



U.S.C. Sections 101-1330, as amended (the “Bankruptcy Code”). The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. There is no agreement or understanding between D&T and any other person, other than the members, associates and employees of D&T, for the sharing of compensation received or to be received for services rendered in connection with this proceeding.
3. On January 8, 2003, the Committee applied to the Court for an order authorizing it to retain D&T as its Accountants and Financial Advisors nunc pro tunc to December 4, 2002 (the “Initial Application”).
4. On February 6, 2003, the Court approved the Initial Application and entered an Order Approving Retention of Deloitte & Touche LLP as Advisors to the Official Committee of Unsecured Creditors nunc pro tunc to December 4, 2002 (the “Initial Order”).
5. The Debtors, through Debtor Oakwood Acceptance Corporation originate either retail installment sales contracts or traditional mortgages (“RICs”) for customers who seek to finance their purchase of the Debtors’ manufactured homes. When the aggregate number of RICs reaches a critical mass, the RICs are securitized and sold into the asset-backed securities market through non-debtor Real Estate Mortgage Investment Conduit Securitization Trusts (“REMIC Trusts”). The REMIC Trusts issue monthly pass-through certificates (“REMIC Certificates”) that may pay cash interest on a fixed or floating rate basis and are backed by a collateral pool of RICs in the REMIC Trusts. Each REMIC Trust issues a variety of REMIC Certificates which represent the different tranches within each REMIC Trust. Different tranches have differing levels of seniority and credit quality. While the collateral for all tranches is the same – the pool of RICs that has been securitized into the REMIC Trust – the

credit quality and seniority of a particular tranche is determined by a payment priority structure. Accordingly, in exchange for higher risk, holders of subordinated tranches generally receive higher interest rates, but will only receive payments after all senior tranches have been paid. To enhance the marketability of the most subordinated tranches of REMIC Certificates, the Debtors, in certain cases, provided corporate guarantees (the “B-2 REMIC Guarantees”) that effectively guaranteed distributions on certain of these subordinated tranches of REMIC Certificates (the “B-piece REMIC Certificates”). The provisions of the B-2 REMIC Guarantees are complex, but, in general, if the underlying RICs held by the REMIC Trusts do not generate enough cash to service the B-piece REMIC Certificates, the Debtors are obligated to fund certain shortfalls. Prior to the Petition Date, the Debtors provided B-2 REMIC Guarantees for approximately twenty REMIC Trusts. These B-2 REMIC Guarantees are contingent and unliquidated, in that the Debtors are not obligated to make any payments under the B-2 REMIC Guarantees unless there is a default by the mortgagors. Various banks serve as the trustees for the REMIC Trusts for which Oakwood has issued B-2 REMIC Guarantees.

6. At the time of D&T’s initial engagement, the Committee and D&T were not aware of the substantial resources D&T would be required to expend with regard to the REMIC Trusts, REMIC Certificates, B-2 REMIC Guarantees and B-piece REMIC Certificates (collectively, the “REMIC Issues”). The Committee later requested that D&T be compensated for work in connection with the REMIC Issues, separate and apart for the fee arrangement approved in the Initial Order.
7. On April 4, 2003, the Committee applied to the Court for a Supplemental Application for Order Approving the Modification of the Retention and Employment of Deloitte & Touche LLP, as Accountants and Financial Advisors to the Committee (the “Supplemental

Application”) nunc pro tunc to February 1, 2003. This Application requested, subject to the Court’s approval, that D&T be paid for all services related to REMIC Issues, based on its professionals’ hourly billing rates, discounted by thirty percent (30%).

8. On July 11, 2003, the Court approved the Supplemental Application and entered an Order Approving the Modification of the Retention and Employment of Deloitte & Touche LLP, as Accountants and Financial Advisors to the Official Committee of Unsecured Creditors (the “Supplemental Order”). [D.I. #1570], *nunc pro tunc* to February 1, 2003.
9. D&T requests that it be allowed (a) interim compensation for actual and necessary professional services rendered by it as accountants and financial advisors to the Committee in the amount of \$47,142 and reimbursement for actual and necessary expenses incurred in the amount of \$19 for the Interim Compensation Period; and (b) final allowance of compensation for actual and necessary professional services incurred by it as accountants and financial advisors to the Committee in the amount of \$559,876 together with reimbursement for actual and necessary expenses incurred of \$11,210 for the Final Compensation Period.
10. D&T has filed two prior applications setting forth in detail the professional services rendered on behalf of the Debtors, together with expenses incurred on behalf of the Debtors. The First Interim Period covered the period from February 1, 2003 through March 31, 2003 and the Second Interim Period covered the period from April 1, 2003 through December 31, 2003. D&T has been awarded and paid 100% of all fees and disbursements incurred during the First Interim Period. D&T has been awarded and paid 80% of fees and 100% of disbursements incurred during the Second Interim Period, but is still awaiting payment for the 20% of fees held back during the Second Interim Period.

11. In rendering services during the Interim Compensation Period, D&T has expended a total of 147.5 hours. An overall billing summary attached as Exhibit A hereto sets forth the total hours incurred by each professional.
12. D&T has summarized and presented the services rendered by project code during the Interim Compensation Period (as defined and described below), identifying the activities within the category, naming each person who performed the activity, the number of hours spent by such person, and a description of the work performed in tenth-hour detailed statements of services, as attached hereto as Exhibit B.
13. In addition to the time expended as described in Exhibit B, D&T has incurred expenses during the Interim Compensation Period in the sum of \$19. These expenses are costs and disbursements incurred on behalf of the Debtors. These expenses are described in Exhibit C attached hereto.
14. The professional services rendered by D&T during the Interim Compensation Period have been grouped into categories, and are summarized below:
  - 120: Business Operations Review
  - 170: Creditors Claims
  - 171: Organized Data Necessary to Begin Development of Cash Flow Model
  - 173: Prepare Calculations to Determine Cash Flows Available to Meet Obligations of Trust
  - 174: Application of Available Cash Flow Based on Relative Priorities of Obligations of the Trust
  - 175: Summarization of Results Based on Each of the Twenty Securitizations Under Review

**120 – Business Operations Review**

D&T has been working with the Debtors and its advisors to gather financial and operational information to monitor the business operations of the Debtors. D&T worked with

the Debtors and its financial advisors to gather financial information to enable the Committee to understand the trading and business challenges facing the Debtors and designed a weekly and monthly reporting format for the Committee's operating performance monitoring role of the Debtors, comparing the actual weekly and monthly results against the initial business plan presented by the Debtors and its advisors. As part of its evaluation of the business of the Debtors on behalf of the Committee, D&T also undertook an assessment of the manufactured housing market, the competitive challenges of the industry, the competitors of the Debtors, and the position of the Debtors in the market. D&T attended numerous meetings of the Committee to address the Committee's concerns and questions relating to the business of the Debtors, and the challenges the business has and is facing through the Chapter 11 process. In addressing the requirements of the Committee, D&T met with the Debtors and its advisors to request information and made various enquiries of the Debtors' management. Included also in this category is the time incurred by D&T preparing for and participating in meetings and conference calls with the Committee's counsel and the Committee to address critical restructuring strategy issues. D&T professionals analyzed the initial business plan presented by the Debtors and its advisors and prepared a number of reports hypothesizing as to alternative scenarios for the benefit of the Committee. Finally, D&T spent time preparing and reviewing the Second and Third Interim Fee Applications and 31.8 hours were spent undertaking tasks related to this division, representing professional fees of \$11,988.

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### **170 – Creditor Claims**

D&T commenced consideration of the various classes of unsecured claims likely to be filed against the Debtors, including the guarantee claims under the REMIC's. D&T proposed various strategies to the Committee in resolution of these issues. 25.8 hours were spent

undertaking tasks related to this division, representing professional fees of \$12,368.

14. One of the primary tasks required to perform the analysis related to the Class B-2 REMIC Guarantee Claims was to develop cash flow models relating to each of the twenty securitization transactions executed by Oakwood and containing an explicit guarantee of principal and interest payments to the Class B-2 Certificate holder. The process of developing these cash flow models has been segregated into five primary steps; a) organized data necessary to begin development of cash flow model, b) entered data into cash flow model in order to summarize relevant collateral and bond characteristics, c) prepare calculations in order to determine cash flows available to meet obligations of trust, d) application of available cash flow based on the relative priorities of the obligations of the trust, e) summarization of results for each of the twenty securitizations under review.
15. Each of these five steps is typically performed in sequence during the development of the model for each transaction. Each transaction must have its own unique model as the structural features of how cash is distributed to the various certificate-holders changes from transaction to transaction. The five steps identified above represent the five primary process steps, each consisting of a more granular level of procedures. We have provided a summary paragraph of the procedures related to each of these five primary process steps in the development of a transaction's cash flow model on the following pages.

#### **171 - Organized Data Necessary to Begin Development of Cash Flow Model**

Organizing data related to the upfront administrative details related to beginning the development of a new cash flow model. The following procedures are performed to build this portion of the model; a) located and printed governing documents, b) scanned governing documents to identify basic deal structure, c) identified modeled transactions most similar to current transaction to use existing models as template for model development of current transaction, d) downloaded template model from shared intranet site, e) created copy of

template model to use for current model development. 4.1 hours were spent undertaking tasks related to this division, representing professional fees of \$2,050.

### **172 - Entered Data into Cash Flow Model in Order to Summarize Relevant Collateral and Bond Characteristics**

The inputs of the model are used to identify and store many of the factual components of the related transaction, such as relevant dates, fee rates, trigger levels, balances and coupon rates. The following procedures are performed to build this portion of the model; a) reviewed inputs in model, b) identified necessary inputs for current transaction based upon governing documents, such as Servicing Fee Rate, Closing Date, Distribution Date, c) removed unnecessary inputs from model, d) added necessary inputs not currently in model, e) reviewed inputs in model for current transaction and updated, as needed, based upon governing documents. 2.7 hours were spent undertaking tasks related to this division, representing professional fees of \$1,350.

### **173 - Prepare Calculations in Order to Determine Cash Flows Available to Meet Obligations of Trust**

The calculation sections of the model are used to define the basic assets and debt liabilities of the transaction. The collateral calculations are used to identify the estimated future payments related to such assets. The calculations related to the issued bonds are used to identify the future liabilities required to repay such bonds over the life of the transaction. The following procedures are performed to build this portion of the model; a) reviewed collateral characteristics of transaction based upon governing documents, b) updated collateral characteristics in collateral section of model, c) added in new areas within collateral section to track additional collateral characteristics for small population of deals requiring additional level of collateral information for more accurate projection of cash flows, d) reviewed bond characteristics of transaction based upon governing documents, including classes issued, balances, coupons, e) updated bond setup section of model for bond characteristics based upon governing documents. 40.5 hours were spent undertaking tasks related to this division, representing professional fees of \$20,062.

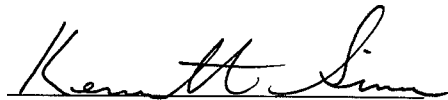


### **175 - Summarization of Results for Each of the Twenty Securitizations Under Review**

The results of the cash flow models related the Class B-2 Certificates must be summarized for each scenario. These results consist of future estimated principal and interest payments paid from available cash collections, along with future estimated claims related to unpaid due and payable interest and principal related to each Class B-2 Certificate. The following procedures are performed to build this portion of the model; a) linked bond cash flow section to estimated cash payments related to each bond identified in the application of available funds section, b) developed calculations to determine unpaid due and payable interest and principal related to each Class B-2 Certificate, c) developed calculations to determine future estimated claims related to unpaid principal and interest, d) summarized estimated principal and interest payments and guarantee claims for each Class B-2 Certificate for each scenario. 34.6 hours were spent undertaking tasks related to this division, representing professional fees of \$16,728.

WHEREFORE, D&T respectfully requests:

- (a) interim compensation of \$47,142 for reasonable, actual and necessary professional services rendered by it on behalf of the Debtors during the Interim Compensation Period;
- (b) reimbursement of expenses incurred during the Interim Compensation Period in the amount of \$19; and
- (c) entry of an Order granting (i) final approval and allowance of all reasonable compensation for professional service rendered by D&T to the Committee during the Final Compensation Period, (ii) final approval and authorization for reimbursement of all expenses incurred during the Final Compensation Period, (iii) authorization for payment of all fees held back during the Final Compensation Period, and (iiii) authorization for such other and further relief as this Court may deem just and proper.



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Sworn to before me on this 8th

day of June 2004



Notary Public

**RENEA A. GARGIULO**  
**Notary Public, State of New York**  
**No. 01GA6086300**  
**Qualified in Kings County**  
**Commission Expires January 21, 20** 09