

EXHIBIT A



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

101 W. Friendly Avenue
Suite 601
Post Office Box 9905
Greensboro, NC 27429

January 14, 2003

Mr. Robert Smith
Executive VP, Finance
Oakwood Homes Corp.
7800 McCloud Road
Greensboro, NC 27409-9634

Dear Mr. Smith:

The purpose of this letter is to outline the services **NAI Maxwell** ("NAI") agrees to perform as a Special Real Estate Consultants to **Oakwood Homes Corp.**, Debtors and Debtors-in-Possession ("Oakwood") and the compensation to be received by NAI in return for such services. Oakwood includes all of its predecessors and subsidiaries that have filed for bankruptcy in U.S. Bankruptcy Court in the District of Delaware (the "Court").

NAI's services shall include: (i) a desk top analysis of the marketability and disposition potential of the fee interests held by Oakwood in the properties listed on the attached Schedule "A" or additional properties which Oakwood may hereafter designate for potential Disposition and which NAI shall agree in writing to handle (each such property shall be referred to individually as an "Asset" and/or collectively as the "Assets"); and (ii) the marketing of such Assets listed on the attached Schedule "A" as well as the sale of Oakwood's right, title and interest in the improvements thereat which Oakwood does not want to retain.

I. SUMMARY OF ASSIGNMENT

A. NAI's services shall include those generally described below, as appropriate:

1. Contact with real estate professionals and/or retail operators knowledgeable with respect to the sites where the Assets are located.
2. Determination of marketability and disposition potential of the Assets based on an analysis of the market and the documents provided by Oakwood.

In over 300 Markets Worldwide: America Asia Pacific Canada Europe Latin America

INDIVIDUAL MEMBER OF



3. NAI will create a marketing program which may include, but will not be limited to, letter and/or flyer solicitation, direct telemarketing, electronic solicitations, and such other marketing methods as NAI, in consultation with Oakwood, may deem appropriate.
4. NAI will prepare and, with the consent of Oakwood, disseminate all such marketing materials.
5. NAI will respond and provide information to, negotiate with, and solicit offers and/or settlements from landlords and shall make recommendations to Oakwood as to the advisability of accepting particular offers and settlements.
6. When requested, NAI will meet periodically with Oakwood its accountants and attorneys, in connection with the status of its efforts.
7. NAI will recommend to Oakwood and its counsel methods of handling any particular problems encountered with respect to the sale of the Assets.
8. NAI will work with the attorneys responsible for the implementation of a proposed transaction, including negotiating and assisting in resolving any problems that may arise.
9. NAI will work with its network of commercial real estate brokers ("Members") as well as other professional real estate service providers in providing the services hereunder. References to NAI herein shall be deemed to include such Members or other service providers as appropriate.
10. NAI will, if required, appear in Court during the term of this retention, to testify or to consult with Oakwood in connection with the marketing and/or disposition of any Asset.
11. NAI will track its activities regarding the Assets utilizing an electronic transaction management system, and will provide real-time access to information concerning the Assets to Oakwood.

B. NAI will present to Oakwood within ten (10) days of execution and filing with the Court of this Agreement, its marketing and disposition analysis, recommendations, and status of any marketing and disposition efforts. Additionally, where possible, NAI will prioritize its work with respect to those Assets that Oakwood may indicate need earlier attention.

II. BASIS OF RETENTION AND COMPENSATION

NAI is hereby retained by Oakwood for the purpose of performing the services outlined above, upon the following terms and conditions:



A. NAI shall have the sole and exclusive authority to offer the Assets for Disposition (as hereinafter defined). All communications and inquiries regarding the Assets, whether directed to Oakwood (including, but not limited to its officers, agents, and employees) or Oakwood's counsel, accountants, or other professionals, shall be directed to NAI.

B. The term of NAI's retention shall be from January 2, 2003 (the "Effective Date"), the *nunc pro tunc* date for which Oakwood will seek Court approval, through and including the date of the closing of the last of the Asset dispositions, or for a period of six (6) months from the Effective Date, whichever comes first, but which term can be automatically extended by the mutual consent of the parties without need for further application to the Court.

C. NAI's fees for services are variable and will be computed as the sum of the following three fee components: (i) the variance between Gross Proceeds (as hereinafter defined) of an Asset Disposition and the Target Price (as hereinafter defined) for such Asset (the "Base Fee"); (ii) the time required to secure a qualified, accepted offer to purchase such Asset (the "Timing Incentive"); and (iii) whether the Asset has been classified as Raw Land on Schedule A (the "Raw Land Add-On Fee").

Base Fee Computation

<u>Gross Proceeds are:</u>	<u>Base Fee</u>
• Less than 60% of Target Price	3% of Gross Proceeds
• Greater than or equal to 60%, but less than 90% of Target Price	4% of Gross Proceeds
• Greater than 90% of Target Price	5% of Gross Proceeds

Raw Land Add-On Fee Computation

<u>Gross Proceeds are:</u>	<u>Raw Land Add-on Fee</u>
• Less than 60% of Target Price	1% of Gross Proceeds
• Greater than or equal to 60%, but less than 90% of Target Price	1.5% of Gross Proceeds
• Greater than 90% of Target Price	2% of Gross Proceeds



Timing Incentive Fee Computation

<u>Accepted Offer Date:</u>	<u>Timing Incentive Fee</u>
• By May 13, 3003	2% of Gross Proceeds
• After May 13, 2003 but on or before July 12, 2003	1% of Gross Proceeds
• After July 12, 2003	None

All fees earned by NAI for Asset Dispositions shall be paid from the cash proceeds at each Asset Disposition without any further need for NAI to apply to the Court for payment of its fees. Notwithstanding the above, Assets designated with "Fee limited to 4%" in the "Target Price" column of the attached Exhibit A shall be limited to a total fee of 4% of the Gross Proceeds, irrespective of the date of an accepted purchase offer or whether such Asset is deemed to be Raw Land.

As used in this Agreement, the terms below shall have the following meanings:

"Disposition" shall mean any transfer of an Asset, whether individually or as part of a package or as part of the disposition of Oakwood's business or a part thereof, including, without limitation, by assignment or sublease of all or a part of a leasehold interest, by surrender or termination of a leasehold interest, by sale or lease of a property interest, or by any other means pursuant to which Oakwood shall relinquish ownership or control of an Asset.

"Gross Proceeds" shall mean with respect to each Disposition the sum of the following: (1) the total consideration payable to or for the benefit of Oakwood for the Disposition of the Asset in question, and (2) the potential maximum statutory claim saved that would have otherwise arisen pursuant to the Bankruptcy Code [including, but not limited to, 11 U.S.C. 502(6)(b)]. Gross Proceeds shall be computed net of any costs incurred for repairs and/or improvements to the Asset, environmental remediation and other negotiated Asset improvements. Notwithstanding anything stated above to the contrary, in computing Gross Proceeds, no deductions shall be made for any of the following: (1) closing costs, (2) brokerage or other professional fees, (3) advertising costs, (4) free rent, tenant improvements or any other concessions, including, without limitation and/or the cost of any appraisals, inspection reports (including environmental inspections), or (5) any costs or expenses to be reimbursed by Oakwood to NAI under this Agreement.

"Target Price" shall mean the amounts negotiated between NAI and Oakwood as a basis for computing Base Fee and Raw Land Add-On compensation due to NAI upon

"Timing Incentive Fee" is computed based on the date on which a qualified offer to purchase an Asset (presented to Oakwood by NAI) is accepted by Oakwood.

D. All legal expenses incurred by Oakwood in connection with its retention of NAI, the Disposition of any Asset and the preparation of documents, including but not limited to the costs of preparing contracts and assignments as well as the costs of attending hearings and closings, among other things, shall be borne solely by Oakwood. All travel, lodging, and other expenses involved in NAI's traveling to meet with Oakwood and/or its professionals shall be borne by Oakwood who hereby agrees to pay all such costs and expenses immediately upon presentation of invoices provided that a written budget therefore has previously been approved by Oakwood. For its attendance at Court hearings and testimony in Court on behalf of Oakwood, NAI shall be paid a fee of three hundred and fifty (\$350.00) dollars per hour which shall be paid immediately upon presentation of weekly statements therefor. Should NAI be required to file fee applications with the Court for payment of witness (or any other) fees, NAI shall be entitled to \$1,000.00 per fee application to cover its costs, time and expenses associated with such filing.

E. In the event that Oakwood and a third party should enter into an agreement providing for the sale, assignment, lease or other Disposition of an Asset before the expiration of the period set forth in Paragraph II. B. above and the closing does not occur until after the expiration date of said period, then NAI shall be entitled to a fee in accordance with the terms of this Agreement. If Oakwood, after the expiration of said period, arranges for the Disposition of an Asset to a third party whom NAI solicited or otherwise introduced to the Asset or introduced to Oakwood prior to said expiration, who is included on a list of all such third parties which NAI shall deliver to Oakwood within ten (10) days after expiration of this Agreement and the contract signing or closing takes place within one (1) year after said expiration, then NAI shall be entitled to a fee in accordance with the terms of the Agreement.

F. This Agreement may be executed in multiple counterparts, each of which shall be effective as an original document.

G. This Agreement is subject to and contingent upon the entry of the appropriate Court Order approving the terms hereof. Oakwood agrees to use its best efforts to obtain said Order and the Agreement shall thereafter be binding upon and shall inure to the benefit of the parties hereto.

H. Oakwood further acknowledges that this Agreement in its entirety will be attached to and made a part of Oakwood's application to the Court, and will be referenced in the Order authorizing NAI's retention.

I. The relationship between NAI and Oakwood is and shall, for all purposes, remain that of independent contractors. Unless otherwise specifically stated in this Agreement, neither NAI nor Oakwood shall have any authority express or implied, to

Case 02-13396-PJW Doc 497-2 Filed 01/29/03 Entered 01/29/03 14:50:35 Desc
act on behalf of or as agent for the other for any purpose, nothing in this Agreement shall be construed for any purpose whatsoever to create any relationship between NAI and Oakwood of partnership, joint venture or of any kind whatsoever other than that of independent contractors.

J. Oakwood shall hold NAI, its Members, shareholders, directors, officers, employees and agents harmless from and against any and all claims, liability, loss, cost, damage or expense (including reasonable attorney's fees) asserted against, or incurred by NAI or any such Member, shareholder, director, officer, employee or agent by reason of, or arising out of this Agreement, except to the extent that such claims, liability, loss, cost, damage or expense results from the willful misconduct, dishonesty, fraudulent act or omission, or gross negligence of NAI or any such Member, shareholder, director, officer, employee or agent. This hold harmless provision includes, but is not limited to, the right to be paid or reimbursed by Oakwood for the reasonable expenses incurred by a person of the type entitled to be held harmless under this section who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person's ultimate entitlement to being held harmless.

K. Oakwood understands and acknowledges that NAI is not making any representation or warranty, express or implied, as to the accuracy or completeness of the lease information and material provided by Oakwood and shall have no liability to any person resulting from the use of such information and material for any purpose whatsoever.

L. In the event of any dispute between the parties hereto, the prevailing party shall be entitled to recover its costs, including reasonable attorneys fees, incurred in enforcing its rights hereunder.

If the foregoing meets with your approval, kindly sign where indicated below, and return two (2) original copies of this letter.

Very truly yours,

NAI Maxwell

By: 

Robert Perkins
President

NAI Maxwell

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

AGREED AND ACCEPTED

this 22 day of January, 2003.

Oakwood Homes Corp.

By: Robert Smith
Robert Smith
Executive VP, Finance



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

SCHEDULE A

REDACTED

Assets Assigned to NAI Maxwell

Location	City	ST	Type	Description	Oakwood Proposed Target Price	Raw Land
U.S. Hwy 1 South	Pine Bluff	NC	Manufacturing Facility	One story industrial facility containing 144,802 sq. ft. of gross building space, including 6,272 sq. ft. of finished office space. Improvements are situated on 20.44 acres and includes an additional piece of unimproved land of 25.11 acres.		
Oakwood Hills Subdivision US Hwy #1	Pine Bluff	NC	Vacant Land	35 acres of undeveloped land (34 developed vacant lots)		Yes
2256 E. Franklin Blvd.	Gastonia	NC	Sales Center	3.5 acres with a mobile office building		
6301 N. Tryon Street	Charlotte	NC	Sales Center	3.48 acres with a mobile office building		
3360 W. US Highway 421	Wilkesboro	NC	Sales Center	3.39 acres with a mobile office building		
7909 Industrial Village	Greensboro	NC	Corporate	4.285 acres of undeveloped land.		
Woodlake Subdivision Sheraton Park Road.	Greensboro	NC	Vacant Land	50.6 acres of undeveloped land		Yes
Riverwind Subdivision 100 Riverwind Dr.	Hendersonville	NC	Vacant Land	35 acres of undeveloped land		Yes
Sheraton Park Road	Guilford Co.	NC	Sewage Treatment Plant	Sewage treatment plant which services approximately 400 mobile homes, community is not owned by OHC (Greybride Homeowners Assoc.)		