

Private Placement Memorandum

American High-Performance Homes, LLC (AHPH, LLC)

A Connecticut Limited Liability Company

Confidential Offering of Non-Voting Preferred Equity Units

Date: August 30, 2025

INVESTMENT OPPORTUNITY SUMMARY

21.4% Target ROI in 12-14 Months

For Accredited Investors Only

Investment Highlights:

- **\$25,000 Minimum Investment** (5 Units @ \$5,000 each)
- **21.4% Expected Return** on your investment in just 12-14 months
- **14% Preferred Return** plus 70% of profits above preferred return
- **Downside Protection:** Even in worst-case scenario, investors receive their full 14% preferred return

Example Investment: \$25,000

- **Expected Total Return: \$30,350 • Your Profit: \$5,350 in 12-14 months**
- **That's 21.4% ROI annualized**

Upside Potential: Best Case Scenario delivers 31.9% ROI

Important Notices & Legends

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UNREGISTERED SECURITIES: The securities offered herein have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. This offering is being made in reliance upon exemptions from registration under Section 506(c) of Regulation D under the Securities Act.

ACCREDITED INVESTORS ONLY: Securities are offered exclusively to "accredited investors" as defined in Rule 501(a) of Regulation D. Independent verification of accredited investor status is required prior to acceptance of any subscription.

FORWARD-LOOKING STATEMENTS: This PPM contains forward-looking statements and projections that involve substantial risks and uncertainties. Actual results may differ materially from those projected. Past performance does not guarantee future results.

PROFESSIONAL ADVICE REQUIRED: This PPM does not constitute investment, legal, tax, or accounting advice. Prospective investors must consult with their own professional advisors before making any investment decision.

1. Executive Summary

Investment Overview

Issuer: American High-Performance Homes, LLC (AHPH, LLC), a Connecticut limited liability company

Managing Member: Glenn Callahan (via New England Home Builders, LLC)

Investment Thesis: Capitalize on the massive increase in U.S. electricity demand (25% by 2030) by developing certified high-performance, energy-efficient homes that provide measurable protection against rising energy costs in Connecticut's premier coastal markets.

The Energy Demand Crisis Creates Unprecedented Opportunity

The United States is experiencing an unprecedented surge in electricity demand that creates a compelling investment opportunity:

- **Data centers alone will drive 25% increase in U.S. electricity demand by 2030**
- **Artificial Intelligence requires 10x more energy per query than traditional search**
- **U.S. utilities must invest \$50 billion in new generation capacity just for data centers**
- **These costs will be passed to consumers through higher electricity rates**

Our Investment Thesis: While conventional homes become increasingly expensive to operate, AHPH's certified high-performance homes provide 45% better energy efficiency, creating increased demand and premium pricing for our properties.

Competitive Advantage

AHPH's differentiation lies in delivering certified high-performance homes that achieve:

- **HERS Index ≤ 55** (45% more efficient than Energy Star homes)
- **Air Tightness ≤ 2.5 ACH50** (50% better than code requirements)
- **10-year performance warranty** with third-party energy verification
- **Economic protection** against rising electricity costs

Financial Summary (Per Project)

Offering Terms	Amount
Unit Price	\$5,000 per Unit
Minimum Investment	\$25,000 (5 Units)
Additional Increments	\$5,000
Target Raise	\$912,400 (~182 Units)
Sponsor Investment	\$25,000
Total Project Capital	\$937,400

Investor Returns Structure

Preferred Return	14% simple annual return
Profit Participation	70% to Investors / 30% to Sponsor
Target Timeline	12-14 months
Target ROI	21.4%

Base Case Financial Projection

Revenue:	\$1,200,000 (sale price)
Total Development Cost:	\$939,400
Net Profit:	\$224,600
Investor Share (70%):	\$67,805
Total Investor Return:	\$1,107,941 (121% of investment)
Annualized ROI:	21.4%

Important Note: \$268,000 of project funds — including \$200,000 for land acquisition and \$68,000 of investor funds for design, development, and construction mobilization — will be deployed upon subscription closing to ensure rapid project commencement and pre-development progression.

2. Market Opportunity: The Energy Demand Revolution

Massive Electricity Demand Growth Ahead

The U.S. electricity system is undergoing its most dramatic transformation in decades, creating unprecedented opportunity for energy-efficient housing:

Government and Industry Data:

- Data centers consumed 4.4% of total U.S. electricity in 2023, expected to reach 6.7-12% by 2028
- Between 2024 and 2030, electricity demand for data centers expected to increase 400 terawatt-hours
- A single ChatGPT query requires 2.9 watt-hours vs. 0.3 for Google search
- Goldman Sachs forecasts data center power demand will grow 165% by 2030

The Drivers:

- **Artificial Intelligence Revolution:** AI adoption driving 30% annual growth in server electricity consumption
- **Data Center Explosion:** New capacity requirements equivalent to adding entire countries' worth of demand
- **Industrial Electrification:** Manufacturing and transportation sectors converting from fossil fuels
- **Electric Vehicle Adoption:** Additional grid load from widespread EV charging

Impact on Residential Energy Costs

This surge in electricity demand will drive up costs for all consumers:

- Residential electricity consumption projected to increase 14-22% by 2050
- Rising demand creates upward pressure on electricity rates
- Utility infrastructure investments (\$50+ billion) passed to consumers
- Grid reliability concerns during peak demand periods

The High-Performance Home Solution

While conventional homes become increasingly expensive to operate, AHPH homes provide:

- **45% lower energy consumption** than typical homes
 - **Measurable protection** against rising electricity rates
 - **Increased resale value** as efficiency becomes essential
 - **10-year performance guarantees** providing cost predictability
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3. Target Market Analysis

Geographic Focus: Mystic & Stonington Advantage

Primary Market: Mystic, Stonington, and North Stonington, Connecticut

Economic Fundamentals:

- Median household income: \$94,600 (Stonington) vs. \$81,350 (Connecticut average)
- Unemployment rate: 2.8% (well below state and national averages)
- Population growth: +4.2% over 5 years (driven by urban exodus)
- College education rate: 67.3% (highly educated buyer base)

Employment Base:

- Electric Boat/General Dynamics: 11,500 employees
- Pfizer Global R&D: 3,200 employees • Foxwoods Resort Casino: 8,500 employees
- Strong professional services and commuter population

Housing Market Fundamentals

New Construction Market (2023-2024):

- Total new home sales \$1M+: 47 transactions
- Average sale price: \$1,284,000
- Average time on market: 73 days
- Price appreciation: +12.8% over 2 years

Market Opportunity:

- Current active listings \$1M+: Only 23 homes (5.9 months supply)
- New construction premium: 15-18% over existing homes
- Energy-efficient premium: Additional 3-5%

Target Customer Profile

Primary Target: Energy-Conscious Professionals (40%)

- Demographics: Ages 35-55, income \$200K-\$500K, technology/finance backgrounds
- Motivations: Understand AI/data center energy demands, value measurable ROI
- Pain Points: Concerned about rising energy costs, want predictable expenses

Secondary Target: Local Move-Up Buyers (35%)

- Demographics: Ages 45-65, income \$150K-\$400K, Connecticut residents
- Motivations: Experienced rising energy costs, want new construction efficiency
- Pain Points: High current energy bills, concerned about future increases

Tertiary Target: Affluent Empty Nesters (25%)

- Demographics: Ages 55-70, net worth \$1-5M, downsizing
- Motivations: Fixed income concerns, want predictable expenses
- Pain Points: Energy price volatility, desire low-maintenance living

4. Detailed Investment Terms

Securities Structure

Entity Type: Connecticut manager-managed limited liability company

Securities Offered: Non-voting preferred membership units

Total Offering: \$912,400 (182.48 Units at \$5,000 per Unit)

Minimum Subscription: 5 Units (\$25,000)

Additional Investments: Increments of \$5,000

Capitalization Structure

Source	Amount	% of Total
Investor Capital	\$912,400	97.3%
Sponsor Capital	\$25,000	2.7%
Total Capital	\$937,400	100%

Distribution Waterfall

Priority 1 - Return of Capital: First, return of invested capital to all Members pro rata

Priority 2 - Preferred Return: 14% simple annual return to Investors only

- Calculated as: $(\text{Capital Contribution} \times 14\% \times \text{Days Held} \div 365)$
- Non-cumulative (does not accrue if not distributed)
- Prorated for partial year holding periods

Priority 3 - Residual Split: Remaining profits split 70% to Investors, 30% to Sponsor

Key Terms Summary

Payment Processing: Payment Processing: Funds transferred directly to American High-Performance Homes, LLC operating account upon subscription acceptance

Governance: Investors receive non-voting units; Manager retains operational control

Reporting: Monthly construction updates, quarterly financials, annual K-1s

Transfers: Restricted; Right of first refusal applies to permitted transfers

Tax Treatment: Partnership taxation with 704(b) capital account maintenance

5. Financial Projections & Returns Analysis

Detailed Development Budget

Category	Amount	% of Total
Land Acquisition	\$200,000	21.3%
Design & Development	\$18,000	1.9%
Construction Costs	\$719,400	76.6%
Legal Fees	\$2,000	0.2%

TOTAL DEVELOPMENT COST \$939,400 100%

Capital Sources & Uses

Source	Amount	% of Total
Investor Units (182.48 @ \$5,000)	\$912,400	97.3%
Sponsor Capital Contribution	\$25,000	2.7%
Total Project Capitalization	\$937,400	100%

Three-Scenario Analysis

BASE CASE SCENARIO (Most Likely) *Sale Price: \$1,200,000, Commission: 3%, Timeline: 12 months*

REVENUE • Sale Price: \$1,200,000 • Less: Real Estate Commission (3%): (\$36,000)

• **Net Sale Proceeds: \$1,164,000**

EXPENSES

• Total Development Cost: \$939,400

- **NET PROFIT: \$224,600**

INVESTOR RETURNS

- Return of Capital: \$912,400
- Preferred Return (14%): \$127,736
- Remaining Profit: \$96,864
- Investor Share (70%): \$67,805 • **Total Investor Distribution: \$1,107,941**
- **Cash-on-Cash Return: 21.4%**

OPTIMISTIC SCENARIO (Best Case) *Sale Price: \$1,300,000, No Commission (direct sale), Timeline: 11 months*

- Net Sale Proceeds: \$1,300,000
- Net Profit: \$360,600 • Total Investor Distribution: \$1,203,141
- **Cash-on-Cash Return: 31.9%**

CONSERVATIVE SCENARIO (Worst Case) *Sale Price: \$1,100,000, Commission: 3%, Timeline: 15 months*

- Net Sale Proceeds: \$1,067,000
- Net Profit: \$127,600
- Total Investor Distribution: \$1,040,136
- **Cash-on-Cash Return: 14.0%** (preferred return only)

Sensitivity Analysis

Variable	Base Case	10% Worse	10% Better
Sale Price	\$1,200,000	\$1,080,000	\$1,320,000
Investor ROI	21.4%	3.8%	35.2%

Variable	Base Case	10% Worse	10% Better
Construction Cost	\$719,400	\$791,340	\$647,460
Investor ROI	21.4%	14.1%	29.1%

Breakeven Analysis

Minimum Sale Price for Positive Investor Return: \$1,085,000

Margin of Safety: 10.6% below base case pricing assumption

6. Management & Company Overview

Managing Member Profile

Glenn Callahan, Managing Member

Principal, New England Home Builders, LLC

Experience: 35+ years in residential construction specializing in energy-efficient and luxury homes. Glenn has personally overseen construction of dozens of custom homes with aggregate value exceeding \$20 million, with particular expertise in high-performance building techniques and energy efficiency optimization.

Relevant Qualifications:

- Licensed Connecticut contractor with clean regulatory record
- Specialized training in high-performance building techniques
- Established relationships with certified subcontractors and suppliers
- In-house millwork capabilities providing cost control and quality assurance

Organizational Structure

American High-Performance Homes, LLC serves as the project owner and investment vehicle. Construction services are provided by New England Home Builders, LLC (NEHB), an affiliated entity under common control with AHPH's Manager.

Affiliate Relationship Management:

- All construction contracts subject to arms-length pricing verification

- Third-party cost benchmarking for major trade packages exceeding \$50,000
- Independent progress inspections by licensed third-party consultants
- Transparent reporting of all affiliate compensation to investors
- Right of investors to request independent cost audits for affiliate work

Company Mission

AHPH delivers homes that provide measurable protection against rising energy costs while combining luxury coastal living with environmental responsibility, generating transparent, risk-adjusted returns for investment partners through disciplined development processes and proven construction expertise.

7. Product Development Strategy

High-Performance Building Standards

Energy Performance Targets:

- **HERS Index ≤ 55 :** 45% more efficient than Energy Star certified homes
- **Air Tightness ≤ 2.5 ACH50:** Superior envelope performance with verified testing
- **Solar Ready:** Pre-wired and structurally designed for future solar installation
- **EV Ready:** 240V charging preparation in garage with smart charging capability

Building Envelope Specifications:

- **Foundation:** Insulated concrete forms (ICF) or high-performance basement walls
- **Insulation:** Continuous exterior insulation (R-15) plus high-performance cavity insulation
- **Windows:** Triple-pane, low-E, argon-filled units ($U\text{-factor} \leq 0.22$)
- **Air Sealing:** Professional air sealing with blower door verification
- **Ventilation:** Energy recovery ventilator (ERV) with MERV 13 filtration

Mechanical Systems:

- **HVAC:** Variable-speed heat pump system with zoned controls and backup
- **Water Heating:** Hybrid heat pump water heater with smart controls
- **Electrical:** 200-amp service with smart panel and home automation pre-wiring

- **Energy Monitoring:** Real-time usage tracking and cost projection systems

Third-Party Verification Program

Independent Certification:

- HERS rating by certified independent RESNET rater
- Blower door testing at rough-in and final construction phases
- Duct leakage testing with sealing verification
- Thermal imaging inspection for envelope continuity • Final performance verification with documentation package

Warranty Program:

- **5-Year Energy Performance Guarantee:** Verified energy usage or cash compensation
 - **5-Year Building Envelope Warranty:** Air leakage and moisture intrusion protection
 - **2-Year Comprehensive Systems Warranty:** All mechanical, electrical, plumbing systems
 - **1-Year Workmanship Warranty:** All construction defects and finish issues
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Development Timeline

Upon Subscription Closing: Immediate Deployment

- Important Note: \$268,000 of project funds — including \$200,000 for land acquisition and \$68,000 of investor funds for design, development, and construction mobilization — will be deployed immediately upon subscription closing to ensure rapid project commencement and pre-development progression. for design, development, and construction mobilization — will be deployed immediately upon subscription closing to ensure rapid project commencement and pre-development progression.
- Architectural plans finalization and engineering coordination
- Municipal permit submissions and regulatory approvals

- Contractor mobilization and initial material procurement

Months 1-2: Land Acquisition & Final Pre-Construction

- Property acquisition closing and title transfer
- Final permit approvals and utility connections
- Site preparation and contractor mobilization completion
- Subcontractor coordination and scheduling finalization

Months 3-11: Construction Phase

- Site preparation and foundation work
- Framing, roofing, and exterior envelope completion
- Mechanical, electrical, and plumbing rough-in
- Insulation installation with thermal imaging verification
- Interior finishes and final systems commissioning

Months 10-14: Marketing & Sale

- Professional photography and virtual tour creation
- MLS listing with comprehensive energy performance data
- Buyer education and energy cost protection presentations
- Purchase agreement negotiation and closing coordination

Quality Assurance Program

Phase-Based Inspections:

- **Foundation Phase:** Moisture protection and structural verification
- **Framing Phase:** Thermal bridge elimination and air sealing verification
- **Mechanical Phase:** System installation and initial performance testing
- **Final Phase:** Complete energy performance verification and HERS certification

Documentation Standards:

- Daily photo logs accessible via investor portal
 - Weekly progress reports with milestone completion verification
 - Third-party inspection reports at critical construction phases
 - Final performance documentation package for buyers
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9. Marketing & Sales Strategy

Brand Positioning

Brand Promise: "High-Performance Coastal Living - Protection Against Rising Energy Costs"

Core Value Proposition:

- **Economic Protection:** Guaranteed protection against escalating electricity costs
- **Future-Ready Design:** Built for the high-energy-demand economy
- **Measurable Performance:** Third-party verified efficiency with guaranteed savings
- **Luxury Without the Bills:** Premium coastal living with predictable energy costs

Sales Strategy

Target Marketing:

- Direct-to-consumer sales via digital platforms to minimize commissions
- Educational seminars on energy cost protection and market trends
- Partnerships with technology and finance professionals aware of AI energy demands
- Referral programs targeting energy-conscious professional networks

Value Presentation:

- Energy cost protection calculators showing 20-year savings projections
- Live energy monitoring demonstrations vs. conventional homes
- Comprehensive warranty and performance guarantee presentations
- Economic modeling based on electricity demand growth projections

Sales Process:

- Buyer education on energy demand trends and cost protection strategies

- Financial pre-qualification with energy-efficiency financing options
 - Site visits with energy performance demonstrations
 - Comprehensive home orientation and energy system training
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10. Risk Analysis & Mitigation

Market Risks

Economic Recession Impact

- **Risk Level:** Medium
- **Mitigation:** Energy cost savings become more valuable during economic stress; luxury coastal Connecticut market historically stable

Energy Cost Stabilization

- **Risk Level:** Low (given AI/data center growth trajectory)
- **Mitigation:** Multiple efficiency benefits beyond cost savings (comfort, reliability, resale value)

Competition from Conventional Builders

- **Risk Level:** Medium
- **Mitigation:** First-mover advantage, established certification processes, performance guarantees

Construction & Operational Risks

Cost Overruns

- **Mitigation:** Fixed-price contracts with major subcontractors, 5% contingency in some categories, monthly budget variance reporting

Timeline Delays

- **Mitigation:** Conservative 12-14 month timeline with weather buffers, established subcontractor relationships

Performance Standards

- **Mitigation:** Daily on-site supervision, milestone inspections, third-party verification, warranty reserves

Financial Risk Mitigation

Sale Price Volatility

- **Mitigation:** Energy efficiency becomes more valuable as costs rise; comparable analysis updated monthly during construction

Interest Rate Impact

- **Mitigation:** Target cash buyers (45% of market), seller financing options available

Regulatory Changes

- **Mitigation:** Conservative permitting assumptions, pre-application meetings with officials
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11. Legal Structure & Securities Compliance

Regulatory Compliance

Securities Registration Exemption:

- Offering conducted under Rule 506(c) of Regulation D
- General solicitation permitted to accredited investors only
- Form D filing with SEC within 15 days of first sale
- State Blue Sky filings completed as required

Accredited Investor Verification:

- Independent third-party verification required for all investors
- Acceptable verification: CPA letters, tax returns, brokerage statements, bank statements
- Documentation maintained per regulatory requirements

Tax Structure

Entity Classification: AHPH, LLC classified as partnership for federal tax purposes

Pass-Through Taxation: Income, gains, losses, deductions allocated to Members

Form K-1 Distribution: Annual K-1 distributed by March 15th following year-end

State Considerations: Connecticut may require separate filings; nonresident Members may face state income tax

Tax Risk Disclosure: Members may owe taxes on allocated income even without cash distributions. All investors should consult qualified tax advisors regarding specific implications.

12. Investor Rights & Governance

Management Authority

Manager Powers: Glenn Callahan has full authority to:

- Acquire, develop, market, and sell project properties
- Enter contracts and execute project decisions
- Hire contractors and service providers
- Determine timing and amounts of distributions
- Make operational and strategic decisions

Investor Rights

Information Rights:

- Monthly construction progress reports with photo documentation
- Quarterly unaudited financial statements with budget variance analysis
- Annual audited financial statements (if assets exceed \$1 million)
- Access to inspect project during reasonable business hours

Consent Rights: Majority investor consent required for:

- Admission of additional Members beyond this offering
- Amendment of economic terms in Operating Agreement
- Company merger, consolidation, or dissolution
- Related-party transactions exceeding \$25,000

Transfer Restrictions:

- Units may not be transferred without Manager consent
- Right of first refusal applies to all proposed transfers
- No transfers permitted to non-accredited investors
- All transfers must comply with securities laws

Reporting Schedule**Regular Communications:**

- **Monthly:** Construction progress, milestones, budget status
- **Quarterly:** Financial statements, variance analysis, market updates
- **Annual:** Audited financials (if required), tax reporting, performance summary

Investor Portal Access:

- Secure document repository
 - Weekly construction progress photos
 - Real-time budget and timeline tracking
 - Direct communication with management
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13. Use of Proceeds**Fund Application**

Use of Proceeds	Amount	% of Total
Land Acquisition	\$200,000	21.3%
Construction Costs	\$719,400	76.6%
Design & Development	\$18,000	1.9%

Use of Proceeds	Amount	% of Total
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Legal & Professional Fees	\$2,000	0.2%
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Total Project Investment \$939,400 100%

Working Capital: Project is budgeted with minimal working capital buffer. Additional \$2,000 may be required if costs exceed projections.

Construction Draw Schedule

Milestone	% of Budget	Amount	Cumulative
Land Acquisition & Permits	23%	\$216,000	\$216,000
Foundation Complete	15%	\$140,900	\$356,900
Framing & Roofing Complete	25%	\$234,850	\$591,750
Mechanical Systems Rough-in	20%	\$187,880	\$779,630
Interior Finishes	15%	\$140,900	\$920,530
Final Completion & CO	2%	\$18,870	\$939,400

Investment Summary & Next Steps

Compelling Investment Opportunity

American High-Performance Homes offers accredited investors:

Strong Returns with Downside Protection:

- **Base Case: 21.4% ROI** in 12-14 months
- **Upside Potential: 31.9% ROI** with optimal execution
- **Downside Protection: 14% preferred return** even in worst-case scenario

Unique Market Position:

- Only certified high-performance spec builder in target market
- First-mover advantage during energy demand crisis
- Measurable differentiation with third-party verification
- 5-year warranty backing all performance claims

Experienced Management:

- 35+ years construction industry experience
- Established trade relationships and supply chain
- Direct daily oversight ensuring quality and timeline compliance
- Proven track record in luxury home construction

Investment Process

1. **Review Documentation:** Complete PPM and Operating Agreement
2. **Verify Accredited Status:** Provide required investor qualification documentation
3. **Complete Subscription:** Execute subscription agreement
4. **Fund Investment:** Wire transfer directly to American High-Performance Homes, LLC operating account
5. **Receive Confirmation:** Access to investor portal and regular updates

Contact Information

For Additional Information:

Glenn Callahan, Managing Member

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To Learn More about our management team go to:

www.newengland-builders.com

Investment Qualification: Limited to accredited investors as defined under federal securities regulations

Next Steps: Schedule consultation to review detailed projections and complete investor qualification process

This Private Placement Memorandum contains confidential information. By accepting this document, you agree to maintain confidentiality and return this document if you decide not to invest. This offering involves substantial risks including potential loss of principal. Prospective investors should carefully review all risk factors and consult with qualified advisors before making any investment decision.

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