

The President's Club Monthly

THE MONTHLY NEWSLETTER FOR THE AMERICAN HOMESTAR CORPORATION

Talk about Getting Good Press.... American Homestar makes Forbes List of Top 200 Small Companies, other Articles Praise Company

All News is Good News...

American Homestar Corporation continues to draw high praise from the press. In the November issue of Forbes magazine, it was chosen to the list of "200 Best Small Companies in America." Citing it's excellent rate of increased revenues and strong stock performance, our company placed a very respectable 90th on the list, a position it hopes to improve upon in the future.

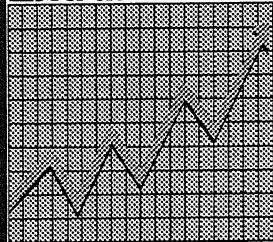
Respected market analysts George K. Baum &

Company recently released an updated review of our company. Issuing a "Buy" recommendation for the stock, they listed increased manufacturing capacity, an expanding retail distribution network and our new finance company as reasons for continued strong performance and high growth. According to the report, Baum sees our stock price reaching "a minimum of \$25" in the next twelve months with earnings continuing to grow at an annual rate of 20% into the foreseeable future.

The entire manufactured housing industry received favorable reviews in the Houston

Chronicle's recent article, "Wheeling and Dealing." Appearing on the front page of the Sunday business section, the piece detailed the industry's rebound from the depression of the mid-eighties and Texas' resurgence as the number one manufactured home producing state in the country. Though many companies were mentioned, American Homestar took center stage in the piece with three prominent pictures of our Burleson plant and a quote from Chief Financial Officer, **Craig Reynolds**. As can be expected, all of this good press hasn't hurt the recent performance of our stock (see article at left).

Extra! Extra!



Stock Continues to Gain Ground!

Propelled by the recent Forbes article and other good press, the company's stock has climbed to an all-time high price of \$20 per share on November 27th on heavy trading volume. This represents an increase of 150% over its offering price of \$8 per share in July of 1994. The Houston Chronicle placed American Homestar sixth on its list of top performing Houston-based companies based on stock performance for calendar year 1995. Roll, Homestar, Roll!

Manufacturing Gains Respected Leader with Addition of Rick Brugge

Rick Brugge, formerly of Redman Homes, has joined the management team of American Homestar's Manufacturing Division as Executive Vice President and Chief Operating Officer. Rick left his post as Vice President of Redman Homes' Southwest Division. He had been with Redman for 25 years and had served as a Divisional Vice President

with multi-plant operating responsibility since 1976.

"The expansion of our senior management team paves the way for continued implementation of the Company's strategy of *High Growth/Strong Performance*. We are fortunate to have someone with Rick's background, knowledge of our primary market area, and familiarity with our operations come on (continued next page)

Inside

<i>Newsletter Contest</i>	2
<i>Lil' Laurie Lowery</i>	3
<i>WHO'S HOT</i>	4
<i>Lanette Carpenter</i>	5
<i>Ask Tim White</i>	6
<i>Guerilla Marketing</i>	11

President's Club Monthly

Rick Brugge

...continued

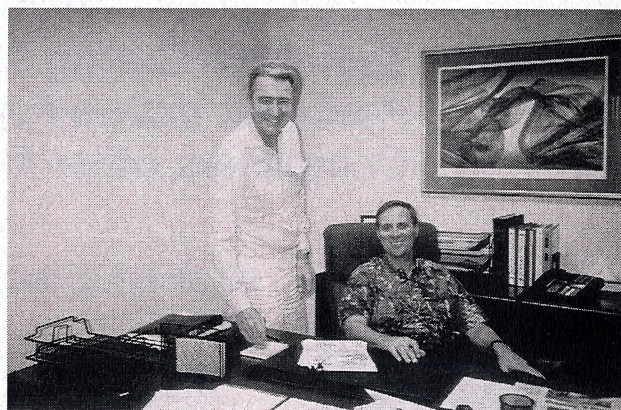
COMPANY BIRTHDAYS, December of 1995

Cynthia Herbst, 1st
Bridget Halliburton, 1st
Tracy Moore, 2nd
John Estes, 3rd
John Sunny, 6th
Orusilla West, 7th
William Higby, Jr. 7th
Charla Ferguson, 8th
David Cochran, 8th
Connie Prather, 9th
VinceAnn Taylor, 9th
Jimmie Hope, 10th
Nancy Hancock, 10th
Janice Higginbotham, 10th
Chuck Carney, Sr., 12th
Marc Beauchamp, 13th
Charles England, 13th
Jennifer Mosley, 13th
Michael Hendrick, 13th
Bruce Reynolds, 14th
Lanette Carpenter, 15th
Jason Brady, 15th
Donal Wright, 17th
William Fortney, 18th
Mary Morton, 19th
Betty Holthus, 21st
Gary Wills, 22nd
Holly Faulkner, 24th
Dayna Shetler, 26th
George Johnson, 27th
Janet Tullos, 28th
Tom Bradford, 30th
Susan Ketchum, 30th
Don Simson, 31st

board as we grow our company and further implement vertical integration," according to **Lad Dawson**, President and Co-CEO.

Rick and wife Kathy live in Arlington (only minutes from the Manufacturing Division's corporate offices) and have 4 children, ages 12, 14, 26 and 27.

When asked for his thoughts about joining the company, Rick replied, "I'm thrilled to be a part of the American Homestar Team and I look forward to working with each of you as we go forward to grow our Company and expand it's success."



New Manufacturing Chief Operating Officer, Rick Brugge (seated) is joined by Vice President of Marketing, Dave Whitson, in Rick's new office at Company headquarters in Arlington.

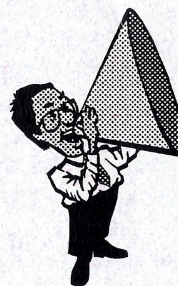
McKinney Takes on Waco *Location Number Forty*

Famous **Ray McKinney**, President of Nationwide of Fort Worth, Inc., is expanding aggressively to the South, with the opening of a new MEGA-Center in Waco, Texas. The 10 acre site is located at the corner of I-35 and Robinson between two competitors.

"This will be the only location in Waco to have any highway access," said Ray, "you have to drive a mile of feeder to reach either of the other two guys. This is a great spot." Most of the homes the sales center will stock will be company products. Ray is developing this dealership from raw land and will house his 8-10 salespeople in a new Burleson 28x80 office unit. Waco represents Ray's sixth dealership.

Bill Hicks, formerly a salesman in Granbury and a Sales Manager in Burleson, will be the new General Manager and he will be joined by his wife, **Wanda**, who will assume the Office Manager's role. **Cliff Kubicek**, also formerly of Burleson, will be the Business Manager. Good luck, everyone!

#40



Announcing the First and Last ever....

Name this NEWSLETTER Contest

Well, folks, all good things must change, and for that matter, so must this newsletter. The President's Club Monthly will soon be replaced with a new and improved newsletter which will feature new articles, improved graphics and fewer words. However, we can't start work on this new periodical without a new name. Understandably, it will be hard to top a title as interesting and provocative as its current one but with an incentive of

\$200 Prize Money

and a FREE newsletter subscription

we may be able to do a little better. Put on your thinking caps now and submit your ideas to **John Smith** at (512)320-9035. Entries must be received by December 31st. Look for the new and improved newsletter by February or March of 1996. The following suggestions have already been received and rejected, so please don't send them:

The President's Club Weekly, OakCreekLeaf, The Pravda, The American Homestar Corporation Monthly Newsletter, The Monthly Newsletter of the American Homestar Corporation, The Newsletter that's printed on a Monthly Basis By and For the Employees of the American Homestar Corporation and their Immediate Families, TrailerTalk, The Advocate

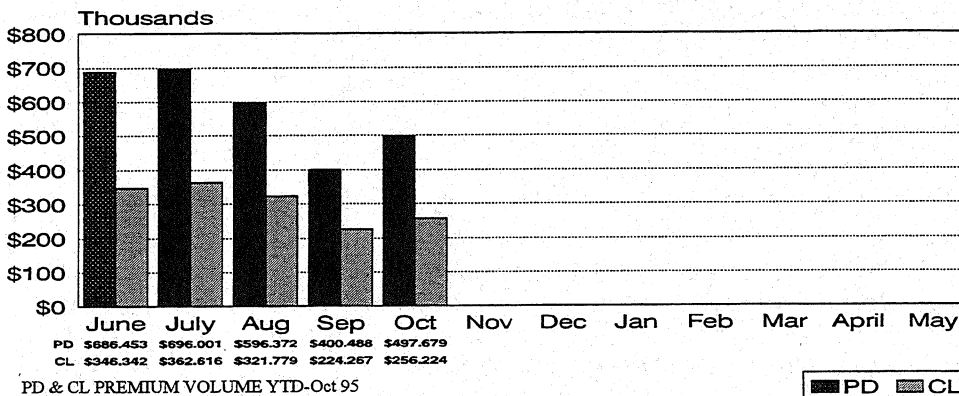
President's Club Monthly

Laurie Lowery

BEAUCHAMP TAKES OVER

October proved to be the perfect opportunity for **Marc Beauchamp of Nationwide Cleveland** to take a lead over **Jim Rea, Instant Living Spring**, in the big "Race for the Gold". **Mr. Beauchamp** pulled out all the stops with 96% PD penetration, 100% CL penetration and 73% ES penetration. He also managed to bump 8 deals and finish the month in record time for 8 fast start points! Nice job Marc, but look out... from what we hear, November is shaping up very well in Spring. **Jim Carpenter, of Nationwide and AHO-**

Burleson, seems to have hit his stride. In October, Jim managed to maintain very high penetration and premium volume on all three products (33K in CL), earning him 49 PC Club pts for the month. Other accolades should be extended to **Key-Athens** for an outstanding month. **Janet Hawes**, the Office Manager come Business Manager, has done a great job! Hats off to **Jim Mixon of NW-Rosenburg**, who closed 17K in credit life premiums. Also, **Bryan Grace of IL-Albuquerque** hit a home run with 24K in CL\$.



THE "NEW" PENETRATION

For those of you who have never heard me preach "penetration", it is the measure by which we judge our effectiveness in selling insurance products, i.e. the division of sales by opportunities. For the third time since I have been with the company, we are changing the criteria we use to calculate penetration to evolve with changes in our business. With the introduction of the "10% cap" in September, the criteria for 100% penetration changed to include: (1) any deal in which the total insurance premiums were approximately equal to 10% of the selling price of the home. This can include one or all of the insurance products. For example, if the customer can only budget for 1yr PD and full term CL, then the deal has 100% PD penetration and 100% CL penetration. If the premiums do not come close to 10% of the sales price, we will assume that there was an opportunity to finance 2 yrs PD, CL and Extended Service. Any term in excess of 2 yrs on

physical damage will just boost the penetration numbers slightly.

FOR YOUR INFORMATION...

Extended service should be included on every deal. It provides an inexpensive means for the customer to maintain their home, reduces service calls and costs to our dealerships and generates bottom line profit for our company. It is also an excellent advertising and closing tool. Give it a try!

Verifying Insurance Coverage: It seems that many of our customers are receiving letters from their lienholder's tracking company (typically Foremost) to alert them that they will be force-placing insurance because they have not received a copy of their policy. Typically, the policy has gone out but we do ask that you call us to verify that we received the application and their is a policy number. If you call with the customer's loan number we will be happy to call the lienholder and verify the insurance information over the phone.



NEW AMERICAN MODERN RATE CHARTS

December 1st, new American Modern rates went into effect, kicking off a week long celebration resembling Mardi Gras! Not really. But, we are very excited about some of the changes that were made to our beloved books. The new and improved ARG rate books now have fewer pages with no confusing "By-line" section. Even better, the Mobilowners Package, Senior Elite and Multi-Sectional programs have all been combined into one manual. And, they have all the necessary endorsements already included. Easy! The only tricky part is that the mobilowners and senior programs are in the front of the book by territory and the multi-sectional program is in the back. On the down side, there are some significant rate and territory changes that have been made. If you are confused at all, please call us. And, be sure to get rid of all those old charts and maps!

RACE FOR GOLD Bus Mgr PC Club YTD

Multi-Store
Cathy Jackson 233 pts
Bruce Reynolds 208 pts
Jim Carpenter 154 pts

Single Store
Marc Beauchamp 248 pts
Jim Rea 242 pts
Mitch Brown 124 pts

WHO'S HOT

Quarterly
Contest
Standings

- 1) George Nixon
87.4 Instant Gulf
- 2) Vance Vogelheim
86.4 Seguin
- 3) Dave Crocker
78.5 Longview
- 4) Bill Yokum
73.8 Midland
- 5) Susan Lewis
69.9 Denton
- 6) Daryl Wilkinson
68.8 Greenville
- 7) Billy Hopkins
67.0 Instant Gulf
- 8) Dave Cuellar
65.2 Instant Alb.
- 9) William Straub
60.8 Burleson
- 10) Richard Loftin
57.9 Cleveland
- 11) M'lissa Manning
56.6 N/W Tyler
- 12) Trey Webb
56.3 Cedar Park
- 13) Daniel Rhea
54.5 Key Athens
- 14) Lori Lawson
53.6 Seguin
- 15) Larry Key
52.5 Instant Granbury

Vance Vogelheim
Nationwide Seguin

Victorious Vance Vogelheim, one of the Dream Team in Seguin's top stars, took it to the competition in October, selling nine homes for 48k in Payable Gross. Get down on your bad self!

Barry Park
Nationwide Granbury

Barry is taking matters into his own hands in Granbury. The new manager put seven of his own deals on the board in October. Looks like we'll be seeing this super-pro on the year end trip AGAIN!

Daniel Rhea
Key Athens

It looks like Jim Rudolph's got another big grosser on his hands! Big Daniel Rhea came on strong in October, selling five homes for 35k in payable gross. Yeah!

George Nixon
Instant Gulf

You'd expect someone named George Bush Nixon to get a lot of President's Club Points, wouldn't you? Not to let down his constituents, George took down five new homes for 53.5 PCP's in October! Hail to the Chief!

Bill Yokum
Nationwide Midland

Folks, this guy has been a star from the word "go." In October, he did what comes naturally... sell a lot of homes. His five deals and 36k in payable gross earned him 50.3 PCP's!

Daryl Wilkinson
Advantage Greenville

There is a new star rising in East Texas, and his name is Wilkinson! Daryl gave the company a clue of what he could do in October, selling four big new home deals for 27k in payable gross!

Christi Lancaster
Nationwide Denton

Christi Lancaster will always get her share of the business... she proves it month after month after month. In October, she took down six big deals for 28.6k in p.g. and 47.6 President's Club Points!

Dave Cuellar
Instant Albuquerque

You know you won't go long without seeing this guy's name in the newsletter! Big Dave lit up the scoreboards in October, to the tune of six big deals, 28k in p.g. and 45.9 President's Club Point! Well done, Dave!

Lori Anne Dawson
Nationwide Seguin

Chuck Cantu said this salesperson was a superstar waiting to happen.... well, wait no longer! Lori exploded in October, taking down four big deals for 42.3 President's Club Points. Hey, how about that amazing Seguin team!

Garland Gregory
Advantage Jacksonville

Yes, that Garland Gregory. The man is back, and he's already returned to his old form! In October, his four big new home deals earned him 34k in payable gross (not bad!) and 39.2 President's Club Points!

William Straub
Nationwide Burleson

William put together a heck of a month in October, selling four new homes for 21k in payable gross and 37.6 President's Club Points! We hope to see your name here more often, William!

John Estes
Nationwide Lufkin

The man is simply unstoppable. We at the newsletter are going to have to reserve some space for this man's results every month, because they are always great! In October... four deals, 20k in p.g. & 36 PCP's.

M'Lissa Manning
Nationwide Tyler

Speaking of Superstars needing their own regular space, reserve this "Queen of the East Texas Scene" her own column! In October, she sold six big homes for an impressive 34.1 President's Club Points. Way to go!

Larry Key
Instant Granbury

A new name from that exciting group at Granbury Instant Living, Larry showed everyone what he was made of in October. All in all, he took down four big new home deals for 32.4 President's Club Points. Nice work, Mr. Key!

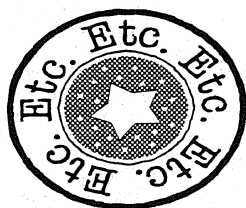
Tom Threadgill
Instant Albuquerque

Big Tom, longtime superstar from New Mexico, contributed largely to Instant Living Albuquerque's strong month in October. The results: four new home deals and 23.7 President's Club Points!

21st Century NEWS

A Message from Tim Williams at 21st Century: We look forward to meeting everyone on December 14, 1995, at the Lancaster Training facility. All Business Managers should plan to attend. The meeting will start at 10:00 am. We have some finance products to discuss and training agenda items, as well. We want this time to be as productive as possible, so bring any questions you have about programs or policies and let's have a great meeting together.

We looked at 255 applications this past month. 54% were approved and \$600,000 booked. What a great way to start a company!



New Digs for the Home Office in Houston: As many of you know, the folks in the retail headquarters in Houston are leaving their longtime crib on Nasa Road 1 for more accommodating offices in League City's South Shore Harbor. Because we couldn't do the place justice in print, look for a large picture section in next month's newsletter, detailing their new surroundings.

News Flash from Training and Development *New Company Story and Interview...*

Grayson Schwepfenger, our industry's guru of training and Lanette Carpenter, our Vice-President of Training and Development sequestered themselves for 3 days in order to develop the "New Story/Interview Book." This new book integrates the Company Story and the Interview process. There is a new revised interview sheet that perfectly matches the new book.

Lanette had this to say, "Our objective was to make the interview process as "user friendly" as possible. I feel we have accomplished this objective, thanks to the input of some very unselfish team players. I would like to espe-

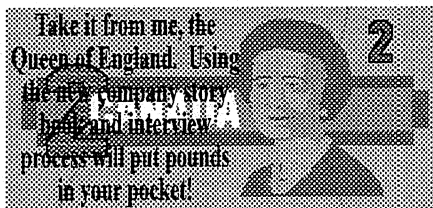
cially thank Dave Shetler, G.M. Nationwide of Mesquite, who role-played the interview at the Nov. 8th management meeting. Dave did an outstanding job. I would also like to thank Brian Shear, G.M. of Greenville and Mike Levin, Sales Manager in Mesquite, for their time and valuable input.

Ray McKinney, President of Nationwide, Ft. Worth, said "Dave's presentation was awesome.

This is going to be a great tool for our company. The whole process flows so smoothly by integrating the Story and the Interview."

The new Story/Interview inserts to go in your Story Book binders will be available no later than January 1st. You will receive the inserts, revised interview sheets and an instructional video. These will not automatically be shipped to your lot, they must be requested. Have your training

coordinator call Lanette's assistant Dayna Shetler at (214) 230-4874 to request the new



Story/Interview Package. Dayna will need to know how many sets of the Story Book inserts your location needs.

Secret #5 - Building and Retaining Your Credibility *Lanette Carpenter*

Did you know that salespeople are the backbone of a free market economy? Think about it, there are NO salespeople in a communist country, they don't need them. Where as, our economy is propelled by sales.

The point I am making is salespeople are crucial to our economy, and ANYTHING that is crucial to our economy has been researched by the finest Universities in our country. These researchers have come to consensus opinion: they discovered that salespeople are Persuasive Communicators. The definition of a Persuasive Communicator is: "A communicator whose objective is to influence the decision of others based on their criteria." They also discovered that in our society, credibility is the most critical component of a Persuasive Communicator. What this means is a salesperson MUST build and retain their credibility in order to make a sale.

Research has shown that the majority of Americans perceive Credibility to have five dimensions.

FIVE DIMENSIONS OF CREDIBILITY

Competence: You are knowledgeable about all aspects of your business. You are continually educating yourself.

Composure: You never get upset or play attack games. You wear a "Teflon Suit". When you feel yourself getting defensive, you know you are losing your composure.

Reliability: You always do what you say you will do. You are TRUSTWORTHY.

Likeability: You come across as a warm and empathetic individual. You show that you care by being a great listener.

Dynamism: You present a positive enthusiastic

President's Club Monthly

Lanette Carpenter

Continued...

personality to your customers. People are very attracted to "POSITIVE ENERGY".

The reason that Sales is a difficult profession is that ALL five Dimensions of Credibility must be showcased to the customer, in order for them to perceive the salesperson as credible.

You can NOT pick and choose the attributes you wish to display. Consistent Producers are Consistently Competent, Composed, Reliable, Likeable and Dynamic. As Tom Hopkins says, "Sales is the lowest paid easy job and highest paid hard job there is."

Seguin Team Rises to Top through Great Telemarketing

Those super sales pros from Seguin, seated on the left side of the table: General Manager **Chuck Cantu**, **Troy Williams**, **Vance Volgenheim**, and on the right side of table, **Jeff Owens**, and **Rudy T. Gonzales**. Don't mess with these guys, they are bad to the bone!!!



The amazing team in Seguin stays on top by maximizing their opportunities for sales. An effective tool for doing so is the ever-important telephone. "Our traffic is not very good but we capitalize on telemarketing to make our sales center #1 in the company," said General Manager **Chuck Cantu**, "We stick to the telemarketing book verbatim and even use the ads out of the book. It works great!" Hey, man, you can't argue with success!

ASK TIM

Tim White was the #1 Salesperson in the company in Fiscal Year 1995 and has agreed to share his wealth of knowledge with his fellow sales professionals.

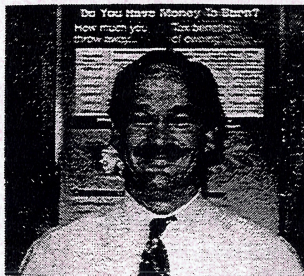
Dear Tim,

I have heard conflicting views about whether to pull a credit bureau on a customer BEFORE showing them a home. I would like to know how you handle this.

-Robert Stevenson, Salesperson
American Homestar Lancaster

Dear Robert,

I believe the reason some people are against pulling a bureau upfront is that it has been abused by weak salespeople. Some of our biggest competitors are the



biggest abusers.

Personally, I do pull bureaus upfront under certain circumstances. I find a credit report to be a very valuable tool.

During the interview I start gaining insight into the thinking process of my customer. I am always very careful to ask delicate credit questions, at the right time during the interview. I also do it in a way to let them know that if there is a problem I completely understand and I'm sure we will still be able to help them.

A customer's ability to buy is just as important to me as his willingness. As I have said before, I don't practice on losers.

I have found that the better quality customer is

**Instant
Granbury's
Tim
White**

often proud of his credit and when they tell you how good it is your reaction should be one of great respect.

The customer who has bad credit usually volunteers enough information that my red flag system automatically activates and I begin to delve much deeper. If I discover they have a repo or a bankruptcy, I immediately suggest we pull a bureau. My time is very valuable to me, and the company and I would not be benefiting anyone if I spent 3 or 4 hours with customers who do not have the ability to buy.

I want to warn you against getting down on a customer that has credit problems. As a company, we do an excellent job of getting these people financed. Don't ever make the decision that the customer is not makeable on your own. Always have your G.M., Sales Manager or Business Manager look at the bureau and talk to the customer before you send them down the street.

President's Club Monthly

Oak Creek Holiday Shut Down

The Holidays are fast approaching and as a reminder, Oak Creek homes will be shutdown for the following business days:

Christmas & New Years

December 25
December 26
December 27
December 28
December 29
January 1st
January 2nd

Open for Business
Wednesday
January 3, 1996

Merry Christmas and Happy New Year!

The Whispering Oaks Says:

If you think you can!
OR
If you think you can't!

YOU'RE RIGHT!!

Under the Oaks *Charlie Boyer*

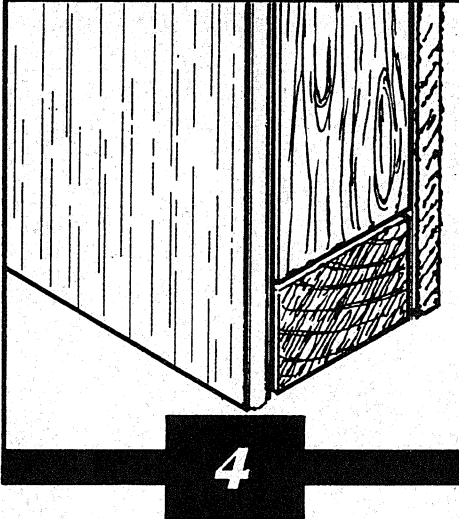
Known to millions of TV viewers around the world as "the man who shot J.R. Ewing", Charlie Boyer is now Sales Manager of Oak Creek Homes in Fort Worth.

Red Switch Alert! Red Switch Alert!

Guess what is red and white, is about 2"x4" and quietly goes "click, click???" No, it's not a RedWhiteClickClick!! This is the wall mounted Electric Water Heater Power Shutoff Switch which is standard in all homes with an Electric Water Heater and is usually found in the utility room! It seems that from discussions with our Service Department, very few of you and especially your customers know what this is for or how to use it.

The red water heater wall switch is an energy conserving device installed by Oak Creek to reduce your customers Electric Bills when they leave their home on vacations or when the Water Heater won't be in use for long periods of time. Water Heaters will continuously re-heat water in the storage tank until used by the occupants, thus, costing the homeowner extra dollars in utility bills.

Please use this as a sales advantage by advising your customers prior to their move in. We have made several service calls on customers who claim their water heater is not working, only to find out that the red hot water heater switch has been turned off!



Reasons You Live Better in an Oak Creek Home

Solid Wall Construction: Oak Creek builds a solid exterior wall exactly like site built homes with full 2x4 exterior studs (or optional 2x6) made from high quality lumber. Interior walls and wall plates are made of 2x3 and 2x4 members rather than 1x2 or 1x3 lumber used in many manufactured homes. To provide maximum structural integrity and sound deadening qualities, all interior and exterior wall panels are mechanically fastened and fully glued. Framing members are solidly secured together with nails and screws. Our goal is strong, solid durable construction, not "cheaper" construction.

Oak Creek Production is Up!!!

I am pleased to announce that we have increased our production to a full 8 floors per day or 40 floors per week to assist your delivery of Retail Sold Homes on a timely basis. Effective January 3, 1995, our goal is to elevate production to a new Oak Creek High of 9 floors per day or 45 floors per week!! With this rate you can be assured to quick turn around of those precious sold orders! It's really scary to see the production at our current rate and have our plant workers head for home before normal quitting time. Looks like that \$3 Million expansion has finally started to pay dividends!

Happy Holidays!

In case we don't have the chance to tell you how we feel in the next newsletter, I would like to wish everyone a Happy Thanks-

giving, a Merry Christmas and a Very Happy New Year!!! Your increased sales of Oak Creek Products have provided us with the great satisfaction of accomplishment for the past year and gives us an optimistic eye toward the new 1996 selling season! "Thank You" to each and every one of you from every one of us at Oak Creek Homes!!!

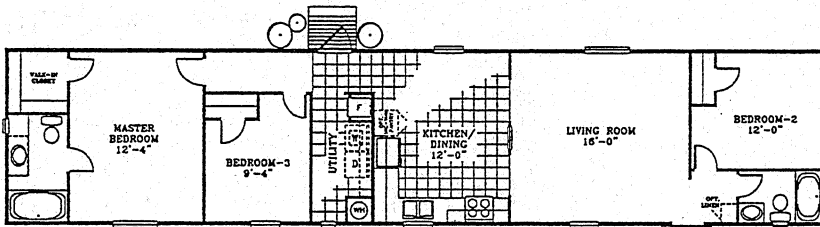
29 Reasons...

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 in our famous "29 Reasons" brochure. Each sales center has this brochure to use as a sales training tool and point of purchase sales brochure.

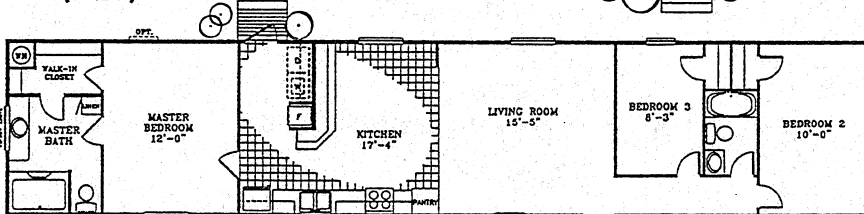
Good luck and Good Selling!

Product Expansion

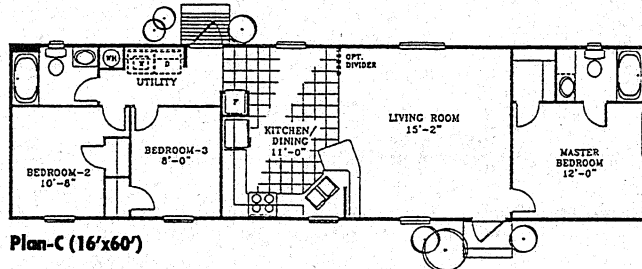
"Step Aside Competition!"



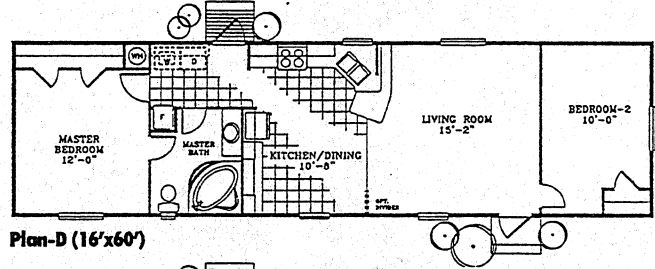
Plan-A (16'x76')



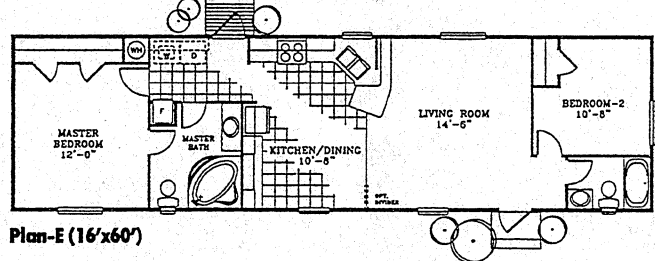
Plan-B (16'x80')



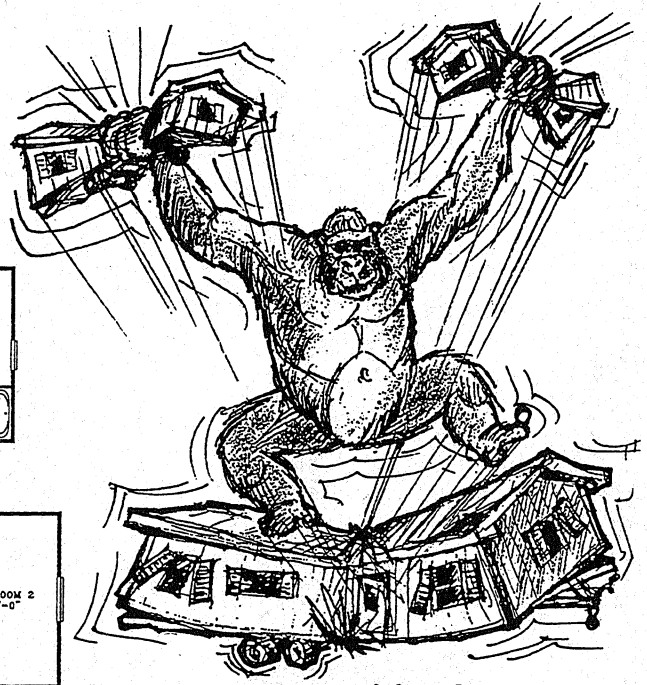
Plan-C (16'x60')



Plan-D (16'x60')



Plan-E (16'x60')



"We're Driving The Competition Bananas's."

All New SPECIAL EDITION SERIES

American Homestar is "DRIVING THE COMPETITION BANANA'S". We are proud to unveil the new "Special Edition" series, as well as a new 16' x 80' in the NorthStar line, available to all company locations. These new models are getting ready to be proto-typed and will be available in the next 30 days. We plan to introduce them in this order:

- A. Model HS640 16x76
- B. Model HS637 16x80
- C. Model HS600 16x60
- D. 16x60 2 bed., 1 bath
- E. 16x60 2 bed., 2 bath

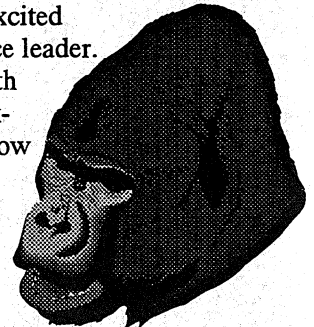
This new series will have many of the same quality standard features that you have grown accustomed to from Lancaster, but at a price point second to none. This product line will attack the low-end market that we need to penetrate.

Along with the "Special Edition" floor plans, American Homestar of Lancaster will introduce a new 28' x 48' doublewide that all of you have asked for. You can expect to have the same tremendous success with this new model as you have had with our 556, 560 and 565 models. Remember, when you sell a model from another manufacturer replace it with one of Lancaster's new floor plans.

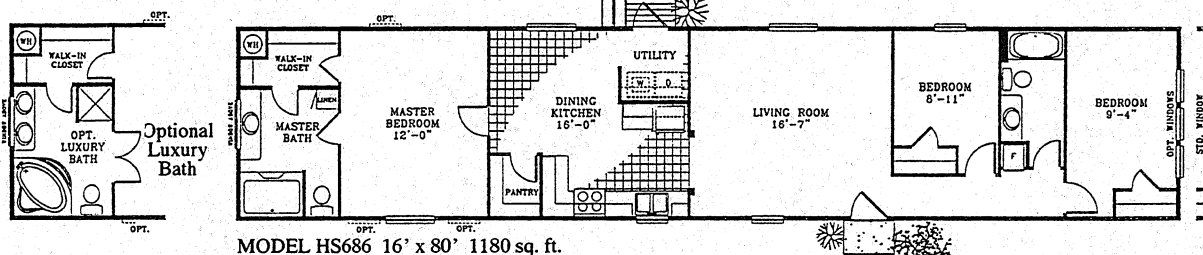
AMERICAN
HOMESTAR
of LANCASTER, Inc.

Guerilla Marketing!

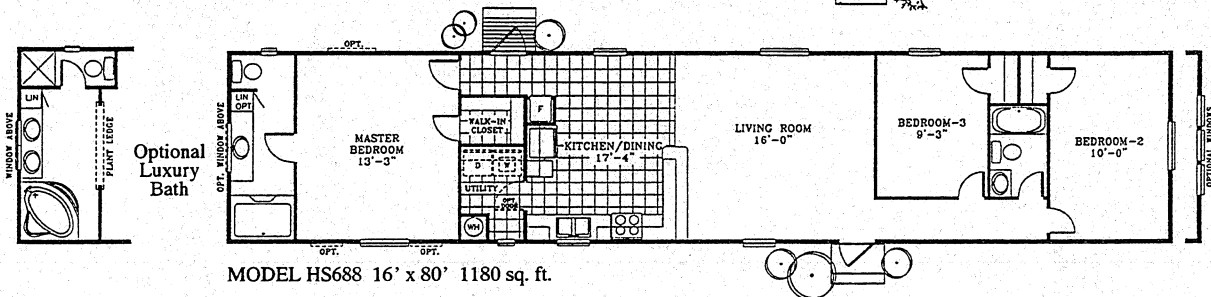
The HS686 is the newest model in the "Guerilla Marketing" Galaxy line. We are very excited about this new and very different looking floor plan. We have made this home into a quality price leader. The selling features to this floor plan are the master bedroom, kitchen, living room and full length front bedroom with an available three-cathedral window option. The master bedroom has a walk-through closet (similar to the "Hot Wheels" 694), a three door linen closet, and a pentagon window above the lavy. The master bedroom is also available with the Luxury Bath option. The kitchen has a divider wall that divides out the living room to make it into a formal kitchen and living room set-up. The kitchen also has a formal pantry with a pantry door. Stemming off the kitchen is a formal dining room. This model also has the utility room located next to the back door, making it convenient as possible for the dirty laundry.



The HS688 is taking off just as expected. We have received many customer orders for this floor plan. *Remember, this is the floor plan that is penetrating the Fleetwood market.*



MODEL HS686 16' x 80' 1180 sq. ft.



MODEL HS688 16' x 80' 1180 sq. ft.

Astronomical Turn Rates on Homestar Lancaster's Doublewides

We have just turned in a Dealer Activity Report that is showing both of our doublewides, the HS560 and HS556, have a **50% Turn Rate**. Can you imagine adding a 28x48 to the mix? COMING SOON!!!

Production Levels are Up! Quality Levels are Up!

What more can you ask for? We give you the floor plans. We give you the price leaders. Quality level is up. Now, we are giving you the numbers to give you an opportunity to make a great month, quarter, and year. American Homestar of Lancaster is proud to announce a nine floor a day production level.

We are now at a 180 to 200 floors a month level and at the same time quality has never been better!! We are now able to give you quicker delivery dates and respond to customer needs faster than ever.

White Vinyl Siding is The Happening Thing in Lancaster

We are building four to five homes a week with the new white vinyl siding and are receiving great reviews on the quality of the vinyl. Part of the great reviews are because of the shutter treatment that goes with the white vinyl siding. The customer is allowed to choose any one of the nine colors of the Sherwin Williams paint selections to match up the shutters to the white vinyl. Our vinyl is made by Master Shield and comes with a lifetime

Warrantee with a registered 50 year transferable feature. The Master Shield quality vinyl also comes in white.

New Residential Switches

As you might have noticed we have changed our switches to the more common residential switches that you would find in a site-built house. The new switches that we have gone to are made by Leviton Electronics. We have discovered that the new switches are more user friendly when it comes to customer service. These switches can be worked on with common tools. The old switches required special tools that usually only an electrician would have. The new switch is also backed with an electrical box making it difficult for the switch to be pulled out of the wall or shaken loose during transit.

AMERICAN
HOMESTAR
of LANCASTER, Inc.

TIPS FOR INCREASING SALES THROUGH BETTER MERCHAN- DISING

by Nancy Cantu
Interior Designer for
American Homestar

Proper merchandising can be a powerful tool that can help turn your location from a sales lot to a "Model Home Center," a place where they can actually visualize themselves in one of your houses. Keep in mind these ideas when merchandising your location....

- 1) Arrange furnishings with function, comfort and convenience in mind. Also, make sure that major traffic patterns through the home are not obstructed.
- 2) Utilize shelf units or built-ins for TV, VCR, CD and stereos with imitation equipment.
- 3) Transform the master bedroom into a quiet, spacious retreat with bedroom furnishings with coordinating bedspread, pillow shams, lamps, night tables or skirt tables, comfortable chair and reading lamp, or perhaps a desk and chair.
- 4) Consider featuring a secondary bedroom as a nursery, child's room, or teenager's bedroom.
- 5) Consider featuring a third bedroom as an exercise or hobby room.
- 6) Do not over accessorize with knick-knacks and small trinkets - too much clutter detracts from focus on the home's features.

*Continued from August's
Newsletter*

BURLESON **STAR** NOTES

by Glenn Meier

No Rest for the Weary

The Burleson plant will be closed for Christmas on December 25 & 26 only. We know how important it is for you to keep your homes coming, so we will have full production December 27-29. Our crew will take January 1, 1996 off and will return on January 2, 1996.

Our Best to You

All of us at American Homestar Burleson sincerely appreciate your support and cooperation in 1995, and eagerly look forward to a challenging and exciting 1996. We wish all of you a very happy holiday season.

Get 'em While They're Hot

The new Morningstars are rolling off the line and are being met with rave reviews. These new vinyl sheetrock homes are just what the doctor ordered to help you increase sales.

The two floorplans 28x60 and 28x56 hit the bulk of the market in their price range. A long list of standard features and options make these homes easy to sell. As an added bonus, the model 544 is now available with full walk-in wardrobes in each bedroom. At AHS Burleson, we give the customer what they want... quality and appeal at a very reasonable price.

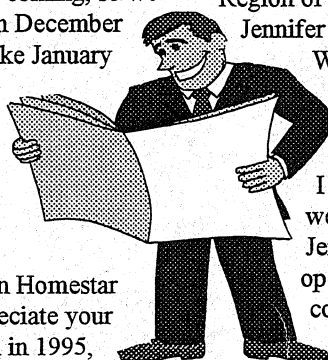
*Extra, Extra! Read all
About It!*

by Mark Barnett

For all the sales centers in Texas, Louisiana, Arkansas, Oklahoma, Kansas and Missouri, there is a new voice from our service department. The sweet voice you hear is that of **Jennifer Brothers**. Jennifer moved here from Albuquerque in August and has been the Service Coordinator for the Western Region of American Homestar.

Jennifer previously worked for the Western Service Center in Albuquerque and at Instant Living in Albuquerque. While talking with Jennifer, I asked her what her goals were for this new region. Jennifer replied, "My goal is to open the channels of communication between the customer, the factory, and the dealer. Also to

decrease the amount of orders in our backlog." She went on to say that her ultimate objective would be to have all service orders two to three weeks out. We here at American homestar are looking forward to seeing the results that we know she can bring to this department. Just remember, although she is good, this does not mean that she is superwoman. From all of us at American Homestar, good luck Jennifer!



About this Newsletter

Editor: Dwayne Teeter
Regular Contributors:

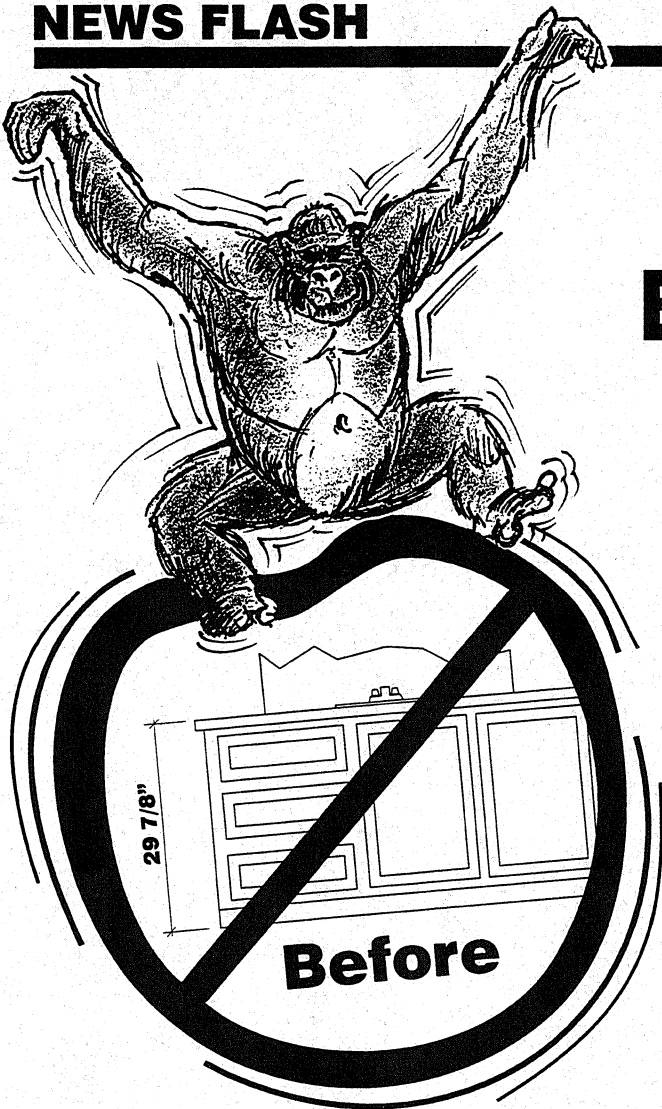
Lanette Carpenter, Laurie Lowery, Ronnie Richards
Charlie Boyer, Brian Shaw
and Glenn Meier

Direct suggestions, ideas and insults to the editor at (512)320-9035

GUERILLAS GAIN EDGE BY RAISING BATH COUNTERTOPS

One of the benefits of vertical integration (manufacturing, selling, financing, and servicing our product) is that we can more quickly respond to feedback received from customers, and therefore better meet the needs of the market.

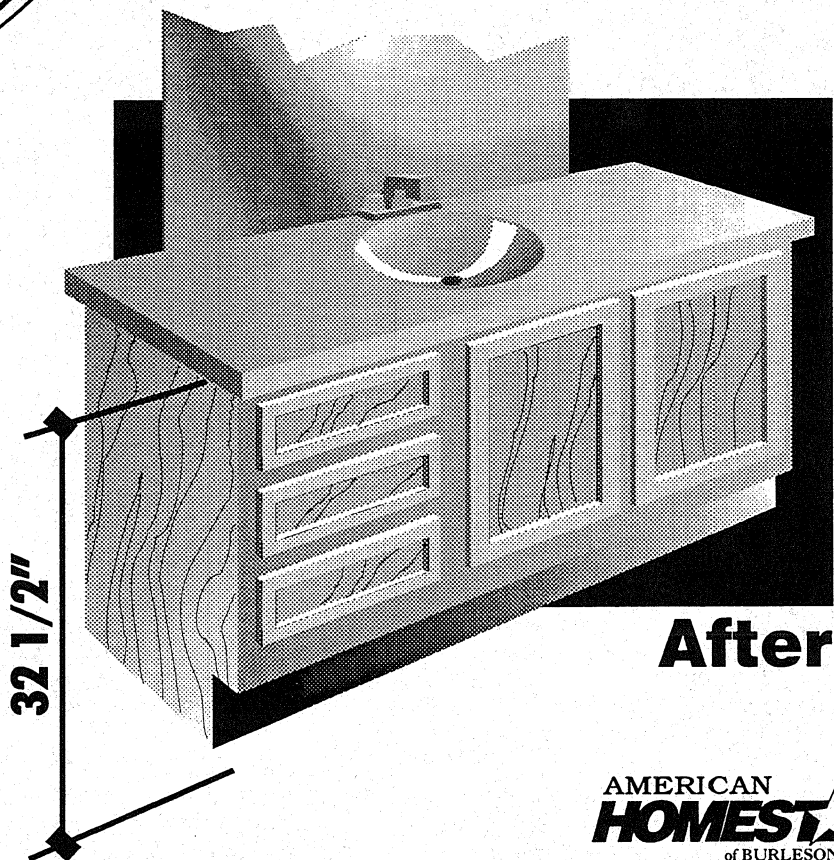
This is all part of our "Guerilla Marketing" which says the customer, not the salesperson or the factory makes the major decisions about what gets sold and how it's built.



At the most recent Basic Sales #101 class held in Lancaster several of the sales people made the suggestion that the bathroom countertops needed to be raised in the homes built in the Burleson plant. Like good vertically integrated Guerilla Marketers we have honed-in on this suggestion with our laser sights and.....

KAPOW-W-W

....we are raising countertops approximately 3 inches in all American Homestar products built in the Burleson plant.



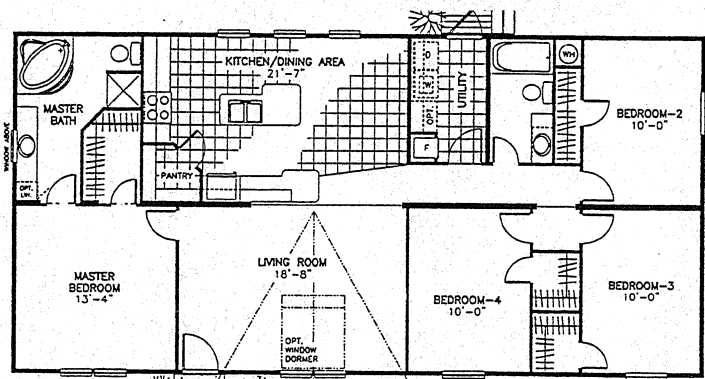
AMERICAN
HOMESTAR
of BURLESON, Inc.

MORNINGSTAR GUERRILLA MARKETING!

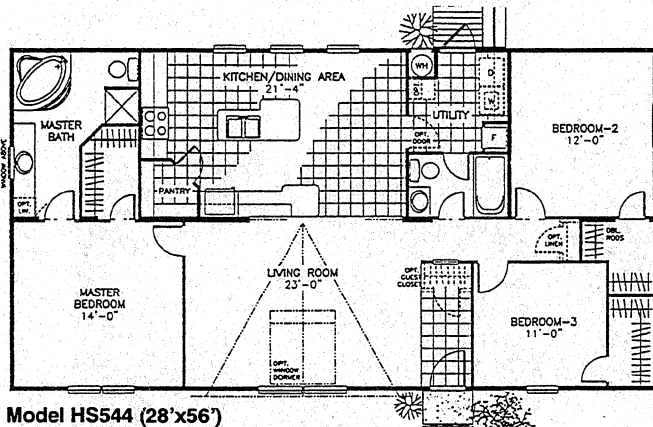
BURLESON'S ALL NEW VINYL INTERIOR WALLBOARD HOMES.



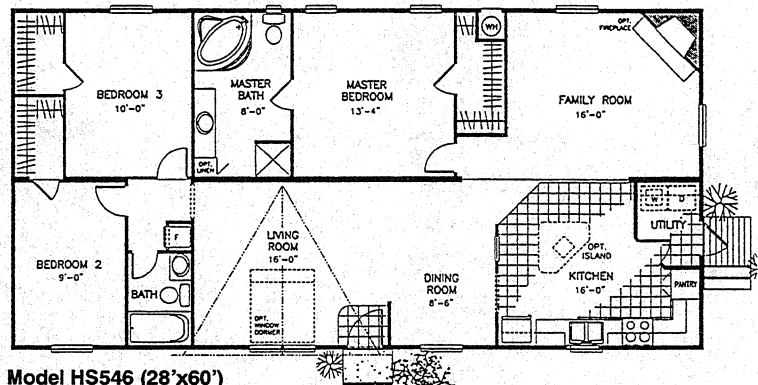
"We're Driving The Competition Bananas."



Model HS548 (28'x60')



Model HS544 (28'x56')



Model HS546 (28'x60')

**Targeted
For The
Most
Popular
Price Range.**



AMERICAN
HOMESTAR
of BURLESON, Inc.