

D99000000012

FILED

99 MAR 23 PM 3:30

SECRETARY OF STATE
TALLAHASSEE, FLORIDA



FORD MOTOR CREDIT COMPANY

Susan M. Kelel
Senior Paralegal - Corporate
(313) 594-4732
(313) 248-7613 (fax)

Legal Office
The American Road
P.O. Box 6044
Dearborn, Michigan 48121-6044

March 22, 1999

VIA AIRBORNE EXPRESS

Florida Department of State
Division of Corporations
409 East Gaines Street
Tallahassee, Florida 32399

100002816951--3
-03/23/99--01106--001
***350.00 ***350.00

Re: BOND AUTOMOTIVE TRUST ("Bond")
Declaration of Trust

Dear Sir/Madam:

I am submitting the enclosed Declaration of Trust on behalf of Bond Automotive Trust in order to transact business in the State of Florida. Included with this submission are the following items:

1. Declaration of Trust executed by the trustee and appointing C T Corporation System as resident agent;
2. Copy of the Trust Agreement; and
3. Filing fee in the amount of \$350.00.

Please contact me if you have any questions pertaining to this submission. Thank you.

Very truly yours,

Susan Kelel

Enclosures

w/encl.

cc: H. D. Smith, Secretary & Counsel - Corporate
D. J. Doman, NAFO Attorney
S. L. Marshall, Licensing Supervisor
S. E. Knebler, Strategic Planning
F. J. Sullivan, NAFO Paralegal

PM 3/29/99

AFFIDAVIT TO THE SECRETARY OF STATE OF FLORIDA
TO FILE OR QUALIFY

BOND AUTOMOTIVE TRUST

A Delaware Business TRUST

FILED
99. MAR 23 PM 3:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

In accordance with Section 609.02 of the Florida Statutes, pertaining to Common Law Declarations of Trust, the undersigned, the ~~Chairman of the Board~~ of Trustees of Bond Automotive Trust *Assistant Vice President* (CL),

(Name of Trust)

a Delaware Business Trust hereby affirms in order to file or qualify

(State)

Bond Automotive Trust

(Name of Trust)

, in the State of Florida.

1. Two or more persons are named in the Trust.
2. The principal address is c/o Ford Motor Credit Company
The American Road, Dearborn Michigan 48121
3. The registered agent and office in the State of Florida is:
C T Corporation System, 1200 South Pine Island Road
Plantation, Florida 33324
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.
Claudia L. Saari Claudia L. Saari, Asst. Secy.
(Signature of Registered Agent)
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.

Henry J. Acosta
NOTARY
HENRY J. ACOSTA
Notary Public, State of New York
No. 01AC6017533
Qualified in New York County
Commission Expires Dec. 14, 2000

Name:

Cheryl L. Laser
~~Chairman of the Board of Trustees~~

CHERYL L. LASER
Assistant Vice President

FILED
99 MAR 23 PM 3:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**AMENDED AND RESTATED TRUST
AND ADMINISTRATIVE AGENCY AGREEMENT**

dated as of September 1, 1998

among

FORD MOTOR CREDIT COMPANY

as INITIAL BENEFICIARY,

THE BANK OF NEW YORK (DELAWARE)

as TRUSTEE

and

FORD MOTOR CREDIT COMPANY

as ADMINISTRATIVE AGENT

**AMENDED AND RESTATED
TRUST AND ADMINISTRATIVE AGENCY AGREEMENT**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	
Section 1.1 <u>Definitions</u>	1
ARTICLE II ORGANIZATION	
Section 2.1 <u>Name and Office</u>	2
Section 2.2 <u>Purposes and Powers</u>	2
Section 2.3 <u>Confirmation of Appointment of the Trustee</u>	3
Section 2.4 <u>Subtrust Assets</u>	3
Section 2.5 <u>Declaration of Trust</u>	3
Section 2.6 <u>Situs of Trust</u>	4
Section 2.7 <u>Title to Trust Property</u>	4
Section 2.8 <u>Representations and Warranties of Ford Credit</u>	4
Section 2.9 <u>Tax Reporting and Characterization</u>	6
Section 2.10 <u>Liability of Ford Credit or PRIMUS</u>	6
ARTICLE III PURCHASE OF RECEIVABLES	
Section 3.1 <u>Origination by Dealerships:</u> <u>Role of Administrative Agent</u>	6
Section 3.2 <u>Dealer Agreements</u>	7
Section 3.3 <u>Purchase of Receivables</u>	7
ARTICLE IV THE ADMINISTRATIVE AGENT	
Section 4.1 <u>Administrative Agent</u>	8
Section 4.2 <u>Representations of the Administrative Agent</u>	8
Section 4.3 <u>Indemnities by the Administrative Agent</u>	10
Section 4.4 <u>Merger or Consolidation of, or Assumption of the Obligations of, Administrative Agent</u>	10

Section 4.5	<u>Limitation on Liability of Administrative Agent and Others</u>	11
Section 4.6	<u>Delegation of Duties</u>	11
Section 4.7	<u>Notification of Third Party Claims</u>	12

ARTICLE V ADMINISTRATION AND SERVICING OF RECEIVABLES

Section 5.1	<u>Duties of Administrative Agent</u>	12
Section 5.2	<u>Collection of Payments on Receivables:</u>	
	<u>Extension of Receivables</u>	14
Section 5.3	<u>Realization on Defaulted Receivable</u>	14
Section 5.4	<u>Custody of Receivable Files:</u>	
	<u>Custodial Duties</u>	15
Section 5.5	<u>Maintenance of Security Interests in Vehicles</u>	17
Section 5.6	<u>Covenants of Administrative Agent</u>	17
Section 5.7	<u>Purchase Upon Breach</u>	18
Section 5.8	<u>Trustee Fees</u>	18
Section 5.9	<u>Administrative Fees</u>	18
Section 5.10	<u>Contingent Performance Fee</u>	19
Section 5.11	<u>Expenses</u>	19
Section 5.12	<u>Monthly Reports</u>	20
Section 5.13	<u>[RESERVED]</u>	21
Section 5.14	<u>Annual Independent Certified Public Accountant's Report</u>	21
Section 5.15	<u>Access to Certain Documentation and Information Regarding Receivables</u>	21
Section 5.16	<u>Accounting and Reports to Certificateholders, the Internal Revenue Service and Others</u>	22

ARTICLE VI THE CERTIFICATES

Section 6.1	<u>Beneficial Ownership</u>	22
Section 6.2	<u>Subtrusts</u>	22
Section 6.3	<u>Allocation of Subtrust Assets</u>	24
Section 6.4	<u>Capital Accounts</u>	24
Section 6.5	<u>Capital Contributions</u>	25

Section 6.6	<u>Withdrawal from the Trust: Liquidation of Subtrust Assets</u>	26
Section 6.7	<u>Authentication of Certificates</u>	27
Section 6.8	<u>Issuance and Form of Certificates</u>	28
Section 6.9	<u>Mutilated, Destroyed, Lost or Stolen Certificates</u>	28
Section 6.10	<u>Persons Deemed Holders</u>	29
Section 6.11	<u>Registration of Transfer and Exchange of Certificates</u>	29
Section 6.12	<u>Maintenance of Office or Agency</u>	32
Section 6.13	<u>Access to List of Certificate-holders' Names and Addresses</u>	32
Section 6.14	<u>Continuing Authority to Own A Certificate</u>	33

**ARTICLE VII
APPLICATION OF TRUST FUNDS; CERTAIN DUTIES**

Section 7.1	<u>Application of Subtrust Assets</u>	33
Section 7.2	<u>Distributions to Certificateholders</u>	35

**ARTICLE VIII
THE TRUSTEE**

Section 8.1	<u>Duties of the Trustee</u>	36
Section 8.2	<u>Acceptance of Trusts and Duties</u>	37
Section 8.3	<u>Action upon Instruction by Certificateholders</u>	39
Section 8.4	<u>Furnishing of Documents</u>	43
Section 8.5	<u>Representations and Warranties of the Trustee</u>	43
Section 8.6	<u>Reliance; Advice of Counsel</u>	44
Section 8.7	<u>Compensation and Indemnity</u>	45
Section 8.8	<u>Resignation or Removal of the Trustee</u>	46
Section 8.9	<u>Merger or Consolidation of the Trustee</u>	48
Section 8.10	<u>Appointment of Co-Trustee or Separate Trustee</u>	48
Section 8.11	<u>Eligibility Requirements for the Trustee</u>	50

ARTICLE IX TERMINATION OF TRUST AND ADMINISTRATIVE AGENCY AGREEMENT

Section 9.1 <u>Termination of Trust and Administrative Agency Agreement</u>	50
Section 9.2 <u>Dissolution upon Insolvency or Dissolution of Ford Credit</u>	52

ARTICLE X AMENDMENTS

Section 10.1 <u>Amendments</u>	53
--------------------------------------	----

ARTICLE XI MISCELLANEOUS

Section 11.1 <u>No Legal Title to Subtrust Assets; Direction of the Trustee</u>	54
Section 11.2 <u>Limitations on Rights of Others</u>	54
Section 11.3 <u>Notices</u>	54
Section 11.4 <u>Severability</u>	55
Section 11.5 <u>Counterparts</u>	55
Section 11.6 <u>Successors and Assigns</u>	55
Section 11.7 <u>No Recourse</u>	55
Section 11.8 <u>No Petition</u>	56
Section 11.9 <u>Headings</u>	56
Section 11.10 <u>Governing Law</u>	56

EXHIBITS

Exhibit A	Form of Certificate
Exhibit B	Form of Authentication Order
Exhibit C	Certificate of Trust
Exhibit D	Form of Transfer Letter
Exhibit E	Form of Subscription Agreement
Exhibit F	Form of Line of Credit Agreement
Exhibit G	Form of Dealer Agreement
Exhibit H	Form of Monthly Reports

Schedule I **Administrative Fee Rates, Minimum Capital Ratio, Maximum Capital Ratio, Target Capital Ratio, Benchmark Rate, Line of Credit Spread, Distribution Percentages, Equity Factor, Defaulted Receivable Purchase Rate and the Recurring Capital Contribution presently in effect**

Schedule II **Locations of Receivables Files**

AMENDED AND RESTATED TRUST AND ADMINISTRATIVE AGENCY AGREEMENT, dated and effective as of September 1, 1998 (as modified, supplemented or amended from time to time, the "Agreement") among (i) FORD MOTOR CREDIT COMPANY, a Delaware corporation ("Ford Credit") as Initial Beneficiary and as Administrative Agent and (ii) The Bank of New York (Delaware), a Delaware banking corporation ("BNY (DE)"), as trustee under this Agreement (in such capacity, together with any successor or permitted assign, the "Trustee");

WHEREAS, Ford Credit and the Trustee entered into a trust and administrative agency agreement, dated and effective as of July 30, 1998 (the "Original Agreement"), pursuant to which (i) Bond Automotive Trust (the "Trust") was created, (ii) BNY (DE) was appointed as Trustee and (iii) Ford Credit was appointed as administrative agent of the Trust for the purpose of obtaining required governmental consents, licenses and approvals; and

WHEREAS, the parties hereto intend to amend and restate, on the terms and conditions set forth herein, the Original Agreement to more fully set forth the terms of the Trust and the rights and obligations of the parties hereto.

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

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Certain capitalized terms used in this Agreement shall have the respective meanings assigned to them in Appendix I, attached hereto. All references herein to "this Agreement" are to this Amended and Restated Trust and Administrative Agency Agreement, and all references herein to Articles, Sections and subsections are to Articles, Sections and subsections of this Agreement unless otherwise specified.

ARTICLE II ORGANIZATION

Section 2.1 Name and Office. The Trust created hereby shall be known as "Bond Automotive Trust," in which name the Trustee may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued. The office of the Trust shall be in care of the Administrative Agent at the address for the Administrative Agent set forth in Section 11.3 or at such other address as the Administrative Agent may designate by written notice to the Trustee and each Certificateholder.

Section 2.2 Purposes and Powers. The purpose of the Trust is to engage solely in the following activities, all in accordance with the terms of this Agreement:

- (a) to acquire from Dealerships identified by the Administrative Agent certain Receivables and to conserve and administer such Receivables and the other assets of the Trust, all in accordance with terms of this Agreement;
- (b) to enter into the Line of Credit Agreement with Ford Credit in substantially the form attached hereto as Exhibit E, pursuant to which Ford Credit will provide financing for each Subtrust's acquisition of Receivables from the related Dealership(s), fees and expenses and other purposes;
- (c) to enter into a Subscription Agreement in substantially the form attached hereto as Exhibit E, with Dealerships or Persons associated with Dealerships meeting the criteria set forth herein and to issue to such Persons Certificates, each representing a 100% undivided beneficial interest in Receivables sold to the Trust by the related Dealership(s) and in the right to receive certain amounts in respect thereof from the sale or refinancing of such Receivables;
- (d) to make distributions on the Certificates;
- (e) to perform its obligations under agreements, instruments or other documents to which it is to be a party; and

(f) to engage in those activities, including executing agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith.

Section 2.3 Confirmation of Appointment of the Trustee. The Initial Beneficiary hereby confirms the appointment of The Bank of New York (Delaware) as Trustee, effective as of the date of the Original Agreement. Effective as of the date hereof, the Trustee shall have all rights, powers and duties set forth herein and in the Business Trust Statute with respect to accomplishing the purposes of the Trust.

Section 2.4 Subtrust Assets. (a) Pursuant to the Original Agreement, Ford Credit, as Initial Beneficiary, granted, assigned, transferred, conveyed and set over to the Trust, as of the date thereof, the sum of \$100. The Trustee, on behalf of the Trust, has acknowledged receipt in trust from Ford Credit, as of the date thereof, of the foregoing contribution, which constituted the initial assets of the Trust. The Initial Beneficiary has paid the organizational expenses of the Trust and, prior to the issuance of any Certificates, shall either continue to pay the organizational expenses of the Trust as they may arise or shall, upon the request of the Trustee, promptly reimburse the Trustee for any such expenses paid by the Trustee.

(b) As set forth in Article VI, the Certificateholders shall grant, assign, convey and set over to the Trust from time to time additional cash or other assets in accordance with the terms of this Agreement.

Section 2.5 Declaration of Trust. The Trustee hereby declares that it shall hold all assets of the Trust conveyed or to be conveyed to the Trust, including all monies and proceeds of such assets, in trust for the benefit of the Certificateholders. It is the intention of the parties hereto that (i) the Trust constitute a business trust under Chapter 38 of Title 12 of the Delaware Code, 12 Delaware Code § 3801 et seq. (the "Business Trust Statute") and that this document constitute the governing instrument of the Trust and (ii) for income and franchise tax purposes, each Subtrust shall be treated as a partnership, with the assets of the partnership being the Receivables and other assets held by the Subtrust and the partners of the partnership being the related Certificateholder and Ford Credit. The parties agree that, unless otherwise required by the appropriate tax authorities, the Administrative Agent, on behalf of the Trust, will file or cause to be filed annual or other necessary returns, reports and other forms consistent with the charac-

terization of each Subtrust as a partnership for such tax purposes. Effective as of the date hereof, the Trustee shall have the rights, powers and duties set forth herein and in the Business Trust Statute with respect to accomplishing the purposes of the Trust.

Section 2.6 Situs of Trust. The Trust shall be located and administered in the State of Delaware. Any bank accounts maintained by the Trustee on behalf of the Trust shall be located in the State of Delaware or the State of New York. The Trust shall not have any employees. Payments will be received by the Trust only in Delaware or New York, and payments will be made by the Trust only from Delaware, Michigan or New York. The only office of the Trust will be at the Corporate Trust Office in the State of Delaware.

Section 2.7 Title to Trust Property. Legal title to all assets of the Trust and each Subtrust shall at all times be vested in the Trust and each Subtrust as a separate legal entity, except where applicable law in any jurisdiction requires title to any part of the Subtrust Assets to be vested in the trustee or trustees, in which case title shall be deemed to be vested in the Trustee, a co-trustee and/or a separate trustee, as the case may be.

Section 2.8 Representations and Warranties of Ford Credit. Ford Credit, as Initial Beneficiary, hereby represents and warrants to the Trustee that:

(a) Organization and Good Standing. The Initial Beneficiary has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted;

(b) Due Qualification. The Initial Beneficiary is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications;

(c) Power and Authority. The Initial Beneficiary has the full power and authority to execute and deliver this Agreement, to carry out its terms and has duly authorized such acts by all necessary corporate action;

(d) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms of this Agreement do not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice or lapse of time) a default under, its certificate of incorporation or by-laws, or any indenture, agreement or other instrument to which it is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument, or violate any law or, to the best of its knowledge, any order, rule or regulation applicable to it of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over it or any of its properties;

(e) Due Execution and Delivery; Binding Obligation. This Agreement has been duly executed and delivered by the Initial Beneficiary and constitutes the legal, valid and binding agreement of the Initial Beneficiary, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law; and

(f) No Proceedings. There are no proceedings or investigations pending or, to the Initial Beneficiary's best knowledge, threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over it or its properties: (i) asserting the invalidity of this Agreement, any of the other Basic Documents to which it is a party, or the Certificates, (ii) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement or any of the other Basic Documents to which it is a party or, (iii) seeking any determination or ruling that might materially and adversely affect the performance by it of its obligations under, or the validity or enforceability of, this Agreement, any of the other Basic Documents to which it is a party or the Certificates or (iv) which might adversely affect the federal income tax attributes, or state franchise or income tax attributes, of the Certificates.

Section 2.9 Tax Reporting and Characterization. (a) Consistent with the treatment of each Subtrust as a partnership for tax purposes, unless otherwise required by appropriate tax authorities, the Administrative

Agent on behalf of each Subtrust will file or cause to be filed all annual or other federal and state tax and information returns; and

(b) Each Certificateholder acknowledges that it is its intent and that it understands it is the intent of the Initial Beneficiary and the Administrative Agent that, for purposes of federal income tax, state and local income and franchise tax and any other income taxes, the related Subtrust will be treated as a partnership and such Certificateholder and Ford Credit will be treated as partners in that partnership. Ford Credit hereby agrees and each Certificateholder by acceptance of its Certificate agrees to such treatment and each agrees to take no action inconsistent with such treatment.

Section 2.10 Liability of Ford Credit. (a) Notwithstanding Section 3803 of the Business Trust Statute, Ford Credit shall be liable directly to, and will indemnify each injured party for, all losses, claims, damages, liabilities and expenses of each Subtrust to the extent that Ford Credit would be liable if such Subtrust were a partnership under the Delaware Revised Uniform Limited Partnership Act and Ford Credit were a general partner thereof.

(b) No Certificateholder shall have any personal liability for any liability or obligation of the Trust.

ARTICLE III PURCHASE OF RECEIVABLES

Section 3.1 Origination by Dealerships; Role of Administrative Agent. The Administrative Agent shall maintain its relationship with Dealerships in its individual capacity in the ordinary course of its business. In its capacity as Administrative Agent, the Administrative Agent shall, on behalf of each Subtrust, purchase Receivables from the related Dealerships on an ongoing basis during the term of this Agreement. Each such Receivable shall satisfy the criteria for purchase established by the Administrative Agent from time to time. The Administrative Agent shall direct each Dealership to originate Receivables on a form acceptable to the Administrative Agent.

Section 3.2 Dealer Agreements. The terms governing the relationship between each Dealership and the related Subtrust, including without limitation, the terms governing the purchase of the Receivables by

the Subtrust, shall be set forth in a separate agreement between each Dealership and the Trust in the form substantially similar to the form attached as Exhibit G (each, a "Dealer Agreement"). The Initial Beneficiary hereby directs that the Trustee, upon the issuance of a Certificate to a Certificateholder, shall enter into a Dealer Agreement with each related Dealership on behalf of the Trust. Each Certificateholder, by its acceptance of a Certificate, shall be deemed to have consented to the execution and delivery of the related Dealer Agreement by the Trust.

Section 3.3 Purchase of Receivables. (a) Each motor vehicle retail installment sale contract (each, a "Receivable") shall be assigned by a Dealership to the related Subtrust against payment of an amount equal to the Purchase Price with respect to such Receivable. On each day on which Receivables are purchased by a Sub-trust, the Administrative Agent, acting on behalf of such Subtrust, shall draw an amount equal to the aggregate outstanding principal balance of all Receivables purchased by such Subtrust on such day under the Line of Credit ("Daily Draw"). The Administrative Agent shall pay the Dealer Reserve, if any, with respect to each such Receivable in accordance with the terms of the related Dealer Agreement with draws under the Line of Credit as provided in Section 7.1(b).

ARTICLE IV THE ADMINISTRATIVE AGENT

Section 4.1 Administrative Agent. The Initial Beneficiary hereby confirms the appointment of Ford Credit as Administrative Agent under the Original Agreement. From and after the date hereof, the duties of the Administrative Agent shall be as set forth in this Agreement. Each Certificateholder, by its acceptance of a Certificate shall be deemed to have consented to the appointment of Ford Credit as Administrative Agent. The rights of the Certificateholders with respect to the Administrative Agent shall be as set forth herein.

Section 4.2 Representations of the Administrative Agent. The Administrative Agent makes the following representations on which the Trustee and each Certificateholder relies in connection with the appointment of the Administrative Agent. The representations speak as of the date of this Agreement and as of each date on which Certificates are issued and shall survive any transfer of a Certificate:

(a) Organization and Good Standing. The Administrative Agent has been duly organized and is validly existing as a corporation in good standing under the laws of the state of its incorporation, with power and authority to own its properties and to conduct its business as such properties shall be currently owned and such business is presently conducted, and had at all relevant times, and shall have, power, authority, and legal right to service the Receivables and to hold the Receivable Files as custodian on behalf of the Trustee.

(b) Due Qualification. The Administrative Agent is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the Receivables as required by this Agreement) shall require such qualifications.

(c) Power and Authority. The Administrative Agent has the power and authority to execute and deliver this Agreement and to carry out its terms; and the execution, delivery, and performance of this Agreement has been duly authorized by the Administrative Agent by all necessary corporate action.

(d) Binding Obligation. This Agreement has been duly executed and delivered by the Administrative Agent and constitutes the legal, valid, and binding obligation of the Administrative Agent, enforceable in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof does not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the articles of incorporation or by-laws of the Administrative Agent, or any indenture, agreement, or other instrument to which the Administrative Agent is a party or by which it shall be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument (other than this Agreement); nor violate any law or, to the best of the Administrative Agent's knowledge, any

order, rule, or regulation applicable to the Administrative Agent of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Administrative Agent or its properties.

(f) No Proceedings. There are no proceedings or investigations pending, or, to the best of the Administrative Agent's knowledge, threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Administrative Agent or its properties: (i) asserting the invalidity of this Agreement, any of the other Basic Documents to which it is a party or the Certificates, (ii) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement, any of the other Basic Documents to which it is a party, (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Administrative Agent of its obligations under, or the validity or enforceability of, this Agreement, any of the other Basic Documents to which it is a party, or the Certificates, or (iv) relating to the Administrative Agent and which might adversely affect the federal income tax attributes of the Certificates.

Section 4.3 Indemnities by the Administrative Agent. The Administrative Agent shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Administrative Agent under this Agreement. The Administrative Agent shall indemnify, defend, and hold harmless the Trustee, the Trust, and the Certificateholders from and against any and all costs, expenses, losses, claims, actions, suits, damages, and liabilities of any kind and nature whatsoever to the extent that such cost, expense, loss, claim, action, suit, damage, or liability arose out of, or was imposed upon the Trustee, the Trust, or the Certificateholders (i) through the negligence, willful misfeasance, or bad faith of the Administrative Agent in the performance of its duties under this Agreement, (ii) by reason of reckless disregard of its obligations and duties under this Agreement or (iii) by reason of any violation or alleged violation of any federal, state or local law or regulation by the Administrative Agent.

Section 4.4 Merger or Consolidation of, or Assumption of the Obligations of, Administrative Agent. Any Person (i) into which the Administrative Agent may be merged or consolidated, (ii) resulting from any merger, conversion, or consolidation to which the Administrative Agent shall be a party or (iii) succeeding to the business of the Administrative Agent, which Person in any of the foregoing cases executes an agreement of assumption

to perform every obligation of the Administrative Agent under this Agreement, will be the successor to the Administrative Agent under this Agreement without the execution or filing of any additional paper or the taking of any further act on the part of any of the parties to this Agreement; provided, however, that the Administrative Agent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section 4.4 and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with. The Administrative Agent shall provide notice of any merger, consolidation or succession pursuant to this Section 4.4 to each Certificateholder and the Trustee. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and delivery of the Officer's Certificate and Opinion of Counsel referred to above shall be conditions to the consummation of the transactions referred to in clauses (i), (ii), or (iii) above.

Section 4.5 Limitation on Liability of Administrative Agent and Others. Neither the Administrative Agent nor any of the directors or officers or employees or agents of the Administrative Agent shall be under any liability to the Trust or the Certificateholders (except as provided under this Agreement) or the Trustee (except as provided under this Agreement or otherwise in writing by the Administrative Agent) for the taking of any action or for refraining from the taking of any action pursuant to this Agreement or for errors in judgment; provided, however, that this Section 4.5 shall not protect the Administrative Agent or any such person against any liability that would otherwise be imposed by reason of willful misfeasance or bad faith in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement, or by reason of negligence in the performance of its duties under this Agreement (except for errors in judgment). The Administrative Agent and any director, officer or employee or agent of the Administrative Agent may rely in good faith on any Opinion of Counsel or on any Officer's Certificate or certificate of auditors or accountants believed to be genuine and to have been signed by the proper party in respect of any matters arising under this Agreement.

Except as provided in this Agreement, the Administrative Agent shall not be under any obligation to appear in, prosecute, or defend any legal action that shall not be incidental to its duties to service the Receivables and administer the Trust in accordance with this Agreement, and that in its opinion may involve it in any expense or liability; provided, however, that the Administrative Agent may undertake any reasonable action that it may, in

good faith, deem necessary or desirable in respect of this Agreement and the rights and duties of the parties to this Agreement and the interests of the Certificateholders under this Agreement.

Section 4.6 Delegation of Duties. (a) Ford Credit, as Administrative Agent, hereby revocably delegates to PRIMUS its authority to exercise all of the duties as Administrative Agent hereunder with respect to PRIMUS Dealerships, the related Certificateholders, including the review and acceptance of subscriptions for Certificates, and the purchase and servicing of PRIMUS Receivables. Notwithstanding the forgoing delegation, Ford Credit shall at all times retain full responsibility for the performance by PRIMUS of the forgoing duties. All references herein to the 'Administrative Agent' shall include PRIMUS when used in the context of the exercise of any duties hereunder with respect to PRIMUS Dealerships, the related Certificateholders and PRIMUS Receivables.

(b) The Administrative Agent may at any time without notice or consent delegate substantially all its duties under this Agreement to any entity more than 50% of the voting equity of which is owned, directly or indirectly, by Ford Motor Company. The Administrative Agent may at any time perform specific duties in connection with the servicing of Receivables under this Agreement through sub-contractors; provided that the Administrative Agent shall at all times retain full responsibility for the duties performed by such sub-contractors.

Section 4.7 Notification of Third Party Claims. The Administrative Agent shall immediately notify the Trustee, upon learning of a claim by a third party which might have a material adverse effect on the Administrative Agent, the Trustee, the Trust, any Subtrust or any Certificateholder.

ARTICLE V ADMINISTRATION AND SERVICING OF RECEIVABLES

Section 5.1 Duties of Administrative Agent. (a) The Administrative Agent shall manage, service, administer, and make collections on the Receivables with reasonable care, following its customary standards, policies, and procedures and using that degree of skill and attention that the Administrative Agent exercises with respect to all comparable retail motor vehicle installment sale contracts that it services for itself or others ("Accepted Servicing Practices"). The Administrative Agent's duties shall in-

clude, without limitation, collection and posting of all payments, responding to inquiries of Obligor, investigating delinquencies, sending payment coupons to Obligor, accounting for collections, furnishing Monthly and Annual Reports to the Trustee and the Certificateholders. Without limiting the generality of the foregoing, the Administrative Agent is authorized and empowered by the Trust, each related Subtrust and the Trustee to execute and deliver, on behalf of itself, the Trust, each related Subtrust, the Certificateholders, the Trustee, or any of them, any and all instruments of satisfaction or cancellation, or partial or full release or discharge, and all other comparable instruments, with respect to the Receivables. If the Administrative Agent shall commence a legal proceeding to enforce a Receivable against an Obligor, the related Subtrust shall thereupon be deemed to have automatically assigned such Receivable to the Administrative Agent, solely for the purpose of enforcement of such Receivable. If in any enforcement suit or legal proceeding it shall be held that the Administrative Agent may not enforce a Receivable on the ground that it is not a real party in interest entitled to enforce the Receivable, the Trustee shall, subject to Article VIII at the Administrative Agent's expense (subject to reimbursement by the Certificateholders as set forth in Section 5.11, as may be required in connection therewith during the term hereof) and direction, take steps to enforce the Receivable, including bringing suit in its name or the name of the applicable Certificateholder. The Trustee on behalf of the Trust shall furnish the Administrative Agent with any powers of attorney and other documents reasonably necessary or appropriate to enable the Administrative Agent to carry out its servicing and administrative duties hereunder. The Administrative Agent, at its expense, shall obtain on behalf of the Trust all licenses, if any, required by the laws of the appropriate jurisdictions to be held by the Trust in connection with ownership of the Receivables, and shall make all filings and pay all fees (subject to reimbursement by the Certificateholders as set forth in Section 5.11, as may be required in connection therewith during the term hereof).

(b) Each of the Trust and the Trustee, upon the execution and delivery of this Agreement, hereby appoints the Administrative Agent, and the Administrative Agent hereby accepts such appointment, to act as agent of the Trustee to review the Subscription Agreements and to make the determination, in its sole discretion, to accept or reject any subscription for a Certificate.

(c) Each of the Trust and the Trustee, upon the execution and delivery of this Agreement, hereby appoints the Administrative Agent,

and the Administrative Agent hereby accepts such appointment, to act as agent of the Trust and the Trustee to determine the terms of any Securitization. Each Certificateholder, by its acceptance of a Certificate, shall be deemed to have consented to the appointment of the Administrative Agent to perform such duties. In connection with its performance of such duties, the Administrative Agent may consult with such investment bankers and legal advisors as the Administrative Agent, in its sole discretion, deems advisable.

Section 5.2 Collection of Payments on Receivables; Extension of Receivables. In accordance with Accepted Servicing Practices, the Administrative Agent shall make reasonable efforts to collect all payments called for under the terms and provisions of the Receivables as and when the same shall become due. The Administrative Agent may grant extensions, rebates, or adjustments on a Receivable in accordance with Accepted Servicing Practices. The Administrative Agent may in its discretion arrange with an Obligor to defer or modify the terms of the related Receivable, including extending the date for final payment of the Receivable beyond its scheduled maturity date, changing the annual percentage rate or the total amount or number of scheduled payments on the Receivable or substituting an obligor with respect to a Receivable.

Section 5.3 Realization on Defaulted Receivable. (a) In accordance with Accepted Servicing Practices, the Administrative Agent shall use reasonable efforts to repossess or otherwise convert the possession of any Vehicle as to which the Administrative Agent shall have determined that eventual payment in full of the related Receivable is unlikely, and to sell such Vehicle at auction or otherwise. If the Vehicle is repossessed, the Administrative Agent shall credit the net proceeds from the disposition of the Vehicle to the related Subtrust and shall charge-off to the related Subtrust an amount equal to the excess, if any, of (i) the sum of (x) the outstanding principal balance of the related defaulted Receivable, (y) any accrued and unpaid interest thereon and (z) such other amounts as the Administrative Agent shall determine in accordance with Accepted Servicing Practices over (ii) the net proceeds from the disposition of the Vehicle. If the Vehicle is not repossessed or if the Administrative Agent is not able to repossess the Vehicle within a reasonable period of time, the Administrative Agent shall charge-off the amount in the foregoing clause (i) to the related Subtrust.

(b) On the last Business Day of the month in which a defaulted Receivable is charged-off, the Administrative Agent shall purchase

the defaulted Receivable for a purchase price (the "Defaulted Receivable Purchase Amount") equal to the product of (i) the amount charged off with respect to the defaulted Receivable pursuant to Section 5.3(a) and (ii) a fixed percentage determined by the Administrative Agent from time to time based on its experience with respect to defaulted motor vehicle retail installment sale contracts (the "Defaulted Receivable Purchase Rate"). The Administrative Agent shall credit the Defaulted Receivable Purchase Amount to the related Subtrust on the last business day of the month in which the defaulted Receivable was charged off.

Section 5.4 Custody of Receivable Files; Custodial Duties. (a) To assure uniform quality in servicing the Receivables and to reduce administrative costs, the Trustee on behalf of the Trust, upon the execution and delivery of this Agreement, hereby appoints the Administrative Agent, and the Administrative Agent hereby accepts such appointment, to act as the agent of the Trust as custodian of the Receivable Files, which are hereby constructively delivered to the Trustee on behalf of the Trust with respect to each Receivable.

(b) The Administrative Agent shall hold the Receivable Files on behalf of the Trust for the use and benefit of all present and future Certificateholders with an interest therein, and maintain such accurate and complete accounts, records (either original executed documents or copies of original executed documents recorded on electronic medium shall be sufficient), and computer systems pertaining to each Receivable File as shall enable the Trustee to comply with this Agreement. In accordance with Accepted Servicing Practices, the Administrative Agent shall perform its duties as custodian of the Receivable Files and shall conduct, or cause to be conducted, periodic audits of the Receivable Files held by it under this Agreement, and of the related accounts, records, and computer systems, in such a manner as shall enable the Trustee to verify the accuracy of the Administrative Agent's record keeping. The Administrative Agent shall promptly report to the Trustee any failure on its part to hold the Receivable Files and maintain its accounts, records, and computer systems as herein provided and promptly take appropriate action to remedy any such failure. Nothing herein shall be deemed to require an initial review or any periodic review by the Trustee of the Receivable Files.

(c) The Administrative Agent shall maintain each Receivable File relating to any Receivable at one of its offices specified in Schedule II to this Agreement, or at such other office as shall be specified to the

Trustee by written notice not later than 90 days after any change in location. In lieu of providing notice of any change in the location of the offices holding Receivable Files, the Administrative Agent may provide the Trustee with an updated list of the locations of its offices no less frequently than annually. The Administrative Agent may sub-contract with third parties to perform the duties of custodian of the Receivable Files, in which case the name and address of the principal place of business of such third party, and the location of the offices of such third party where Receivable Files are maintained shall be specified in Schedule II or in any list provided to the Trustee pursuant to this Section 5.4(c). The Administrative Agent shall make available, on 10 days written notice, to the Trustee or its duly authorized representatives, attorneys, or auditors, and with respect to any Subtrust, the related Certificateholder, a list of locations of the Receivable Files, the Receivable Files, and the related accounts, records, and computer generated data maintained by the Administrative Agent or any third party under sub-contract with the Administrative Agent at such times as the Trustee or, with respect to a Subtrust, the related Certificateholder, shall instruct. The Administrative Agent may, in its sole discretion, provide any information so requested in the form of electronic media.

(d) All instructions from the Trustee shall be in writing and signed by a Authorized Officer, and the Administrative Agent shall be deemed to have received proper instructions with respect to the Receivable Files upon its receipt of such written instructions.

(e) The Administrative Agent as custodian shall indemnify and save and hold harmless the Trustee and the Certificateholders for any and all liabilities, claims, actions, suits, obligations, losses, compensatory damages, payments, costs, or expenses of any kind whatsoever that may be imposed on, incurred, or asserted against the Trustee as the result of any improper act or omission in any way relating to the maintenance and custody by the Administrative Agent as custodian of the Receivable Files; provided, however, that the Administrative Agent shall not be liable for any portion of any such amount resulting from the willful misfeasance, bad faith, or negligence of the Trustee.

(f) The Administrative Agent's appointment as custodian shall become effective as of the date hereof and shall continue in full force and effect until terminated pursuant to this Section 5.4. If Ford Credit shall resign as Administrative Agent in accordance with the provisions of this Agreement, the appointment of the Administrative Agent as custodian with

respect to all Receivable Files shall be terminated automatically without any further action by the Trustee, effective as of the date of the resignation of Ford Credit as Administrative Agent. As soon as practicable after any such resignation, the Administrative Agent shall deliver the Receivable Files and the related accounts and records maintained by the Administrative Agent to the Trustee (or such other successor Administrative Agent as may be appointed) or the Trustee's (or such other successor Administrative Agent) agent at such place or places as the Trustee (or such other successor Administrative Agent) may reasonably designate.

Section 5.5 Maintenance of Security Interests in Vehicles. The Administrative Agent shall, in accordance with Accepted Servicing Practices, take such steps as are necessary to maintain perfection of the security interest created by each Receivable in the related Vehicle. The Trustee on behalf of the Trust hereby authorizes the Administrative Agent to take such steps as are necessary to re-perfect such security interest on behalf of the Trust in the event of the relocation of a Vehicle or for any other reason.

Section 5.6 Covenants of Administrative Agent. The Administrative Agent shall not release the Vehicle securing any Receivable from the security interest granted by such Receivable in whole or in part except in the event of payment in full by or on behalf of the Obligor thereunder or repossession.

Section 5.7 Purchase Upon Breach. The Administrative Agent or the Trustee shall inform the other party promptly, in writing, upon the discovery of any breach of the covenants of the Administrative Agent set forth in Section 5.5 or 5.6 with respect to any Receivable. If such breach materially adversely affects the interests of the related Subtrust, as determined by the Administrative Agent in its sole discretion, in such Receivable, unless the breach shall have been cured by the last day of the first following month during which the Administrative Agent obtained actual knowledge of such breach, the Administrative Agent shall purchase such Receivable on the last business day of such month by crediting the related Subtrust for application in accordance with Section 7.1(d) an amount equal to the Administrative Purchase Amount with respect to such Receivable. As of the date of such purchase, the related Certificate shall no longer represent a beneficial interest in such Receivable and such Receivable shall be conveyed by the Trustee, on behalf of the related Subtrust, to the Administrative Agent. The sole remedy of the Trustee on behalf of the related Subtrust, or the related Certificateholder, with respect to a breach pursuant to Section 5.5 or

5.6, shall be to require the Administrative Agent to purchase the Receivable pursuant to this Section 5.7.

Section 5.8 Trustee Fees. The fees of the Trustee shall be paid by the Administrative Agent to the Trustee at such times as the Administrative Agent and the Trustee, as applicable, shall mutually agree. The Administrative Agent shall be reimbursed for any such payments as General Trust Expenses.

Section 5.9 Administrative Fees. On the last Business Day of each month, each Subtrust shall pay to the Administrative Agent a monthly administrative fee (the "Administrative Fee") with respect to each Receivable in the related Managed Portfolio in an amount equal to the product of (i) the Administrative Fee Rate for such Receivable, (ii) with respect to (x) the calendar month in which such Receivable is purchased by the Subtrust, the outstanding principal balance of such Receivable on the date of purchase and, (y) each subsequent calendar month, the outstanding principal balance of such Receivable on the last Business Day of the preceding calendar month; and (iii) a fraction, the numerator of which is the number of days in the month and the denominator of which is 360. Notwithstanding the foregoing, in the event that Receivables in any Subtrust are subject to a Securitization, the Administrative Fee payable to the Administrative Agent by any Subtrust with respect to any Securitized Receivable shall be reduced by the amount of any servicing fee with respect to the Securitized Receivable payable to Ford Credit, as servicer with respect to the related Securitized Portfolio, but in no event shall the Administrative Fee with respect to any Securitized Receivable be reduced to less than zero.

The Administrative Agent may set different Administrative Fee Rates for Dealerships located in different geographic regions. The Schedule I relating to any Subtrust shall include only the Administrative Fee Rates applicable to the Dealerships located in the geographic regions related to that Subtrust.

Section 5.10 Contingent Performance Fee. Each Subtrust shall pay to the Administrative Agent a contingent performance fee (the "Contingent Performance Fee") equal to 20% of the net income before the Contingent Performance Fee earned by the Subtrust during the previous calendar year, as determined by the Administrative Agent in accordance with Generally Accepted Accounting Principles ("GAAP") (the "Contingent Performance Fee Base"). Accordingly, the amount available for distribution to any

Certificateholder from earnings on its Managed Portfolio will be reduced by the Contingent Performance Fee. The Contingent Performance Fee shall be paid to the Administrative Agent annually prior to distributions to the Certificateholders. For federal income tax purposes the Contingent Performance Fee shall be treated as Ford Credit's "distributive share" of the net income of each Subtrust and the amount thereof shall be allocated to Ford Credit.

Each taxable year, Ford Credit's distributive share of each Subtrust's net income (as determined for federal income tax purposes) shall equal a percentage of such net income determined by multiplying 20 percent by a fraction, the numerator of which shall be the Subtrust's net income (as determined for federal income tax purposes) and the denominator of which shall be the Contingent Performance Fee Base.

Section 5.11 Expenses. (a) On the last Business Day of each Month, each Subtrust shall reimburse the Administrative Agent for all expenses incurred by the Administrative Agent directly for such Subtrust during such Month ("Subtrust Expenses"), including without limitation, collection and repossession expenses, and licensing and privilege fees and any taxes with respect to the related Subtrust Assets paid by the Administrative Agent during the Month.

(b) Each Subtrust shall reimburse the Administrative Agent for expenses incurred by the Administrative Agent which are not attributable to a particular Subtrust but which were incurred in connection with the establishment or conduct of the business of the Trust generally ("General Trust Expenses"), including, without limitation, audit fees, fees for the preparation of financial statements of the Trust and the Subtrusts and fees for the preparation of reports required under this Agreement. The Administrative Agent shall allocate the General Trust Expenses based on the outstanding principal balance of Receivables in the related Managed Portfolio or, based on the number of Subtrusts or other appropriate factors, at the discretion of the Administrative Agent.

Section 5.12 Monthly Reports. (a) On or before the last day of each calendar month (or if any such day is not a Business Day, on the next succeeding business day), the Administrative Agent shall provide to each Certificateholder four separate reports relating to the related Subtrust with respect to the preceding calendar month consisting of:

(i) a balance sheet setting forth the assets, liabilities and Capital Account Balance for the related Subtrust ("Balance Sheet");

(ii) an income statement for the related Subtrust setting forth the revenue earned and expenses incurred ("Income Statement");

(iii) a monthly activity statement setting forth for the related Subtrust the aggregate principal balance of Receivables purchased and information with respect to delinquencies and credit losses in the related Managed Portfolio ("Activity Report"); and

(iv) a statement setting forth all activity with respect to the Line of Credit including the Line of Credit Balance at the last business day of the month and of the preceding month ("Line of Credit Statement").

Forms of each of the Balance Sheet, Income Statement, Activity Report and Line of Credit Report (collectively, the "Monthly Reports") are included in Exhibit H. The Administrative Agent shall provide to the Trustee copies of the Monthly Reports for any month within 30 days of receipt by Administrative Agent of written request therefor from the Trustee.

(b) The Administrative Fee Rates, Minimum Capital Ratio, Maximum Capital Ratio, Target Capital Ratio, Benchmark Rate, Line of Credit Spread, Distribution Percentages, Equity Factor, Defaulted Receivable Purchase Rate and the Recurring Capital Contribution in effect on the date hereof are set forth on Schedule I. The Administrative Agent shall review each of such amounts and percentages from time to time and may revise any of such amounts or percentages in its sole discretion. The Administrative Agent shall provide to each Certificateholder (with a copy to the Trustee) a copy of a revised Schedule I setting forth the changes to any of such amounts or percentages. Any such changes shall be applied only prospectively with respect to Receivables purchased by a Subtrust after the first day of the month following delivery of such Revised Schedule I, except that any change to the Defaulted Receivable Purchase Rate shall be applied to all Receivables which become defaulted Receivables after such first day.

Section 5.13 [RESERVED].

Section 5.14 Annual Independent Certified Public Accountant's Report. The Administrative Agent shall cause a firm of independent certified public accountants, who may also render other services to the Administrative Agent or to Ford Motor Company or any Affiliate of either of them, to deliver to each Certificateholder (with copy to the Trustee), on or before March 31st of each year beginning March 31st, 1999 with respect to the prior calendar year a report addressed to the Board of Directors of the Administrative Agent, the Trustee and the Certificateholders, to the effect that such firm has audited the financial statements of the Trust, which shall be attached to such report, and issued its report thereon and that such audit was made in accordance with generally accepted auditing standards.

The accountant's report shall also indicate that the firm is independent of the Administrative Agent within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

The Administrative Agent shall provide to each Certificateholder (with a copy to the Trustee), on or before March 31st of each year commencing March 31, 1999, an unaudited balance sheet and statement of income for such Certificateholder's Subtrust and a copy of the audited financial statements for the entire Trust.

Section 5.15 Access to Certain Documentation and Information Regarding Receivables. The Administrative Agent shall provide to the Trustee access to the Receivable Files relating to a Subtrust at the request of the applicable Certificateholder. Access shall be afforded without charge, but only upon reasonable request and notice and during the normal business hours at the respective offices of the Administrative Agent. Nothing in this **Section 5.15** shall affect the obligation of the Administrative Agent to observe any applicable law prohibiting disclosure of information regarding the Obligor, and the failure of the Administrative Agent to provide access to information as a result of such obligation shall not constitute a breach of this **Section 5.15**.

Section 5.16 Accounting and Reports to Certificateholders, the Internal Revenue Service and Others. The Administrative Agent shall (a) maintain (or cause to be maintained) the books of the Trust on a calendar year basis on the accrual method of accounting, (b) deliver to each Certificateholder such information as may be required by the Code and applicable Treasury Regulations or otherwise, including such information as may be required to enable each Certificateholder to prepare its annual

federal and state income tax returns, (c) file (or cause to be filed) any tax returns relating to the Trust and make (or cause to be made) such elections as may from time to time be required or appropriate under any applicable federal or state statute or rule or regulation thereunder, and (d) cause such tax returns to be signed in the manner required by law. The Trustee, upon request, will furnish the Administrative Agent with all such information known to the Trustee as may be reasonably required in connection with the preparation of any tax returns required to be filed by the Trust. To the extent one may be required, Ford Credit shall be the "tax matters partner" of each Subtrust pursuant to the Code.

ARTICLE VI THE CERTIFICATES

Section 6.1 Beneficial Ownership. Upon the formation of the Trust by the contribution by the Initial Beneficiary pursuant to the Original Agreement and until the issuance of the Certificates, the Initial Beneficiary shall be the sole beneficial owner of the Trust. Upon the execution of the Subscription Agreements and the issuance of the Certificates, each Certificateholder shall be the sole beneficial owner of the Subtrust and the Subtrust Assets represented by its Certificate.

Section 6.2 Subtrusts. (a) Each Certificate shall represent (i) a 100% undivided beneficial interest in the related Owned Portfolio and the capital contributions made by the related Certificateholder subject to the related draws under the Line of Credit or subsequent Securitization(s), and, (ii) the right to receive distributions of income with respect to the related Managed Portfolio. The assets represented by each Certificate shall be allocated to, and identified only with, a designated subtrust under this Agreement (each such subtrust, a "Subtrust" and the assets allocated to each such Subtrust, "Subtrust Assets"). Each Certificate shall represent a beneficial interest in only one Subtrust and in the related Subtrust Assets. Each Subtrust shall have the name and Certificateholder designated by the Administrative Agent in the Authentication Order and shall be a separate series of the Trust pursuant to Section 3806(b)(2) of the Business Trust Statute. The Administrative Agent shall account for and record separately all proceeds received by the Trust relating to the Subtrust Assets related to any Subtrust from the Subtrust Assets relating to any other Subtrust. The Administrative Agent shall maintain separate and distinct records for the Subtrust Assets related to each Subtrust and the Subtrust Assets related to

each Subtrust shall be held and accounted for separately from the Subtrust Assets related to any other Subtrust. Except to the extent required by law or specified in this Agreement, the debts, liabilities and expenses incurred, contracted for or otherwise existing with respect to any Subtrust shall be enforceable against the assets of such Subtrust only, and not against the assets of the Trust generally or any other Subtrust, and, except to the extent required by law or specified in this Agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Trust generally shall be enforceable against the assets of any Subtrust.

(b) Notice of the limitation on interseries liabilities between Subtrusts applicable to each Subtrust and the Subtrust Assets has been set forth in the certificate of trust of the Trust as filed in the office of the Secretary of State of the State of Delaware pursuant to the Business Trust Statute and the Original Agreement. It is the express intent of the parties hereto that effective upon the giving of such notice in the certificate of trust, the statutory provisions of Section 3804 of the Business Trust Statute relating to limitations on interseries liabilities (and the statutory effect under Section 3804 of the Business Trust Statute of setting forth such notice in the certificate of trust) became applicable to the Trust, the Trustee, the Subtrust Assets, the Certificateholders and the Certificates related to each Subtrust. The limitation on interseries liabilities included in the certificate of trust as filed with the Secretary of State of the State of Delaware, is attached hereto as Exhibit C. In addition, the Certificates related to each Subtrust, the Line of Credit Agreement and every note, bond, contract or other undertaking issued by or on behalf of any Subtrust shall include a recitation limiting the obligation represented thereby to the related Subtrust and the related Subtrust Assets.

Section 6.3 Allocation of Subtrust Assets. The Administrative Agent shall, upon receipt of a written request from the Trustee, deliver to the Trustee within 10 days of the Administrative Agent's receipt of such request, an Officer's Certificate which shall (i) identify the Subtrust to which it relates and (ii) identify the Receivables included in the Owned Portfolio related to such Subtrust (by listing the related Receivables by account number, and including any other information as reasonably required by the Trustee to separately identify such Receivables).

Section 6.4 Capital Accounts. (a) To allocate capital contributions, profits or losses and expenses to each Certificateholder, the Administrative Agent shall establish and maintain a separate administrative account

for each Certificateholder (each such account, a "Capital Account"). The Administrative Agent shall determine the balance in the Capital Account maintained for each Certificateholder (the "Capital Account Balance") in accordance with GAAP. Each Certificateholder's Capital Account Balance shall be (i) increased by the initial cash capital contribution and any subsequent capital contributions made by such Certificateholder, (ii) increased or decreased, as the case may be, by such Certificateholder's distributive share of the related Subtrust's net income for such taxable year (including any gain on sale from the Receivables allocable to the related Subtrust) and (ii) decreased by the amount of any distributions made by the related Subtrust to such Certificateholder.

(b) Notwithstanding any other provision of this Agreement to the contrary, the provisions of this Section 6.4 regarding the maintenance of Capital Accounts shall be construed so as to comply with the provisions of the Treasury Regulations promulgated pursuant to Section 704 of the Code. The Administrative Agent is hereby authorized to modify these provisions to the minimum extent necessary to comply with such regulations.

Section 6.5 Capital Contributions. (a) Upon the execution of a Subscription Agreement and the purchase of its Certificate, each Certificateholder shall make an initial cash capital contribution to the related Subtrust ("Initial Contribution") in an amount equal to the product of (i) the number of Receivables which the Certificateholder, together with the Administrative Agent, anticipates will be included in the related Managed Portfolio during the first 12-month period following the issuance of the Certificate to the Certificateholder, (ii) the sum of (x) the average initial principal balance of such Receivables and (y) the average Dealer Reserve with respect to such Receivables and (iii) an equity factor (the "Equity Factor") determined by the Administrative Agent. The Administrative Agent shall determine the Equity Factor based on a number of factors including the Administrative Agent's estimate, based on an assumed representative mix of Receivables, of the income and expenses of a representative Subtrust during a 12-month period and on such other factors as the Administrative Agent shall determine in its discretion.

(b) Each Certificateholder shall make an additional capital contribution per Receivable ("Recurring Capital Contributions"); provided, however, that after the end of the first 12-month period following the issuance of a Certificate, the related Certificateholder shall not be required to

make Recurring Capital Contributions for so long as the Capital Ratio of the related Subtrust is at least 3.0%.

(c) If a Certificateholder's Capital Ratio falls below a minimum Capital Ratio determined from time to time by the Administrative Agent, in its sole discretion (the "Minimum Capital Ratio"), the Administrative Agent shall not permit such Subtrust to purchase any Receivables from the related Dealerships unless the related Certificateholder makes an additional cash capital contribution to the Subtrust in an amount sufficient to increase the Capital Ratio of such Subtrust to at least a level specified by the Administrative Agent from time to time (the "Target Capital Ratio").

Section 6.6 Withdrawal from the Trust; Liquidation of Subtrust Assets. (a) In the event that a Certificateholder's Capital Ratio falls below the Minimum Capital Ratio and the related Certificateholder elects not to make the additional cash capital contribution specified in Section 6.5(c), the Administrative Agent shall inform the Certificateholder that it may either:

(i) request that the Administrative Agent purchase the related Owned Portfolio and the interest of the Certificateholder in any Securitized Receivables ("Certificateholder Interest"). In the event the Certificateholder makes such request, the Administrative Agent shall purchase the Certificateholder Interest for an amount based on the liquidation value of the Certificateholder Interest as determined by the Administrative Agent and based on its experience with motor vehicle retail installment sale contracts ("Liquidation Purchase Amount"); *minus* the Line of Credit Balance of the related Subtrust; or

(ii) allow the Receivables in the Certificateholder's Managed Portfolio to amortize. Upon application of the proceeds of the Managed Portfolio to repay the Line of Credit Balance of the related Subtrust, the Administrative Agent shall distribute the balance, if any, in the Certificateholder's Capital Account to the Certificateholder.

In addition, the Administrative Agent shall have the option, exercisable in its sole discretion, to purchase the Certificateholder Interest of any Certificateholder for an amount equal to the Liquidation Purchase Amount, if (i) a related Dealership has been classified as Status by the

Administrative Agent, or (ii) the outstanding principal balance of the Certificateholder's Managed Portfolio is less than \$500,000 after the end of the sixth calendar month following the issuance of the related Certificate.

(b) At any time after the third year following the issuance of a Certificate, the related Certificateholder may request that the Administrative Agent quote the Liquidation Purchase Amount with respect to its Certificateholder Interest. The Certificateholder may then, at its option, request that the Administrative Agent purchase such Certificateholder Interest at the quoted Liquidation Purchase Amount. Upon receipt of any such request for purchase, the Administrative Agent shall purchase such Certificateholder Interest for the related Liquidation Purchase Amount.

(c) The Administrative Agent may, in its sole discretion, terminate the transactions contemplated by the Basic Documents and wind-up the business of the Trust. In connection therewith, the Administrative Agent shall have the right, upon 30 days' written notice to the Certificateholders, to purchase the Certificateholder Interest of all Certificateholders for an amount equal to the respective Liquidation Purchase Amounts.

(d) The Administrative Agent shall apply any Liquidation Purchase Amounts in accordance with Section 7.1(d). Each Certificateholder whose Certificateholder Interest is purchased by the Administrative Agent pursuant to this Section 6.6 shall or shall cause its Certificate to be delivered for cancellation to the Trustee, or to Administrative Agent for delivery to the Trustee.

Section 6.7 Authentication of Certificates. Upon acceptance of a subscription for a Certificate by the Administrative Agent on behalf of the Trust and the receipt by the Administrative Agent of the Initial Capital Contribution with respect to such Certificate, the Trustee shall cause a Certificate to be executed on behalf of the Trust, authenticated and delivered to or upon the written order of the purchaser of such Certificate as set forth in a written order of authentication provided to the Trustee by the Administrative Agent (the "Authentication Order") in the form attached hereto as Exhibit B, signed by the chairman of the board, the president, any executive vice president, any vice president, the secretary, any assistant secretary, the treasurer or any assistant treasurer of the Administrative Agent. No Certificate shall entitle its Certificateholder to any benefit under this Agreement, or shall be valid for any purpose, unless there shall appear on such Certificate a certificate of authentication substantially in the form of Certificate attached hereto

as Exhibit A executed by the Trustee by manual signature; such authentication shall constitute conclusive evidence that such Certificate shall have been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication.

Section 6.8 Issuance and Form of Certificates. (a) Each Certificate shall be substantially in the form set forth in Exhibit A, subject to modifications as required by this Agreement or as directed by the Administrative Agent. Each Certificate shall be executed on behalf of the Trust by manual or facsimile signature of a Authorized Officer. Each Certificate bearing the signatures of individuals who were authorized to sign on behalf of the Trust at the time when such signatures were affixed, shall be valid and binding representations of interests in the Trust notwithstanding that any or all of such individuals shall have ceased to be so authorized prior to or did not hold such offices at the date of authentication and delivery of such Certificate.

(b) The Certificates may be typewritten or produced by any other method, all as determined by the Authorized Officer executing such Certificates, as evidenced by its execution of such Certificates.

Section 6.9 Mutilated, Destroyed, Lost or Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (ii) there is delivered to the Trustee such security or indemnity as may be required by it to indemnify and hold it harmless, then the Trustee shall execute on behalf of the Trust and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a replacement Certificate of the same class and proportionate beneficial interest in the Trust. Such substitute Certificate shall constitute for all purposes a substitute for the original Certificate, which original Certificate shall be deemed canceled and the books and records of the Trustee shall indicate such cancellation.

Section 6.10 Persons Deemed Holders. Prior to due presentation of a Certificate for registration of transfer, the Trustee shall regard the Person in whose name such Certificate shall be registered as the Holder of such Certificate for the purpose of receiving distributions pursuant to Article VII and for all other purposes whatsoever; provided, that such Holder may covenant or enter into agreements with any Person with respect to the exercise of any or all of its rights as Holder of such Certificate so long as any

such covenant or agreement does not contravene any provision of this Agreement. Upon receipt of notification of such arrangements by the Trustee, the Trustee shall treat Persons as Holders in accordance with such agreement.

Section 6.11 Registration of Transfer and Exchange of Certificates. (a) The Certificate Registrar shall keep or cause to be kept, at the office or agency maintained pursuant to Section 6.12, a Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of Certificates and of transfers and exchanges of Certificates as herein provided. The Trustee and the Trust hereby appoint The Bank of New York as the initial Certificate Registrar. The Trustee shall not register any transfer unless the request for such transfer is accompanied by a written statement addressed to the Trustee in the form of Exhibit D executed by each of the Certificateholder seeking to effect such transfer and the Administrative Agent, to the effect that such transfer is permitted by the terms of this Agreement.

By acceptance of a Certificate, each Certificateholder specifically agrees with and represents to the Trustee, the Administrative Agent and the Initial Beneficiary that no transfer of such Certificate shall be made unless (i) the Administrative Agent, in its sole discretion, has consented in writing to such transfer, (ii) the transferor or the transferee shall have undertaken to pay all expenses incurred by the Trustee, the Trust and the Administrative Agent in connection with the proposed transfer; (iii) such transfer is to an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, in a transaction exempt from the registration requirements of the Securities Act and the transferee executes and delivers to the Trustee and the Certificate Registrar an investment letter substantially in the form attached as Exhibit D and the transferee or the transferor delivers an opinion of counsel, which shall not be at the expense of the Trustee, to the Trustee (with a copy to the Administrative Agent) in form and substance satisfactory to the Trustee to the effect that such transfer is in compliance with the Securities Act and any applicable state securities laws, (iv) the Trustee shall have received not less than five Business Days' prior written notice of the transfer and (v) the transferor and transferee provide the Trustee and the Administrative Agent with such other documents, opinions, instruments and certificates as the Trustee or the Administrative Agent may request. Neither the Trustee nor the Initial Beneficiary is obligated under this Agreement to register the Certificates under the Securities Act or any other securities law or to take any action not otherwise

required under this Agreement to permit the transfer of such Certificates without such registration or qualification.

(b) Each Certificate shall be stamped or otherwise imprinted with legends in substantially the following form:

Any sale, assignment, transfer, pledge or other disposition of this Certificate is restricted by, and the rights of the Holder of this Certificate are subject to, the terms and conditions contained in the Trust and Administrative Agency Agreement, which is available for examination by Holders of Certificates at the registered office of the Trust. This Certificate has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be sold, assigned, transferred, pledged or otherwise disposed of unless (i) the Administrative Agent, in its sole discretion, has consented in writing to such transfer, (ii) the transferor or the transferee shall have undertaken to pay all expenses incurred by the Trustee, the Trust and the Administrative Agent in connection with the proposed transfer; (iii) such transfer is to an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act in a transaction exempt from the registration requirements of the Securities Act and the transferee executes and delivers to the Trustee and the Certificate Registrar an investment letter substantially in the form attached as Exhibit D to the Trust and Administrative Agency Agreement and the transferee or the transferor delivers an opinion of counsel, which shall not be at the expense of the Trustee, to the Trustee (with a copy to the Administrative Agent) in form and substance satisfactory to the Trustee to the effect that such transfer is in compliance with the Securities Act and any applicable state securities laws; (iv) the Trustee shall have received not less than five Business Days' prior written notice of the transfer; and (v) the transferor and transferee provide the Trustee and the Administrative Agent with such other documents, opinions, instruments and certificates as the Trustee may request.

(c) Upon surrender for registration of transfer of any Certificate, at the Corporate Trust Office, a Authorized Officer shall execute, authenticate, and deliver, in the name of the designated transferee or transferees, one or more new Certificates in authorized denominations of a like aggregate amount dated the date of authentication by the Trustee.

(d) Each Certificate surrendered for registration of transfer and exchange shall be cancelled and subsequently disposed of by the Trustee.

(e) No service charge shall be made for any registration of transfer or exchange of Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

Section 6.12 Maintenance of Office or Agency. The Trustee shall maintain in the City of New York, New York an office or offices or agency or agencies where Certificates may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Trustee in respect of the Certificates and this Agreement may be served. The Trustee initially designates the Corporate Trust Office of the Bank of New York, located at 101 Barclay Street, Floor 12E, New York, New York 10286 as its office for such purposes. The Trustee shall give prompt written notice to the Administrative Agent and to the Holders of Certificates of any change in the location of the Certificate Register or the Corporate Trust Office of the Certificate Registrar.

Section 6.13 Access to List of Certificate-holders' Names and Addresses. The Trustee shall furnish or cause to be furnished to the Administrative Agent and the Initial Beneficiary within fifteen (15) days after receipt by the Trustee of a written request therefor from the Administrative Agent or the Initial Beneficiary as the case may be, a list, in such form as the requesting party may reasonably require, of the names and addresses of the Certificateholders as of the last day of the preceding Month. If Holders of Certificates evidencing not less than a 51% beneficial interest in the aggregate Subtrust Assets apply in writing to the Trustee, and such application states that the applicants desire to communicate with other Certificateholders with respect to their rights under this Agreement or under the Certificates and such application is accompanied by a copy of the communication that such applicants propose to transmit, then the Trustee shall, within five (5) Business Days after the receipt of such application, afford such applicants

access during normal business hours to the current list of Certificateholders. Each Certificateholder, by receiving and holding a Certificate, shall be deemed to have agreed not to hold any of the Initial Beneficiary, the Administrative Agent, the Certificate Registrar, the Trustee accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

Section 6.14 Continuing Authority to Own A Certificate. Each Certificateholder, by its acceptance of a Certificate, shall be deemed to have agreed that it is a condition to its ownership of a Certificate that it provide the Administrative Agent evidence, in form and substance satisfactory to the Administrative Agent, of such Certificateholder's authority to own a Certificate. In the event that one or more of a Certificateholder's related Dealerships is sold or otherwise transferred, the Administrative Agent shall have the right to request that such Certificateholder provide additional evidence of such Certificateholder's authority to own a Certificate. Upon the failure of a Certificateholder to provide such additional evidence, or if the Administrative Agent determines, that the evidence provided is inadequate, the Certificateholder, at the Certificateholder's option, may (i) sell its Certificate to a Person acceptable to the Administrative Agent that is authorized to own a Certificate, (ii) sell the Certificate to the Administrative Agent for the Liquidation Purchase Amount or (iii) continue to hold the Certificate although no additional Receivables will be added to the Managed Portfolio. In the event that any such Certificateholder fails to sell its Certificate with a reasonable period of time, as determined by the Administrative Agent, the Administrative Agent shall have the right to purchase such Certificateholder's Certificateholder Interest on the terms provided in Section 6.6. Any determination as to the adequacy of any evidence of a Certificateholder's continuing authority to own a Certificate shall be in the sole discretion of the Administrative Agent.

Section 6.15 Tax Matters

(a) Distributive Shares

- i. Ford Credit's distributive share of each Subtrust's net income (as determined for federal income tax purposes) shall, in each taxable year, equal a percentage of such Subtrust's net income (as determined for federal income tax purposes) determined

by multiplying 20 percent by a fraction, the numerator of which shall be the Subtrust's net income for such taxable year (as determined for federal income tax purposes) and the denominator of which is the Subtrust's Contingent Performance Fee Base for such taxable year (the "Ford Credit Distributive Share").

- ii. Each Certificateholder's distributive share of its related Subtrust's net income (as determined for federal income tax purposes) for a taxable year shall equal the difference between 100 percent and the Ford Credit Distributive Share with respect to such Subtrust for such taxable year (the "Certificateholder Distributive Share").

(b) Allocations of Subtrust Net Income

- i. The net income (or loss) of each Subtrust for each taxable year shall be allocated among the related Certificateholder and Ford Credit in accordance with their respective distributive shares of the Subtrust's net income for such taxable year.
- ii. For purposes of this Agreement each Subtrust's "net income" (or loss) shall be an amount equal to the Subtrust's net income or loss for such year as determined in accordance with section 703 of the Code. Without limiting the foregoing, such amount shall reflect positive adjustments with respect to (x) collections of interest, late fees, extension fees, and all other income with respect to the Receivables in the related Owned Portfolio and (y) any gain on the sale of the Receivables, and negative adjustments with respect to (x) Subtrust Expenses, losses (after giving effect to the payment of any Defaulted Receivable Purchase Amounts) and loss reserves with respect to the related Owned Portfolio, and (y) the interest

expense of the Subtrust under the Line of Credit, Administrative Fees, and General Trust Expenses.

(c) Special Tax Allocations

(i) Qualified Income Offset. Notwithstanding any other provision of this Article VI, in the event any Member receives any adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6), that cause or increase an Adjusted Capital Account Deficit of such Member, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible.

(ii) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

(iii) Adjusted Capital Account Deficit. For these purposes, the term "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year or other period, after giving effect to the following adjustments:

(1) Credit to such Capital Account any amounts which such Member is treated as obli-

gated to restore to the Company pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or is deemed to be obligated to restore pursuant to Regulations Section 1.704-2(g)(1) or Regulations Section 1.704-2(i)(5); and

(2) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (d)(5), and (d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(iv) Curative Allocations. The allocations set forth in this Section 6.15(c) (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Section 1.704-1(b). The Regulatory Allocations shall be taken into account for the purpose of equitably adjusting subsequent allocations of Profits and Losses, and items of income, gain, loss, and deduction among the Members so that, to the extent possible, the net amount of such allocations of Profits and Losses and other items to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

ARTICLE VII

APPLICATION OF TRUST FUNDS; CERTAIN DUTIES

Section 7.1 Application of Subtrust Assets.

(a) On the last Business Day of each month the Administrative Agent, acting on behalf of each Subtrust, shall identify the Subtrust to which Collections received during such month relate.

(b) Pursuant to Section 3.3, on each day on which Receivables are purchased by a Subtrust, the Administrative Agent shall make a Daily Draw on the Line of Credit in an amount equal to the aggregate outstanding principal balance of the Receivables purchased by such

Subtrust on such day. On the last Business Day of each month, the Administrative Agent, on behalf of each Subtrust, shall draw on the Line of Credit or credit the Line of Credit in an amount equal to the Monthly Net Draw/Credit for such Subtrust.

(c) On the last Business Day of each month the Administrative Agent shall determine the following amounts with respect to each Subtrust for such month as of such last Business Day:

- (i) Administrative Fees;
- (ii) General Trust Expenses;
- (iii) Subtrust Expenses;
- (iv) Contingent Performance Fee for the prior calendar year (on the last day of March only);
- (v) Line of Credit Interest;
- (vi) the amounts of Dealer Reserve paid to the related Dealerships;
- (vii) annual distribution for the prior calendar year to the related Certificateholder (on the last day of March only);
- (viii) Collections;
- (ix) net proceeds and any ongoing amounts payable in respect of Securitizations; and
- (x) cash capital contribution made by the related Certificateholder (including any Recurring Capital Contributions).

(d) On the last Business Day of each month, the Administrative Agent, on behalf of each Subtrust, shall pay to the Lender an amount equal to (i) all Collections, (ii) Liquidation Purchase Amounts, (iii) disposition proceeds, (iv) the net proceeds and any ongoing amounts payable in respect of a Securitization, (v) all capital contributions and (vi) any other cash receipts allocable to such Subtrust received during the month, for application in accordance with the Line of Credit Agreement to reduce the Line of Credit Balance of such Subtrust.

(e) On or before the last day of each month, the Administrative Agent shall, on behalf of each Subtrust, deliver to the Lender, a report setting forth the following information with respect to each Subtrust for the preceding month:

- (i) the Line of Credit Balance on the last Business Day of the month preceding such month (after giving effect to the application of Collections and any draws under the Line of Credit on such day);
- (ii) the aggregate Daily Draws for such month;
- (iii) the Monthly Net Draw/Credit for such month;
- (iv) the Line of Credit Interest for such month; and
- (v) the Line of Credit Balance on the last Business Day of such month (the sum of the amounts in the foregoing clauses (i), (ii) and (iii)).

Section 7.2 Distributions to Certificateholders. (a) Annually, following the delivery to the Certificateholders of the annual independent certified public accountant's report pursuant to Section 5.14, the Administrative Agent shall distribute to each Certificateholder an amount equal to the product of (i) the Distribution Percentage and (ii) the Certificateholder's share of the income of the related Subtrust for the prior calendar year, as determined by the Administrative Agent.

(b) If, at the time of delivery of the annual independent certified public accountant's report pursuant to Section 5.14 with respect to the third calendar year following the issuance of a Certificate, the Capital Ratio of the related Subtrust as of the end of the preceding calendar year, after giving effect to any annual distributions to the related Certificateholder with respect to such preceding calendar year, exceeds a maximum Capital Ratio determined from time to time by the Administrative Agent (the "Maximum Capital Ratio") then, the Administrative Agent shall distribute to such Certificateholder an amount sufficient to reduce the Capital Ratio of the Subtrust to the Maximum Capital Ratio.

ARTICLE VIII THE TRUSTEE

Section 8.1 Duties of the Trustee. (a) The Trustee is authorized and directed to execute and deliver this Agreement and each certificate or other document attached as an exhibit to or contemplated by this Agreement to which the Trust is to be a party, in such form as the Initial Beneficiary and the Certificateholders shall approve, such approval to be evidenced by the signature of an authorized officer of the Initial Beneficiary on the signature page hereto and of each Certificateholder on the signature page to the Subscription Agreement. The Certificateholders shall not direct the Trustee to take or refrain from taking any action if such action or inaction would be contrary to any obligation of the Trust or the Trustee under this Agreement, nor shall the Trustee be obligated to follow any such direction, if given. The Trustee shall perform such duties, and only such duties, as are specifically set forth in this Agreement, including the conservation of the Trust and the Subtrust Assets in the interest of the Certificateholders. No implied covenants or obligations shall be read into this Agreement.

(b) In addition to the foregoing, the Trustee is authorized (but shall not be obligated) to take all actions required of the Trust pursuant to the Basic Documents. The Trustee is further authorized from time to time to take such action on behalf of the Trust as is permitted by the Basic Documents and which the Administrative Agent recommends with respect to the Basic Documents, except to the extent that this Agreement expressly requires the consent of Certificateholders for such action.

(c) It shall be the duty of the Trustee to discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of this Agreement and to administer the Trust in the interest of the Certificateholders and in accordance with the provisions of this Agreement. Notwithstanding the foregoing, the Trustee shall be deemed to have discharged its duties and responsibilities hereunder and under the Basic Documents to the extent the Administrative Agent is required hereunder to perform any act or to discharge such duty of the Trustee or the Trust hereunder or under any other Basic Document, and the Trustee shall not be held liable for the default or failure of the Administrative Agent to carry out its obligations hereunder. The Trustee shall have no obligation to administer, service or collect the Receivables or to maintain, monitor or otherwise supervise the administration, servicing or collection of the Receivables.

(d) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished to such Trustee and conforming to the requirements of this Agreement in determining the truth of the statements and the correctness of the opinions contained therein; provided, however, that the Trustee shall have examined such certificates or opinions so as to determine compliance of the same with the requirements of this Agreement.

(e) The Certificateholder shall not direct the Trustee to take any action that (i) is inconsistent with the purposes of the Trust set forth in Section 2.2 or (ii) would result in the Trust's becoming taxable as an "association" or publicly traded partnership taxable as a corporation for federal or state income tax purposes.

Section 8.2 Acceptance of Trusts and Duties. Except as otherwise provided in this Article VIII, in accepting the trusts hereby created the Trustee acts solely as trustee hereunder and not in its individual capacity and all Persons having any claim against the Trustee by reason of the transactions contemplated by this Agreement shall be entitled to payment or satisfaction thereof only in the manner and to the extent set forth in this Agreement. The Trustee accepts the trusts hereby created and agrees to perform its duties hereunder with respect to such trusts but only upon the terms of this Agreement. The Trustee also agrees to disburse all moneys actually received by it constituting part of the Subtrust Assets upon the terms of this Agreement. The Trustee shall not be liable or accountable hereunder under any circumstances, except (i) for its own negligent action, its own negligent failure to act or its own willful misconduct or (ii) in the case of the inaccuracy of any representation or warranty contained in Section 8.6 and expressly made by the Trustee in its individual capacity. In particular, but not by way of limitation (and subject to the exceptions set forth in the preceding sentence):

(a) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the instructions of Holders of Certificates evidencing a beneficial interest in not less than 51% of the aggregate Subtrust Assets ("Certificateholder Majority") pursuant to Section 8.4;

(b) no provision of this Agreement shall require the Trustee to expend or risk funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder, if the Trustee 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;

(c) The Trustee shall not be responsible for or in respect of and makes no representation as to the validity or sufficiency of any provision of this Agreement or for the due execution hereof by Ford Credit or for the form, character, genuineness, sufficiency, value or validity of any of the Subtrust Assets or for or in respect of the validity or sufficiency of the Certificates or any related documents, and in no event shall the Trustee assume or incur any liability, duty or obligation to any Certificateholder, other than as expressly provided for herein;

(d) The Trustee shall not be liable for any error of judgment made in good faith by a Authorized Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts;

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or otherwise or in relation to this Agreement, at the request, order or direction of any Certificateholder, unless such Certificateholder has offered to the Trustee security or indemnity satisfactory to it against the fees, costs, expenses and liabilities that may be incurred by the Trustee therein or thereby. The right of each Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of any such act; and

(f) In no event shall the Trustee be liable for the acts or omissions of the Administrative Agent or be responsible for performing or monitoring the performance of its duties.

Every provision of this Agreement relating to the Trustee shall be subject to the provisions of this Section 8.2.

Section 8.3 Action upon Instruction by Certificateholders:
Rights of the Trustee. (a) Certificateholders may direct the Trustee to take action or refrain from taking action with respect to the Subtrust Assets in which they have a beneficial interest except to the extent that such action or inaction would conflict with any provision hereof or of the Basic Documents.

Such direction may be exercised at any time by written instructions of a Certificateholder Majority.

(b) Notwithstanding the foregoing, and in accordance with Section 8.2(d), the Trustee shall not be required to take any action or refrain from taking action hereunder if the Trustee shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of the Trustee or is contrary to the terms hereof or is otherwise contrary to law.

(c) Whenever the Trustee is unable to decide between alternative courses of action permitted or required by the terms of this Agreement, or is unsure as to the application, intent, interpretation or meaning of any provision of this Agreement, the Trustee may request an Opinion of Counsel (at the expense of the applicable Certificateholders) as to such application, intent, interpretation or meaning, or may give notice (in such form as shall be appropriate under the circumstances) to the Certificateholders requesting instruction as to the course of action to be adopted, and, to the extent the Trustee acts in good faith in accordance with such Opinion of Counsel or any such instruction received from such Certificateholders, as the case may be, the Trustee shall not be liable on account of such action to any Person. If the Trustee shall not have received an Opinion of Counsel or appropriate instructions within ten days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action which is consistent, in its view, with this Agreement, and as it shall deem to be in the best interests of the Certificateholders, and the Trustee shall have no liability to any Person for any such action or inaction.

(d) The Trustee shall not have any duty or obligation to manage, make any payment with respect to, register, record, sell, dispose of, or otherwise deal with the Subtrust Assets, or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Trustee or the Trust is a party, except as expressly provided by the terms of this Agreement or in any document or written instruction received by the Trustee pursuant to Section 8.4; and no implied duties or obligations shall be read into this Agreement or any other Basic Document against the Trustee. The Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest

or lien granted to it hereunder or to prepare or file any Commission filing for the Trust or to record this Agreement or any other Basic Document. The Trustee nevertheless agrees that it will, at its own cost and expense, promptly take all action as may be necessary to discharge any lien on any part of the Subtrust Assets that results from actions by, or claims against, the Trustee in its individual capacity that are not related to the ownership or the administration of the Subtrust Assets.

(e) The Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any Subtrust Assets except (i) in accordance with powers granted to and the authority conferred upon the Trustee pursuant to this Agreement, (ii) in accordance with the other Basic Documents to which the Trust is a party and (iii) in accordance with any document or instruction delivered to the Trustee pursuant to Section 8.3.

(f) The 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 genuine and believed by it to be signed by the proper party or parties. The 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 Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president or by the treasurer or any assistant treasurer or the secretary or any assistant secretary of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(g) Except in accordance with the written instructions furnished by the Certificateholders and except as provided herein, the Trustee shall have no duty (i) to see to any recording or filing of any document, (ii) to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against any part of the Trust, (iii) to confirm or verify any financial statements of the Trust or any statements or reports of the Administrative Agent or (iv) to inspect the Administrative Agent's books and records at any time.

(h) The Trustee shall not be required to take any action under this Agreement unless the Trustee shall have been indemnified by the Administrative Agent or the Certificateholders, in manner and form satisfactory to this Trustee, against any liability, cost or expense (including counsel fees and disbursements) which may be incurred in connection therewith; and, if the Administrative Agent or the Certificateholders shall have directed the Trustee to take any such action or refrain from taking any action, the Administrative Agent or the Certificateholders, as the case may be, agrees to furnish such indemnity as shall be required and, in addition, to pay the reasonable compensation of the Trustee for the services performed or to be performed by it pursuant to such direction. The Trustee shall not be required to take any action under this Agreement if the Trustee shall reasonably determine or shall have been advised by counsel that such action is contrary to the terms of this Agreement or is otherwise contrary to law.

(i) The Trustee shall manage the business and affairs of the Trust in accordance with the terms of the Business Trust Statute; provided, however, that the Trustee undertakes to perform only such duties as are specifically set forth in this Agreement and as it may be directed from time to time by the Administrative Agent and the Certificateholders. The Trustee delegates to the Administrative Agent all duties required to be performed by the Administrative Agent pursuant to the terms of this Agreement, and the Trustee undertakes no responsibility for the performance, or non-performance, of any duties delegated to the Administrative Agent hereunder.

(j) The Trustee may fully rely upon and shall have no liability in connection with calculations or instructions forwarded to the Trustee by the Administrative Agent, nor shall the Trustee have any obligations to furnish information to the Certificateholders or others if it has not received such information as it may need from the Administrative Agent.

(k) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation, at the request, order or direction of the Certificateholders or any other Person, unless such Certificateholders or such Person have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred by the Trustee (including, without limitation, the reasonable fees and expenses of its counsel) therein or thereby, including such advances as the Trustee shall request.

(l) In no event whatsoever shall the Trustee be liable for any representation, warranty, covenant, agreement, indebtedness or other obligation of the Trust or any Subtrust.

(m) Prior to taking any action under this Agreement, the Trustee shall be entitled to receive written instructions of the Certificateholders pursuant to Section 8.4 hereof. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the instructions of such Certificateholders.

(n) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note or other paper or document.

Section 8.4 Furnishing of Documents. The Trustee shall furnish to the Certificateholders, promptly upon receipt of a written request therefor, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and any other instruments furnished to the Trustee by the Administrative Agent or others.

Section 8.5 Representations and Warranties of the Trustee.

(a) The Bank of New York (Delaware) hereby represents and warrants to the Initial Beneficiary that:

(i) it is a corporation duly organized, validly existing and in good standing under the laws of the United States and has its principal place of business in the State of Delaware;

(ii) it has full power, authority and legal right to execute, deliver and perform this Agreement, and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement;

(iii) the execution, delivery and performance by it of this Agreement (i) shall not violate any provision of any law or regulation of the State of Delaware or the United States of America governing the banking and trust powers of the Trustee or any order, writ, judgment or decree of any court, arbitrator or governmental authority of the State of Delaware applicable to

the Trustee or any of its assets, (ii) shall not violate any provision of the corporate charter or by-laws of the Trustee, and (iii) shall not violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of any lien on any properties of the Trustee pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which it is a party, which violation, default or lien could reasonably be expected to have a materially adverse effect on the Trustee's performance or ability to perform its duties as trustee under this Agreement or on the transactions contemplated in this Agreement;

(iv) the execution, delivery and performance by the Trustee of this Agreement shall not require the authorization, consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency regulating the banking and corporate trust activities of corporations (other than the filing of the Certificate of Trust with the Secretary of State); and

(v) this Agreement has been duly executed and delivered by the Trustee and constitutes the legal, valid and binding agreement of the Trustee, enforceable in accordance with its terms, except as enforceability may be limited by insolvency, receivership, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

Section 8.6 Reliance; Advice of Counsel. (a) The Trustee shall incur no liability to any Person 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 and need not investigate any fact or matter in any such document. The 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 method of the determination of which is not specifically prescribed herein, the Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president, the treasurer or the secretary or other

authorized officers of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the trusts hereunder and in the performance of its duties and obligations under this Agreement, the Trustee: (i) may, at the expense of the Trust, act directly or through its agents, attorneys, custodians or nominees pursuant to agreements entered into with any of them, and the Trustee shall not be liable for the conduct or misconduct of such agents, attorneys, custodians or nominees if such agents, attorneys, custodians or nominees shall have been selected by the Trustee with reasonable care and (ii) may, at the expense of the Trust, consult with counsel, accountants and other skilled professionals to be selected with reasonable care and employed by it. The Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with any Opinion of Counsel or advice of such accountants or other such skilled professionals stating that such action or omission is not contrary to this Agreement.

Section 8.7 Compensation and Indemnity.

(a) The Trustee shall receive as compensation for its services hereunder such fees as shall be separately agreed upon from time to time between the Initial Beneficiary and the Trustee. The Trustee shall be entitled at all times to be reimbursed by the Administrative Agent for its reasonable expenses hereunder, including the reasonable expenses and disbursements of such agents, custodians, nominees, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its rights and its duties hereunder; provided, however, that pursuant to the terms of this Agreement, the Administrative Agent shall pay the Trustee Fee to the Trustee in the manner and at the times set forth therein.

(b) Subject to the terms of this Agreement, the Initial Beneficiary shall indemnify and hold harmless Trustee, its officers, directors, employees, shareholders and agents (collectively the "Indemnified Persons" or individually an "Indemnified Person"), against any and all losses, liabilities, claims, actions, suits, costs, damages, expenses and liabilities, joint or several, (including, but not limited to, any investigation, reasonable legal and other expenses (including expenses of investigation) of any kind and nature whatsoever incurred in connection with, and any amount paid in settlement of any action, suit, proceeding or claim) (collectively, "Losses") which such

Indemnified Persons may become subject to or liable for by reason of Trustee's acting as trustee under this Agreement. Notwithstanding the foregoing, the Initial Beneficiary shall not be liable to any Indemnified Person, and shall not be required to indemnify the Trustee under this Agreement, for any Losses arising out of the negligence, bad faith or wilful misconduct of such Indemnified Person or any other Indemnified Person. It is understood that any action or inaction by Trustee pursuant to directions given to it by the Administrative Agent or the Certificateholders shall not be construed to constitute negligence, bad faith or willful misconduct hereunder.

Section 8.8 Resignation or Removal of the Trustee. The Trustee shall not resign without the consent of the Initial Beneficiary unless (i) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.12, (ii) the Trustee shall be incapable of acting or it shall be illegal for the Trustee to act, or (iii) the Trustee shall have given at least 60 days' prior written notice to the Administrative Agent.

(a) The Administrative Agent may remove the Trustee (and shall remove the Trustee in the case of the occurrence of an event described in clause (i) or (iv)):

(i) if the Trustee shall cease to be eligible in accordance with the provisions of Section 8.12 and shall fail to resign after a written request therefor;

(ii) if the Trustee shall be adjudged bankrupt or insolvent;

(iii) if a receiver or other public officer shall be appointed or take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

(iv) if the Trustee shall otherwise be incapable of acting or it shall be illegal for the Trustee to act; or

(v) at its discretion.

In addition, Certificateholders holding Certificates evidencing not less than 66⅔% of the aggregate principal balance of all Receivables in all of the Managed Portfolios, may remove the Trustee upon the occurrence

of any of the events specified in clauses (i), (ii), (iii) and (iv) of this Section 8.9(a).

(b) If the Trustee is removed or if a vacancy exists in the office of trustee for any reason, the Initial Beneficiary shall promptly appoint a successor trustee by written instrument, in duplicate (one copy of which instrument shall be delivered to the outgoing trustee so removed, one copy to the successor trustee). All costs associated with the resignation or removal of the Trustee and the appointment of a successor shall be General Trust Expenses. If a successor Trustee shall not have been appointed within 30 days of such resignation or removal, the predecessor Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

(c) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 8.9 shall not become effective until a written acceptance of appointment is delivered by the successor trustee. Any successor trustee appointed pursuant to this Section 8.9 shall be eligible to act in such capacity in accordance with Section 8.12 and, following compliance with the preceding sentence, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as trustee.

(d) The predecessor trustee shall upon payment of its fees and expenses deliver to the successor trustee all books, records, accounts, documents, statements and monies held by it under this Agreement. The predecessor trustee shall execute and deliver such instruments and do such other things as may reasonably be required to fully and certainly vest and confirm in the successor trustee all such rights, powers, duties and obligations. The predecessor trustee shall cooperate with the successor trustee to ensure that the successor trustee has all books, records, accounts, documents, statements, monies held by it under this Agreement and any other relevant information relating to the Subtrust Assets.

(e) Upon the acceptance by a successor trustee of its appointment pursuant to this Section 8.9, the Administrative Agent shall mail notice of such appointment to each Certificateholder; provided, however, that if the Administrative Agent fails to mail such notice with ten (10) days after the successor trustee has accepted its appointment hereunder, the succes-

sor trustee shall cause such notice to be mailed at the expense of such Certificateholder;

(f) Upon the appointment and acceptance of a successor Trustee pursuant to this Section 8.8, such successor Trustee shall file an amendment to the Certificate of Trust with the Secretary of State identifying the name and principal place of business of such successor Trustee in the State of Delaware.

Section 8.9 Merger or Consolidation of the Trustee. Any corporation or other Person which may be merged, converted or consolidated with The Bank of New York (Delaware) or any corporation resulting from any merger, conversion or consolidation to which The Bank of New York (Delaware) shall be a party, or any corporation or other Person succeeding to all or substantially all of the corporate trust business of The Bank of New York (Delaware), shall be deemed the successor of such Trustee hereunder; provided, however, that such corporation shall be eligible in accordance with the provisions of Section 8.12, and without the execution or filing of any instrument or any further act on the part of any of the parties hereto; provided, that such corporation shall file an amendment to the Certificate of Trust with the Secretary of State as provided in Section 8.8(f).

Section 8.10 Appointment of Co-Trustee or Separate Trustee. Notwithstanding any other provision of this Agreement, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any Subtrust Assets may then be located, the Certificateholders hereby grant the Trustee the authority and power to execute and deliver all instruments to appoint one or more Persons to act as co-trustee, jointly with the Trustee, or as separate trustee or trustees, of all or any part of the Trust and the Subtrust Assets, and to vest in such Person, in such capacity, such title to the Trust, or any Subtrust Assets, and, subject to the other provisions of this Section 8.11, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee under this Agreement shall be required to be eligible in accordance with the provisions of Section 8.12; provided, however, that no co-trustee or separate trustee under this Agreement may be a Certificateholder or any Affiliate thereof.

(a) Each co-trustee and separate trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred upon and exercised or performed by the Trustee and such co-trustee or separate trustee jointly (it being understood that such co-trustee or separate trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to Subtrust Assets or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such co-trustee or separate trustee, but solely at the direction of the Trustee;

(ii) no trustee under this Agreement shall be personally liable by reason of any act or omission of any other trustee under this Agreement; and

(iii) the Holders of Certificates evidencing not less than a 51% beneficial interest in the affected Subtrust Assets and the Trustee acting jointly may at any time accept the resignation of or remove any co-trustee or separate trustee appointed with respect to such Subtrust Assets.

(b) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then co-trustees and separate trustees, as effectively as if given to each of them. The Trustee shall deliver copies of all such notices, requests or other writings to each Certificateholder to which such notice, request or writing relates. Every instrument appointing any co-trustee or separate trustee shall refer to this Agreement and the conditions of this Article VIII. Each co-trustee and separate trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Each such instrument shall be filed with the Trustee and a copy thereof given to each related Certificateholder.

(c) Any co-trustee or separate trustee may at any time appoint the Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 8.11 Eligibility Requirements for the Trustee. The Trustee shall at all times: (a) be a corporation or a banking association organized under the laws of the United States of America or any state thereof; (b) have its principal place of business in the State of Delaware; provided, however, that this clause (b) shall be inapplicable if another trustee or co-trustee of the Trust having its principal place of business in Delaware shall have been appointed; (c) be authorized to exercise corporate trust powers; (d) be qualified to act as the trustee in those states in which Subtrust Assets are located (or have appointed a co-trustee or separate trustee to act as the trustee in such state); and (e) have, or be a wholly owned subsidiary of an entity which has, a combined capital and surplus of not less than \$50,000,000.

ARTICLE IX

TERMINATION OF TRUST AND ADMINISTRATIVE AGREEMENT

Section 9.1 Termination of Trust and Administrative Agency Agreement. (a) This Agreement shall terminate and be of no further force or effect and the Trust shall dissolve upon the earliest to occur of (i) on the payment or making of reasonable provision for payment of all liabilities of the Trust and the final distribution by the Trust of all moneys or other property constituting Subtrust Assets, (ii) upon the maturity or other liquidation of the last remaining Receivable and the disposition of any amounts received upon such maturity or liquidation, or at the time provided in Section 9.2 or (iii) the resignation or removal of Ford Credit as Administrative Agent without the appointment of an affiliate of Ford Motor Company as Administrative Agent. With respect to any Subtrust, such Subtrust shall be dissolved solely with respect to the related Subtrust Assets upon the bankruptcy, insolvency, dissolution, liquidation, death or incapacity or termination of the related Certificateholder or following the purchase of the related Certificateholder Interest by the Administrative Agent pursuant to Section 6.6 and the applica-

tion of the related Liquidation Purchase Amount pursuant to Section 7.1(d). This Agreement may also terminate and the Trust may dissolve at the express written direction of the Initial Beneficiary so long as no Certificates are outstanding.

(b) Notwithstanding the foregoing, Section 2.10 hereof shall survive and is by the parties hereto to constitute reasonable provision for payment of the remaining liabilities of the Trust. In addition, the indemnification provisions of Section 8.7 shall survive the termination of this Agreement and the dissolution of the Trust.

(c) Upon termination of the Trust, the Administrative Agent, on behalf of the Trustee, shall file with the Secretary of State of Delaware, a certificate of cancellation meeting the requirements of Section 3810(d) of the Business Trust Statute.

(d) Notice of any termination of the Trust, specifying the date upon which the Certificateholders shall surrender their Certificates to the Trustee for payment of the final distribution and cancellation, shall be given by the Trustee by letter to Certificateholders mailed within five (5) Business Days of receipt of notice of such termination from the Administrative Agent, stating (i) the date upon or with respect to which final payment of the Certificates shall be made upon presentation and surrender of the Certificates at the office of the Trustee therein designated, and (ii) the amount of any such final payment (after reservation of sums sufficient to pay all claims and obligations, if any, known to the Trustee and payable by the Trust), payments being made only upon presentation and surrender of the Certificates at the office of the Trustee therein specified. The Trustee shall give such notice to the Certificate Registrar (if other than the Trustee) at the time such notice is given to Certificateholders. Upon presentation and surrender of the Certificates, the Trustee shall cause to be distributed to Certificateholders amounts distributable on such date.

In the event that all of the Certificateholders shall not surrender their Certificates for cancellation within six (6) months after the date specified in the above mentioned written notice, the Trustee shall give a second written notice to the remaining Certificateholders to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within one year after the second notice all the Certificates shall not have been surrendered for cancellation, the Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining

Certificateholders concerning surrender of their Certificates and the cost thereof shall be paid out of the funds and other assets that shall remain subject to this Agreement. Subject to applicable escheat laws, any funds remaining in the Trust after exhaustion of such remedies shall be distributed by the Trustee to the Initial Beneficiary.

Section 9.2 Dissolution upon Insolvency or Dissolution of Ford Credit. Notwithstanding the provisions of Section 3808 of the Business Trust Statute, in the event that an Insolvency Event or a dissolution shall occur with respect to Ford Credit, the Receivables shall be sold and this Agreement and the Trust shall be terminated in accordance with Section 9.1 ninety (90) days after the date of such Insolvency Event or the event giving rise to such dissolution, unless, before the end of such 90-day period, the Trustee shall have received written instructions from Holders of Certificates evidencing a beneficial interest in not less than 51% of the Subtrust Assets to the effect that such Certificateholders disapprove of the liquidation of the Receivables and termination of the Trust and in connection therewith Certificateholders, (i) appoints an entity acceptable to Ford Credit to acquire an interest in the Trust and to act as substitute "general partner" of the Trust for federal income tax purposes and (ii) obtains an Opinion of Counsel that the Trust will not thereafter be classified as an association (or publicly traded partnership) taxable as a corporation for federal income tax and Applicable State Tax purposes. Promptly after the occurrence of any Insolvency Event or dissolution with respect to Ford Credit, (A) Ford Credit shall give the Trustee written notice of such Insolvency Event, and (B) the Trustee shall, upon the receipt of such written notice from Ford Credit, give prompt written notice to the Certificateholders of the occurrence of such event; provided, however, that any failure to give a notice required by this sentence shall not prevent or delay, in any manner, a termination of the Trust pursuant to the first sentence of this Section 9.2. Upon a termination pursuant to this Section 9.2, the Administrative Agent shall promptly sell the assets of the Trust (other than the Trust Account) in a commercially reasonable manner and on commercially reasonable terms. The proceeds of such a sale of the assets of the Trust shall be treated as collections and shall be paid to the Lender for application in accordance with the Line of Credit Agreement.

ARTICLE X AMENDMENTS

Section 10.1 Amendments. This Agreement may be amended by the Initial Beneficiary and the Trustee, without the consent of any Holder of any Certificates at any time; provided, however, that such action shall not, (x) as evidenced by an Officer's Certificate of the Administrative Agent, materially and adversely affect the interests of any Holder of an outstanding Certificate (unless each such Holder has consented thereto), or (y) as evidenced by an Opinion of Counsel, materially adversely effect the characterization of the Trust or the Subtrusts for federal income tax purposes. The requirements of this Section 10.1 shall not apply with respect to the issuance of the Certificates in accordance with the terms hereof.

Notwithstanding the foregoing, this Agreement may be amended at any time by the Trustee (acting at the direction of the Initial Beneficiary) and the Initial Beneficiary to the extent reasonably necessary for the Trust and the Subtrusts to obtain the intended characterization for federal and state income tax purposes.

ARTICLE XI MISCELLANEOUS

Section 11.1 No Legal Title to Subtrust Assets; Direction of the Trustee. The Certificateholders shall not have legal title to any Subtrust Assets. The Certificateholders shall be entitled to receive distributions with respect to their ownership interest therein only in accordance with Articles VII and IX. Notwithstanding anything herein to the contrary, the Trustee shall take no action with respect to entering into, disposing of or making any payment or distribution with respect to any Subtrust Assets except in accordance with the procedures set forth herein.

Section 11.2 Limitations on Rights of Others. The provisions of this Agreement are solely for the benefit of the Trustee, the Initial Beneficiary, the Administrative Agent and the Certificateholders and nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Trust or the Subtrust Assets or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

Section 11.3 Notices. All demands, notices and communications upon or to the Initial Beneficiary, the Administrative Agent and the Certificateholders and the Trustee shall be in writing, and shall be personally delivered, sent by electronic facsimile or overnight delivery service or mailed by certified mail-return receipt requested, and shall be deemed to have been duly given to the intended recipient upon receipt at the respective addresses listed below, or at such other address as shall be designated by such Person in a written notice to the other parties to this Agreement.

(i) In the case of Ford Credit:

Ford Motor Credit Company
The American Road
FMCC Building
Dearborn, Michigan 48121
Attention: Secretary
Fax: 313-337-1160
Telephone: 313-594-9876

(ii) In the case of the Trustee:

The Bank of New York (Delaware)
White Clay Center
Newark, Delaware 19711
Attn: Corporate Trust Administration

With a copy to:

The Bank of New York
101 Barclay Street
Floor 12E
New York, New York 10286
Attn: Cheryl Laser, Asset Backed Finance Unit

Any notice to be delivered to any Certificateholder shall be delivered at the address provided to the Trustee by such Person.

Section 11.4 Severability. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provi-

sions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Holders thereof.

Section 11.5 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 one and the same instrument.

Section 11.6 Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of the Initial Beneficiary, the Trustee and each Certificateholder and their respective successors and permitted assigns, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by a Certificateholder shall bind the successors and assigns of such Certificateholder.

Section 11.7 No Recourse. Each Certificateholder by accepting a Certificate acknowledges that such Certificate represents a beneficial interest in the Subtrust Assets only and does not represent interests in or obligations of the Initial Beneficiary, the Trustee or any Affiliate thereof and no recourse may be had against such parties or their assets, except as may be expressly set forth or contemplated in this Agreement or the Certificates.


Section 11.8 No Petition. Neither the Trustee nor the Certificateholders shall have the power to commence a voluntary proceeding in bankruptcy relating to the Trust without the unanimous prior approval of all Certificateholders and the delivery to the Trustee by each Certificateholder of a certificate certifying that such Certificateholder reasonably believes that the Trust is insolvent. The Trustee, and each Certificateholder hereunder each hereby covenants that for a period of one year and one day after payment in full of all distributions to all Certificateholders pursuant to the terms of this Agreement, it will not institute against, or join any Person in instituting against, the Trust any bankruptcy, reorganization, insolvency or liquidation proceeding, or other similar proceeding, under the laws of the United States without the consent of 100% of the Certificates.

Section 11.9 Headings. 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.

Section 11.10 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

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

The Bank of New York (Delaware)
as Trustee

By: 
Name: CHERYL L. LASER
Title: Assistant Vice President

FORD MOTOR CREDIT COMPANY
as Initial Beneficiary

By: _____
Name: _____
Title: _____

FORD MOTOR CREDIT COMPANY
as Administrative Agent


By: _____
Name: _____
Title: _____

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


The Bank of New York (Delaware)
as Trustee

By: _____
Name:
Title:

FORD MOTOR CREDIT COMPANY
as Initial Beneficiary

By: 
Name: H. D. Smith
Title: Secretary

FORD MOTOR CREDIT COMPANY
as Administrative Agent

By: 
Name: H. D. Smith
Title: Secretary