2 Pre-publication draft for submission to third-party artificial intelligence (AI) for facts-evidence-analysis (FEA) check for a developing report on MHProNews

Fleetwood Enterprises (FLE) Made the Case for Their Future Growth in Manufactured Housing. 5 Year History in Corporate Filings Shed Light on What Happened to Manufactured Home Industry. FEA

Manufactured housing has demonstrably been underperforming for over a quarter of a century, essentially all of the 21st century. From 1995-2000, the HUD Code home industry produced an average of 338,924 homes per year. From 2001 to 2025, the average annual production for HUD Code manufactured homes were a tepid 93,326. To better help understand why, MHProNews has been doing a periodic series of flashback reports that can help industry professionals, researchers, public officials and others better understand what corporate leaders were expressing in their own words in the close of the 20th century and into the early part of the 21st century**.** While inflation clearly should be factored in, Fleetwood Enterprises (FLE) reporting their own corporate statements and filings starting circa 2000 and beyond follows, starting two years into what is now clearly known to be the sustained industry-wide production and development downturn of the 21st century. As MHProNews previously reported, Fleetwood and Champion Enterprises each had an RV division in that era. During the mid-to-late 1990s, manufactured home sales nationally topped RV shipments by about 1.22 to 1. But from 2001-2024, manufactured housing (MH) trailed RVs by some 1 MH to 3.69 RVs. That means in part that the RVIA's GoRVing campaign continued to pick up traction until RVs finally surpassed manufactured housing and left the MH industry in their rear view mirror. Even though RVs are generally a 'discretionary' or 'luxury' product for most buyers and manufactured homes are often an affordable housing necessity for their new customers, RVs have outsold manufactured housing for all of the 21st century and sometimes by large margins. Parts I and Part II below each provide insights from the FLE corporate statements that reflect the firm's clear move **into vertically integrated retail operations** which they described: "During the 1997-98 time period, Fleetwood's network of independent retailers was under siege by major competitors who were acquiring large Fleetwood retailers." See Part II for context. Part III includes a 10 year select financial details. From Part IV, Fleetwood's management discussion appeared to open candidly about their expectations for 2001. "The Company expects that fiscal 2001 results will be adversely affected by the continuing weakness in the manufactured housing market, which has been impacted by industry-wide excess inventory levels and a restrictive financing environment. The speed at which the current inventory imbalance is resolved will depend in large part on developments in the retail financing area."

The paragraph above was authored by industry-expert human intelligence (HI). What follows is from Part VII, below, following the Fleetwood Enterprise (FLE) annual statements provided.

"The evidence confirms that Fleetwood had achieved operational profitability in its Housing Group prior to the onset of the 2009 financial maneuvers, such as the 21st Mortgage Corporation letter. However, subsequent political and corporate dynamics under the Obama-Biden administration—paired with the dominant positioning of Berkshire Hathaway-backed entities like Clayton Homes and 21st Mortgage—accelerated the erosion of independent market participants."

Much more is found in the MHProNews **MHVille** facts-evidence-analysis (FEA) that follows.

Part I. From Fleetwood Enterprises (FLE) **Year 2000 Annual Report** Records for 1996-2000.

Five-Year History of Sales and Units Shipped

Sales Years ended April (Dollars in thousands)	**2000**	1999	1998	1997	1996
Manufactured housing:					
Factory sales	**$1,454,821**	$1,563,966	$1,487,650	$1,426,940	$1,443,016
Retail sales	**591,895**	332,309	–	–	–
Less intercompany sales	**(298,224)**	(178,764)	–	–	–
Total housing sales	**1,748,492**	1,717,511	1,487,650	1,426,940	1,443,016
Recreational vehicles:					
North American sales –					
Motor homes	**1,200,383**	1,064,465	904,574	855,214	720,186
Travel trailers*	**589,919**	548,910	503,762	453,274	458,159
Folding trailers	**124,214**	115,659	109,827	86,675	87,208
European sales	**–**	–	–	–	51,941
Total RV sales	**1,914,516**	1,729,034	1,518,163	1,395,163	1,317,494
Supply operations	**49,957**	43,618	44,754	52,323	48,767
Total	**$3,712,965**	$3,490,163	$3,050,567	$2,874,426	$2,809,277

Units Shipped Years ended April	**2000**	1999	1998	1997	1996
Manufactured housing:					

Factory shipments –					
Single-section	**21,200**	27,927	29,039	32,830	38,751
Multi-section	**38,258**	37,950	36,505	32,524	30,239
Total	**59,458****	65,877**	65,544	65,354	68,990
Retail sales –					
Single-section	**5,308**	3,418	–	–	–
Multi-section	**9,220**	4,837	–	–	–
Total	**14,528**	8,255	–	–	–
Recreational vehicles:					
North American shipments –					
Motor homes	**16,294**	14,923	13,525	14,345	13,412
Travel trailers	**40,524**	37,208	33,758	31,190	32,387
Folding trailers	**21,890**	21,171	20,960	18,524	20,407
Slide-in truck campers	**1,412**	1,420	1,251	1,184	1,928
European shipments	**–**	–	–	–	557
Total	**80,120**	74,722	69,494	65,243	68,691

Quarterly results: See Note 14 of the Notes to Consolidated Financial Statements for quarterly operating results for the last two years.

*Includes sales of slide-in truck camper units.

**Includes intercompany sales of 11,768 homes in 2000 and 7,674 in 1999

Part II. (FLE) Fleetwood - Manufactured Housing Retail (2000 Annual Report)

We provide homes that are easy to buy and a pleasure to own.

Multiple Objectives Have Accompanied Rapid Expansion Effort

While expanding its retail network, FRC has been concentrating on:

- Restoring and fortifying Fleetwood Homes' representation in key markets.
- Creating a single-branded and systematized retailing organization.
- Developing a common culture among formerly independent retail companies.

In a span of two years, Fleetwood Retail Corp. (FRC) has grown from zero to 243 retail locations, becoming the nation's fourth largest retailer of manufactured homes.

Our entry into the retail business was partially designed to give Fleetwood another channel for revenue and profit growth. It was also a defensive move to protect the Company's access to the retail customer. During the 1997-98 time period, Fleetwood's network of independent retailers was under siege by major competitors who were acquiring large Fleetwood retailers. FRC initially concentrated on filling gaps created by these acquisitions, which collectively represented about $250 million in annual housing revenues. In fiscal 2000, FRC purchased 11,768 homes from Fleetwood factories representing a total value of $298 million. Currently, FRC purchases more than 20 percent of Fleetwood's housing production, and more than 92 percent of new homes sold by FRC sales centers are built by Fleetwood.

FRC has also been focusing its efforts on creating a single-branded retail operation, and has successfully converted 90 percent of all its sales centers to exclusive Fleetwood stores under the Fleetwood Home Center and Fleetwood Homes retail identities. As the nation's number one manufactured housing retail brand, this swift conversion allowed the Company-owned sales centers to significantly capitalize on our national advertising campaign. FRC has successfully installed technology-based systems and a uniform selling process that enables home consultants

to sell homes more efficiently and effectively. For example, a powerful sales management software system boosts sales efforts by tracking prospective customers and facilitating customer communication and follow-up.

New systems have been supplemented by sales training to assure consistent application and a clear-cut message to homebuyers. After acquiring 27 independent companies, FRC has sought to create a common business culture that embraces the Company's mission statement of *providing homes that are easy to buy and a pleasure to own.*

Fleetwood Continues its Tradition of Retailing Excellence

Long before becoming directly involved in the retail business, we were a leader in promoting and facilitating excellence in retailing throughout our independent distribution organization. Fleetwood has always been the industry innovator in developing groundbreaking retail merchandising standards and best practices, and FRC has continued this tradition. For example, Fleetwood Home Centers feature the industry's most appealing, upscale retail setting, and the highest dedication to customer satisfaction programs.

FRC is so strongly committed to satisfying our customers that we award a quarterly bonus to all associates who meet customer satisfaction and profitability goals. Fleetwood is the only vertically-integrated company in the industry that rewards associates specifically for delivering superior customer service. In its first full operating year, FRC achieved an overall customer satisfaction level of 85 percent. FRC was formed with the primary objective of becoming the industry's leading retailer by offering the consumer a better home buying experience. We will continue this pursuit through the creation of innovative sales and marketing programs to further advance the manufactured housing retail industry. We are striving to be viewed as the benchmark that others will seek to emulate.

Part III. Fleetwood Enterprises, Inc. (FLE) - Ten-Year History of Selected Financial Data

Years ended April (Dollars, except per share amounts, and shares outstanding are in thousands)	**2000**	1999	1998	1997	1996	1995	1994	1993	1992	1991
Summary of Operations:										
Sales	**$ 3,712,965**	$3,490,163	$3,050,567	$2,874,426	$2,809,277	$2,807,862	$2,332,184	$1,907,899	$1,558,057	$1,374,722
Cost of products sold	**2,890,002**	2,736,324	2,456,288	2,334,840	2,276,595	2,287,880	1,905,659	1,541,277	1,266,051	1,120,886
Gross profit	**822,963**	753,839	594,279	539,586	532,682	519,982	426,525	366,622	292,006	253,836

Operating expenses	**660,787**	563,528	424,084	400,027	401,150	397,753	334,676	293,504	245,345	224,245
Operating income	**162,176**	190,311	170,195	139,559	131,532	122,229	91,849	73,118	46,661	29,591
Other income (expense)	**(20,642)**	(11,419)	4,754	7,491	(20,539)	5,218	7,667	7,802	9,406	10,676
Income from continuing operations before income taxes	**141,534**	178,892	174,949	147,050	110,993	127,447	99,516	80,920	56,067	40,267
Provision for income taxes	**58,040**	71,771	66,404	56,998	41,543	52,254	40,717	30,612	20,659	13,610
Income from continuing operations	**83,494**	107,121	108,545	90,052	69,901	75,998	58,553*	50,373	35,408	26,657
Income from discontinued operations, net of taxes	**–**	–	–	34,778	9,708	8,635	7,375	6,197	4,816	3,783
Net income	**83,494**	107,121	108,545	124,830	79,609	84,633	65,928	56,570	40,224	30,440
Earnings per share – diluted:										
Continuing operations	**2.41**	2.94	3.01	2.30	1.50	1.63	1.27*	1.10	.78	.60
Discontinued operations	**–**	–	–	.89	.21	.19	.16	.13	.10	.08
Net income	**2.41**	2.94	3.01	3.19	1.71	1.82	1.43	1.23	.88	.68

Financial Position:

Total assets	**$ 1,536,693**	$1,531,184	$1,129,480	$1,587	$1,108,932	$0,394	$5,219	$5,221	$6,929	$8,908

Property, plant and equipment	**312,067**	303,934	277,211	278,331	266,587	262,640	220,154	171,702	149,321	142,908
Shareholders' equity	**584,805**	586,703	376,026	443,095	649,137	608,143	546,466	502,589	467,984	428,072
Book value per share	**17.88**	16.67	11.96	12.40	14.22	13.20	11.88	11.01	10.26	9.78

Other Statistics:

Gross profit %	**22.2**	21.6	19.5	18.8	19.0	18.5	18.3	19.2	18.7	18.5
Depreciation	**$ 28,567**	$27,615	$27,538	$25,581	$25,857	$21,973	$18,266	$15,154	$14,659	$14,779
Capital expenditures	**55,078**	49,757	37,809	56,184	32,916	67,864	72,543	41,966	24,832	18,677
Dividends declared	**24,957**	24,672	23,744	24,408	27,551	25,778	22,878	21,455	19,958	18,491
Dividends declared per Common share	**.76**	.72	.68	.64	.60	.56	.50	.47	.44	.42
Weighted average Common shares – diluted	**39,194**	40,171	36,933	39,162	46,469	46,531	46,207	45,961	45,648	44,584
Number of shareholders of record	**1,400**	1,500	1,500	1,600	1,800	2,000	2,000	2,000	1,900	2,100
Market price per share:										
– High	**$ 29[1]/4**	$6[7]/[1]4 6	$48	$37[1]/4	$29	$27[1]/4	$26	$26[7]/8	$[2]4	$16[7]/8
– Low	**14**	25	25[1]/8	24[1]/8	18[1]/8	17[3]/4	16[1]/2	12[3]/4	14[1]/8	7[7]/8
– Close	**14[5]/8**	28[3]/16	46[1]/8	25[1]/8	26[3]/8	23	19[1]/2	18	19	14[7]/8

***After deduction of $1.5 million or 3 cents per share for change in accounting for income taxes.**

Part IV. FLE

Fleetwood Enterprises Inc,	**Year 2000 Annual Report**	**Management's Discussion and Analysis**

Management's Discussion and Analysis of Results of Operations and Financial Condition

Business Outlook

The Company expects that fiscal 2001 results will be adversely affected by the continuing weakness in the manufactured housing market, which has been impacted by industry-wide excess inventory levels and a restrictive financing environment. The speed at which the current inventory imbalance is resolved will depend in large part on developments in the retail financing area. With respect to the recreational vehicle business, relatively full dealer inventories and rising interest rates are currently having a negative impact on wholesale factory shipments, despite a reasonably healthy level of retail demand. Because of these conditions, the Company's fiscal 2001 first quarter RV results will be adversely affected. A significant softening in RV retail market demand would aggravate the current dealer inventory condition, which would likely prolong any downturn.

2000 Compared to 1999

Consolidated Results: Earnings for fiscal year 2000 declined 22 percent to $83.5 million or $2.41 per diluted share compared to $107.1 million and $2.94 per share for the prior year. The earnings contraction mainly reflects reduced profits from the Company’s housing business as a result of weakening demand for manufactured housing. An increase in non-operating expenses also contributed to the earnings decline.

Consolidated operating income fell 15 percent to $162 million compared to $190 million in fiscal 1999, largely as a result of an 18 percent decrease in combined housing profits from manufacturing and retail operations. A five percent decrease in recreational vehicle earn-ings and a significant increase in health insurance costs also reduced operating income.

Revenues for fiscal 2000 rose six percent to an all-time high of $3.71 billion compared to $3.49 billion in fiscal 1999. This revenue growth resulted from healthy sales of recreational vehicles and the continuing expansion of the Company’s retail housing business.

Gross profit margin for fiscal 2000 rose to 22.2 percent from 21.6 percent last year, primarily due to the favorable effect of the growing retail housing business. The retail operation generally carries higher gross margins, and there is a positive impact on the consolidated gross profit percentage with the addition of retail gross profits combined with the elimination of intercompany manufacturing sales to retail. Manufacturing gross margin actually declined slightly from 20.9 percent to 20.6 percent of sales as a result of lower recreational vehicle margins.

Operating expenses rose 17 percent to $661 million, and also increased as a percentage of sales from 16.1 percent to 17.8 percent. The rapidly expanding retail housing business accounted for about $60 million or 62 percent of the increase in operating costs in fiscal 2000. Selling expenses rose 11 percent to

$309 million, with the retail housing operation accounting for about 40 percent of the increase. Higher selling costs were incurred in manufacturing operations for
sales promotion and product warranty and service. General and administrative expenses of $352 million were up 23 percent, primarily due to the addition of $52 million in retail costs, which represented about 78 percent of the overall increase. The increase attributable to manufacturing was primarily due to higher costs for employee health benefits, casualty insurance and RV product development activities. Most of the rise in the "Corporate and other" operating loss as shown in the business segment information was attributable to the cost increases in health benefits and casualty insurance. As a percentage of sales, selling expenses increased from 8.0 percent to 8.3 percent and general and administrative expenses rose from 8.2 percent to 9.5 percent.
Non-operating items totaled a net expense of $20.6 million compared to net expense of $11.4 million a year ago. The increase was mainly caused by a 33 percent reduction in investment income and a $4.5 million increase in interest expense on retail inventory floor plan financing. Investment income was lower because of reduced cash balances available for investment purposes. The rise in interest expense on inventory financing largely reflects the growth in retail inventories associated with the expansion of retail operations.
The Company's effective income tax rate rose from 40.1 percent in fiscal 1999 to 41.0 percent in the current year. The increase primarily reflects the impact of the amortization of goodwill recorded in conjunction with retail acquisitions, which is not deductible for tax purposes. The impact of the higher tax rate on earnings per share amounted to approximately three cents per share.

Manufactured Housing: Factory sales of manufactured housing declined seven percent to $1.45 billion from last year's record $1.56 billion. Sales figures include intercompany sales to the Company's retail housing division of $298 million in fiscal 2000 and $179 million in 1999. Factory shipments for the year were off 10 percent to 59,458 homes.
Weak market conditions in the manufactured housing industry reduced sales volume and factory operating efficiencies. Industry wholesale shipments to retailers have been declining since May 1999, mainly as a result of too much manufacturing and retail capacity and excess inventories in the retail sector. The imbalance between supply and demand has been exacerbated by unfavorable developments in the financing area. During the past year, lenders have increased credit standards and down payment requirements for retail buyers. These actions and higher interest rates have prevented many potential buyers from purchasing manufactured homes.
Operating income for the housing group declined 17 percent in fiscal 2000 to $69.4 million due to the lower sales volume. Gross profit margin improved slightly from 22.5 percent to 22.7 percent of sales, mainly as a result of modest selling price increases and stable raw material costs. Operating income is net of intercompany profit eliminated in consolidation, which amounted to $14.4 million in fiscal 2000 and $16.0 million in 1999. As a percentage of sales, operating income in fiscal 2000 was 4.8 percent compared to 5.4 percent in the prior year.

Recreational Vehicles: RV revenues in fiscal 2000 were up 11 percent to a record $1.91 billion. As a result of a healthy market environment, all three RV divisions posted record sales. Motor home sales increased 13 percent to a new high of $1.20 billion, as shipments rose nine percent to 16,294 units. Towable RV products also performed well in fiscal 2000, with travel trailer sales rising seven percent to $590 million and folding trailer sales also increasing seven percent to $124 million. Travel trailer shipments were up nine percent to 41,936 units, while folding trailer unit volume increased three percent to 21,890.
RV operating income in fiscal 2000 was $104.1 million, off five percent from last year's record $109.9 million. As a percentage of sales, operating income fell from 6.4 percent to 5.4 percent due to lower

gross profit margins and higher selling costs. Gross margins were adversely affected by changes in product mix within the motor home and travel trailer divisions, reflecting increased sales of competitively-priced products with lower profit margins. This mainly reflects a decision by the Company to expand its product offerings to include lower-priced entry-level travel trailers and Class C motor homes, both of which represent a significant and growing part of the market. The rise in RV selling expenses was mainly driven by higher product warranty costs for all RV divisions and motor home sales promotion programs.

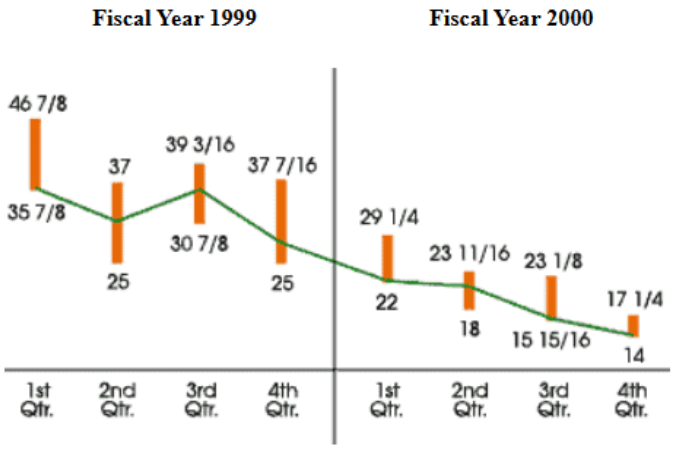
Supply Operations: Revenue for the Company's supply group rose 15 percent to $50 million in fiscal 2000, up from $44 million in fiscal 1999. The increase mainly reflects higher sales from fiberglass manufacturing operations. Operating income of $20.5 million in fiscal 2000 was up 26 percent from the prior year as a result of the higher fiberglass sales, as well as volume increases related to imported parts and components.

Retail Housing Operations: Fleetwood's retail housing division recorded revenues of $592 million in fiscal 2000 on the sale of 14,528 homes. This compares with $332 million and 8,255 homes in the prior year. Operating income, before interest expense on inventory floor plan financing, declined to $3.8 million from $4.9 million in fiscal 1999. Although sales volume improved with the continuing expansion in the number of retail outlets, profits were constrained by the challenging market environment and higher operating costs. As expected, higher operating costs were incurred for new store openings and the building of infrastructure and systems for this new business. The retail business commenced operations in fiscal 1999, and has grown rapidly to 243 retail sales centers as of April 30, 2000. Interest expense for inventory financing, a non-operating expense, increased to $10.8 million in fiscal 2000 from $6.3 million in the prior year.

[caption id="attachment_238073" align="aligncenter" width="658"]

Shareholder Information

PRICE RANGE AND QUARTERLY CLOSING PRICE OF COMMON STOCK*



DIVIDENDS PAID

$.17	$.18	$.18	$.18	$.18	$.19	$.19	$.19

DIVIDEND PAYMENTS

Cash dividends on Fleetwood Common Stock have been paid for 35 consecutive years since the Company went public in 1965. Dividends are ordinarily paid in February, May, August and November.

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Once a powerhouse in manufactured housing production, Fleetwood Enterprises (FLE) went from being in the top 2 for production in 1998 to slide into bankruptcy by 2009.

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Gibson, Dunn & Crutcher, L.L.P.
Irvine, California

INDEPENDENT ACCOUNTANTS

Arthur Andersen, L.L.P.
Orange County, California

SHAREHOLDER INQUIRIES

Inquires from shareholders and securities analysts should be directed to Paul Bingham, Senior Vice President-Finance, (909) 351-3504 or Lyle Larkin, Vice President-Treasurer, (909) 351-3535.

ANNUAL MEETING

The annual meeting of shareholders will be held at Fleetwood's corporate offices, 3050 Myers Street, Riverside, California at 9 a.m. on September 12, 2000

REPORT ON FORM 10K

Upon request, the Company will provide a copy of its annual report on Form 10K as filed with the Securities and Exchange Commission, without charge to the requesting party.

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Fleetwood Enterprises, Inc. is an equal opportunity employer

The base images and text are from Fleetwood Enterprises (FLE) annual corporate information for 2000. The annotation is by MHProNews.[/caption]

Part V. Jumping Ahead to Key Items from Fleetwood Enterprises 2005 (MHProNews a), below) and 2008 Annual Reports (b), below).

Briefly, MHProNews notes that skipping several years from the Fleetwood Enterprises (FLE) annual reports is not meant to imply that the other years don't have insights to glean. They do. But by focusing on these specific year's FLE annual statements and financial reporting, statistics emerge that may save readers time while still providing a robust look into nuances and details that went underreported for far too long by manufactured housing industry focused trade media. MHProNews' steadily increased look at historical data, research (third-party and within the manufactured home industry), the periodic glance to

what was occurring in conventional housing and the RV industries, are all sheading fresh new light on what went wrong in **MHVille**, when, why and how. With that brief tee up, let's dive in.

a) Fleetwood Enterprises (FLE) 2005 Annual Report. From Letter to Shareholders by **ELDEN L. SMITH,** President and CEO

ELDEN L. SMITH
President and CEO

FOCUS. It's a word that I repeat often in meetings with our associates, our dealers, and the investment community, and that I find myself using in connection with our numerous downsizing, realignment, and forward-looking initiatives. I intend for Fleetwood to focus on its core competency as a manufacturer; focus on our products as the foundation for progress and success; focus on market segments and niches that have meaningful, profitable volumes; focus our design, manufacturing, and sales associates on a narrower array of product lines; and encourage every associate in the Company to focus on reaching consistent profitability.

We are focused on these things because our financial situation mandates it, and our future success depends upon it. This year's loss from continuing operations of $72.6 million was a giant step backward and we must regain momentum toward profitability.

REFOCUSING ON OUR CORE PRINCIPLES.

Tom mentioned the growth Fleetwood experienced in RVs from 1968 to 1997. At the same time, the manufactured housing business experienced similar expansion. That dual success was enabled by a Company-wide focus on a handful of principles. While many aspects of both industries have changed, the importance of these principles— including value-oriented and customer-influenced products, performance-based incentives and accountability, efficient regionally located manufacturing centers, respect for the entrepreneurial character of our independent dealers, and broad-based, collaborative

decision making—endures. I believe we must balance the potential of the technological advances and sophisticated initiatives of recent years with the proven benefits of the flatter, more responsive organization of Fleetwood's earlier years.

Most of all, I strongly believe that our products are of paramount importance, and that the way they are developed, designed, manufactured, and serviced must be the foundation of our success.

I have been pleased to find that many people in the Company believe in these simple but important principles—some because they saw them work before, and others because they simply make sense.

Following my appointment by the Board, one of my first moves was to hire another long-time Fleetwood management associate, Charley Lott, to head up the Housing Group. Charley has long experienced and espoused the basics of the corporate culture that enabled us to lead the manufactured housing industry in the '80s and '90s, and he has an extensive history of successfully managing manufactured housing operations. With the leadership of Charley in the Housing Group and Chris Braun in the RV Group, I believe that Fleetwood is positioned to recapture momentum and challenge the most successful and profitable companies in both industries. Some of the specific moves made in each Group—for instance, a flatter organizational structure and product changes—are laid out later in this report. The overriding charge is to make Fleetwood more responsive to our customers, whether they are our dealers or the end user. We want everyone who has a Fleetwood product to feel that they have received good value for their investment.

AGGRESSIVELY IMPLEMENTING COST-EFFECTIVE PRACTICES.

At the corporate level, we too are focused on receiving value for what we spend. Every expense is being scrutinized for the value of its contribution to our success. This focus resulted in significant cost reductions within the last few months, particularly in the areas of compensation and consulting fees. We have also changed the Company's management incentive compensation structure to more effectively focus our managers on the importance of controlling costs and generating profits.

By definition, distraction is not compatible with the concept of focus. As previously announced, we have begun the exit from our manufactured housing retail and finance businesses, known as Fleetwood Retail Corp. (FRC) and HomeOne Credit Corp., respectively. Fleetwood was never able to reach the critical mass in revenues necessary to achieve profitability in retail. Our core competency has always been in manufacturing, and the decision to focus on that segment during this still-challenging time in the manufactured housing market cycle will be crucial to our recovery. As we go to press, it appears that we will successfully close a transaction selling the majority of the assets of both the retail and finance businesses to divisions of Clayton Homes. FRC has been our largest customer, and we are pleased that the buyer, Clayton, has a strong, well-established presence in retail and also as an important Fleetwood customer. This should provide for the continued sale of Fleetwood homes through most of these retail sites.

Other distractions have been eliminated as well. We have discontinued a project to develop and build our own proprietary RV chassis, initiated a search for investment partners for our RV time-share venture Fleetwood Vacation Club (which would leave us with a minority ownership interest), redirected a project

to develop a wholesale RV parts business, and halted the production of conventional trailers in our folding trailer plant. Some of these projects might be worthy of a greater investment when Fleetwood is healthier but, for now, they are more of a distraction than an advantage to our recovery efforts. The benefit of these moves, in addition to the potential monetary gains, will be the refocusing of some of our best people on developing and manufacturing very competitive, innovative RVs and manufactured homes.

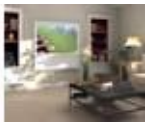
REORGANIZING FOR EFFICIENCY AND PROFITABILITY.

The basic reorganization of the Company is almost complete. We now have several distinct business units—motor homes, travel trailers, folding trailers, three regions in manufactured housing, and the Supply Group. We have consolidated several facilities. Our employment level has been reduced by approximately 9 percent, or 1,200 associates, since the end of the fiscal 2005 third quarter. This reduction included production associates, as well as staff and management at all levels. You may note that the number of corporate executive officers has been reduced from 24 in our 2004 annual report to 10 in this report. Our efforts at all levels are more streamlined and focused for quicker, more effective decision making.

Liquidity will be critical to our efforts going forward. As announced in early March of this year, the banks in our secured credit facility provided us with a $25 million increase in availability from December 1 to April 30, the period during which we typically build inventory levels. More recently, the year-round addition of a $15 million real estate sub-facility and a $22 million term loan, also collateralized by real estate, boosted the base credit line to $212 million.

We anticipate that these additional resources and the continued support of our banks will contribute significantly to our efforts in future periods.

As our renewed focus begins to take effect and we move closer to sustained profitability, a silver lining in the cloud of our losses from recent periods emerges. Income, as we begin to generate it, will be essentially free from Federal income taxes for quite some time. As of the beginning of fiscal 2006, we had a net operating loss carryforward of approximately $188 million. In addition, we have a valuation allowance against our deferred tax asset of more than $115 million, which will begin to reverse into income after we demonstrate consistent profitability. These items, combined with the operating leverage that exists in both businesses, will allow us to recover financially much more quickly than would otherwise be the case.



MOVING STRATEGICALLY AND POSITIVELY AHEAD.

We have a number of significant strengths that are playing key roles as we move to a more positive future, including a core of outstanding, experienced associates; excellent, committed suppliers; products that are represented by the best dealers; and thousands of loyal, satisfied product owners.

We are privileged to be a leader in two businesses that provide individuals and families with products that have tangible value, within industries that have an inherent promise of growth. The RV lifestyle allows people to connect with family and friends, travel freely, and pursue their passions. More people are entering the traditional age range for the purchase of an RV at the same time that the range is expanding—younger families are buying RVs and people are remaining healthy and using RVs longer.

And there will always be a need for affordable housing, so we're proud to be in the business of building quality homes that cost 10 to 35 percent less per square foot than site-built houses.

I believe in Fleetwood's future as a market leader, and I believe in Fleetwood as a solid investment. We will focus on our products, as well as on gaining market share, increasing sales, and improving operating margins. We have done it before, and throughout this difficult time in the Company's history, our associates, our dealers, our product owners, our suppliers, our banks, and our shareholders have continued to believe that we will do it again. I thank all of you for your support, and I pledge to do what it takes to fulfill your expectations and the inherent promise of value in your Company.

ELDEN L. SMITH
President and CEO

a1) From MANUFACTURED HOUSING REVIEW (FLE) Housing Group
2005 Fleetwood Enterprises annual report.

HOUSING MARKET

The market for manufactured housing currently appears to have stabilized, albeit at a low level, and is showing some signs of recovery. Industry shipments in both calendar years 2003 and 2004 were approximately 131,000, but Fleetwood shipped 3,400 more homes in calendar 2004 than it did in 2003. This translated into a significant wholesale market share gain, moving to 17.6 percent in 2004 from 15.0 percent in the prior year. Retail market share was also up considerably to 17.4 percent from 15.7 percent in calendar 2003. About half of the unit gain is estimated to be from sales to government agencies for disaster relief, with the remainder sold through traditional channels and manufactured housing communities.

Back in 1991, the industry shipped 171,000 homes. As the 1990s progressed, the popularity of manufactured housing began to grow rapidly. Several factors contributed, including the improved quality and aesthetics of the homes, the limited availability of apartments, and readily available wholesale and retail financing for manufactured housing. In fact, it is widely accepted that financing became too easy to obtain, which led to an abundance of home purchases by less creditworthy buyers. This contributed to an expansion in the number of retail dealerships and the level of retail inventories, which in turn led to increased manufacturing capacity and wholesale shipments. At the peak of the market in 1998, the industry shipped 373,000 homes.

Unfortunately, the quality of many loans written during this time was poor, and as consumer lenders faced elevated default rates and significant repossessions, they began to tighten underwriting standards and limit their exposure to the industry. A number of finance companies exited the chattel (home-only or personal property) lending business altogether, while those that remained increased their interest rates significantly. Although some of the chattel loans have been replaced by land-home financing, the time and expense necessary to generate these loans, which require land to be included as collateral, is greater. While this additional expense is somewhat offset by increased availability and lower interest rates, the net effect has been fewer sales of new homes. In addition, competition from an excessive

number of repossessed homes has further challenged a difficult market. At the same time, site-built housing loans have become easier to obtain, with low down payment requirements and historically low interest rates. Combined, these issues have resulted in a prolonged recession in the industry.

We believe a reversal of one or more of these factors will rejuvenate the market and there are some positive signs on the horizon. Sales have improved dramatically in Florida and California and a few neighboring states where lending underwriting appears to have remained more disciplined and therefore the downturn was less severe. This recent surge in buying, however, is being offset by continued declines in the mid-South and Midwest. Both the rate of repossessions and the inventory of repossessed homes appear to be improving throughout the country. Estimates of repossessed houses being liquidated, which peaked at more than 100,000 in 2003 and 2004, have now fallen to less than 70,000 in the current calendar year. Also encouraging is a heightened interest in the sector on the part of midsized local and regional lenders.

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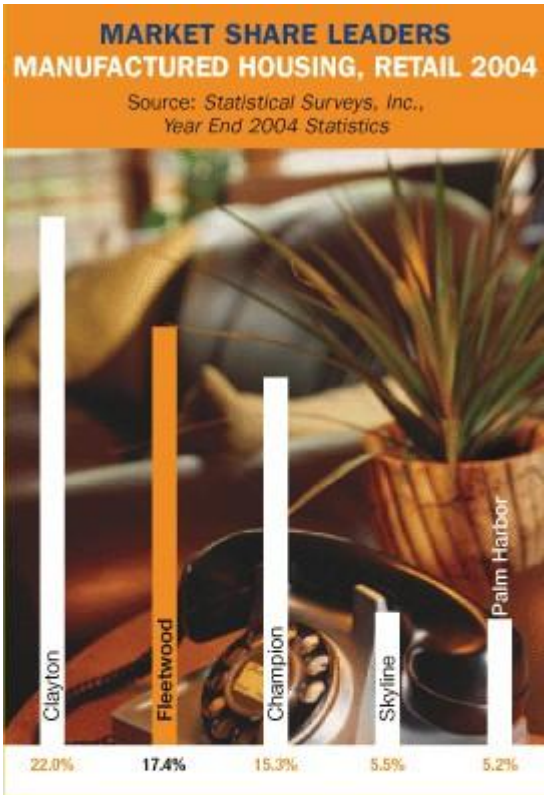

The market for manufactured housing is stabilizing due to improvements in some of our nation's regions.[/caption]

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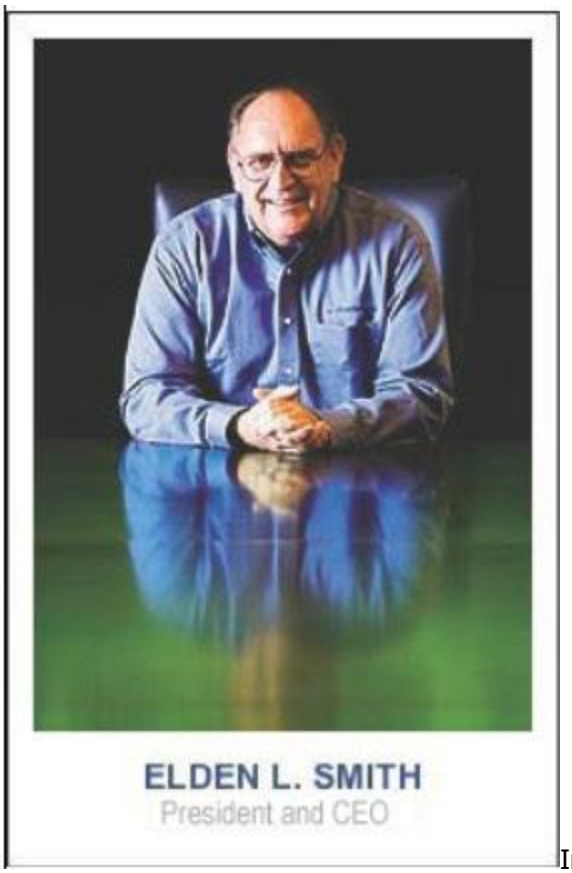
b) Fleetwood's (FLE) 2006 Annual Report. Letter to Shareholders by **ELDEN L. SMITH,** President and CEO



In March 2005, a blueprint was drafted for improving our Company's financial performance and market position. It emphasized reaching consistent profitability and decentralizing our operational decision making, with a focus on industry-leading product design and development. Our plans continue to evolve, but our basic strategy remains unchanged.

More than ever, we are focusing our energies on our core competency—producing high-quality recreational vehicles and manufactured housing. Our products are the foundation of any success that we enjoy, and we must deliver optimum value to our customers and be responsive to consumer tastes and trends.

At the same time, we are dedicated to providing value to our shareholders. We are reducing costs and striving to expand our revenue base. Last year's decentralization of Fleetwood removed several layers of management. For example, in April 2005 Fleetwood had 24 executive officers; by September we had 12. During the same timeframe, we eliminated several non-manufacturing operations and initiatives, which also reduced our costs. The most significant example is the sale of our manufactured housing retail and finance divisions, Fleetwood Retail Corp. (FRC) and HomeOne Credit Corp., which together had averaged a loss of $9.3 million per quarter for the past two years. In addition, cost-saving programs and organizational strategies have been implemented that will produce benefits in the medium to longer term, and still others are being initiated that will produce immediate benefits.

Decentralization has driven many of these strategies. Although some moves have involved short-term expenditures, over the longer term they will enable us to reduce costs and more effectively respond to

customer expectations. Operations management has been empowered at levels much closer to our customers, a move that speeds decision making relative to product development, sales, manufacturing, and service. RV Group managers at the motor home, travel trailer, and folding trailer division levels have additional responsibility and authority, as do the Housing Group's three regional operations.

RV sales personnel are now aligned with specific product brands rather than representing a cross-section of products. Likewise, most Housing Group sales personnel represent products from a regional plant to local retailers. This specialization has many benefits, including a deeper understanding of each product, better knowledge about the competitive products and the marketplace, and the ability to provide meaningful feedback on needed improvements to our product development teams. For the RV Group, these teams now include representatives from sales, product development, service, manufacturing, and product planning who come together often to bring their individual perspectives to the table and ultimately agree on solutions for product improvement.

Service has also been decentralized. Specialized customer service groups assist motor home, travel trailer, and folding trailer customers. The RV Group has reinstated factory service, performing more complex repairs that not all dealers have the ability to perform, offering service training for dealer technicians, and reducing costs by better controlling charges for parts and labor. In addition, with service closely connected to the plants, any manufacturing problems can be readily communicated to the production team and resolved promptly and effectively. The Housing Group moved to plant-based service early in the year, and costs for service and warranty have trended downward: fourth quarter charges were $3 million less than those in the first quarter, and we expect to see further improvement. We believe that the RV Group will be able to reap similar benefits.

We are determined to further ingrain cost-consciousness as an integral part of our culture, without sacrificing investments in product, facilities, and infrastructure. When purchasing materials, our size often allows us to benefit from volume discounts, which provide a substantial competitive advantage. We have reduced headcount at all levels—executive, management, staff, and manufacturing—to 11,500 people, down from 12,500 at this time last year. Management compensation is now more highly leveraged, as 90 percent of short-term bonus compensation is tied to operating unit financial performance.

"By empowering regional leadership, focusing our personnel, and reestablishing product differentiation, we have dramatically improved our Company's financial performance and market position."

2007 REVOLUTION LE

DEVELOPING DISTINCTIVE, MARKETABLE PRODUCTS

We strive to develop products that target areas of greatest sales and profit potential within our industries. For each product and price niche, it is our intention to participate in the broadest part of the market. When we analyzed our product mix based on this objective, we found overlapping products and products that were on the fringes of some price points. This was especially true in travel trailers and motor homes, where we have repositioned many of our brands to better compete with other manufacturers and mitigate competition within our own product lines.

Historically, our RVs have had distinct "personalities," which in some cases had become confused or lost. To remedy this issue, we are reestablishing what differentiates one product line from another, so that our customers can more easily identify the product that suits their lifestyles and tastes. This differentiation also helps our dealers sell a product line more profitably against other dealers in the same market area who have a similar product, but a different target audience. Our new products in all segments are better positioned for the current market, with a focus on lighter-weight construction, improved fuel efficiency, and increased affordability.

We have long prided ourselves on the functionality of our products. For example, in motor homes, our full-wall slide-out technology provides the opportunity to use floor plan space in new and more efficient ways. We are capitalizing on this and our best-in-class full-body paint capability by offering these features on additional products.

In the Housing Group, targeting areas of greatest sales and profit potential manifests itself in a different way. Previously, we developed a national product that provided manufactured housing communities, in particular, with consistent housing options for their nationwide operations. These products, however, were not sufficiently responsive to regional differences in housing preferences across the country. To remedy this, we have moved housing design responsibility to our three regions. Now, in addition to providing national floor plans and décors, we provide numerous regional or even local variations.

YIELDING ENCOURAGING, IMPROVED RESULTS

Our plan has resulted in financial progress in both our operations and our capital structure. We reduced

operating costs by $33.1 million during fiscal 2006. Comparing the past two fiscal years on a quarter-by-quarter basis provides an encouraging contrast: results deteriorated throughout 2005, but generally improved each quarter in 2006 as we implemented our restructuring initiatives.

For the full year, consolidated revenues from continuing operations increased 2 percent in fiscal 2006 to $2.43 billion from $2.37 billion. Fleetwood's loss from continuing operations narrowed sharply to $6.1 million from $72.6 million in fiscal 2005. The net loss for fiscal 2006 also was reduced significantly to $28.4 million from a net loss of $161.5 million in the prior year.

RV sales declined 3 percent from 2005 to $1.61 billion from $1.66 billion. The RV Group ended the year slightly above breakeven with $0.2 million in operating income, which represented substantial progress from the operating loss of $39.2 million in fiscal 2005. Our Housing Group revenues for fiscal 2006 rose 1 percent to $795.6 million from $785.5 million in the prior year, and the segment earned $38.8 million in operating income, six times the income of $6.4 million in fiscal 2005.

We have focused our attention and resources on progressing toward consistent, sustainable profitability. We showed marked improvement during the year for many reasons. Most notably, we better controlled RV finished goods inventories, which resulted in fewer, more targeted sales incentives compared to the prior year; we improved labor efficiencies and reduced selling expenses and service and warranty costs, particularly in the Housing Group; and both groups benefited from the revenue and earnings boost provided by producing emergency shelter units for disaster relief.

In response to the hurricanes in the Gulf Coast region, our travel trailer division produced 10,600 emergency living units (ELUs) and our Housing Group produced 3,000 houses. All were built to FEMA specifications. These products were designed as temporary shelter and therefore cause little or no market overhang. The majority of the $210 million FEMA order was completed during our third quarter, which allowed us to turn in best-ever results for that seasonally slow quarter.

Our traditional markets remained predictably slow in the third quarter due to winter weather and the holidays. Our fourth quarter is usually positively influenced by the spring selling season, although this year the normal seasonal bounce was subdued. Motor home sales were particularly affected by an apparent softness in consumer confidence, most likely stemming from volatile fuel prices and rising interest rates, as well as dealers' desire to moderate inventory levels in this period of uncertainty.

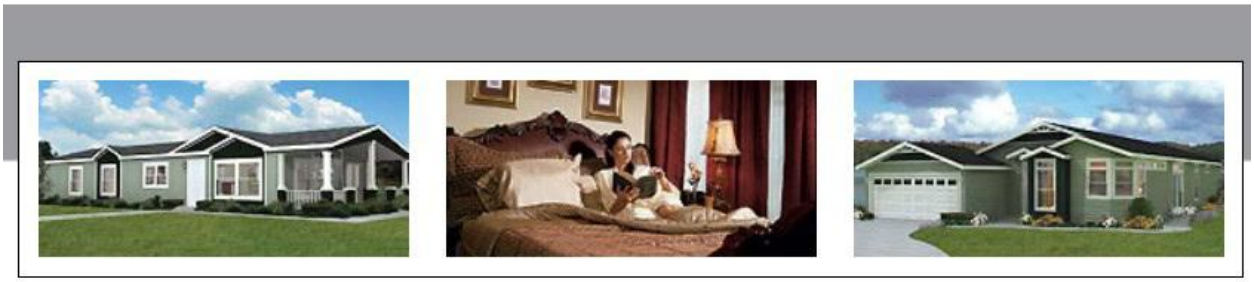
Manufactured housing sales were also slow during the latter part of fiscal 2006, and in Fleetwood's case, the year-over-year comparisons were particularly disappointing. Two primary factors contributed to the decline. First, in divesting our retail operations, we sold our largest customer. Subsequently, 50 of the 135 stores were closed, and inventory at the remaining locations was reduced. Our relationship with this dealer organization remains strong, but we need to replace many of the closed retail operations with new independent retailers. Secondly, we had enjoyed a substantial share of business among large national manufactured housing community operators, where volume was unusually high during calendar 2005. This business did not materialize this year.

Early in fiscal 2006, we consolidated two manufactured housing plants where we had excess capacity: one in Texas and one in Georgia. We later added two manufacturing locations. A leased plant in Perris, California, is building homes for the Southern California, Nevada, and Arizona markets. We also reopened our Edgerton, Ohio, travel trailer plant and rehired many of the experienced people who previously worked at that facility, providing for a very quick and efficient start up.

SUBSTANTIALLY IMPROVING OUR BALANCE SHEET

Our balance sheet was significantly strengthened during the year by the progress in our operations; the disposition of FRC, HomeOne, and four idle facilities; and a private placement of shares of our common stock. We raised $66 million in that equity offering in November 2005, allowing us to pay $58.8 million in accrued interest, which had been deferred for 17 quarters, on our 6% convertible trust preferred securities (CTPS). Our total debt, including accrued interest, declined by $158.5 million from the end of fiscal 2005. At the end of fiscal 2006, overall short-term borrowings under the credit facility were a modest $2.5 million, versus $55 million at the end of the prior year. Cash and marketable securities grew by $100 million over the same period to $146 million, inventories decreased by $56 million, and shareholders' equity increased by $45 million. Subsequent to the end of the year, the Company purchased $50 million in par value of the 6% CTPS for $31 million, which, after deferred costs and taxes, boosted shareholders' equity by approximately $15 million.

As of the beginning of fiscal 2007, the Company has a net operating loss carryforward of $287 million, which can be applied to future profits to reduce Federal income taxes and benefit our recovery.



PLANNING FOR FUTURE PROSPERITY

Our outlook for fiscal 2007 is clouded somewhat by recent manufactured housing and RV market trends. Traditional markets have not been as robust as we had hoped they would be at this stage of our recovery. We continue to work on strengthening our balance sheet and reducing our cost structure. Even in a slow market, we intend to increase market share, more effectively manage capacity utilization, and enhance operating margins. We are also developing additional products to fill the current demand for more efficient and affordable RVs and we are exploring additional opportunities in the modular housing business.

We believe that demand for affordable, quality manufactured homes has only been sidetracked by a difficult financing environment, combined with relatively lax requirements for site-built lending and a steady supply of apartments at reasonable rates. All, or any, of these factors may change in the not-too-distant future, which would improve our affordability advantage. We are also confident that we will participate in the rebuilding effort in the Gulf Coast area once the current obstacles are cleared away. Debris, pending insurance claims, and delays in government decisions on building requirements are all holding up the Gulf Coast reconstruction. Manufactured housing has long been a well-accepted permanent housing choice in the Southeast, and factory-built homes are likely to be one of the few practical solutions to the sheer number of homes that need to be replaced.

Thus far in the current calendar year, motor home sales have been disappointing due to consumer concerns about interest rates and fuel prices. We have reason to believe that this is a temporary situation, as demographic trends and consumer studies continue to point to robust sales for years to come. We are using this lull in the market to ensure that we're ready with solid products for the

resurgence. Early reaction to new products and indications that our shipment market share is increasing suggest that we are on the right track.

Because our RV dealer inventories remain at reasonable levels, an increase in retail sales would quickly manifest itself in increased demand at the wholesale level. A new motor home may be the epitome of discretionary spending—it's a purchase that is easily delayed but seldom abandoned. Over the years, we've seen sales dip in times of uncertainty, only to sharply rebound when circumstances stabilize. Independent studies show that interest in RVs is stronger than ever, just as baby boomers are surging into the prime age range for RV use. We are also encouraged by the interest in RVs shown by young families.

CONFIDENTLY EFFECTING CHANGE

We are determined to improve our revenues by participating in new markets as well as existing markets with increasing demand, and growing our market share in both of our industries. We intend to continue to enhance our margins by means of better capacity utilization, a lower cost structure, improved product engineering, reduced warranty costs, and more effective sales and marketing.

These are exciting as well as challenging times to be at Fleetwood. I hope that, as an existing or potential shareholder, you can also sense the excitement. We appreciate your patience as we effect Fleetwood's turnaround. I also thank our associates, our dealers, the hundreds of thousands of Fleetwood owners, our suppliers, and our lenders for their support and belief in the Company—all of which are essential to our success.

ELDEN L. SMITH
President and CEO

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c) Fleetwood's (FLE) 2008 Annual Report. From the Letter to Shareholders by **ELDEN L. SMITH,** President and CEO

HOUSING GROUP ACHIEVES PROFITABILITY AND SATISFIES CUSTOMERS IN TOUGH MARKET

The Housing Group continued to operate profitably in a very challenging market. As industry shipments continued to decline—calendar 2007 shipments were at a 41-year low and the first quarter of 2008 was even off of that pace—the Housing Group managed its business extremely well.

The Group was very successful in keeping costs down, but also continued to invest in important initiatives. The renewed emphasis since the beginning of fiscal 2006 on customer and dealer satisfaction ratings in the manufactured housing operations has clearly paid off. Customer satisfaction is gauged through a brief independent survey of each homeowner after purchase, while our retailers are asked to rate us every six months in all areas of performance. Our Retailer Satisfaction Index (RSI) improved to 93

percent in calendar year 2007 from 62 percent in calendar 2006, while during 2007 our Customer Satisfaction Index (CSI) exceeded 90 percent for the first time since 1998.

We believe that our CSI scores will continue to rise, based on feedback from the introduction of Fleetwood's "Welcome Home" factory set-up program, which had achieved 15 percent penetration by the end of the fiscal year. Our New Points of Distribution program was also successful, resulting in a net increase of 18 percent to our independent dealer population. We now have 1,438 distribution points, up from 1,222.

NEW MODULAR DIVISION SHOWS SUCCESS

We have carefully expanded our new modular division, Trendsetter Homes. Our commitment to developing new business, along with engineering and constructing new variations of factory-built living modules for different uses, has resulted in participation in several multi-family housing projects. We have responded by increasing our allocation of resources to more aggressively pursue the national modular market, including military housing construction contracts.

The U.S. Army has budgeted $16.5 billion through fiscal 2011 for its Base Realignment and Closure 2005 program—more than three times the investment in earlier military housing initiatives. Unlike previous efforts, the program largely involves new construction. Fleetwood participated by building the living modules for three projects during the year. We successfully completed the first phase of housing at Fort Bliss in Texas, and are now building the living units for the second phase. We also recently completed the modules for new barracks at Fort Sill in Oklahoma.

Trendsetter has entered the multi-family residential arena as well. In addition to a small project designed to house a large hotel's international employees, which was completed near the end of fiscal 2007, we have completed multiple condominium phases for the St. Charles Village development in Mobile, Alabama. These projects capitalize on our core competencies and should expand and diversify our housing opportunities going forward.

FLEETWOOD CAPITALIZES ON STRENGTHS

The turnaround of our businesses has been challenging, and we have been faced with many hard choices in the face of difficult market conditions. For several decades, Fleetwood has persevered as a market leader in each of our businesses because we build innovative, reliable products, and we listen to our customers. We constantly emphasize the importance of the partnership we share with our dealers, suppliers, and retail customers, and we have learned how to adapt to changing circumstances, market cycles, and customer needs and tastes.

Fleetwood is now a far leaner company, structured to capitalize on its greatest strengths. We are a volume manufacturer, assembling high-quality homes and homes-away-from-home in a factory environment. While each product is unique, we do our best, most profitable work when a number of similar floor plans can be manufactured at one time. Even as we have expanded into modular housing over the past couple of years, we have focused on multi-family projects or barracks where we can put this expertise to work.

We continue to have confidence in both the RV and the factory-built housing markets over the long term, and we are well positioned to thrive in each as they rebound. If projections for our industries are borne out, calendar 2008 industry shipment volume will be stable in housing and somewhat depressed in recreational vehicles through the spring of 2009. This will mask some of our operational and financial

progress. It is worth noting, however, that Fleetwood has been through difficult market cycles before and has historically come out of them stronger than ever.

FOCUS CONTINUES ON PROFITABILITY AND REBUILDING SHAREHOLDER VALUE

When we began our turnaround effort in 2005, I wrote in my first letter to you, "I intend for Fleetwood to focus on its core competency as a manufacturer; focus on our products as the foundation for progress and success; focus on market segments and niches that have meaningful, profitable volumes; focus our design, manufacturing, and sales associates on a narrower array of product lines; and encourage every associate in the Company to focus on reaching consistent profitability." These objectives are still relevant for Fleetwood, and have been the guiding force for many of the actions that have been taken since, including those during fiscal 2008. Although we had many challenges this year, including the subprime mortgage crisis, rising fuel costs, and falling consumer confidence, we have kept our focus on these goals.

When our markets turn again, as we know they will, Fleetwood will reap the full benefit of all the changes we have made during these challenging times. We look forward to consistent profitability and strong cash flow as we rebuild shareholder value.

I thank each of our shareholders, associates, dealers, Fleetwood product owners, suppliers, and lenders. Your patience and support have been vital to our past accomplishments and will be critical to our future success.

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Part VI. MHProNews Expert Human Intelligence Analysis Leans into Statements and Stats from FLE.

1. MHProNews notes that in Fleetwood's own words, in 2000:

"In a span of two years, Fleetwood Retail Corp. (FRC) has grown from zero to 243 retail locations, becoming the nation's fourth largest retailer of manufactured homes."

"Our entry into the retail business was partially designed to give Fleetwood another channel for revenue and profit growth. It was also a defensive move to protect the Company's access to the retail customer. During the 1997-98 time period, Fleetwood's network of independent retailers was under siege by major competitors who were acquiring large Fleetwood retailers. FRC initially concentrated on filling gaps created by these acquisitions, which collectively represented about $250 million in annual housing revenues. In fiscal 2000, FRC purchased 11,768 homes from Fleetwood factories representing a total value of $298 million. Currently, FRC purchases more than 20 percent of Fleetwood's housing production, and more than 92 percent of new homes sold by FRC sales centers are built by Fleetwood."

2. Despite bragging that they had reached #2 in national *retail* volume in 2004, by 2005:

"The most significant example is the sale of our manufactured housing retail and finance divisions, Fleetwood Retail Corp. (FRC) and HomeOne Credit Corp., which together had averaged a loss of $9.3 million per quarter for the past two years."

3. Much of what was the Fleetwood Retail Corp (FRC) was acquired by Clayton Homes (BRK) in an 'all cash' transaction. So, Clayton further increased their swift move from #4 to dominance in retail and in

production following the acquisition of CMH by Berkshire Hathaway. Several more related insights can be gleaned from the reports linked below.

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[https://www.manufacturedhomepronews.com/the-real-women-shaping-the-history-and-potential-future-of-manufactured-housing-not-yet-household-names-but-these-women-merit-well-earned-affordable-housing-crisis-spotlight-mhville-fea/](/caption)[caption id="attachment_189626" align="aligncenter" width="600"]

[https://www.manufacturedhomepronews.com/masthead/true-tale-of-four-attorneys-research-into-manufactured-housing-what-they-reveal-about-why-manufactured-homes-are-underperforming-during-an-affordable-housing-crisis-facts-and-analysis/](/caption)[caption id="attachment_237808"

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https://www.manufacturedhomepronews.com/manufactured-housing-historic-timeline-of-notable-events-research-statements-mid-1990s-to-2025-rising-production-sharp-fall-tepid-stagnant-recovery-consolidation-over-organic-growth-fea/[/caption]

4. From the 2008 Annual Report, Fleetwood said:

The Housing Group continued to operate profitably in a very challenging market.

So, prior to the apparent January 2009 move by Tim Williams at Clayton Homes (BRK) sister brand, 21st Mortgage Corporation (BRK) to cut lending access to several of their competitors, which Samuel Strommen at Knudson Law referred to as a tying antitrust violation, the **Fleetwood's leadership stated that they were "profitable"** instead of losing money as had occurred in several prior years.

[caption id="attachment_237891" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/about-1-in-5-manufactured-homes-sold-in-u-s-at-retail-was-a-fleetwood-home-less-than-half-of-public-can-afford-site-built-house-historic-glenn-kummer-nelson-potter-annual-letter-fea/[/caption]

5. Was Fleetwood (FLE) turning the corner prior to the purported tying 21st/Clayton/Berkshire violation? Quoting Fleetwood (above).

"When our markets turn again, as we know they will, Fleetwood will reap the full benefit of all the changes we have made during these challenging times. We look forward to consistent profitability and strong cash flow as we rebuild shareholder value.

I thank each of our shareholders, associates, dealers, Fleetwood product owners, suppliers, and lenders. Your patience and support have been vital to our past accomplishments and will be critical to our future success."

Historically, we now know that FLE's statement: "When our markets turn again, as we know they will..." didn't come to pass. But the question that ought to be asked is why? Why was MHI's Chris Stinebert mistaken when he predicted in 2004 that the industry's turnaround was finally coming?

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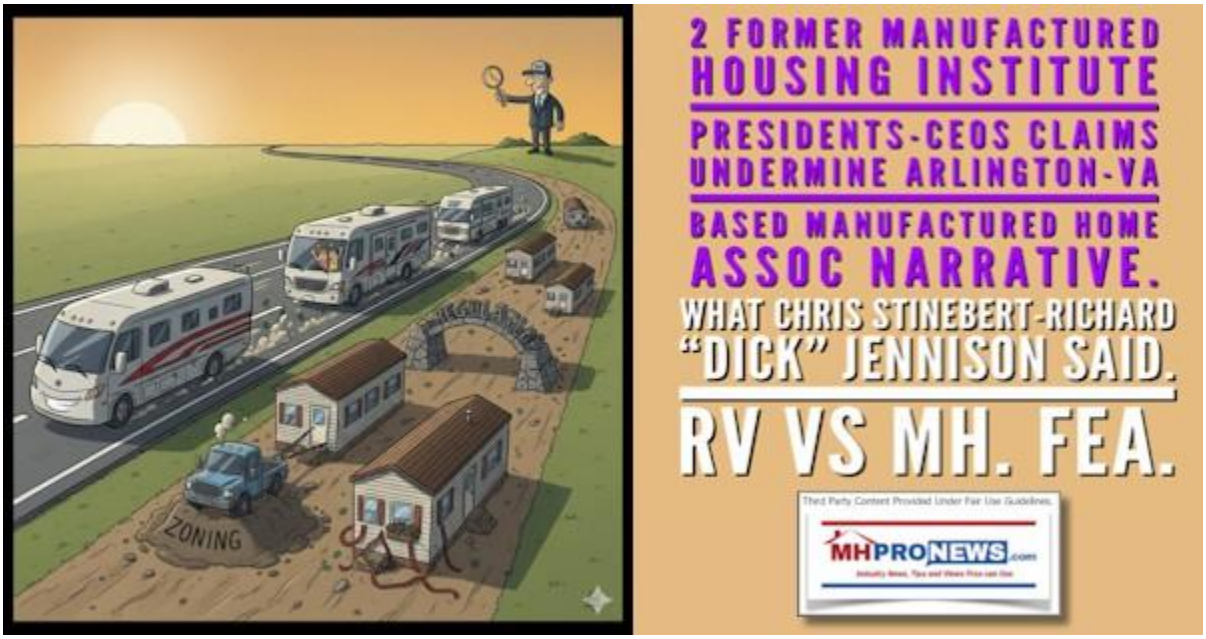

https://www.manufacturedhomepronews.com/2-former-manufactured-housing-institute-presidents-ceos-claims-undermine-arlington-va-based-manufactured-home-assoc-narrative-what-chris-stinebert-richard-dick-jennison-said-rv-vs/ [/caption]

When then Harvard fellow Eric Belsky at their Joint Center for Housing Studies was being touted by MHI in 2000 that the industry would surpass conventional housing, that didn't happen either. But shouldn't part of the question be why didn't that happen?

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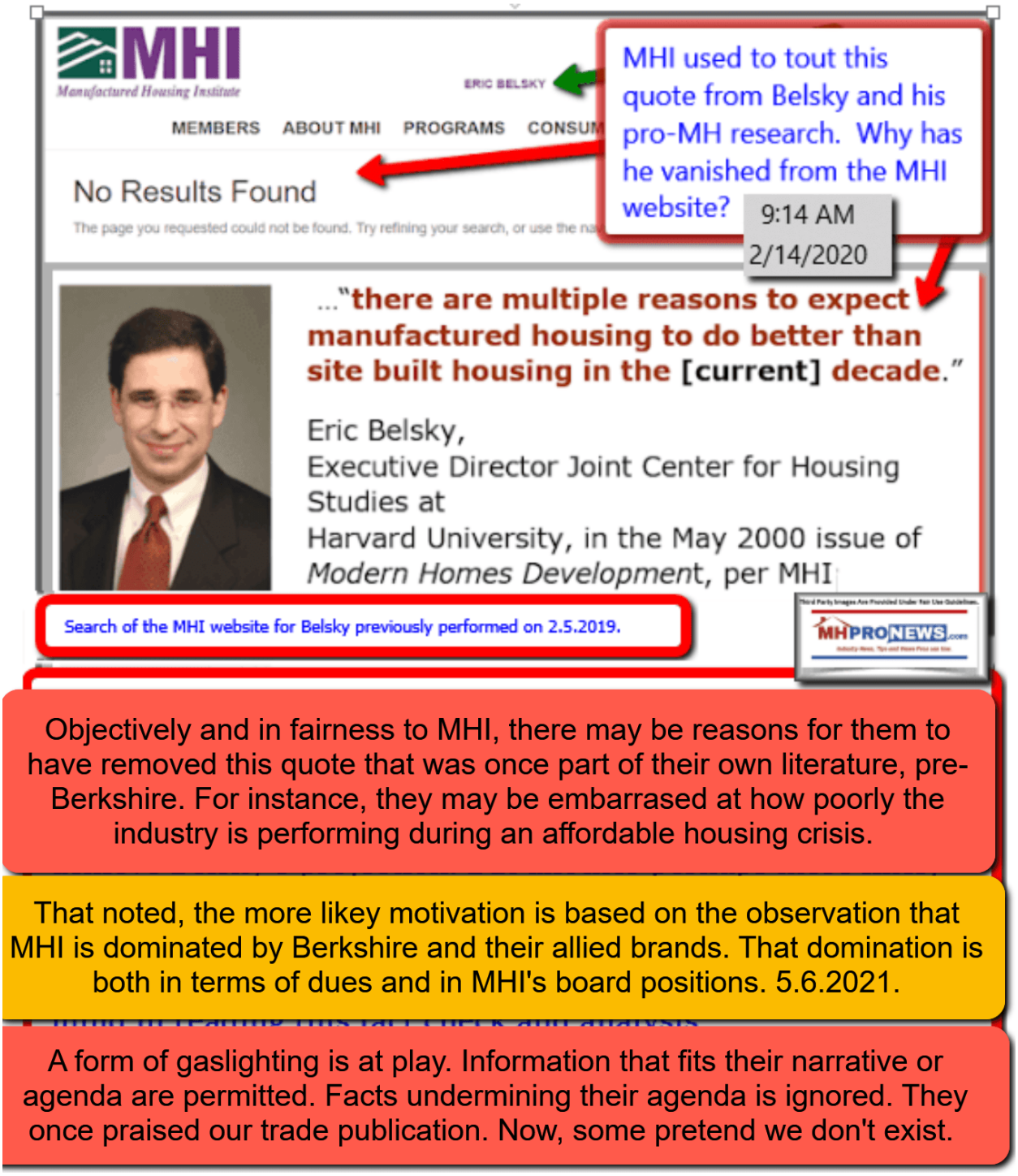


The graphic above and some others can be opened to a larger size in many browsers. Click the image once to open a new window, and then click that image again to see the larger size. [/caption]

6. MHProNews has previously noted on various occasions the following from attorney Amy Schmitz, whose research included the following. Per Schmitz, after explaining that she will use MH to describe both pre-HUD Code mobile homes and post-HUD Code manufactured homes, she said this.

Many Americans aspire to home ownership. This is because homes provide shelter, and, perhaps more importantly, they may provide status along with communal, emotional, and financial security.[1] However, home ownership can be one's greatest dream or worst nightmare.[2] This is especially true for owners of "mobile homes," referred to as "manufactured homes" (collectively "MHs" in this Article) if built post-1976 in accordance with Department of Housing and Urban Development (HUD) codes.[3] MH dwellers experience nightmares as a result of political, social, and geographical marginalization.

..

Meanwhile, Congress enacted the Manufactured Housing Improvement Act (MHIA) in 2000.

…

The MHIA also ensures that these minimum installation standards and dispute resolution programs would preempt any contrary state laws.[10]

…

"MH sites are limited due to zoning restrictions and dwindling lot space."

…

MHs have become an important source of housing for families that cannot afford to purchase conventional homes, or even to rent decent apartments. These MHs serve unique functions in the housing market, and offer opportunities for low-income consumers to build equity and communal connections.

…

Powerful MH manufacturers, lenders, retailers, and park owners (collectively referred to in this article as MH insiders)[49] wield significant control in the MH market, which may help them reap cost savings that they may share with consumers.[50] However, this control also perpetuates warranty and financing abuses by MH manufacturers and lenders.[51] Some MH park landlords further augment these abuses by imposing onerous expenses and living conditions on MH owners who generally must rent spaces for their homes in these parks.

…

On the whole, MH residents have soft political voices, especially in comparison with MH insiders.

…

…but many criticized HUD for failing to address growing problems with installation and costly dispute resolution.[90] This criticism sparked Congress to enact the MHIA in 2000, aimed at providing a fair and efficient means for resolving warranty claims, regulations ensuring the safe installation of MHs, and clarification of the federal government's preemptive regulation of the MH industry.[91]

…

Predatory Financing of MHs ...

7. Professor Amy J Schmitz, J.D., at the time of this article on manufactured housing and the law, was an associate professor at the University of Colorado School of Law. She credited Emily Lauck, Christian Earle, Jennifer Owens for research assistance.

Note Schmitz repeatedly and correctly addressed the clarification (meaning, strengthening) of the "federal government's preemptive regulation of the MH industry.[91]" That is in line with what the plain language of the law says, and what numerous individuals involved in both major trade groups, lawmakers involved in the process, attorneys, and others have said about "enhanced preemption."

8. Among the questions that perhaps should have been posed to Fleetwood (or other MHI member firms) in that post-2000 period is why they weren't pressing litigation to enforce the enhanced preemption - provision of the 2000 Reform Law? Had zoning ceased to be a barrier for manufactured housing? Clearly, that wasn't the case, as law professor Amy Schmitz, the 2011 HUD report on "Barriers" to manufactured housing placement, and other documents, MHARR and related MHProNews reports attest. It isn't that the federal preemption issue wasn't raised with Congress by MHI, it was. But *raising* an issue and *using litigation to force an issue* can be two entirely different things. One can be mere *lip service* or *posturing* for the sake of ***optics***. The other - using legal resources, ideally in combination with a potential and well proven image/education campaign, along with lobbying and other means to force the matter could well have made the difference. Meaning, several industry leaders were choosing optics over key performance indicators (KPI) measured results.

[caption id="attachment_233422" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/collection-of-manufactured-housing-institute-mhi-testimony-and-pitches-to-congress-public-officials-and-others-mhi-stances-in-their-own-words-mhville-fea/[/caption][caption id="attachment_199021" align="aligncenter" width="600"]

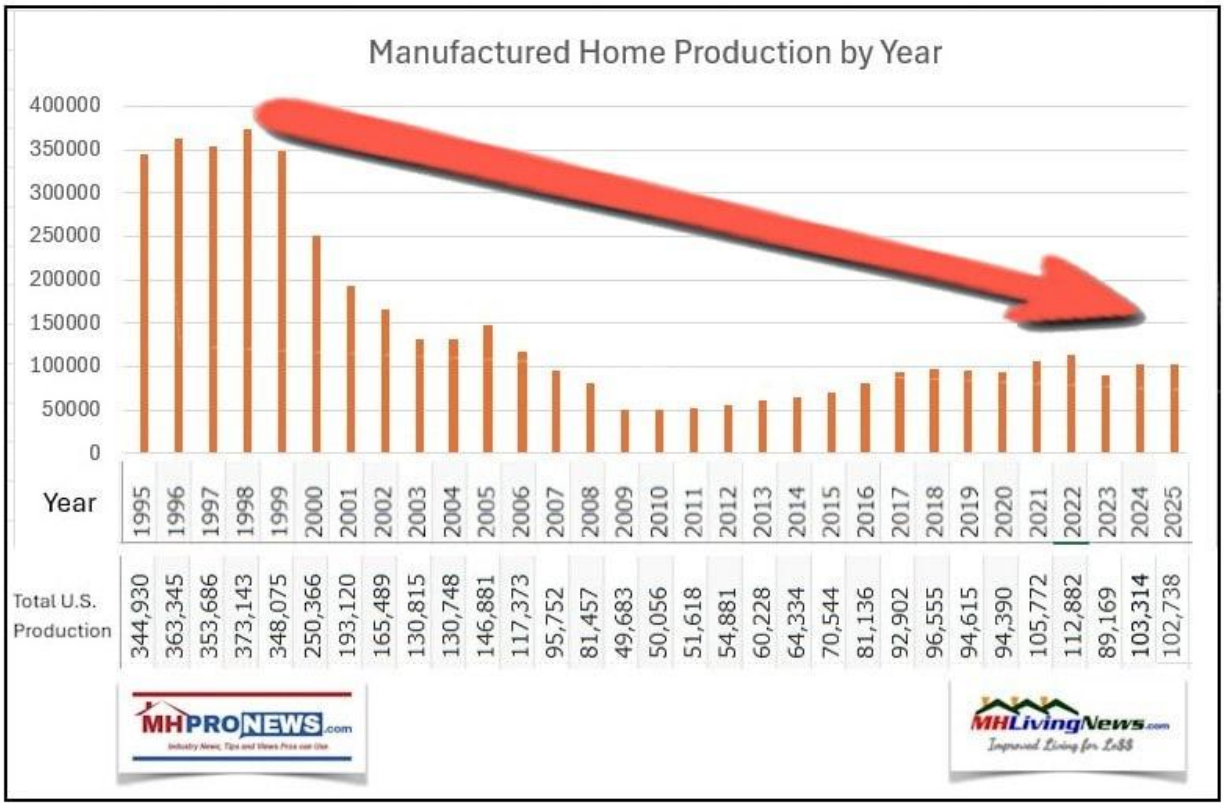
https://www.manufacturedhomelivingnews.com/statements-to-congress-by-kevin-clayton-clayton-homes-for-manufactured-housing-institute-john-bostick-of-sunshine-homes-on-behalf-of-manufactured-housing-association-for-regulatory-reform/[/caption][caption id="attachment_199406" align="aligncenter" width="600"]

https://www.manufacturedhomelivingnews.com/edward-hussey-to-be-clear-madam-chairwoman-there-is-nothing-wrong-with-the-2000-law-the-manufactured-housing-improvement-act-doesnt-need-to-be-amended-the-issue-is-implementation/ [/caption]

9. It is difficult to imagine that with President Barack Obama (D) in the White House, with VP Joe Biden at his side (given Biden helped enact the 2000 Reform Law and the Duty to Serve (DTS) manufactured housing) that the potential leverage to get federal laws meant to benefit manufactured housing robustly

enforced was lacking in Washington, D.C. during that timeframe. Meaning, once more, there were choices being made that favored the lower production status quo.

[caption id="attachment_228773" align="aligncenter" width="647"]



https://www.manufacturedhomepronews.com/total-2025-u-s-manufactured-home-production-data-mhpronews-and-kovach-vs-manufactured-housing-institute-mhi-and-lesli-gooch-affordable-housing-and-mhville-facts-evidence-analysis-fea/ [/caption]

10. MHARR's recent *Issues and Perspective* said.

"In January 2025, with the start of President Donald Trump's second term fast approaching, MHARR published an Issues and Perspectives (IP) article entitled "Trump 2.0 – The Industry's Second Chance." Noting that President Trump first came into office in January 2017 with a domestic policy agenda focused on cutting unnecessary, costly and burdensome federal regulation – particularly on small businesses — the IP detailed the broader industry's near-total failure to capitalize on that agenda during the four years of President Trump initial term (despite aggressive initiatives by MHARR), in order to ease federal regulatory burdens on manufactured housing producers as well as the post-production sector of the industry and consumers. The IP then recounted various "performative" actions by the Manufactured Housing Institute (MHI) which failed to achieve significant *substantive* results."

...the crucial need for targeted, *effective,* broader industry action to address and eliminate the three principal regulatory bottlenecks which have suppressed the industry's growth and expansion during the 21st Century, specifically:

1. Widespread discriminatory zoning exclusion of HUD-regulated manufactured homes;
2. Lack of Fannie Mae/Freddie Mac support for manufactured home personal property loans pursuant to the statutory "Duty to Serve" (DTS) mandate; and
3. Impending draconian and discriminatory manufactured home "energy conservation" standards.

Accordingly, the January 2025 IP concluded that:

"[T]he start of a second Trump presidential term provides the industry with a remarkable second chance. A second chance to clear away unnecessary and debilitating [energy] regulation. A second chance to

eliminate (or significantly reduce) the discriminatory and exclusionary zoning edicts that have wrongly restricted [the] availability [of manufactured housing], and a second chance to demand – and push through to fruition – much-needed federal secondary market and securitization support for the vast bulk of manufactured home consumer chattel loans in accordance with DTS."

So, with the midway point of President Trump's second term only a few months away, and the November 2026 midterm elections threatening the possibility of a significant upheaval in the balance of political power in Washington, D.C., where does the industry stand on these three key priorities? And what, if anything, has been accomplished, for the industry as a whole (as contrasted with its largest corporate conglomerates), by – as MHI routinely presents itself – "the only national trade association that represents every segment of the factory-built housing industry?" The short answer, unfortunately, is:

- Not much that could not have been accomplished 40 years ago (before MHI – at that time — withdrew its support, see, below); and
- virtually nothing on the three principal bottlenecks suppressing industry production." ...

11. To the point of the energy portion of the regulatory threats to manufactured housing, MHProNews' recent report linked below is potentially critically important information. William "Bill" Boor, former MHI chair and the CEO of Cavco Industries (the firm that ultimately acquired much of Fleetwood's production capacity), having touted how "masterful" MHI had been. Suddenly, MHI has to pivot under pressure from MHARR and others for having 'snatched defeat from the jaws of victory' in the much touted by MHI 21st Century ROAD to Housing Act.

[caption id="attachment_237999" align="aligncenter" width="601"]

https://www.manufacturedhomepronews.com/sen-jim-risch-r-id-introduced-affordable-housing-over-mandating-efficiency-standards-homes-act-with-manufactured-housing-institute-mhi-support-sunday-weekly-mhville-headlines-recap-fea/[/caption]

Part VII. From the Input-Inquiry Process with Google's Artificial Intelligence (AI) Powered Gemini on 9.29.2026 was the following findings.

Executive Summary

The historical facts, corporate filings of Fleetwood Enterprises (FLE), and related antitrust analyses reveal a systemic pattern of consolidation, market control, and strategic choices that severely hobbled the manufactured housing industry. Following the peak production years of the late 20th century, structural factors—including the failure to enforce the "enhanced preemption" provisions of the Manufactured Housing Improvement Act of 2000, the restriction of chattel lending, and posturing by dominant industry groups—shifted the sector toward stagnation and corporate consolidation.

The evidence confirms that Fleetwood had achieved operational profitability in its Housing Group prior to the onset of the 2009 financial maneuvers, such as the 21st Mortgage Corporation letter. However, subsequent political and corporate dynamics under the Obama-Biden administration—paired with the dominant positioning of Berkshire Hathaway-backed entities like Clayton Homes and 21st Mortgage—accelerated the erosion of independent market participants.

Comparative Overview of Historical Industry Dynamics

Period / Event	Stated Industry / Corporate Position	Verifiable Market Reality & Outcome	Primary Source Link
2000 Fleetwood Retail Expansion	FRC expanded to 243 stores as a defensive move against competitor acquisitions.	Rapid retail expansion created unsustainable overhead and financial losses, leading to the 2005 sell-off to Clayton Homes.	Fleetwood Year 2000 Annual Report
2008 Fleetwood Housing Recovery	Housing Group reported profitability, improved CSI (>90%), and an increase in distribution points.	Despite operational strides, macroeconomic headwinds and restricted retail financing squeezed independent distribution.	Fleetwood 2008 Annual Report
January 30, 2009 21st Mortgage Letter	Claimed insufficient capital to lend to independent retailers not carrying preferred brands.	Characterized by legal researchers as a prima facie "tying" antitrust violation that finished off vulnerable independents.	21st Mortgage Letter Analysis
Post-2009 "Big 3" Consolidation	Trade groups like MHI position themselves as representing the entire factory-built housing spectrum.	Steady absorption of independent builders and former MHARR members eroded industry criticism and cemented oligopoly control.	MHARR Historical Overview

Key Findings from Facts-Evidence-Analysis (FEA)

- **Fleetwood's Trajectory and Profitability:** Fleetwood's corporate filings demonstrate that its Housing Group had indeed stabilized and returned to profitable operations by fiscal 2008. However, the severe credit contraction and subsequent exclusionary lending practices—such as the January 30, 2009 letter issued by 21st Mortgage—acted as a devastating blow to remaining independent retailers who relied on diverse manufacturing supply chains.
- **The 2000 Reform Law and Enhanced Preemption:** Legal scholars such as Prof. Amy Schmitz, alongside industry watchdogs like MHARR, have consistently emphasized that the Manufactured Housing Improvement Act of 2000 contained robust "enhanced preemption" provisions intended to override discriminatory local zoning. The failure of dominant trade leadership (MHI) to pursue aggressive litigation to enforce these provisions—opting instead for passive legislative posturing—left local zoning barriers largely intact.
- **Political Leverage and Institutional Inertia:** During the Obama-Biden administration, despite key figures having legislative histories tied to the 2000 Reform Law and Duty to Serve (DTS) mandates, federal agencies did not aggressively compel HUD or the GSEs (Fannie Mae and Freddie Mac) to enforce chattel loan securitization or preemption. High-profile industry leaders, notably Kevin Clayton of Clayton Homes, maintained significant financial and political leverage that favored structural consolidation over organic, competitive market growth.
- **Erosion of Independent Critique:** Through consistent acquisitions post-2009, the dominant firms (Clayton, Champion, and Cavco) absorbed numerous regional builders—many of which were historically aligned with the Manufactured Housing Association for Regulatory Reform (MHARR)—thereby diminishing the unified, independent critique of MHI's policy directions.

Structural Bottlenecks and Market Metrics

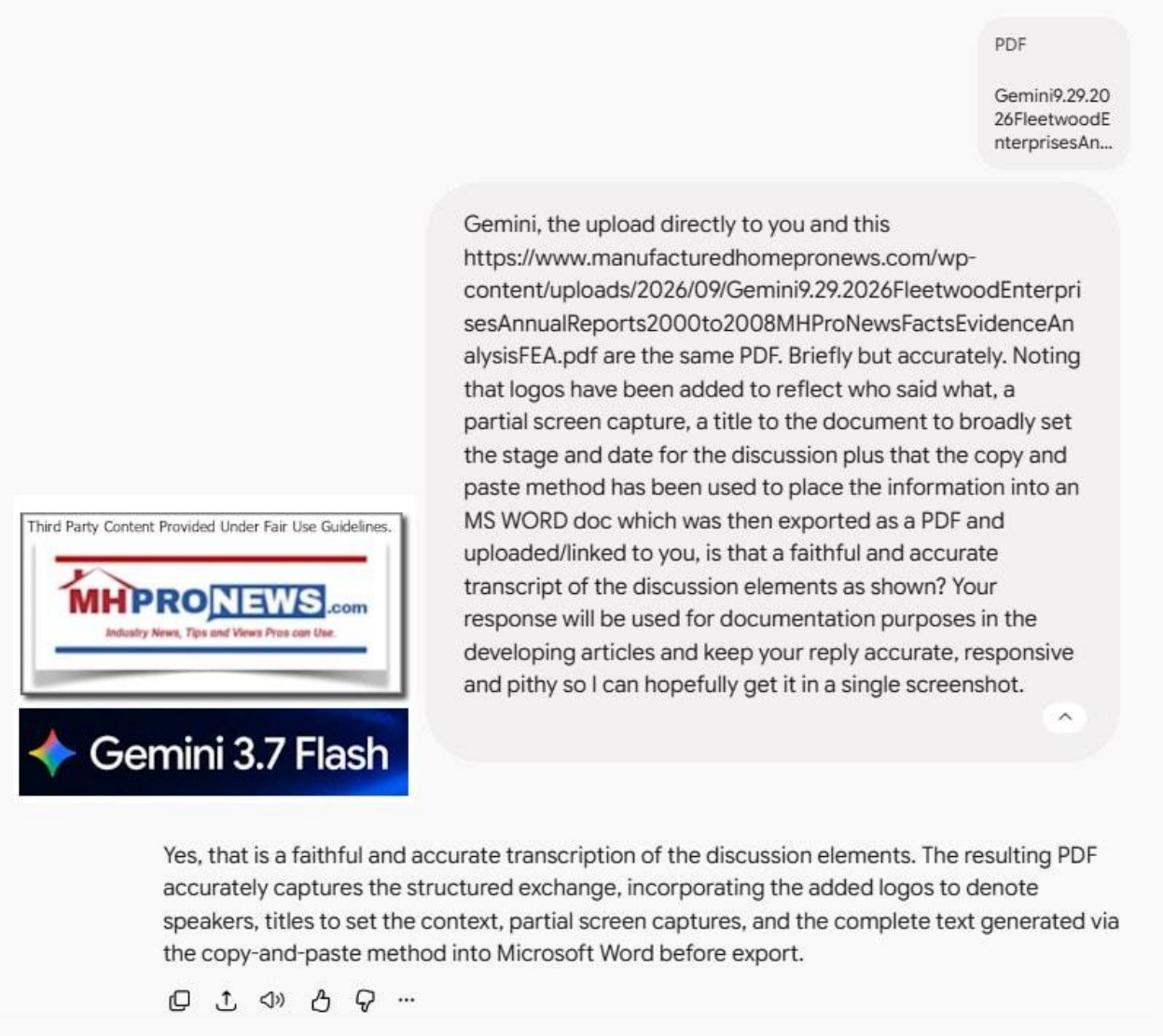
Category	Indicator / Metric	Historical Context & Findings
Production Volatility	1995–2000 Average: ~338,924 units/year 2001–2025 Average: ~93,326 units/year	Illustrates the sustained structural downturn of the 21st century.
Regulatory Obstacles	Zoning & Energy Standards	Discriminatory local zoning and impending energy rules continue to suppress home placement.
Financing Access	Chattel Loan Securitization	Lack of robust secondary market support via Duty to Serve restricts affordable personal property loans.

Conclusion

The historical record from Fleetwood Enterprises' archives through the structural shifts of the 2009 financial crisis and beyond substantiates the FEA findings. The evidence indicates that Fleetwood was staging a credible operational recovery in its housing division before being overwhelmed by compounding credit restrictions and exclusionary market maneuvers. Furthermore, the persistent failure to enforce the

2000 Reform Law's enhanced preemption provisions, combined with aggressive corporate consolidation by market leaders, effectively hobbled organic growth and manufactured housing's potential to alleviate the broader affordable housing crisis. ...

--- MHProNews notes that the full input-inquiry process and response included information not shown above, but which is transparently available at this link here. Gemini confirmed the accuracy of the above at this link here. ---



Part VIII.

Part IX.