and tie. The woman is wearing a dark dress with a light-colored collar and a watch on her left wrist. The third person is wearing a light-colored shirt and glasses. The background is plain white.

Diagram showing the layout of a 60' long building with various offsets and adjustments:

- 15'-6"
- 4'-6"
- 11'-9" (+7" ADDED)
- 9'-8" (-1" TAKEN CUT)
- 14'-7"
- 8'-0" (-6" TAKEN OUT)



BAY BREEZE 28-459-H 28'x(66')70' 3+2

The TRAINING Guide

A GROWING FAMILY

Our Training Team at American Homestar is growing and I would like to take this opportunity to introduce you to the members of our team.

Jimmy Morton (a.k.a "Viper") -

Mr. Morton brings with him over 30 years of retail manufactured housing sales experience. Anyone can benefit from Jimmy's knowledge as he provides on-site training in all the steps of our selling system. In addition, he makes a monthly appearance in the closing segment of Basic 101.

Ana Castor -

Ms. Castor does an outstanding job organizing the training department. She is responsible for coordinating production and distribution of all training materials. Ana also processes all PDP analyses and the Pre-work Assignments for Basic 101 attendees.

Laurie Lowery-

Ms. Lowery has recently been trained to analyze the PDP & ERI personality profiles. Upon completion of the PDP/ERI manual, she will be available to train General Managers on how to manage various personality styles and which styles to look for when recruiting. Laurie also teaches a portion of the Basic 101 training seminar.

Mike Boyd (21st Century)-

Previously with Foremost Insurance Group, Mr. Boyd has extensive experience in F & I training. He is currently developing the curriculum for our Business Managers training program. Once complete the class will be available once a quarter.

Floyd Carr (American Modern Insurance) -

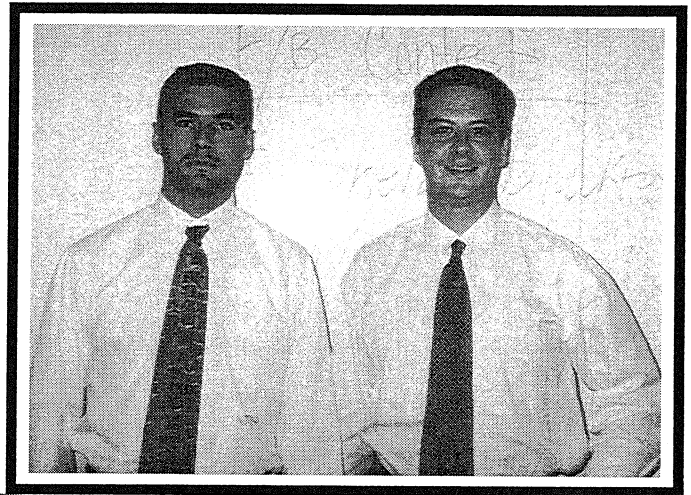
American Modern has been gracious enough to let us borrow Mr. Carr for several days each month to help provide supplemental training on various topics within our selling system. He is also available to teach our Telemarketing course.

Dwayne Teeter -

Dwayne is Asst. VP of Nationwide Housing System and oversees its MIS department. He teaches all Tracker related training seminars at the Austin Training Facility.

The training commitment that American Homestar has made is unsurpassed in our industry. We promise to always listen to you and respond to your training needs as quickly and effectively as possible.

- Lanette Carpenter, V.P. Training



JULY BASIC 101

Each month in Basic 101, students compete for the five illustrious titles of "TOP GUN". These skillful winners attain the highest points in the class based on the company story interview contest, a feature benefit contest and their test averages. Pictured above are our 1st and 2nd place winners in the Feature/Benefit contest, **Shelby Blackfox** of NW-Tulsa and **Nathan Long** of NW-Longview. TOP GUNS from July's class included **Shelby Blackfox**, **Todd Beckwith** of NW-Longview, **Tom Kline** of NW-Denton, **Heather Helin** of NW-Albuquerque, and **Chad Lake** of NW-Gulf Freeway (Houston). Congratulations!

CLIPS FROM CLASS.....

"I've been to several sales schools in the auto and mobile home businesses and by far I feel I have gained more knowledge and selling tools this week than any other school or seminar. I hope to return next year to refresh my skills."

Tom Kline, Denton

"I learned more this week than I have in two months. I think the company has done their research and I can benefit from years of great salesmen's experience and knowledge." **Eric Snider**, Mesquite

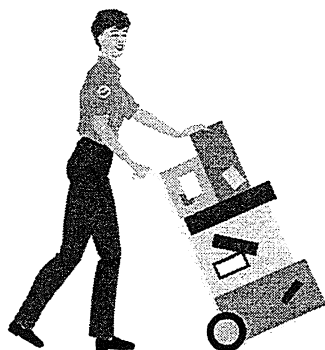
"This was a good seminar. It has opened my eyes to all the bad habits I have developed since the last Schwep class. I think that all the role playing and the upgrading of the materials was great. The class was well structured, also. The fact that you had experts help out with the class was tremendous." **Louis** - ARG

"This seminar has helped to raise my confidence level. It has also shown me the importance of following the CRITICAL PATH. I came to this company looking for an opportunity to advance and make money while advancing. I now know that I have made the right decision. Thank you for your help!" **Nathan Long**, Longview

Just goes to show, whether you're a seasoned salesperson or a novice, getting back to the "Basics" will give you the resources to be successful.

*Praise in public;
Point out weakness in private.
Anon.*

LANCASTER OFFICES MOVED!!!!



The Lancaster offices of Nationwide Housing Systems, Inc., American Homestar University and Associated Retailers Group have moved effective August 4, 1997. Their new address is:

8035 E. RL Thornton
Suite 610
Dallas, TX 75228

The new phone numbers are as follows: Nationwide Housing Systems, Inc. - **Larry Speck, Chuck Ladd and Dayna Shetler** can be reached at 214-320-0700 or faxed at 214-320-8535. For American Homestar University - **Lanette Carpenter and Ana Castor**, the new number is 214-320-2667 and fax at 214-320-8615. The Associated Retailers Group; **Rick Carver, Helena Jackson and Claude Towery** can be reached at 214-320-2766 or faxed at 214-320-8310.

New Vice President of Operations for the Western Region

The entire Guerdon Division of American Homestar is familiar with **Rick Murdock**, and although the rest of our Company divisions may not personally know him, his reputation precedes him.

Rick has been with Guerdon for 7 years, beginning as Production Manager for the Boise Division where he was subsequently promoted to Sales Manager; he then moved to the Stayton Division as General Manager, and then back to Boise as their General Manager.

With this much experience within the Company, and over 23 years in the industry altogether, Rick is a sure success in his new position as Vice President of Operations for the Western Region.

His initial and primary responsibilities will include overseeing the Guerdon plants in Boise, ID, Stayton, OR, and Gering, NE, and will very shortly be given the responsibility for additional American Homestar facilities.

Rick's duties in his new position will begin immediately with his office located in the Arlington corporate office. We're sure the Boise staff is very sad to see him go, but we know the metroplex is looking forward to having such a maverick in it's midst!

SATISFIED CUSTOMERS

The cornerstone of our mission statement

This letter was recently passed around the halls of the home office and now we'd like to share it with you. It exemplifies why Customer Satisfaction is our utmost priority and why it stands as the first point in our three part mission statement. Our hats are off to **Don Simonson** of NW-Lancaster for an outstanding job. Just goes to show you need more than a pretty face to be #1! Congratulations, Don.

July 21, 1997

Dear Mr. Fallon:

I recently purchased an Oak Creek mobile home from American Homestar and wanted to let you know about a most extraordinary employee, Don Simonson. From the purchase to the delivery, Mr. Simonson was very involved and extremely helpful. While transporting the mobile home to my lot in New Mexico, it was damaged and its delivery delayed. Without hesitation, Mr. Simonson stepped in to help ease my anxiety, as well as doing everything he could to remedy this situation as promptly as possible. I was amazed by his excellent customer service skills. I anticipated that I would have to organize and otherwise figure out what to do in regards to this disaster. However, Mr. Simonson quickly took charge and handled it superbly. After its arrival, there were still a few problems, mainly with the New Mexico staff regarding the finishing cosmetics, etc.. Mr. Simonson again took charge and simply did what needed to be done. He never once questioned me or gave me the run around. He was diligent and followed through until every problem was handled to a standard that surpassed all my expectations. As a consumer, I can only wish that there were more Mr. Simonsons out there handling these little problems, we might all be a bit happier. By writing this letter and bringing this situation to light, I only hope that Mr. Simonson be recognized by your company. It is employees like him that keep business' alive and profiting. I would be more than welcome to validate or otherwise confirm these events if need be, so please do not hesitate to call me. Because of this situation and the excellent manner in which Mr. Simonson handled it, I am now telling everyone I know about Oak Creek Village. Please thank him again for me.

Very Truly Yours,

James Ernest Lane
Albuquerque, New Mexico

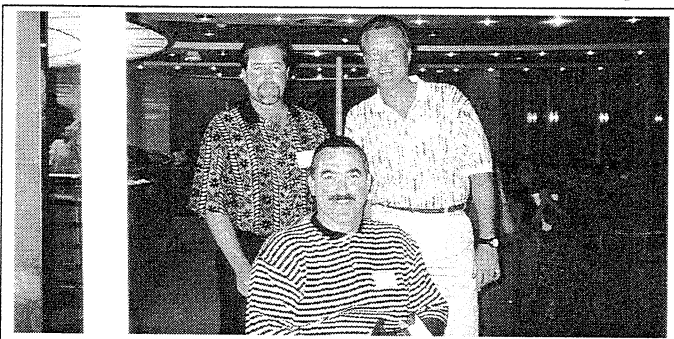
Any other letters out there we should know about? Please send a copy of the letter to Laurie Lowery @ Nationwide's Marketing Department. We want to make sure everyone gets the recognition they deserve!



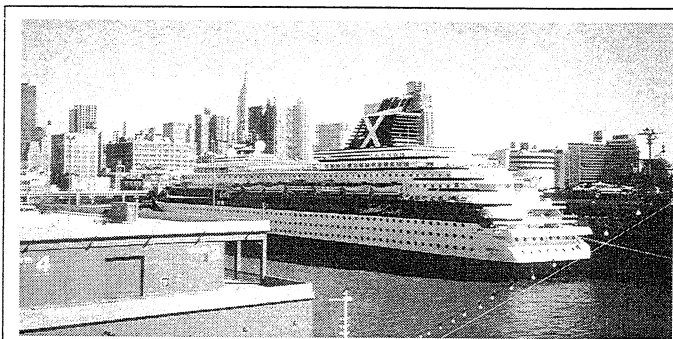
The Guy's Karioki Team (left to right) **Bruce Reynolds, Brandon Stanley, Phil Essex, Jim Carpenter, Glenn Lee, Dwayne Teeter, Rick Vaughan, Joseph Hang**



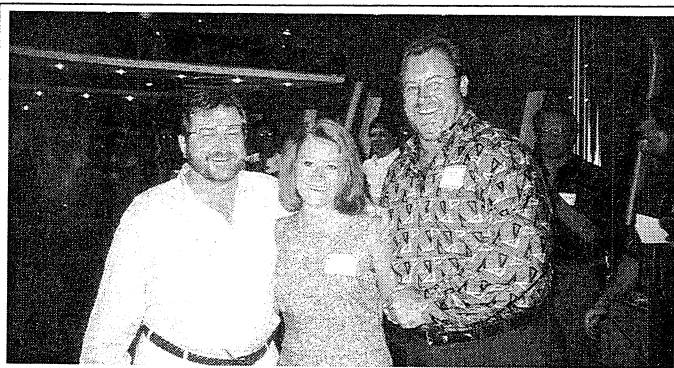
The Girls Karioki Team (left to right) **Elisabeth Teeter, Maxey Miller, Jeannie Golden, Diane Miller, Lanette Carpenter, Lil' Laurie Lowery, Nancy Richards, Cindy Vaughan**



The Top Business Managers (alas without heavy hitter **Cathy Jackson** left to right) **Ron Burnett, Jr., Jack Smith, Jim Rea**



The Dreamward



The Best (left to right) **Robby Golden, Christi Lancaster and Chuck Carney, Jr.**



Top Salespeople (not pictured: James Karrh) **Daryl Wilkinson, Rick Vaughan, David Dalley, Fred MacDonald, Christi Lancaster, Phil Essex, Ed Sampson, Carrie Shipp, Gina Reece, Melvisn Moreau, Dan Conley, Cliff Archer**



Seas got more than a little rough on the last day of the cruise. In this picture, an unidentified Company pro stays in bed while the ship tosses and turns. Yack!



The Big Pay Off! Jackie and Doris Holland with their big pay off from the slot machine! Congrats!

Presidents Club Cruise

Produced and directed by Cecil B.

Several company members
seen Limbo dancing
in the Bermuda Triangle...



