

D03000000018

(Requestor's Name)

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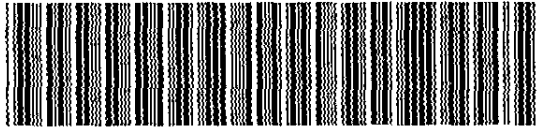
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DEPARTMENT OF STATE
ACCOUNT FILING COVER SHEET

Account Number FCA000000017

Reference:
(Sub Account)

Date:

7/14/03

Requestor Name: Carlton Fields

Address: Post Office Drawer 190
Tallahassee, Florida 32302

Telephone: (850) 224-1585

Contact Name: Kim Pullen, CLA (x261)

Corporation Name:

Mid-State Trust XI

Entity Number:

Authorization:

Kim Pullen

Certified Copy

Certificate of Status

New Filings

Plain Stamped Copy

Annual Report

Fictitious Name

Amendments

Registration

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Client: 41058 Matter: 07954

Name: Karen Morrow Office: TPA



FLORIDA DEPARTMENT OF STATE
Glenda E. Hood
Secretary of State

July 15, 2003

CARLTON FIELDS

SUBJECT: MID-STATE TRUST XI
Ref. Number: W03000020011

We have received your document for MID-STATE TRUST XI. However, the document has not been filed and is being returned for the following:

Must submit a copy of the business trust with the affidavit.

Please return the original and one copy of your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6934.

Loria Poole
Document Specialist
New Filings Section

Letter Number: 803A00041587

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**AFFIDAVIT TO THE FLORIDA SECRETARY OF STATE
TO FILE OR QUALIFY
MID-STATE TRUST XI
A DELAWARE BUSINESS TRUST**

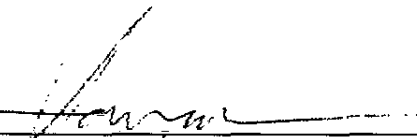
In accordance with Section 609.02 of the Florida Statutes, pertaining to Common Law Declarations of Trust, the undersigned, the Trustee of Mid-State Trust XI, a Delaware business Trust, hereby affirms in order to file or qualify Mid State Trust XI in the State of Florida.

1. Two or more persons are named in the Trust.
2. The principal address is: c/o Wilmington Trust Company, 1100 N. Market Street, Wilmington, Delaware 19890-0001.
3. The registered agent and street address in the State of Florida are:

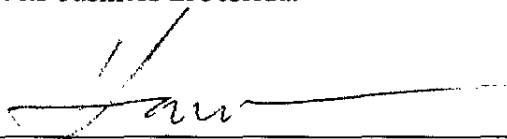
Wilmington Trust FSB
800 S. E. Monterey
Commons Boulevard
Suite 100
Stuart, Florida 34996

4. Acceptance by the registered agent: Having been named as registered agent to accept service of process for the above named Declaration of Trust at the place designated in this affidavit, I hereby accept the appointment as registered agent and agree to act in this capacity.

WILMINGTON TRUST FSB

By: 
Name: Howard K. Cohen

5. I certify that the attached is a true and correct copy of the Declaration of Trust under which the association proposes to conduct its business in Florida.


Name: Howard K. Cohen
Title: Exec. V.P. of Wilmington Trust Company,
Trustee of Mid-State Trust XI

STATE OF DELAWARE
COUNTY OF NEWCASTLE

The foregoing instrument was sworn to and subscribed to before me on July 2003 2003, by WILMINGTON TRUST COMPANY, Trustee of Mid-State Trust XI, who is personally known to me Anita E. Dallago or who produced _____ as identification.

Anita E. Dallago
Notary Public State of _____
My Commission Expires:
My Commission Number is:

(Affix Notarial Seal)

ANITA E. DALLAGO
NOTARY PUBLIC
My Commission Expires August 3, 2003

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MID-STATE TRUST XI

TRUST AGREEMENT

Between

MID-STATE HOMES, INC.,
as Depositor

and

WILMINGTON TRUST COMPANY,
as Owner Trustee

Dated June 24, 2003

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

1.01 Definitions 1

ARTICLE II

ORGANIZATION

2.01 Name 4
2.02 Office 4
2.03 Purpose and Powers 4
2.04 Appointment of the Owner Trustee 8
2.05 Declaration of Trust 9
2.06 No Liability of Owners 9
2.07 Situs of Trust 9
2.08 Title to Trust Property 9

ARTICLE III

ISSUANCE, OWNERSHIP AND TRANSFER OF CERTIFICATES

3.01 Ownership Prior to Closing Date 9
3.02 Accession 10
3.03 Ownership; Limited Transfer of Ownership Rights 11
3.04 Legend on Certificates 11
3.05 Lost, Stolen, Mutilated or Destroyed Certificates 12

ARTICLE IV

PAYMENTS AND DISTRIBUTIONS

4.01 Payments 12
4.02 Method of Payment 13
4.03 Reports 13

ARTICLE V

DUTIES OF THE OWNER TRUSTEE AND DEPOSITOR

5.01 Issuance of the Notes 13
5.02 No Duties Except as Specified in Agreement or Instructions 14
5.03 No Action Except under Specified Documents or Instructions 14
5.04 Further Assurances 14
5.05 Restrictions 14
5.06 Majority Control 15
5.07 Accounting and Reports to the Certificateholder, Owners, the Internal Revenue
Service and Others 15
5.08 Administrative Duties of Depositor 15

ARTICLE VI

THE OWNER TRUSTEE;
REPRESENTATIONS AND WARRANTIES

6.01 Acceptance of Trusts and Duties 16
6.02 Representations and Warranties 17
6.03 No Segregation of Moneys; No Interest 19
6.04 Reliance; Employment of Agents and Advice of Counsel 20
6.05 Not Acting in Individual Capacity 20

ARTICLE VII

INDEMNIFICATION BY OWNERS

7.01 Trust Expenses 20
7.02 Indemnification 21
7.03 Compensation 21
7.04 Lien on Trust Property 21

ARTICLE VIII

TERMINATION OF TRUST AGREEMENT

8.01 Termination of Trust Agreement 21

ARTICLE IX

SUCCESSOR OWNER TRUSTEE AND
ADDITIONAL TRUSTEES

9.01 Resignation of Owner Trustee; Appointment of Successor 22

ARTICLE X

MISCELLANEOUS

10.01	Supplements and Amendments.....	25
10.02	No Legal Title to Trust Property in Owners.....	25
10.03	Pledge of Collateral by Owner Trustee is Binding.....	25
10.04	Limitations on Rights of Others.....	26
10.05	Notices.....	26
10.06	Severability.....	26
10.07	Separate Counterparts.....	26
10.08	Successors and Assigns.....	26
10.09	Headings.....	26
10.10	Governing Law.....	26
10.11	Entire Agreement.....	26
10.12	Memorandum of Trust.....	27

EXHIBITS

A – Accession Agreement	A-1
B – Certificate of Beneficial Interest	B-1

THIS TRUST AGREEMENT is dated June 24, 2003 (as amended or supplemented from time to time as permitted hereby, the "Trust Agreement") between Mid-State Homes, Inc., a Florida corporation, as Depositor (the "Depositor"), and Wilmington Trust Company, a Delaware banking corporation, as Owner Trustee (the "Owner Trustee"). In consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

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ARTICLE I

DEFINITIONS

1.01 Definitions. For all purposes of this Agreement, the following terms shall have the meanings set forth below:

"Accession" means the completion of the process by which a proposed transferee becomes an Owner as provided in Section 3.02 hereof.

"Accession Agreement" means the instrument in which a proposed transferee makes certain representations and agrees to be bound by the terms of this Agreement, substantially in the form annexed hereto as Exhibit A.

"Affiliate" has the meaning assigned to it in the Indenture.

"Agreement" means this Trust Agreement, as supplemented or amended pursuant to Section 10.01 hereof.

"Bank" means Wilmington Trust Company, in its individual capacity and not as Owner Trustee.

"Certificate" means a certificate duly executed by the Owner Trustee representing an undivided beneficial ownership interest in the Trust substantially in the form annexed hereto as Exhibit B.

"Certificate of Trust" means the Certificate of Statutory Trust to be filed by the Owner Trustee for the Trust pursuant to Section 3810(a) of the Statutory Trust Statute.

"Closing Date" has the meaning assigned to it in the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder.

"Collateral" means that portion of the Trust Property that may from time to time be pledged by the Trust under the Indenture.

"Delaware Secretary of State" means the Secretary of State of the State of Delaware.

“Depositor” means Mid-State Homes, Inc., in its capacity as grantor of the Trust. The Depositor may also be referred to as the “Grantor.”

“Eligible Investments” has the meaning specified in the Indenture.

“ERISA” means the Employee Retirement Security Act of 1974, as amended.

“Holding Account Agreement” means the agreement, dated June 26, 2003, among the Trust, Wachovia Bank, National Association, as custodian for the benefit of itself as Note Trustee (in such capacity, the “Custodian”) and Mid-State Homes, Inc., as servicer under the Servicing Agreement.

“Indebtedness” means (i) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services (including trade obligations); (ii) obligations as lessee under leases which should have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases; (iii) current liabilities in respect of unfunded vested benefits under plans covered by Title IV of the Employee Retirement Income Security Act of 1974; (iv) obligations issued for the account of any Person; (v) all obligations arising under acceptance facilities; (vi) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any person or otherwise to assure a creditor against loss; (vii) obligations secured by any lien, whether or not the obligations have been assumed and (viii) obligations under any interest rate or currency exchange agreement.

“Indenture” means the Indenture, dated June 26, 2003, between the Trust and the Note Trustee, providing for the issuance of the Notes.

“Note Agreements” means the Indenture, the Notes, the Servicing Agreement, the Purchase and Sale Agreement, the Holding Account Agreement, the Underwriting Agreement and any Additional Transfer Agreements.

“Noteholders” has the meaning assigned to it in the Indenture.

“Notes” means those certain notes issued by the Trust under the Indenture.

“Note Trustee” means Wachovia Bank, National Association, as trustee under the Indenture.

“Opinion of Counsel” has the meaning assigned to it in the Indenture.

“Owner” means the holder of a Certificate duly registered and entered on the books and records of the Owner Trustee.

“Owner Trustee” means Wilmington Trust Company, not in its individual capacity but solely as trustee under this Agreement, and any successor trustee hereunder.

“Ownership Percentage,” with respect to any Owner, means the proportion (expressed as a percentage) of the entire beneficial ownership interest in the Trust that is held by such Owner.

“Payment Date” has the meaning specified in the Indenture.

“Periodic Filings” means any documents, reports, filings, instruments, certificates and opinions that the Owner Trustee or the Trust is required to prepare, file or deliver in connection with the Note Agreements.

“Person” has the meaning assigned to it in the Indenture.

“Purchase and Sale Agreement” means the agreement, dated June 26, 2003, among the Depositor, Mid-State Trust IX and the Trust which provides for, among other things, the purchase by the Trust of all of the interest, right and title of Mid-State Trust IX in the Initial Accounts.

“Qualified Owner” is an Owner that is none of the proposed Transferor, the Transferee, an affiliate of either the Transferor or Transferee, or an Owner which proposes to transfer any part of its Ownership Percentage in a related transaction.

“Record Date” with respect to any distribution pursuant to Article IV hereof means the Payment Date prior to the date of such distribution.

“Servicer” has the meaning assigned to such term in the Indenture.

“Servicing Agreement” means the agreement to be entered into by the Owner Trustee on behalf of the Trust and the Servicer.

“Statutory Trust Statute” means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801 et seq.

“Transferor” and “Transferee” shall have the meanings set forth in Section 3.02 of this Agreement.

“Trust” means Mid-State Trust XI, the Delaware statutory trust established and governed by this Agreement. The Trust may also be referred to as the Issuer.

“Trust Estate” has the meaning specified in the Indenture.

“Trust Property” means all right, title and interest of the Trust in and to any and all property sold, or caused to be sold, by the Depositor to the Trust or otherwise acquired by the Trust including, without limitation, (i) the Trust Estate, subject to the lien of the Indenture, including any Accounts, all distributions, payments, proceeds, insurance proceeds, or requisition and indemnity payments with respect thereto and (ii) all other property not subject to, or released from, the lien of the Indenture. The Trust Property shall not include any compensation or indemnity paid to the Bank pursuant to Article VIII hereof.

“U.S. Person”: A citizen or resident of the United States, a corporation or partnership (including an entity treated as a corporation or partnership for federal income tax purposes) created or organized in, or under the laws of, the United States or any State thereof or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable Treasury regulations), or an estate whose income is subject to United States federal income tax purposes regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in regulations, certain trusts in existence on August 20, 1996 and treated as United States persons prior to such date that elect to continue to be so treated also shall be considered U.S. Persons.

Capitalized terms used herein and not otherwise defined have the meanings assigned thereto in the Indenture.

ARTICLE II

ORGANIZATION

2.01 Name. The name of the Trust shall be Mid-State Trust XI.

2.02 Office. The office of the Trust shall be in care of the Owner Trustee, at the address set forth in Section 10.05 hereof or at such other address as the Owner Trustee may designate by notice to the Owners. The office shall be separate from any office maintained by any Owner.

2.03 Purpose and Powers. The purposes for which the Trust is created and established are (i) to acquire, hold and manage the Trust Property, including instituting foreclosure actions, acquiring title to real estate securing Accounts and reselling such property, and in connection with the management of the Trust Estate, to delegate to the Servicer the authority to act on behalf of the Issuer as contemplated by the Servicing Agreement, (ii) to issue and sell the Notes, (iii) to administer the Trust (including without limitation administering and distributing the Trust Property and consenting to the transfer of the Certificates) and (iv) to enter into and perform under the Note Agreements and transactions contemplated thereby, all for the benefit of the Owners. The Trust shall not have power to perform any act or engage in any business whatsoever except for the foregoing and any activity that is both necessary to the foregoing and within the contemplation of the Indenture and the other Note Agreements. Notwithstanding any provision of this Trust Agreement to the contrary or any contrary instruction by the Owner, the Owner Trustee shall at all times cause the operations of the Trust to be conducted in accordance with the following standards:

(a) The Trust will act and conduct its business solely in its own name through the Owner Trustee or any duly authorized co-trustee or through other duly authorized agents selected in accordance with this Agreement;

(b) The Trust shall conduct its business through office space separate and apart from that of any of its Owners or any Affiliate of any thereof (which may be through the

office of the Owner Trustee) and will use a separate telephone number and stationery, checks, invoices and other business forms (which may be stationery and forms of the Owner Trustee) under its own name and not that of the Depositor, any Owner or any of their affiliates;

(c) The Trust shall observe all the legal formalities associated with maintaining a legal existence separate and independent of the Depositor, any Owner and any Affiliate of the Depositor or of any Owner, including:

(i) to maintain complete and correct books and records of account separate from any other Person;

(ii) to maintain its deposit and other bank accounts and all of its other assets separate from any other Person;

(iii) not to commingle its assets with those of any other Person and to hold all of its assets in its own name;

(iv) to maintain separate financial statements, prepared in accordance with GAAP, showing its income, assets and liabilities separate and apart from those of any other Person or in the event the Trust's financial statements are consolidated with those of another Person, note on such financial statement the separate existence and obligations of the Trust;

(v) to pay its own liabilities and expenses only out of its own funds;

(vi) to practice and adhere to organizational formalities, such as maintaining appropriate books, records and accounts separate from those of any other Person;

(vii) to observe all organizational formalities in connection with all dealings between the Trust and any of its Owners and any Affiliate of any thereof or any unaffiliated entity;

(viii) to maintain an arm's length relationship with the Depositor, any Owner, and any of their respective Affiliates, and to enter into any transaction with the Depositor, any Owner, and any of their respective Affiliates only on a commercially reasonable basis;

(ix) to compensate all its employees, officers, consultants and agents for services provided to it by such Persons out of its own funds or to reimburse any of its Affiliates in respect of amounts paid by such Affiliates for such services.

(x) to observe all procedures required by its certificate of trust and this Agreement and the Statutory Trust Statute;

(xi) to maintain a sufficient number of employees in light of its contemplated business operations;

(xii) to ensure that all of its actions are duly authorized;

(xiii) to manage its business and affairs by or under the direction of the Owners, as set forth herein;

(xiv) to own or lease (including through shared arrangements with its Affiliates) all office furniture and equipment necessary to operate its business;

(xv) not to guarantee or become obligated for, and not to hold itself out as liable for, the debts of any other Person;

(xvi) not to acquire the obligations or securities of its Affiliates, Owners or Affiliates of Owners;

(xvii) not to suggest in any way, within its financial statements, that its assets are available to pay the claims of creditors of any of its Owners or any Affiliate of any thereof or any unaffiliated entity;

(xviii) not to make loans to any other Person or to buy or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities);

(xix) to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(xx) not to pledge its assets for the benefit of any other Person;

(xxi) other than for federal income tax purposes, to hold itself out as a separate entity;

(xxii) to correct any known misunderstanding regarding its separate identity;

(xxiii) other than for federal income tax purposes, not to identify itself as a division of any other Person; and

(xxiv) to maintain adequate capital in light of its contemplated business operations;

(xxv) to conduct all oral and written communications, including, without limitation, letters, invoices, purchase orders, contracts, statements, and applications solely in its own name through the Owner Trustee;

(xxvi) account for and manage all of its liabilities separately from those of any of its Owners or any Affiliate of any thereof and pay its own liabilities out of its own funds;

(xxvii) allocate, on an arm's length basis, all shared corporate operating services, leases and expenses, including, without limitation, those associated with the services of shared consultants and agents and shared computer and other office equipment and

software; and otherwise maintaining an arm's length relationship with any of its Owners, any Affiliate of any thereof and any unaffiliated entity;

(xxviii) to refrain from filing or otherwise initiating or supporting the filing of a motion in any bankruptcy or other insolvency proceeding involving any of its Owners or any Affiliate of any thereof to substantively consolidate any of its Owners or any Affiliate of any thereof with the Issuer;

(xxix) to remain solvent;

(xxx) not take any action which would have the effect of discharging the security interest created under the Indenture with respect to the Collateral, except such action taken in accordance with the terms thereof; and

(xxxi) conduct no other business other than in connection with the transactions contemplated by the Note Agreements and enter into no other agreements other than as contemplated by the Note Agreements.

(d) The Trust shall not: (i) create, assume, incur, suffer to exist or otherwise become or remain liable in respect of any Indebtedness other than the Notes and Indebtedness arising under the Note Agreements; (ii) have obligations guaranteed by any of the Owners or any Affiliate of any thereof; (iii) hold itself out as responsible for decisions or actions with respect to the affairs of any of the Owners or any Affiliate of any thereof; (iv) operate or purport to operate as an integrated, single economic unit with respect to any of the Owners or any Affiliate of any thereof or any unaffiliated entity; (v) seek to obtain credit or incur any obligation to any third party based upon the assets of any of the Owners or any Affiliate of any thereof or any unaffiliated entity; (vi) induce any such third party to reasonably rely on the creditworthiness of any of the Owners or any Affiliate of any thereof or any unaffiliated entity or (vii) be directly or indirectly named as a direct or contingent beneficiary or loss payee on any insurance policy of any of the Owners or any Affiliate of any thereof;

(e) Except as contemplated by Section 2.01 of the Servicing Agreement, new Accounts originated in connection with the resale of repossessed property shall be originated in the Trust's name;

(f) The Trust shall file all reports required to be filed by it under the Securities Exchange Act of 1934, as amended;

(g) The Trust shall not engage in any dissolution, liquidation or sale of assets, and shall not engage in any merger or consolidation prior to the discharge of the Indenture without the consent of the Note Trustee.

(h) No Petition, Etc. In addition to the foregoing, none of the Owner Trustee, the Transferor, the Transferee and the Owners shall have the power to:

(i) institute proceedings to have the Trust declared or adjudicated bankrupt or insolvent,

- (ii) consent to the institution of bankruptcy or insolvency proceedings against the Trust,
- (iii) file a petition or consent to a petition seeking reorganization or relief on behalf of the Trust under any applicable federal or state law relating to bankruptcy,
- (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or any similar official) of the Trust or a substantial portion of the assets of the Trust,
- (v) make any assignment for the benefit of the Trust's creditors,
- (vi) cause the Trust to admit in writing its inability to pay its debts generally as they become due, or
- (vii) take any action, or cause the Trust to take any action, in furtherance of any of the foregoing (each a "Bankruptcy Action");

provided, however, if the foregoing limitation is finally determined by a court of competent jurisdiction not to be enforceable under the Bankruptcy Code or applicable state law, then the Owner Trustee shall not be authorized to take the actions specified in the preceding clauses (i) through (vii), or any of them, unless the Owner Trustee receives, at the sole expense of the Owners, (A) the unanimous written consent thereto of the Owners, who shall be required at such time to certify to the Owner Trustee that the Trust is then "insolvent" within the meaning of Section 101(32) of the Bankruptcy Code, (B) the written confirmation by independent accountants to the Trust as to the "sum of the Trust's debts," (C) the written confirmation by an outside valuation expert, having reasonable expertise in the valuation of assets, as to the value of "all of the Trust's property, at a fair valuation" and (D) a written opinion by outside counsel to the Trust, having reasonable expertise in practice under the Bankruptcy Code, as to the validity of any exclusions from such valuation that are asserted to be applicable pursuant to said Section 101(32) and stating that the conditions precedent set forth in clauses (A) through (C) above have been satisfied. The Owner Trustee shall be fully protected in relying upon the documents referred to in the preceding clauses (A) through (D) and shall have no duty to verify or investigate the conclusions stated therein. The Owner Trustee, by entering into this Trust Agreement, hereby covenants and agrees that it will not at any time institute against the Trust, or join in any institution against the Trust of, any Bankruptcy Action in connection with any obligations relating to this Trust Agreement or any of the other Note Agreements.

(i) The Trust is not intended to be a business trust within the meaning of Section 109(9)(A)(v) of the Bankruptcy Code.

2.04 Appointment of the Owner Trustee. The Depositor hereby appoints the Bank as Owner Trustee of the Trust effective as of the date hereof, to have all the rights, powers and duties set forth herein and, upon the filing of the Certificate of Trust, in the Statutory Trust Statute with respect to accomplishing the purposes of the Trust. The Owner Trustee accepts the appointment as Owner Trustee of the Trust and acknowledges receipt in trust from the Depositor, as of the date hereof, of the sum of \$500.00 constituting the initial Trust Property. The Depositor

acknowledges receipt from the Owner Trustee of a Certificate representing an Ownership Percentage of 100% in exchange for the Trust Property.

2.05 Declaration of Trust. The Owner Trustee hereby declares that it will hold the Trust Property upon the trusts set forth herein and for the use and benefit of the Owners. It is the intention of the parties hereto that the Trust constitute a statutory trust under the Statutory Trust Statute and that this Agreement constitute the governing instrument of such statutory trust. No later than the Closing Date, the Owner Trustee shall cause the filing of the Certificate of Trust with the Delaware Secretary of State. It is the intention of the parties hereto that, solely for federal, state and local income and franchise tax purposes (i) so long as there is a sole Owner, the Trust shall be disregarded as an entity separate from the Owner and the Notes being non-recourse debt of the sole Owner, and (ii) if there is more than one Owner, the Trust shall be treated as a partnership, with the assets of the partnership being the Certificate and other assets held by the Trust, the partners of the partnership being the holders of the Certificates and the Notes being non-recourse debt of the partnership. The Trust shall not elect to be treated as an association under Treasury Regulations Section 301.7701-3(a) for federal income tax purposes. The parties agree that, unless otherwise required by appropriate tax authorities, the sole Owner or the Trust will file or cause to be filed annual or other necessary returns, reports and other forms consistent with the characterization of the Trust as provided in the second preceding sentence for such tax purposes. Effective as of the date hereof, the Owner Trustee shall have all rights, powers and duties set forth herein and, to the extent not inconsistent herewith, in the Statutory Trust Statute with respect to accomplishing the purposes of the Trust.

2.06 No Liability of Owners. The Owners shall not have any liability for the obligations and liabilities of the Trust.

2.07 Situs of Trust. The Trust will be located and administered in the State of Delaware. All bank accounts maintained by the Owner Trustee on behalf of the Trust shall be located in the State of Delaware. The Trust shall not have any employees in any state other than the State of Delaware. Payments will be received by the Owner Trustee only in the State of Delaware, and payments will be made by the Owner Trustee only from the State of Delaware. The only office of the Trust will be at the principal office of the Owner Trustee within the State of Delaware.

2.08 Title to Trust Property. Title to all of the Trust Property shall be vested in the Trust as a separate legal entity until this Agreement terminates pursuant to Article IX hereof; provided, however, that if the laws of any jurisdiction require that title to any part of the Trust Property be vested in the trustee of the Trust, then title to that part of the Trust Property shall be deemed to be vested in the Owner Trustee or any co-trustee or separate trustee, as the case may be, appointed pursuant to Article IX of this Agreement.

ARTICLE III

ISSUANCE, OWNERSHIP AND TRANSFER OF CERTIFICATES

3.01 Ownership Prior to Closing Date. The Depositor shall be the sole Owner of the Trust prior to the Closing Date. The Owner Trustee acknowledges that the Depositor is

the Owner and holds on the date hereof a Certificate evidencing an Ownership Percentage of 100%. The Depositor shall pay organizational expenses of the Trust as they may arise prior to the Closing Date and shall direct the Owner Trustee in the acquisition of the Collateral.

3.02 Accession (a) On or after the Closing Date, an Owner (hereinafter in this Section 3.02, a "Transferor") may transfer all or any portion of its Ownership Percentage to such person or persons (hereinafter in this Section 3.02, a "Transferee"), and on such terms as the Transferor shall determine and subject to the following conditions:

(i) prior to the proposed transfer, the Transferor shall advise the Owner Trustee of the proposed transfer, and shall cause the Transferee to deliver to the Owner Trustee an executed Accession Agreement together with such Transferee's audited financial statements for the most recent fiscal year or, if such Transferee has been in existence for less than a full fiscal year, such Transferee's unaudited financial statements for a shorter period or, if such Transferee is a trust, a certification by such Transferee as to its net worth;

(ii) unless the Owner Trustee and the nontransferring Owners, if any, shall have otherwise consented (which consent may be given without the consent of the Noteholders or Note Trustee), the Transferee shall have a net worth as shown by the financial statements or certifications delivered to the Owner Trustee pursuant to Section 3.02(a)(i) hereof that is not less than net worth requirements, if any, imposed by state or federal regulations applicable to such Transferee, if any;

(iii) the Owner Trustee shall have received an opinion of counsel that such transfer is exempt from registration, or the related Certificate is registered under, the Securities Act of 1933, as amended, and any applicable state securities laws, which opinion of counsel shall not be an expense of the Owner Trustee, and the Transferor shall, and does hereby agree to, indemnify the Bank and the Owner Trustee against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws;

(iv) the Transferee is not an employee benefit plan subject to Title I of ERISA, Section 4975 of the Code or any materially similar provisions of applicable federal, state or local law and is not using the funds of such a plan to acquire the Certificate;

(v) the Owner Trustee shall have received an opinion of counsel that such transfer will not affect the tax status of the Trust or cause the Trust to be treated as an association, taxed as a corporation or taxable mortgage pool; and

(vi) the Transferee shall have certified that it is a U.S. Person.

(b) Upon satisfaction of the conditions listed in Section 3.02(a) hereof and receipt by the Owner Trustee of the Transferor's Certificate, the Owner Trustee shall cancel the Transferor's Certificate, accept the Accession Agreement, deliver a copy thereof to the Transferee, record the name of such Transferee as an Owner on its books and records, record its Ownership Percentage and issue, execute and deliver to such new Owner a Certificate evidencing such Ownership Percentage.

(c) The Owner Trustee may require, as a condition precedent to any transfer, the payment by the Transferor of a sum sufficient to pay, or to reimburse the Owner Trustee for the payment of, any tax or taxes or other governmental charge required to be paid in connection with such transfer, and such charge for any such transfer as the Owner Trustee may deem proper not exceeding \$25.00 for each new Certificate issued upon such transfer.

3.03 Ownership; Limited Transfer of Ownership Rights. (a) The Owner Trustee shall maintain a register showing the name and address of each Owner and its respective Ownership Percentages and shall treat such register as definitive and binding for all purposes hereunder, and only those persons so registered as Owners shall have the rights of Owners hereunder. In the event an Owner transfers only a portion of its Ownership Percentage, the Owner Trustee shall enter such Owner's new Ownership Percentage in such register and issue, execute and deliver to such Owner a new Certificate evidencing such Owner's new Ownership Percentage.

(a) Each Owner may transfer all or any portion of its Ownership Percentage only in compliance with the provisions of Section 3.02 hereof and any attempted transfer not in compliance therewith shall be null and void.

(b) Subsequent to a transfer, and upon the issuance of the new Certificate or Certificates, the Owner Trustee shall cancel and dispose of the Certificate surrendered to it in connection with the transfer in a manner deemed acceptable to the Owner Trustee.

3.04 Legend on Certificates. Each Certificate shall bear a legend setting forth restrictions on transferability substantially as follows: "THE BENEFICIAL INTEREST IN THE TRUST REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS, IN A MANNER THAT WILL NOT PERMIT A DISTRIBUTION THEREOF WITHOUT FURTHER COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE ACT, AND MAY NOT BE DIRECTLY OR INDIRECTLY OFFERED OR SOLD OR OTHERWISE TRANSFERRED (INCLUDING PLEDGED BY THE HOLDER HEREOF) EXCEPT IN COMPLIANCE WITH THE ACT. THE TRANSFER OF THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS AND CONDITIONS SET FORTH IN THE TRUST AGREEMENT UNDER WHICH THIS CERTIFICATE WAS ISSUED, INCLUDING RECEIPT BY THE OWNER TRUSTEE OF AN OPINION OF COUNSEL SATISFACTORY TO THE OWNER TRUSTEE, TO THE EFFECT THAT THE TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE ACT OR IS IN COMPLIANCE WITH THE REGISTRATION PROVISIONS UNDER THE ACT. IN ADDITION, THIS CERTIFICATE MAY NOT BE TRANSFERRED UNLESS THE OWNER TRUSTEE AND, IF APPLICABLE, OTHER HOLDERS OF CERTIFICATES OF BENEFICIAL INTEREST IN THE TRUST CONSENT TO SUCH TRANSFER AND UNLESS OTHERWISE TRANSFERRED IN THE MANNER PROVIDED IN ARTICLE III OF THE TRUST AGREEMENT AND IN ACCORDANCE WITH THE REQUIREMENTS THEREOF, INCLUDING WITHOUT LIMITATION THE REQUIREMENT THAT THE TRANSFEREE SIGN AND DELIVER TO THE OWNER TRUSTEE AN ACCESSION AGREEMENT IN WHICH THE TRANSFEREE MAKES CERTAIN REPRESENTATIONS AND AGREES TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE TRUST AGREEMENT,

AND THAT THE TRANSFEREE DELIVER TO THE OWNER TRUSTEE CERTAIN FINANCIAL STATEMENTS OR CERTIFICATIONS.”

3.05 Lost, Stolen, Mutilated or Destroyed Certificates. Upon receipt of evidence satisfactory to the Owner Trustee that any Certificate has been lost, stolen, mutilated or destroyed, and upon proof of ownership and receipt of indemnity or a bond satisfactory to the Owner Trustee, and upon payment of all reasonable expenses incurred by the Owner Trustee for any investigation relating thereto and an amount not to exceed \$25.00 for each new Certificate, the Owner Trustee shall execute and deliver a new Certificate, of like tenor and bearing an issue number, with such notations, if any, as the Trustee shall determine, upon surrender and cancellation of, and in exchange and substitution for, such mutilated Certificate or in lieu of and in substitution for the Certificate so lost, stolen or destroyed. Any duplicate Certificate issued pursuant to this Section 3.05 shall constitute complete and indefeasible evidence of ownership of the Trust to the extent of the Ownership Percentage represented by such Certificate, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

ARTICLE IV

PAYMENTS AND DISTRIBUTIONS

4.01 Payments. (a) Any amounts payable as expenses of the Trust shall be paid solely pursuant to Section 8.02 of the Indenture until such time as the Indenture has been satisfied and discharged pursuant to Section 4.01 of the Indenture. After such time, any amounts paid to the Owner Trustee by the Note Trustee, the Servicer or otherwise in respect of the property of the Trust shall be applied in the following order:

(i) to pay fees and reimburse expenses of the Note Trustee (to the extent the Owner Trustee has received an invoice for such expenses from the Note Trustee) and to pay other fees and expenses as then due under the Indenture, in each case to the extent, if any, not previously paid by the Note Trustee out of amounts not otherwise payable to the Owner Trustee;

(ii) to pay any amounts due to the Owner Trustee or the Bank, as the case may be, as then due under this Agreement; and

(iii) to pay any other current operating expenses of the Trust.

(b) Any sums remaining after such application shall be distributed on the second business day after the day on which the Owner Trustee receives any such amounts (or on such other day as the Owners may specify in writing) to the Owners (or their designees specified in writing to the Owner Trustee on or before such Record Date) as of the relevant Record Date, in proportion to their Ownership Percentages free and clear of the lien of the Indenture. All payments to be made under this Agreement by the Owner Trustee shall be made only from the income and proceeds of the Trust Property and only to the extent that the Owner Trustee has received such income or proceeds and in no event shall the Bank be liable to make any such payments.

(c) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to an Owner, such tax shall reduce the amount otherwise distributable to the Owner in accordance with this Section. The Owner Trustee is hereby authorized and directed to retain from amounts otherwise distributable to the Owners sufficient funds for the payment of any tax that is legally owed by the Trust (but such authorization shall not prevent the Owner Trustee from contesting any such tax in appropriate proceedings, and withholding payment of such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to an Owner shall be treated as cash distributed to such Owner at the time it is withheld by the Trust and remitted to the appropriate taxing authority.

4.02 Method of Payment. All amounts payable to an Owner pursuant to this Agreement shall be paid by the Owner Trustee to the Owner, or a nominee therefor, by crediting the amount to be distributed to the Owner to an account maintained by such Owner with the Bank in immediately available funds or by transferring such amount in immediately available funds to a banking institution with bank wire transfer facilities for the account of the Owner, as instructed from time to time by the Owner.

4.03 Reports. Each payment pursuant to Section 4.01 hereof shall be accompanied by a report setting forth, for each payment and cumulatively for the current reporting year, the amounts received by the Owner Trustee together with their application.

ARTICLE V

DUTIES OF THE OWNER TRUSTEE AND DEPOSITOR

5.01 Issuance of the Notes. The Owner Trustee is hereby directed:

- (a) to execute and deliver the Note Agreements to which the Issuer is a party;
- (b) to acquire the Collateral and to pledge the Collateral as security for the Notes;
- (c) to issue the Notes pursuant to the Indenture; and
- (d) to take whatever action shall be required to be taken by the Owner Trustee by, and subject to, the terms of this Agreement.

5.02 In General. It shall be the duty of the Owner Trustee:

- (i) to discharge (or cause to be discharged) all responsibilities assigned to it pursuant to the terms of this Agreement;
- (ii) to execute any Periodic Filings; and
- (iii) to furnish to the Owners and any designees of the Owners specified in writing to the Owner Trustee, promptly upon receipt thereof, duplicates or copies of all

reports, notices, requests, demands, certificates, financial statements and any other instruments furnished to the Owner Trustee hereunder or under the Note Agreements.

5.02 No Duties Except as Specified in Agreement or Instructions. The Owner Trustee shall not have any duty or obligation to manage, service, perfect or maintain any security interest in, make any payment or collection in respect of, register, record, sell, dispose of or otherwise deal with the Collateral or any other part of the Trust Property, prepare or file any report or other document or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Trust is a party, except as expressly provided by the terms of this Agreement; and no implied duties or obligations shall be read into this Agreement against the Owner Trustee. The Bank nevertheless agrees that it shall, at its own cost and expense, promptly take any action necessary to discharge any liens on any part of the Trust Property or the Collateral which result from actions by or claims against the Bank that are not related to the ownership of the Collateral or any other part of the Trust Property or the administration of the Trust Property or the transactions contemplated by the Note Agreements.

5.03 No Action Except under Specified Documents or Instructions. The Owner Trustee agrees that it will not manage, control, use, sell, dispose of or otherwise deal with the Collateral or any other part of the Trust Property except (i) as required by the terms of the Note Agreements or (ii) in accordance with the powers granted to, or the authority conferred upon, the Owner Trustee pursuant to this Agreement.

5.04 Further Assurances. The Owner Trustee shall execute and deliver all such other instruments, documents or certificates as the Owners may deem necessary or advisable, in order to give effect to the transactions contemplated hereby including the provisions of the Note Agreements, the taking of any such action by the Owner Trustee in the presence of the Owners or their counsel to evidence, conclusively, the direction of the Owners.

5.05 Restrictions. The Owner Trustee shall take no action (a) that is inconsistent with Section 2.03 hereof or any Note Agreement and the Bank shall be entitled to obtain an Opinion of Counsel at no expense to the Bank to the effect that any contemplated action is not inconsistent with Section 2.03 hereof, (b) if the Owner Trustee has been notified that such action would cause or threaten to cause any nationally recognized statistical rating agency or agencies which rated the Notes to downgrade its or their rating of the Notes or (c) to cause or to affirmatively consent to the filing of a petition in bankruptcy against the Trust for any reason until at least 367 days after payment in full of all the Notes and any indebtedness that is secured by or based upon a Certificate. The Owners shall not direct the Owner Trustee to take action that would violate the provisions of this Section 5.06. The Owner Trustee may refrain from taking any action hereunder or under the Note Agreements (other than the giving of notices) if the Bank reasonably concludes that the security and indemnity referred to in Article VII of this Trust Agreement is not, at such time, adequate to cover all liabilities, fees, costs, expenses (including attorneys' fees) and related charges which are likely to be incurred in connection with the taking of such action; provided, however, that the decision of the Owner Trustee to refrain from taking any such action shall not be construed to relieve the Trust of any of its obligations under the Note Agreements.

5.06 Majority Control. Any instruction, direction or consent which is required to be given by the Owners under this agreement shall mean such instruction, direction or consent given in accordance with Section 10.05 hereof by the Owners holding, in the aggregate, a majority of the Ownership Percentage in the Trust.

5.07 Accounting and Reports to the Certificateholder, Owners, the Internal Revenue Service and Others. Consistent with the Trust's characterization for tax purposes as a disregarded entity, so long as the Depositor or any other Person is the sole Owner, no federal income tax return shall be filed on behalf of the Trust unless either (i) the Trust shall receive an Opinion of Counsel that, based on a change in applicable law occurring after the date hereof, or as a result of a transfer by the Depositor permitted by Section 3.02, the Code requires such a filing or (ii) the Internal Revenue Service shall determine that the Trust is required to file such a return. In the event that there shall be two or more beneficial owners of the Trust, the Owner Trustee shall inform the Depositor and the Note Trustee in writing of such event, (x) the Depositor shall prepare or shall cause to be prepared federal and, if applicable, state or local partnership tax returns required to be filed by the Trust (and if the Depositor is not the Owner, shall remit such returns to the Owner designated to execute such tax returns by the Depositor at least (5) days before such returns are due to be filed) and shall file such returns and furnish Schedule K-1's to the applicable Owners, and (y) capital accounts shall be maintained by the Depositor for each Owner (or beneficial owner) in accordance with the Treasury Regulations under Section 704(b) of the Code reflecting each such Owner's (or beneficial owner's) share of the income, gains, deductions and losses of the Trust and/or guaranteed payments made by the Trust and contributions to, and distributions from, the Trust. The Depositor (or such designee Owner, as applicable) shall promptly sign and file such returns by the Depositor with the appropriate tax authorities. In the event that a "tax matters partner" within the meaning of Code Section 6231(a)(7) is required to be appointed with respect to the Trust, the Depositor is hereby designated as tax matters partner or, if the Depositor is not an Owner, the Owner selected by a majority of the Owners (by Ownership Percentage) shall be designated as tax matters partner. In no event shall the Owner Trustee or the Depositor (or such designee Owner, as applicable) be liable for any liabilities, costs or expenses of the Trust or the Noteholders arising out of the application of any tax law, including federal, state, foreign or local income or excise taxes or any other tax imposed on or measured by income (or any interest, penalty or addition with respect thereto or arising from a failure to comply therewith) except for any such liability, cost or expense attributable to any act or omission by the Depositor (or such designee Owner, as applicable), as the case may be, in breach of its obligations under this Agreement.

5.08 Administrative Duties of Depositor.

(a) Duties with Respect to the Basic Documents. The Depositor agrees to perform the obligations set forth in Section 6.07 of the Indenture. The Depositor shall perform the duties of the Issuer and the Owner Trustee under the Note Agreements. In furtherance of the foregoing, the Depositor shall consult with the Owner Trustee as the Depositor deems appropriate regarding the duties of the Issuer and the Owner Trustee under the Note Agreements. The Depositor shall monitor the performance of the Issuer and shall advise the Owner Trustee when action is necessary to comply with the Issuer's or the Owner Trustee's duties under the Note Agreements. The Depositor shall prepare for execution by the Owner Trustee or shall

cause the preparation by other appropriate Persons of all Periodic Filings as it shall be the duty of the Issuer or the Owner Trustee to prepare, file or deliver pursuant to the Note Agreements.

(b) Duties with Respect to the Issuer.

(i) In addition to the duties of the Depositor set forth in this Agreement or any of the Note Agreements, the Depositor shall perform such calculations and shall prepare for execution by the Issuer or the Owner Trustee or shall cause the preparation by other appropriate Persons of all Periodic Filings as it shall be the duty of the Issuer to prepare, file or deliver pursuant to state and federal tax and securities laws (unless allocated to the Note Trustee in the Note Agreements). In accordance with the directions of the Issuer or the Owner Trustee, the Depositor shall administer, perform or supervise the performance of such other activities in connection with the Issuer as are not covered by any of the foregoing provisions and as are expressly requested by the Issuer or the Owner Trustee and are reasonably within the capability of the Depositor.

(ii) Notwithstanding anything in this Agreement or any of the Note Agreements to the contrary, the Depositor shall be responsible for promptly notifying the Owner Trustee in the event that any withholding tax is imposed on the Issuer's payments (or allocations of income) to a Noteholder. Any such notice shall be in writing and specify the amount of any withholding tax required to be withheld by the Owner Trustee pursuant to such provision.

(c) Records. The Depositor shall maintain appropriate books of account and records relating to services performed under this Agreement, which books of account and records shall be accessible for inspection by the Owner Trustee at any time during normal business hours.

(d) Additional Information to be Furnished to the Issuer. The Depositor shall furnish to the Owner Trustee from time to time such additional information regarding the Issuer or the Note Agreements as the Owner Trustee shall reasonably request.

ARTICLE VI

THE OWNER TRUSTEE; REPRESENTATIONS AND WARRANTIES

6.01 Acceptance of Trusts and Duties. The Owner Trustee accepts the trust hereby created and agrees to perform the same but only upon the terms of this Agreement. The Bank shall not be answerable or accountable under any circumstances, except (i) for its own willful misconduct or gross negligence, (ii) for the inaccuracy of any representation or warranty contained in Section 6.02 hereof, (iii) for liabilities arising from the failure by the Bank to perform obligations expressly undertaken by it in the last sentence of Section 5.03 hereof, (iv) for any investments made by the Owner Trustee with the Bank in its commercial capacity, or (v) for federal or Delaware taxes, fees or other charges on, based on or measured by any fees, commissions or compensation received by the Bank in connection with any of the transactions

contemplated by this Agreement or the Note Agreements. In particular, but not by way of limitation:

(a) The Bank shall not be liable for an error of judgment made in good faith by a responsible officer of the Owner Trustee;

(b) The Bank shall not be liable with respect to any action taken or omitted to be taken by the Owner Trustee in good faith in accordance with the instructions of the Owners;

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability in the performance of any of the Owner Trustee's rights or powers hereunder, if the Bank shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it;

(d) Under no circumstance shall the Bank be liable for any representation, warranty or covenant of the Trust, including, without limitation, any Indebtedness evidenced by any Note, or be obligated to perform any servicing duties with respect to the Trust Property;

(e) The Bank shall not be responsible for or in respect of the validity or sufficiency of this Agreement or for the due execution hereof by the Depositor or for the form, character, genuineness, sufficiency, value or validity of any Collateral or for or in respect of the validity or sufficiency of the Note Agreements, and the Bank shall in no event assume or incur any liability, duty or obligation to any Noteholder, the Depositor or any Owner, other than as expressly provided for herein;

(f) The Bank shall not be liable or responsible for performing any duties or obligations under this Agreement or the Note Agreements which are not expressly required to be performed by the Owner Trustee under this Agreement; and

(g) Notwithstanding anything contained herein or in the Note Agreements to the contrary, neither the Bank nor the Owner Trustee shall be required to take any action in any jurisdiction other than in the State of Delaware if the taking of such action will (i) require the consent or approval or authorization or order of or the giving of notice to, or the registration with or taking of any action in respect of, any state or other governmental authority or agency of any jurisdiction other than the State of Delaware; (ii) result in any fee, tax or other governmental charge under the laws of any jurisdiction or any political subdivisions thereof in existence on the date hereof other than the State of Delaware becoming payable by the Bank; or (iii) subject the Bank to personal jurisdiction in any jurisdiction other than the State of Delaware for causes of action arising from acts unrelated to the consummation of the transactions by the Bank or the Owner Trustee, as the case may be, contemplated hereby.

6.02 Representations and Warranties. (a) The Bank hereby represents and warrants to the Depositor, for the benefit of the Owners, that:

(i) it has been duly incorporated and is validly existing as a banking corporation in good standing under the laws of the State of Delaware and it holds all corporate power and all material franchises, grants, authorizations, consents, orders and

approvals from all governmental authorities necessary under the laws of the State of Delaware to carry on its trust business as now conducted;

(ii) the execution, delivery and performance by the Bank of this Agreement, and by the Owner Trustee on behalf of the Trust of the Note Agreements, and the acceptance of the Accession Agreement and the issuance of the Notes and the Certificates by the Owner Trustee pursuant to this Agreement are within the corporate power of the Bank, have been or will have been duly authorized by all necessary corporate action on the part of the Bank (no action by its shareholders being required) and do not and will not (A) violate or contravene any statute, law, rule or regulation or any judgment, decree or order binding on the Bank, or (B) conflict with or result in a breach of, or constitute a default under, any provision of the charter or by-laws of the Bank or of any material agreement, contract, mortgage or other instrument binding on the Bank or (C) result in the creation or imposition of any lien, charge or encumbrance on the Trust Property resulting from actions by or claims against the Bank except as expressly contemplated by this Agreement or the Indenture;

(iii) no consent, approval, authorization or order of, or filing with, any court or regulatory, supervisory or governmental agency or body is required by the Bank under Delaware law in connection with (A) the execution, delivery and performance by the Bank of this Agreement or by the Owner Trustee of the Note Agreements, or (B) the acceptance of the Accession Agreement and the issuance of the Notes or the Certificates by the Owner Trustee pursuant to this Agreement, or (C) the consummation by the Owner Trustee of the transactions contemplated hereby (except as may be required by state or federal securities laws);

(iv) this Agreement has been executed and delivered by its officers who are duly authorized to execute and deliver such document in such capacity on its behalf and this Agreement constitutes a legal, valid and binding agreement of the Bank; and

(v) it has no present intent to cause a voluntary bankruptcy of the Trust.

(b) The Depositor hereby represents, warrants and covenants to the Owner Trustee that:

(i) it has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Florida and it holds all corporate power and all material franchises, grants, authorizations, consents, orders and approvals to carry on its business as now conducted except in those jurisdictions where failure to so qualify would not in the aggregate have a material adverse effect on the financial condition or results of operations of the company;

(ii) the execution, delivery and performance by the Depositor of this Agreement, acceptance of the Accession Agreement and the issuance of the Notes and the Certificates by and the Grant of the Trust Property to the Owner Trustee pursuant to this Agreement are within the corporate power of the Depositor, have been or will have been duly authorized by all necessary corporate action on the part of the Depositor and do

not and will not (A) violate or contravene any judgment, decree or order binding on the Depositor, or (B) conflict with or result in a breach of, or constitute a default under, any provision of the articles of incorporation or by-laws of the Depositor or of any material agreement, contract, mortgage or other instrument binding on the Depositor (or if such a conflict with, breach of or default under any such material agreement, contract, mortgage or other instrument exists or will exist, the enforcement of remedies in respect thereof has been or will be stayed under Title 11 of the United States Code) or (C) result in the creation or imposition of any lien, charge or encumbrance on the Trust Property except as expressly contemplated by this Agreement or the Indenture;

(iii) this Agreement has been duly executed and delivered by the Depositor and constitutes a legal, valid and binding agreement of the Depositor;

(iv) upon the sale, assignment or other transfer of any of the Trust Property by the Depositor to the Owner Trustee under this Agreement, the Depositor will have conveyed to the Owner Trustee good title, free and clear of any lien, encumbrance or other interests of others (including without limitation any claim of any creditor of the Depositor or any of its affiliates) of any nature, and the Owner Trustee will have the right to Grant and deliver the Collateral to the Note Trustee in accordance with the Indenture and this Agreement and upon the Grant and delivery of the Collateral by the Owner Trustee to the Note Trustee in the manner contemplated by this Agreement and the Indenture, and assuming the validity and binding effect of the Indenture, the Note Trustee will have obtained a valid first priority security interest therein, prior to all other liens;

(v) immediately upon the sale or other delivery of any Trust Property to the Trust pursuant to this Agreement and the Purchase and Sale Agreement, the Depositor will make any appropriate notations on its records and will cause any appropriate notations to be made on the records of Mid-State Trust IX to indicate that the Trust Property has been transferred to the Trust pursuant to this Agreement, and, to the extent it constitutes Collateral, has been pledged by the Trust to the Note Trustee to secure payment of the Notes issued under the Indenture;

(vi) it has no present intention to cause a voluntary bankruptcy of the Trust;

(vii) it will hold itself out to the public under its own name as a separate and distinct entity and will conduct its business so as not to mislead others as to the identity of the entity under which those others are concerned. Without limiting the generality of the foregoing, all oral and written communications, including without limitation, all letters, invoices, contracts, statements and applications will be made solely in the name of the Trust if they are made on behalf of the Trust and solely in the name of the Depositor if they are made on behalf of the Depositor; and

(viii) it will disclose in all financial statements that the assets of the Trust are not available to the Depositor's creditors.

6.03 No Segregation of Moneys; No Interest. Except as otherwise provided herein or in the Indenture or as otherwise directed in writing by the Owners, moneys received by

the Owner Trustee hereunder need not be segregated in any manner except to the extent required by law and may be deposited under such general conditions as may be prescribed by law, and neither the Owner Trustee nor the Bank shall be liable to pay the Owners any interest thereon.

6.04 Reliance; Employment of Agents and Advice of Counsel

(a) The Owner Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Owner Trustee may accept a certified copy of a resolution of the Board of Directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically prescribed herein, the Owner Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president, treasurer, assistant treasurer, secretary or assistant secretary of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In its exercise or administration of the trusts and powers hereunder, including any duties or obligations of the Trust under the Note Agreements, the Owner Trustee may, at the expense of the Trust, employ agents and attorneys and enter into agreements with any of them, and the Owner Trustee may delegate to the Servicer the authority to act on its behalf as contemplated by the Servicing Agreement, and the Owner Trustee shall not be answerable for the default or misconduct of any such agents or attorneys if such agents or attorneys shall have been selected by the Owner Trustee in good faith.

(c) In the administration of the trusts hereunder or in the performance of the Trust's duties and obligations under any of the Note Agreements, the Owner Trustee may, at the expense of the Trust, consult with counsel, accountants and other skilled persons to be selected and employed by it, and the Owner Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons selected by the Owner Trustee in good faith.

6.05 Not Acting in Individual Capacity. Except as expressly provided in this Article VI, in accepting the trusts hereby created, the Owner Trustee acts solely as trustee hereunder and not in the Bank's individual capacity, and all persons having any claim against the Owner Trustee by reason of the transactions contemplated by the Note Agreements shall look only to the Trust Property or to the Owners, to the extent set forth in Section 2.06, for payment or satisfaction thereof.

ARTICLE VII

INDEMNIFICATION BY OWNERS

7.01 Trust Expenses. The Owners shall pay (or reimburse the Bank for) all reasonable expenses of the Owner Trustee hereunder, including, without limitation, the

reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Owner Trustee may employ in connection with the exercise and performance of its rights and duties under this Agreement.

7.02 Indemnification. As between the Owners and the Bank, the Owners shall be liable for, and shall indemnify the Bank and its successors, assigns, agents and servants, against and from, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements (including legal fees and expenses) of any kind and nature whatsoever (collectively, "Expenses") which may be imposed on, incurred by or asserted at any time against the Owner Trustee or the Bank (whether or not indemnified against by other parties) in any way relating to or arising out of this Agreement, any Note Agreement, the Collateral, the administration of the Trust Property or the action or inaction of the Owner Trustee hereunder, except only that the Owners shall not be required to indemnify the Bank for expenses arising or resulting from any of the matters described in the second sentence of Section 6.01 hereof. The indemnities contained in this Section 7.02 shall constitute additional Indebtedness hereunder and shall survive the termination of this Agreement. The obligations of the Owners pursuant to this Section 7.02 shall be joint and several (with rights of contribution inter se in proportion to their respective Ownership Percentages).

7.03 Compensation. The Bank shall receive as compensation for the Owner Trustee's services hereunder such ordinary fees as are fair, reasonable and customary for the performance of such services and as may heretofore and from time to time hereafter be agreed upon between the Owners and the Owner Trustee. The Bank shall be compensated reasonably for any extraordinary services rendered by the Owner Trustee hereunder. The Bank shall also be entitled to reimbursement for all reasonable out-of-pocket expenses, disbursements and advances incurred or made in connection with the Owner Trustee's administration of the Trust, including the reasonable compensation and the reasonable expenses and disbursements of its legal counsel and of other persons not regularly in its employ. The compensation and expense reimbursement provided for herein shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust.

7.04 Lien on Trust Property. The Bank shall have a lien on and right of set-off against the Trust Property for all compensation, expense reimbursement and indemnity due hereunder, such lien to be subordinate only to liens created by the Indenture; provided, however, that, except with respect to any Trust Property that has been released from the lien of the Indenture, the Bank may not enforce such lien on or right of set-off against the Trust Property until after the satisfaction and discharge of the Indenture pursuant to Section 4.01 of the Indenture and; provided, further, the Bank may not enforce such lien on or right of set-off against any Trust Property repurchased by the Trust pursuant to Section 3.14 of the Indenture.

ARTICLE VIII

TERMINATION OF TRUST AGREEMENT

8.01 Termination of Trust Agreement. (a) The Trust created hereby shall dissolve and the Trust Property shall, subject to subsection (c) below, the Indenture and Section 4.01 hereof, be distributed to the Owners in accordance with their respective Ownership

Percentages, upon the earlier of (i) the sale or other final disposition by the Note Trustee or the Owner Trustee, as the case may be, of all of the Trust Estate and the Trust Property, as the case may be, and the final distribution by the Note Trustee or the Owner Trustee, as the case may be, of all moneys or other property or proceeds of the Trust Estate and the Trust Property, as the case may be, in accordance with the terms of the Indenture and Section 4.01 hereof and (ii) 21 years less one day after the death of the survivor of the descendants living on the date of this Agreement of Joseph P. Kennedy, the late ambassador of the United States to the Court of St. James. The bankruptcy, death or incapacity of any Owner shall not operate to terminate this Agreement, nor entitle such Owner's legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of the Trust Property, nor otherwise affect the rights, obligations and liabilities of the parties hereto.

(a) Neither the Depositor nor any Owner shall be entitled to revoke the Trust established hereunder.

(b) Upon the completion of winding up of the Trust, including the payment or the making reasonable provision for payment of all obligations of the Trust in accordance with Section 3808(e) of the Statutory Trust Statute, the Owner Trustee shall file a certificate of cancellation with the Delaware Secretary of State in accordance with Section 3810 of the Statutory Trust Statute, at which time the Trust and this Agreement (other than Section 7.02) shall terminate. The Servicer shall act as the liquidator of the Trust and shall be responsible for directing the Owner Trustee to take all required actions in connection with winding up the Trust.

ARTICLE IX

SUCCESSOR OWNER TRUSTEE AND ADDITIONAL TRUSTEES

9.01 Resignation of Owner Trustee; Appointment of Successor. (a) The Owner Trustee may resign at any time without cause by giving at least 60 days' prior notice to the Owners, such resignation to be effective on the acceptance of appointment by a successor Owner Trustee under Section 9.01(b) hereof. In addition, the Owners holding in the aggregate a majority Ownership Percentage, may, with the consent of the Note Trustee, at any time remove the Owner Trustee without cause by an instrument in writing delivered to the Owner Trustee, such removal to be effective upon the acceptance of appointment by a successor Owner Trustee under Section 9.01(b) hereof. Subject to the approval of the Note Trustee, in case of the resignation or removal of the Owner Trustee, the Owners shall use their best efforts to appoint a successor Owner Trustee by an instrument signed by Owners holding in the aggregate a majority Ownership Percentage in the Trust. If a successor Owner Trustee shall not have been appointed within 30 days after the giving of written notice of such resignation or the delivery of the written instrument with respect to such removal, the Owner Trustee or the Owners may apply to any court of competent jurisdiction to appoint a successor Owner Trustee to act until such time, if any, as a successor shall have been appointed by the Owners as above provided. Any successor Owner Trustee so appointed by such court shall immediately and without further act be superseded by any successor Owner Trustee appointed by the Owners as above provided within one year from the date of the appointment by such court.

(a) Any successor Owner Trustee, however appointed, shall execute and deliver to the predecessor Owner Trustee an instrument accepting such appointment, and thereupon such successor Owner Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Owner Trustee in the trusts hereunder with like effect as if originally named the Owner Trustee herein; but nevertheless, upon the written request of such successor Owner Trustee, such predecessor Owner Trustee shall execute and deliver an instrument transferring to such successor Owner Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor Owner Trustee, and such predecessor Owner Trustee shall duly assign, transfer, deliver and pay over to such successor Owner Trustee all moneys or other property then held or subsequently received by such predecessor Owner Trustee upon the trusts herein expressed.

(b) Any successor Owner Trustee, however appointed, shall be a bank or trust company incorporated and doing business within the United States of America and having combined capital and surplus of at least \$50,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Owner Trustee hereunder upon reasonable or customary terms; provided, however, that any successor Owner Trustee may not be an affiliate of any Owner.

(c) Any corporation into which the Owner Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Owner Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Owner Trustee may be transferred, shall, subject to the terms of Section 9.01(c) hereof, be the Owner Trustee under this Agreement without further act.

(d) Upon the happening of any of the events described in this Section 9.01, the successor Owner Trustee shall cause an amendment to the Certificate of Trust to be filed with the Delaware Secretary of State, in accordance with the provisions of Section 3810 of the Statutory Trust Statute, indicating the change with respect to the Owner Trustee's identity.

9.02 Appointment of Additional Trustees. (a) At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any of the Trust Property may at the time be located, the Owners and the Owner Trustee shall have the power to appoint one or more individuals or corporations either to act as co-trustee, or co-trustees, jointly with the Owner Trustee of all or any part of the Trust Property or to act as separate trustee or separate trustees of all or any part of the Trust Property and to vest in such person or persons, in such capacity, such title to the Trust Property or any part thereof, and such rights, powers, duties, trusts or obligations as the Owner Trustee may consider necessary or desirable, subject to the remaining provisions of this Section 9.02.

(e) Unless otherwise provided in the instrument appointing such co-trustee or separate trustee, every co-trustee or separate trustee shall, to the extent permitted by law, be appointed subject to the following terms, namely:

(i) The Certificates, the Notes and the Note Agreements shall be executed and delivered, and all rights, powers, trusts, duties and obligations by this Agreement

conferred upon the Owner Trustee in respect of the custody, control or management of moneys, papers, securities and other personal property, shall be exercised, solely by the Owner Trustee;

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Owner Trustee, or by the Owner Trustee and such co-trustee or co-trustees, or separate trustee or separate trustees jointly, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Owner Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees;

(iii) Any request in writing by the Owner Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee;

(iv) Any co-trustee or separate trustee to the extent permitted by law may delegate to the Owner Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(v) The Owner Trustee at any time, by an instrument in writing, with the concurrence of the Owners, may accept the resignation of, or remove, any co-trustee or separate trustee appointed under this Section 9.02. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 9.02;

(vi) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder;

(vii) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Owners and delivered to the Owner Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(viii) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Owner Trustee to be held pursuant to the terms hereof.

(f) Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with the estate, right, title and interest in the Trust Property, or portion thereof, and with such rights, powers, duties, trusts or obligations, jointly or separately with the Owner Trustee, all as shall be specified in the instrument of appointment, subject to all the terms hereof. Every such acceptance shall be filed with the Owner Trustee.

(g) In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the estate, right, title and interest in the Trust Property and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Owner Trustee unless and until a successor co-trustee or separate trustee shall be appointed pursuant to this Section 9.02.

ARTICLE X

MISCELLANEOUS

10.01 Supplements and Amendments. Until such time as the Indenture has been terminated pursuant to its terms, Section 2.03 of this Agreement may not be amended. Subject to the terms of the Note Agreements, at the unanimous written request of the Owners, this Agreement (other than Section 2.03, Section 8.01 and Section 10.02 hereof and this Section 10.01 which may in no event be supplemented or amended until the Notes have been retired and the Indenture terminated) shall be supplemented and amended by a written instrument signed by the Owner Trustee and the Owners, with the written consent of the Note Trustee, but if in the opinion of the Owner Trustee, any instrument required to be so executed adversely affects any right, duty or liability of, or immunity or indemnity in favor of, the Owner Trustee under this Agreement or any of the documents contemplated hereby to which the Owner Trustee is a party, or would cause or result in any conflict with or breach of any terms, conditions or provisions of, or default under, the charter documents or by-laws of the Owner Trustee or any document contemplated hereby to which the Owner Trustee is a party, the Owner Trustee may in its sole discretion decline to execute such instrument. Notwithstanding anything to the contrary in this Section, until the time when the Indenture has been executed and delivered, this Agreement may be supplemented and amended by a written instrument signed by the Depositor and Wilmington Trust Company, without the consent of any other person. Notice of any such amendment or supplement shall be provided by the Owner Trustee to the Rating Agencies.

10.02 No Legal Title to Trust Property in Owners. The Owners shall not have legal title to any part of the Trust Property and shall only be entitled to receive distributions with respect to their undivided beneficial interest therein in proportion to their Ownership Percentage pursuant to Section 4.01 hereof. No transfer, by operation of law or otherwise, of any right, title and interest of the Owners in and to their undivided beneficial interests in the Trust Property or hereunder shall operate to terminate this Agreement or the trusts hereunder or entitle any successor transferee to an accounting or to the transfer to it of legal title to any part of the Trust Property.

10.03 Pledge of Collateral by Owner Trustee is Binding. The pledge of the Collateral to the Note Trustee by the Owner Trustee made under the Indenture and pursuant to the terms of this Agreement shall bind the Owners and shall be effective to transfer and convey the rights of the Owner Trustee and the Owners in and to such Collateral to the extent set forth in the Indenture. Other than as required by the Indenture, no purchaser or other grantee of the Collateral shall be required to inquire as to the authorization, necessity, expediency or regularity of such pledge or as to the application of any proceeds with respect thereto by the Owner Trustee.

10.04 Limitations on Rights of Others. Nothing in this Agreement, whether express or implied, shall be construed to give to any person, other than the Bank, Owner Trustee, the Owners and the Note Trustee to the extent expressly provided herein, any legal or equitable right, remedy or claim in the Trust Property or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

10.05 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing and delivered by hand or mailed by certified mail, postage prepaid, if to the Owner Trustee, addressed to Wilmington Trust Company, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Administration, or to such other address as the Owner Trustee may have set forth in a written notice to the Owners; and if to an Owner, addressed to it at the address set forth for such Owner in the register maintained by the Owner Trustee. Whenever any notice in writing is required to be given by the Owner Trustee, such notice shall be deemed given and such requirement satisfied if such notice is mailed by certified mail, postage prepaid, addressed as provided above.

Notices required hereunder shall in addition be sent to Moody's Investors Service, Inc. at its address at 99 Church Street, New York, New York 10007, and to Standard & Poor's, a division of The McGraw-Hill Companies, Inc., at its address at 55 Water Street, New York, New York 10041.

10.06 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.07 Separate Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

10.08 Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Owner Trustee and its successors and assigns and each Owner and its successors, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by an Owner shall bind the successors and assigns of such Owner.

10.09 Headings. Table of Contents and the headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

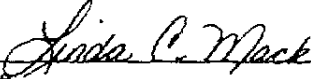
10.10 Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware, including all matters of construction, validity and performance.

10.11 Entire Agreement. This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to the subject matter hereof.

10.12 Memorandum of Trust. The Owner Trustee is hereby authorized and empowered from time to time to prepare and to execute on behalf of the Trust a memorandum of trust in such form and summarizing such provisions of this Agreement as may be required by the laws of any jurisdiction and to file and/or record such memorandum of trust in such manner as may be required by the laws of such jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers hereunto duly authorized as of the day and year first above written.

WILMINGTON TRUST COMPANY

By: 
Name: Linda C. Mack
Title: Administrative Account Manager

MID-STATE HOMES, INC.


By: 
Name: Miles C. Dearden, III
Title: Vice President

Exhibit A

[Letterhead of Proposed Transferee]

Dear Sirs:

This letter shall constitute our Accession Agreement, as that term is used in the Trust Agreement dated June 24, 2003 as amended and restated from time to time (the "Trust Agreement"), between Mid-State Homes, Inc., a Florida corporation, as Depositor, and Wilmington Trust Company, a Delaware banking corporation, as owner trustee (the "Owner Trustee"). We propose to acquire from [transferor] a ___% Ownership Percentage (as defined in the Trust Agreement) evidencing an undivided ownership interest in Mid-State Trust XI (the "Trust"), a statutory trust under the laws of the State of Delaware, and to thereby become an Owner of the Trust in accordance with the Trust Agreement.

The terms capitalized herein shall have the same meanings as in the Trust Agreement unless otherwise defined herein or the context shall otherwise require.

We hereby represent and warrant to you that:

1. [the [audited] financial statements, together with the related notes and schedules, if any, enclosed herewith, are our most recent [audited] financial statements and fairly present our financial condition as of the periods specified in conformity with generally accepted accounting principles applied on a consistent basis during such periods, except as may be indicated therein] [our net worth is \$_____];
2. [since the date as of which the [audited] financial statements referred to in the preceding paragraph are given, there has been neither any material adverse change in our net worth determined in accordance with generally accepted accounting principles;] nor any development involving a prospective material adverse change in our net worth;
3. we have read and are familiar with the terms and conditions of the Trust Agreement, and we understand the rights and obligations of an Owner of the Trust;
4. we understand that the Certificates [have not been and will not be] registered under the Securities Act of 1933, as amended (the "Securities Act") [for the purpose of a distribution thereof], and are being transferred to us in a transaction that is [exempt from] the registration requirements of the Securities Act;
5. we have received a copy of the _____ dated _____, relating to the Certificates, and we confirm that any documents annexed thereto or incorporated by reference, and any information we desire concerning the Certificates, the Trust or any other matter relevant to our decision to acquire the Certificate, is or has been made available to us;

6. we are knowledgeable and experienced in financial and business matters generally and are capable of evaluating the merits and risks of an investment in an Ownership Percentage; we are able to bear the economic risks of an investment in an Ownership Percentage; and [we are an accredited investor as defined in Regulation D under the Securities Act];

7. the acquisition of an Ownership Percentage by us will not result in any violation of any law, rule or regulation applicable to us, has been duly authorized by all necessary action on our part, will not conflict or result in a breach of or default under any agreement, document or instrument to which we are a party, and does not require any consent, order, approval or authorization, other than those obtained by us;

8. we are acquiring the Ownership Percentage for our own account or for accounts as to which we exercise sole investment discretion and not with a view to a distribution of our Ownership Percentage; provided, however, that it is understood that we shall retain control over disposition of the Ownership Percentage if such disposition is not in contravention of the Trust Agreement;

9. we are not an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Section 4975 of the Code or any materially similar provisions of applicable federal, state or local law and are not using funds of such a plan to acquire a Certificate;

10. we are a "United States person" within the meanings of section 7701(a)(30) of the Code; and

11. we understand that each Certificate bears and, unless subsequently registered, shall continue to bear, a legend that reads substantially as follows:

"THE BENEFICIAL INTEREST IN THE TRUST REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS, IN A MANNER THAT WILL NOT PERMIT THE FURTHER DISTRIBUTION THEREOF WITHOUT FURTHER COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE ACT AND MAY NOT BE DIRECTLY OR INDIRECTLY OFFERED OR SOLD OR OTHERWISE TRANSFERRED (INCLUDING PLEDGED BY THE HOLDER HEREOF) EXCEPT IN COMPLIANCE WITH THE ACT. THE TRANSFER OF THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS AND CONDITIONS SET FORTH IN THE TRUST AGREEMENT UNDER WHICH THIS CERTIFICATE WAS ISSUED, INCLUDING RECEIPT BY THE OWNER TRUSTEE OF AN OPINION OF COUNSEL SATISFACTORY TO THE OWNER TRUSTEE, TO THE EFFECT THAT THE TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE ACT OR IS IN COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE ACT. IN ADDITION, THIS CERTIFICATE MAY NOT BE TRANSFERRED UNLESS THE OWNER TRUSTEE AND, IF APPLICABLE, OTHER HOLDERS OF CERTIFICATES OF BENEFICIAL INTEREST IN THE TRUST CONSENT TO SUCH TRANSFER AND UNLESS OTHERWISE TRANSFERRED IN THE MANNER PROVIDED IN ARTICLE III OF THE TRUST AGREEMENT, AND IN ACCORDANCE

WITH THE REQUIREMENTS THEREOF, INCLUDING WITHOUT LIMITATION THE REQUIREMENT THAT THE TRANSFEREE SIGN AND DELIVER TO THE OWNER TRUSTEE AN ACCESSION AGREEMENT IN WHICH THE TRANSFEREE MAKES CERTAIN REPRESENTATIONS AND AGREES TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE TRUST AGREEMENT, AND THAT THE TRANSFEREE DELIVER TO THE OWNER TRUSTEE CERTAIN FINANCIAL STATEMENTS OR CERTIFICATIONS.”

We hereby also agree that:

12. the Certificate may be required to be held indefinitely by us unless an exemption from the registration requirements of the Securities Act is available or the registration requirements of the Securities Act are complied with (the Trust not being obligated to register the Certificates under the Securities Act);

13. we will not transfer or exchange the Certificate unless:

(a) the Owner Trustee shall have consented to such transfer or exchange as provided in Section 3.02 of the Trust Agreement and the other conditions to transfer in the Trust Agreement have been satisfied; and

(b) either (i) (A) if such transfer or exchange is a sale, the sales price is at least \$250,000; (B) we do not know and have no reasonable grounds to believe that the transfer or exchange is made to a transferee that cannot truthfully make representations and warranties with respect to itself to substantially the same effect as those set forth herein; and (C) all offers or solicitations in connection with the sale (if a sale), whether directly or through any agent working on our behalf, are limited to transferees that we reasonably believe can make representations and warranties with respect to itself to substantially the same effect as those set forth herein; or (ii) the Certificate is transferred or exchanged pursuant to Rule 144 under the Securities Act after we have held it for more than three years; or (iii) the Certificate is transferred or exchanged in any other transaction exempt from registration under, or in a transaction in compliance with the registration provisions of, the Securities Act;

14. we will pay to the Owner Trustee all reasonable expenses incurred by the Owner Trustee in connection with the transfer of the Certificate, other than those expenses paid by the transferor including those fees and expenses incurred pursuant to Section 3.02(c) of the Trust Agreement and those fees and expenses of counsel giving any required opinion to the Owner Trustee;

15. we will not cause or consent to the filing of a petition in bankruptcy against the Trust for any reason until at least one year after payment in full of all the Notes;

16. we understand that we will not become an Owner until all conditions precedent to Accession have been met and all actions precedent to Accession have been taken pursuant to Section 3.02 of the Trust Agreement; and

17. we hereby agree to be bound by all of the terms and conditions of the Trust Agreement, including any supplements or amendments thereto, and the Certificate.

This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware.

Very truly yours,

[Seal]

[Name of Transferee]

Authorized Officer

By: _____
Name:
Title:

Accepted and Acknowledged
this ___ day of _____, ____.

WILMINGTON TRUST COMPANY,
not in its individual capacity
but solely as Owner Trustee
of Mid-State Trust XI

By: _____
Name:
Title:

Exhibit B

THE BENEFICIAL INTEREST IN THE TRUST REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS IN A MANNER THAT WILL NOT PERMIT A DISTRIBUTION THEREOF WITHOUT FURTHER COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE ACT, AND MAY NOT BE DIRECTLY OR INDIRECTLY OFFERED OR SOLD OR OTHERWISE TRANSFERRED (INCLUDING PLEDGED BY THE HOLDER HEREOF) EXCEPT IN COMPLIANCE WITH THE ACT. THE TRANSFER OF THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS AND CONDITIONS SET FORTH IN THE TRUST AGREEMENT UNDER WHICH THIS CERTIFICATE WAS ISSUED, INCLUDING RECEIPT BY THE OWNER TRUSTEE OF AN OPINION OF COUNSEL SATISFACTORY TO THE OWNER TRUSTEE, TO THE EFFECT THAT THE TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE ACT OR IS IN COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE ACT. IN ADDITION, THIS CERTIFICATE MAY NOT BE TRANSFERRED UNLESS THE OWNER TRUSTEE AND, IF APPLICABLE, OTHER HOLDERS OF CERTIFICATES OF BENEFICIAL INTEREST IN THE TRUST CONSENT TO SUCH TRANSFER AND UNLESS OTHERWISE TRANSFERRED IN THE MANNER PROVIDED IN ARTICLE III OF THE TRUST AGREEMENT (REFERENCED BELOW) AND IN ACCORDANCE WITH THE REQUIREMENTS THEREOF, INCLUDING WITHOUT LIMITATION THE REQUIREMENT THAT THE TRANSFEREE SIGN AND DELIVER TO THE OWNER TRUSTEE AN ACCESSION AGREEMENT IN WHICH THE TRANSFEREE MAKES CERTAIN REPRESENTATIONS AND AGREES TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE TRUST AGREEMENT, AND THAT THE TRANSFEREE DELIVER TO THE OWNER TRUSTEE CERTAIN FINANCIAL STATEMENTS OR CERTIFICATIONS.

CERTIFICATE OF BENEFICIAL INTEREST
MID-STATE TRUST XI

Wilmington Trust Company, a Delaware banking corporation, solely in its fiduciary capacity as trustee (the "Owner Trustee") under the Trust Agreement referenced below and not in its individual capacity, certifies that Mid-State Homes, Inc. is the registered owner (an "Owner") of a 100% undivided ownership interest in a statutory trust (the "Trust") existing under the laws of the State of Delaware pursuant to a trust agreement dated June 24, 2003, as amended and restated from time to time (the "Trust Agreement"), between Mid-State Homes, Inc. and Wilmington Trust Company.

The terms capitalized herein shall have the same meaning as in the Trust Agreement unless otherwise defined herein or the context shall otherwise require.

This Certificate is one of the Certificates referred to in the Trust Agreement and is issued under and subject to the terms and conditions of the Trust Agreement. Reference is hereby made to the Trust Agreement for a statement of the rights and obligations of the holder of this Certificate, as well as for a statement of the terms and conditions of the Trust created by the Trust Agreement.

This Certificate and each of the other Certificates issued under the Trust Agreement evidence an undivided beneficial ownership interest and participation in the Trust Property. The holder hereof is entitled to receive, ratably with the holders of the other Certificates, a proportional share (for each Owner, its "Ownership Percentage") of the sums required to be distributed by the Owner Trustee to the Owners pursuant to the terms of the Trust Agreement. The first paragraph of this Certificate indicates the Ownership Percentage of the holder hereof.

The holder of this Certificate through the execution of the Accession Agreement and by the acceptance hereof, assents to and agrees to be bound by all of the terms and conditions of the Trust Agreement. Without limiting the generality of the foregoing, the holder hereof agrees (i) that it shall be liable, in the manner and amount specified in the Trust Agreement, for all fees, expenses, taxes, indemnity payments and other obligations of the Trust (to the extent not paid out of the Trust Property) other than the Notes and (ii) not to transfer this Certificate except with the requisite consents and otherwise in the manner provided in the Trust Agreement.

IN WITNESS HEREOF, the Owner Trustee has caused this Certificate to be executed manually on the date hereof by one of its authorized officers.

Dated:

Wilmington Trust Company,
not in its individual capacity,
but solely as Owner Trustee
of Mid-State Trust XI

By: _____
Name:
Title:

SUPPLEMENTAL TRUST AGREEMENT (CORPORATE)

SUPPLEMENTAL TRUST AGREEMENT (CORPORATE) dated June 26, 2003 by and among MID-STATE HOMES, INC., a corporation duly organized and existing under the laws of the State of Florida ("Beneficiary"), WILMINGTON TRUST COMPANY, a corporation duly organized and existing under the laws of the State of Delaware, not in its individual capacity but solely as trustee under the Trust Agreement referred to below, having its principal offices at Rodney Square North, Wilmington, Delaware 19890 (hereinafter called the "Trustee"), and WILMINGTON TRUST FSB, a federal savings bank having its principal offices at 800 S.E. Monterey, Commons Boulevard, Suite 100, Stuart, Florida 34996 (hereinafter called the "Corporate Trustee");

WITNESSETH:

WHEREAS, the Beneficiary and the Trustee have entered into a Trust Agreement dated June 24, 2003 (as the same may be amended or restated from time to time, the "Trust Agreement") creating Mid-State Trust XI, a statutory trust formed under the laws of the State of Delaware (the "Trust"); terms used herein and not otherwise defined shall have the meanings ascribed to them in the Trust Agreement; and

WHEREAS, pursuant to the Trust Agreement, the Purchase and Sale Agreement, security agreements, mortgages, deeds of trust, assignments, pledge agreements and similar documents entered into and to be entered into in connection therewith (such agreements, mortgages, deeds of trust, assignments, pledge agreements and similar documents being hereinafter collectively referred to as the "Trust Documents"), title to certain property will be transferred and conveyed to the Trust, to be held as part of the trust estate of the Trust and certain security interests have been or will be granted by the Trust in property lying, situate and being in numerous jurisdictions throughout the United States, all as more fully described in the Trust Agreement and the Trust Documents; and

WHEREAS, a corporation having its principal place of business in Florida must be named as a co-trustee to permit the Trustee or such co-trustee to act as such with respect to property located in Florida;

NOW, THEREFORE, the parties hereto hereby agree as follows:

FOR AND IN CONSIDERATION OF THE PREMISES, it is mutually covenanted and agreed pursuant to the terms of Section 9.02 of the Trust Agreement, that WILMINGTON TRUST FSB has been, and by these presents is, appointed to serve as a co-trustee to act jointly with the Trustee with respect to all of the property from time to time subject to the Trust Agreement and the Trust Documents and located within the territorial jurisdictions of the State of Florida. It is understood and agreed that (a) the liabilities, duties and responsibilities of the Corporate Trustee shall be limited to the property with respect to which it has been appointed and shall, in every respect, be governed by the terms, provisions, conditions and limitations in the Trust Agreement and the Trust Documents, and (b) the Corporate Trustee shall be entitled to the benefits and protections provided to the Trustee in the Trust Agreement and the Trust Documents. By its execution hereof, the Corporate Trustee accepts the trusts

created hereinabove and in the Trust Agreement and the Trust Documents, subject, however, to all the terms, conditions, provisions and limitations herein or therein contained.

The Beneficiary, its successors and assigns, shall be liable for, and shall indemnify the Corporate Trustee against and from, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements (including legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted at any time against the Corporate Trustee (whether or not indemnified against by other parties) in any way relating to or arising out of this Supplemental Trust Agreement (Corporate), the Trust Documents, the administration of the trust estate or the action or inaction of the Corporate Trustee hereunder, except only that the Beneficiary shall not be required to indemnify the Corporate Trustee for any of the foregoing arising or resulting from the gross negligence or willful misconduct of the Corporate Trustee in carrying out its obligations hereunder.

Every power given hereby to, or which it is provided hereby may be exercised by, the Corporate Trustee shall be exercised hereunder by the Corporate Trustee jointly with, or with the consent in writing of, the Trustee, anything herein or in the Trust Agreement contained to the contrary notwithstanding.

This Supplemental Trust Agreement (Corporate) may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Supplemental Trust Agreement (Corporate) on the day and year first above written.

WILMINGTON TRUST COMPANY,
not in its individual capacity
but solely as Trustee

By: 
Name: Rachel Simpson
Title: Financial Services Officer

MID-STATE HOMES, INC.

By: _____
Name: Miles C. Dearden, III
Title: Vice President

WILMINGTON TRUST FSB

By: _____
Name: **JAMES P. LAWLER**
Title: Vice President

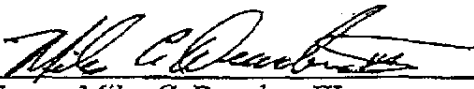


IN WITNESS WHEREOF, the parties have executed this Supplemental Trust Agreement (Corporate) on the day and year first above written.

WILMINGTON TRUST COMPANY,
not in its individual capacity
but solely as Trustee

By: _____
Name:
Title:

MID-STATE HOMES, INC.

By: 
Name: Miles C. Dearden, III
Title: Vice President

WILMINGTON TRUST FSB

By: _____
Name:
Title: