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\$11 Million Raised in The American Home Real Estate Partnership

We ended up raising close to \$11 million in The American Home Real Estate Partnership, which closed on December 31. With this latest partnership, we now own almost 300 homes for the three partnerships we have launched. This represents \$24 million of single-family homes.

An 8% Annualized Dividend Starting in July, Cure for 0% Interest Rates

Our average acquisition cost per home is an astounding \$29 a square foot. Our average gross yield is over 16% (Gross rent divided by purchase price plus repairs and closing costs). And our average repair per home is around \$12,000. Once we take out expected expenses and create a reserve for maintenance and vacancy, we feel comfortable being able to deliver an 8% annual dividend starting in July. This yield is achieved without the use of leverage. We are really excited to start paying investors quarterly distributions from the result of our hard work.

The American Home Real Estate Partnership II launches on February 13th

The incredible opportunity in single-family homes continues. Prices are still low and rental demand high. For this reason, next week we are launching our next single-family home fund with a goal of raising more than \$25 million. We have proven out our team (now 20 employees strong), our model, and our process. We have the ability to judiciously and profitably buy homes in scale. We feel that the current opportunity to buy single-family homes in foreclosure is the opportunity of a lifetime, especially on a risk-reward basis. This rental fund will close on May 31st.

Buy, Fix and Sell Fund to Launch in March

The American Home Real Estate Partnership in addition to buying rental homes also has been experimenting with homes to buy, fix and sell. We have some really positive news to add on this front. Two of our homes that we have rehabilitated for sale are under contract. We averaged six months time between the acquisition of the two homes and the sales later this month. We will net 12%, or \$24,700 from one home sale and 15% from the other or \$19,700. On an annualized basis these two sales provide us with an average 25% return, and provide us with over \$44,000 in net

profit. And we have five more homes we are working on that should provide us even better returns.

As we have mentioned in a prior update, we have been working on launching a buy, fix and sell fund to take advantage of the incredible inefficiencies in the single-family home market. We delayed our launch of this fund as we worked on the mechanics of how this fund would operate and we wanted to get it right. Further we wanted tangible proof that this could be done and deliver excellent returns.

I'm pleased to report that this fund will launch in March and will target 15% annual unlevered returns. And it will also offer investors the choice to withdraw their money after a one-year lock-up. This should appeal to investors who have liquidity constraints and can't invest in the rental funds.

Introducing Simon Frost, the new CFO of The American Home

The American Home Real Estate Company has been on a growth spurt in the last six months. Our needs as an organization are becoming more complex as the company expands. We now have 20 employees, and that number is growing.

I am pleased to announce that Simon Frost is joining the company as CFO. Mr. Frost will be responsible for financial strategy, financial reporting, tax planning, cash management, and company performance evaluation. He has over 15 years of experience in public accounting firms and in private companies, as Controller, Finance Director, Treasurer and CFO.

Prior to joining The American Home, Mr. Frost was the Treasurer of Route 66 Ventures, the successor firm to Goal Financial - a \$9B student loan company. Mr. Frost joined Route 66 in 2008 and helped to grow the balance sheet by over \$700 million in four years. He was instrumental in the formation of an Employee Stock Ownership Plan that resulted in projected income tax savings of over \$600 million. He devised the capitalization strategy for the formation of an offshore bank holding company that resulted in an increase of \$240 million in net equity and tier 1 capital. Mr. Frost led the acquisition of \$23 million of commercial real estate as the commencement of an initiative to offset interest rate and inflation risk inherent in the student loan business.

Prior to his time at Route 66, Mr. Frost was the CFO of Taylor Development and Land Company, a commercial real estate development company that specialized in shopping centers and office buildings. Taylor is based out of Miami and Washington DC. Prior to graduate school in England, Mr. Frost worked for several years in PricewaterhouseCoopers audit practice and Smith & Williamson's London corporate tax practice.

Mr. Frost has a BS in Accounting, a BA in Economics and an MA in Economics from Cambridge University in England.

Simon brings a tremendous wealth of experience and talent to our organization and will be a key asset in helping us manage the growth of the company. We are very glad he is on board.

Summary

This is an exciting time to be investing in single-family homes. The opportunity to buy homes for half of construction cost will not last long and our goal is to try and buy as many good homes as we can while delivering excellent risk-adjusted returns to investors. Please let us know if you would like more information or would like to discuss the various opportunities on the phone. Also please note my new email address: aaron@theamericanhome.com.

Sincerely,

Aaron M. Edelheit

CEO

The American Real Estate Company