

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-11/A

Registration statement for securities to be issued by real estate companies [amend]

Filing Date: **1994-12-27**  
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### FILER

#### **CIT GROUP SECURITIZATION CORP II**

CIK: **931494** | IRS No.: **223328188** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **S-11/A** | Act: **33** | File No.: **033-85224** | Film No.: **94566397**  
SIC: **6189** Asset-backed securities

Business Address  
650 CIT DR  
LIVINGSTON NJ 07039  
2017405000

#### **CIT GROUP HOLDINGS INC /DE/**

CIK: **20388** | IRS No.: **132994534** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **S-11/A** | Act: **33** | File No.: **033-85224-01** | Film No.: **94566398**  
SIC: **6153** Short-term business credit institutions

Mailing Address  
1211 AVENUE OF THE  
AMERICAS  
NEW YORK NY 10036

Business Address  
1211 AVE OF THE AMERICAS  
NEW YORK NY 10036  
2125361950

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AMENDMENT NO. 1  
TO  
FORM S-11 AND FORM S-3

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

THE CIT GROUP SECURITIZATION CORPORATION II

THE CIT GROUP HOLDINGS, INC.  
(Exact name of each registrant as specified in its governing instruments)

Delaware	22-3328188
Delaware	13-2994534
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

650 CIT Drive  
Livingston, New Jersey 07039  
(201) 740-5000  
(Address of principal executive office)

ERNEST D. STEIN  
Executive Vice President, General Counsel & Secretary  
The CIT Group Holdings, Inc.  
1211 Avenue of the Americas  
New York, New York 10036  
(Name and address of agent for service)

Please send copies of all communications to:  
PAUL N. WATTERSON, JR.  
Schulte Roth & Zabel  
900 Third Avenue  
New York, New York 10022

Approximate date of commencement of proposed sale of securities to the public:  
From time to time after the effective date of this Amendment.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [x]

<TABLE>  
<CAPTION>

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed maximum offering price per unit(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee (2)
<S> Manufactured Housing Contract Pass-Through Certificates.....	<C>	<C>	<C>	<C>
-----	\$500,000,000	100%	\$500,000,000	\$172,070.00
Limited Guarantees of The CIT				

</TABLE>

- (1) Estimated solely for the purpose of calculating the registration fee on the basis of the proposed maximum aggregate offering price, pursuant to Rule 457(c).
- (2) Pursuant to Rule 457(b), the required fee paid herewith has been reduced by \$344.83, which is the amount equal to the fee previously paid with respect to this registration statement pursuant to Rule 457.
- (3) To be issued in connection with issuance of the Manufactured Housing Pass-Through Certificates of The CIT Group Securitization Corporation II. No additional consideration will be paid for the Limited Guarantee; accordingly, no separate filing fee is being paid herewith, pursuant to Rule 457(n).

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The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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CROSS REFERENCE SHEET  
Pursuant to Item 501(b) of Regulation S-K

Item on Form S-11 -----	Caption in Prospectus -----
1. Forepart of Registration Statement and Outside Front Cover Page of Prospectus.....	Front Cover Page of Registration Statement; Outside Front Cover Page of Prospectus
2. Inside Front and Outside Back Cover Pages of Prospectus... ..	Inside Front and Outside Back Cover Pages of Prospectus
3. Summary Information, Risk Factors and Ratio of earnings to Fixed Charges.....	Summary of Terms; Special Considerations; Yield Considerations; Maturity and Prepayment Considerations; Certain Legal Aspects of the Contracts**
4. Determination of Offering Price.....	*
5. Dilution.....	*
6. Selling Security Holders....	*
7. Plan of Distribution.....	Underwriting**
8. Use of Proceeds.....	Use of Proceeds**
9. Selected Financial Data.....	*
10. Management's Discussion and Analysis of Financial Condition and Results of	

Operations.....	*
11. General Information as to Registrant.....	The Trust; The CIT Group Securitization Corporation II, Seller**
12. Policy with Respect to Certain Activities.....	Outside Front Cover Page of Prospectus; Special Considerations; Descriptions of the Certificates; The CIT Group Securitization Corporation II, Seller**
13. Investment Policies of Registrant.....	Outside Front Cover Page of Prospectus; The Trust; Description of the Certificates; The CIT Group Securitization Corporation II, Seller**
14. Description of Real Estate.....	The Trust**
15. Operating Data.....	*
16. Tax Treatment of Registrant and Its Security Holders.....	Certain Federal Income Tax Consequences**
17. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters.....	*
18. Description of Registrant's Securities.....	Outside Front Cover Page of Prospectus; The Trust; Special Considerations; Yield Considerations; Maturity and Prepayment Considerations; Description of the Certificates; Description of FHA Insurance and VA Guarantees; Certain Legal Aspects of the Contracts; Certain Federal Income Tax Consequences; ERISA Considerations; Legal Investment Considerations**
19. Legal Proceedings.....	*
20. Security Ownership of Certain Beneficial Owners and Management.....	*
21. Directors and Executive Officers.....	*
22. Executive Compensation.....	*
23. Certain Relationships and Related Transactions.....	*
24. Selection, Management and Custody of Registrant's Investments.....	The Trust; Description of the Certificates; The CIT Group Securitization Corporation II, Seller**
25. Policies with Respect to Certain Transactions.....	*
26. Limitations of Liability.....	Description of the Certificates
27. Financial Statements and Information.....	*
28. Interests of Named Experts and Counsel.....	Legal Matters
29. Disclosure of Commission Position of Indemnification for Securities Act Liabilities.....	See Part II
30. Other Expenses of Issuance and Distribution.....	See Part II
31. Sales to Special Parties.....	*

- 32. Recent Sales of Unregistered Securities..... See Part II
- 33. Indemnification of Directors and Officers..... See Part II
- 34. Treatment of Proceeds from Stock Being Registered..... \*
- 35. Financial Statements and Exhibits..... See Part II
- 36. Undertakings..... See Part II

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- \* Omitted since item is not applicable or answer is negative.
- \*\* To be completed or provided from time to time by Prospectus Supplement.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED DECEMBER 27, 1994

PROSPECTUS SUPPLEMENT  
(To Prospectus dated \_\_\_\_\_, 1994)

\$ \_\_\_\_\_ (Approximate)  
The CIT Group Securitization Corporation II, Seller  
Manufactured Housing Contract  
[Senior/Subordinate] Pass-Through Certificates  
Series 199\_\_  
\$ \_\_\_\_\_ (Approximate) \_\_\_% Class A (Senior)  
[\$ \_\_\_\_\_ (Approximate) \_\_\_% Class B (Subordinate)]  
(Principal and interest payable on the \_\_\_th day of  
each of each month beginning \_\_\_\_\_, 199\_\_)  
(The CIT Group/Sales Financing Inc., Servicer)

The Manufactured Housing Contract [Senior/Subordinate] Pass-Through Certificates, Series 199\_\_ will represent interests in a trust (the "Trust") consisting of, among other things, a pool of manufactured housing installment sales contracts and installment loan agreements (collectively, the "Contracts") and certain related property conveyed by The CIT Group Securitization Corporation II (the "Company") to the Trust. The CIT Group/Sales Financing, Inc. ("CITSF") will act as servicer of the Contracts (in such capacity, referred to herein as the "Servicer"). The Contracts were purchased by the Company from CITSF. The Contracts were originated or acquired by CITSF [and The CIT Group/Consumer Finance, Inc. (NY), a wholly-owned subsidiary of The CIT Group Holdings, Inc.] in the ordinary course of its business. [Monies will be on deposit in a separate trust account (the "Pre-Funding Account") to be maintained with the Trustee, which will be used to purchase additional manufactured housing installment sales contracts and installment loan agreements from time to time during the Funding Period in the manner described herein.] The term "Approximate", with respect to the aggregate principal amount of the Certificates, means subject to a permitted variance of plus or minus 5%. Terms used and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Prospectus dated \_\_\_\_\_, 1994 attached hereto (the "Prospectus").

The Certificates will consist of one class of Senior Certificates (the "Class A Certificates") and two classes of Subordinated Certificates (the "Class B Certificates" and the "Class R Certificates"). Only the Class A Certificates [and the Class B Certificates] are being offered hereby in aggregate principal amount of \$ \_\_\_\_\_ of which \$ \_\_\_\_\_ aggregate principal amount is Class A Certificates [and \$ \_\_\_\_\_ aggregate principal amount is Class B Certificates]. The Class A Certificates will evidence an initial \_\_\_% undivided interest in the Trust, the Class B Certificates will evidence an initial \_\_\_% undivided interest in the Trust, and the Class R Certificates will evidence an interest in a portion of the payments on the Contracts. The Trust will be created on

\_\_\_\_\_, 199\_, pursuant to a Pooling and Servicing Agreement among the Company, CITSF and \_\_\_\_\_, as trustee. The Trust property will include all rights to receive payments due on each Contract after \_\_\_\_\_, 199\_ or the date of origination, if later, security interests in the manufactured homes securing the Contracts (the "Manufactured Homes"), all rights under certain hazard insurance policies with respect to the Manufactured Homes, and rights to amounts in the Certificate Account referred to below [, all rights under the FHA/VA Regulations pertaining to any FHA/VA Contract] [and any credit enhancement with respect to the Class B Certificates] [and the Limited Guarantee of The CIT Group Holdings, Inc. ("CIT")] [and any funds or other instruments on deposit in the PreFunding Account.] The obligations of the Servicer with respect to the Certificates are limited to its contractual servicing obligations. CITSF will make certain representations and warranties relating to the Contracts. In the event of an uncured breach of any representation or warranty that materially adversely affects the Trust's interest in a Contract, CITSF will be obligated to repurchase such Contract or substitute another contract therefor.

Principal and interest are payable on the \_\_\_th day of each month (or, if the \_\_\_th day is not a business day, the next business day thereafter) (a "Remittance Date") beginning on \_\_\_\_\_, 199\_. On each Remittance Date, the Class A Certificateholders [and the Class B Certificateholders] will be entitled to receive distributions, from and to the extent of funds available in the Certificate Account, in the amounts and priorities calculated as set forth herein. The rights of the Holders of [the Class B Certificates and] the Class R Certificates to receive distributions with respect to the Contracts are subordinated to the rights of the Class A Certificateholders as and to the extent described herein.

[The Class B Certificateholders will have the benefit of a limited guarantee (the "Limited Guarantee") of CIT to protect against losses that would otherwise be absorbed by the Class B Certificateholders. To the extent that funds in the Certificate Account are insufficient to distribute to the holders

of the Class B Certificates the Class B Formula Distribution Amount (as defined below), CIT will be obligated to pay the Guarantee Payment (as defined herein). See "Description of Certificates--Limited Guarantee of CIT" herein.]

[An election will be made to treat the Trust as a real estate mortgage investment conduit (a "REMIC") for federal income tax purposes. As described more fully herein, the Class A Certificates and the Class B Certificates will constitute "regular interests" in the REMIC and the Class R Certificates will constitute "residual interests" in the REMIC. See "Certain Federal Income Tax Consequences" herein and in the Prospectus.]

The interests of the owners of the Class A Certificates [and the Class B Certificates] (the "Certificate Owners") will be represented by book-entries on the records of The Depository Trust Company and participating members thereof. See "Description of the Certificates--Registration of Class A Certificates [and Class B Certificates]" herein.

\_\_\_\_\_ (the "Underwriters") intend to make a secondary market in the Class A Certificates [and the Class B Certificates], but have no obligation to do so. There can be no assurance that a secondary market for the Class A Certificates [or the Class B Certificates] will develop, or if it does develop, that it will continue.

The Class A Certificates [and the Class B Certificates] will not be insured or guaranteed by any governmental agency or instrumentality, by the Underwriters or any of their affiliates or by the Company, the Servicer, The CIT Group Holdings, Inc. or any of their affiliates. Payments will be made on such Class A Certificates only from the Amount Available on any Determination Date. [Payments will be made on such Class B Certificates only from the Remaining Amount Available and the Available Credit Enhancement Amount on any Remittance Date.] See "Special Considerations" herein.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>  
<CAPTION>

	Price to Public(1)	Underwriting Discount	Proceeds to Company(2)
<S>	<C>	<C>	<C>

Per Class A Certificate.....	%	%	%
[Per Class B Certificate.....	%	%	%]
Total.....	\$	\$	\$

<FN>  
(1) Plus accrued interest, if any, at the applicable rate from \_\_\_\_\_, 19\_\_.  
(2) Before deducting expenses, estimated to be \$\_\_\_\_\_  
</FN>  
</TABLE>

[The Class A Certificates [and the Class B Certificates] are being offered by the Underwriters from time to time in negotiated transactions or otherwise at varying prices to be determined, in each case, at the time of sale.] The Class A Certificates [and the Class B Certificates] are offered subject to prior sale, when, as and if issued by the Trust and accepted by the Underwriters and subject to their right to reject orders in whole or in part. It is expected that delivery of the Class A Certificates [and the Class B Certificates] will be made in book-entry form only through the Same Day Funds Settlement system of The Depository Trust Company on or about \_\_\_\_\_, 199\_\_.

The date of this Prospectus Supplement is \_\_\_\_\_, 199\_\_.

[IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CLASS A CERTIFICATES [OR THE CLASS B CERTIFICATES] OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.]

This Prospectus Supplement does not contain complete information about the offering of the Class A Certificates [or the Class B Certificates]. Additional information is contained in the Prospectus and purchasers are urged to read both this Prospectus Supplement and the Prospectus in full. Sales of the Class A Certificates [or the Class B Certificates] may not be consummated unless the purchaser has received both this Prospectus Supplement and the Prospectus. To the extent, if any, that any statement in this Prospectus Supplement is inconsistent with statements contained in the Prospectus, the statements in this Prospectus Supplement shall control.

Until \_\_\_\_\_, 199\_, all dealers effecting transactions in the Class A Certificates [or the Class B Certificates], whether or not participating in this distribution, may be required to deliver a Prospectus Supplement and Prospectus. This is in addition to the obligation of dealers to deliver a Prospectus Supplement and Prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

## SUMMARY OF TERMS

This summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus Supplement and the accompanying Prospectus. Reference is made to the Index of Defined Terms for the location of certain defined terms contained in this Prospectus Supplement and to the Glossary contained in the Prospectus.

Securities Offered .....	The Class A Certificates [and the Class B Certificates] of the Manufactured Housing Contract [Senior/Subordinate] Pass-Through Certificates, Series 199__ (the "Class A Certificates" [and the "Class B Certificates", respectively]). The Certificates also include [the Class B Certificates and] the Class R Certificates, which are not being offered hereby.
Seller .....	The CIT Group Securitization Corporation II (the "Company"), a wholly-owned, limited purpose subsidiary of The CIT Group Holdings, Inc. ("CIT"). Neither CIT nor any of its affiliates, including the Company and The CIT Group/Sales Financing, Inc. ("CITSF"), has guaranteed, insured or is otherwise obligated with respect to the Certificates. See "Special Considerations" in the Prospectus.
Servicer .....	The CIT Group/Sales Financing, Inc. (the "Servicer"), a wholly-owned subsidiary of CIT.
Trustee .....	_____ (the "Trustee").
Cut-off Date Pool	
Principal Balance .....	\$ _____ (Approximate. Subject to a permitted variance of plus or minus 5%).
Original Class A	
Principal Balance .....	\$ _____ (Approximate. Subject to a permitted variance of plus or minus 5%).
Original Class B	
Principal Balance .....	\$ _____ (Approximate. Subject to a permitted variance of plus or minus 5%).
Class A	
Remittance Rate .....	___% per annum, computed on the basis of a 360-day year of twelve 30-day months.
[Class B	
Remittance Rate .....	___% per annum, computed on the basis of a 360-day year of twelve 30-day months.]

Remittance Date.....	The ___ day of each calendar month (or, if such day is not a business day, the next succeeding business day), commencing on _____, 199__.
Record Date .....	The last business day of the month prior to the month of the related Remittance Date [or, in the case of the first Remittance Date, the day prior to such Remittance Date].
Cut-off Date .....	_____, 199_ for all Contracts[, including any Contract which has a date of origination after _____, 199_].
Agreement .....	The Pooling and Servicing Agreement, dated as of _____, 199_ (the "Agreement"), among the Company, CITSF as Servicer, and the Trustee.
Description of Certificates .....	The Class A Certificates are Senior Certificates and the Class B Certificates and the Class R



Certificates are Subordinated Certificates, all as described herein. The [Class B Certificates and the] Class R Certificates are not being offered hereby. The undivided percentage interest (the "Percentage Interest") of any Class A Certificate [or any Class B Certificate] in the distributions on the Class A Certificates [or the Class B Certificates, respectively,] will be equal to the percentage obtained from dividing the denomination specified on such Class A Certificate [or Class B Certificate] by the Original Class A Principal Balance [or the Original Class B Principal Balance, respectively]. The Class A Certificates will be offered in [book-entry] [fully registered] form, in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. [The Class B Certificates will be offered in [book-entry] [fully registered] form, in denominations of \$25,000 and integral multiples of \$1,000 in excess thereof.] See "Description of the Certificates-- Registration of Class A Certificates [and Class B Certificates]".

Due Period ..... For each Remittance Date, the Period commencing on the \_\_\_\_ day of the month (or, if the \_\_\_\_ day is not a business day, the day following the first preceding business day) in the second month preceding the month of such Remittance Date (or

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the Cut-off Date, in the case of the first Remittance Date) and ending on the \_\_\_\_ day of the month (or, if such day is not a business day, the preceding business day) in the month preceding the month of such Remittance Date.

Class A [and Class B]  
 Stated Maturity Date... The stated maturity date of the Class A [and Class B] Certificates[, respectively] is \_\_\_\_\_, \_\_\_\_\_, which is the Remittance Date following the stated maturity date of the Contract with the latest stated maturity date.

[Accrual Period..... With respect to each Remittance Date, interest will accrue on the principal balance outstanding on the

Stated Maturity Date... The stated maturity date of the Class A [and Class B] Certificates[, respectively] is \_\_\_\_\_, \_\_\_\_\_, which is the Remittance Date following the stated maturity date of the Contract with the latest stated maturity date.

[Accrual Period..... With respect to each Remittance Date, interest will accrue on the principal balance outstanding on the catenholders [and the Class B Certificateholders] will be made in an amount equal to their respective Percentage Interests multiplied by the Class A Distribution Amount [or the Class B Distribution Amount, respectively] (as described below). Distributions will be made on each Remittance Date to Holders commencing in \_\_\_\_\_, 1994 of record on the preceding Record Date, except that the final distribution in respect of the Class A Certificates [and the Class B Certificates] will only be made upon presentation and surrender of the Class A Certificates [or the Class B Certificates, respectively,] at the office or agency appointed by the Trustee for that purpose in \_\_\_\_\_, -----.

Distributions will be applied first to the payment of interest, then to the payment of principal on such Class. Following the Remittance Date in which the Principal Balance of the Class A Certificates [or the Class B Certificates, respectively] are reduced to zero, no further distributions will be

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made to the Holders of the Class A Certificates [and the Class B Certificates, respectively].

The "Class A Distribution Amount" for any Remittance Date will equal the sum (such sum referred to as the "Class A Formula Distribution Amount") of (i) the amount of interest calculated as described under "A. Interest on Class A Certificates" below and (ii) the amount of principal calculated as described under "B. Principal (including Prepayments) on Class A Certificates" below; except that, if the Class A Formula Distribution Amount exceeds the amount of funds available for distribution in the Certificate Account on such Remittance Date (the "Amount Available"), then the Class A Distribution Amount will instead equal the Amount Available. The Amount Available will be determined as set forth in "Description of the Certificates -- Payments on Contracts; Distributions on Certificates". Following the Cross-over Date, no further distributions will be made to the Class A Certificateholders. The "Cross-over Date" is the Remittance Date on which the Principal Balance of the Class A Certificates is reduced to zero.

[The "Class B Distribution Amount" for any Remittance Date will equal the sum (such sum referred to as the "Class B Formula Distribution Amount") of (i) the amount of interest calculated as described under "C. Interest on Class B Certificates" below and (ii) the amount of principal calculated as described under "D. Principal (including Prepayments) on Class B Certificates" below; except that if the Class B Formula Distribution Amount exceeds the Amount Available in the Certificate Account available for distribution to the Class B Certificateholders (after giving effect to the distribution made to Class A Certificateholders) on a Remittance Date (the "Remaining Amount Available"), then the Class B Distribution Amount will equal the sum of the Remaining Amount Available, if any [and the Guarantee Payment, if any, pursuant to the Limited Guarantee, as described below][, and the Class B Enhancement Payment, if any]. [The "Class B Credit

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Enhancement" for the Class B Certificates will be provided from funds deposited into a cash collateral account from which the Trustee may from time to time withdraw amounts up to the "Available Credit Enhancement Amount" as described below under "Payments to Class B Certificateholders Pursuant to the Class B Credit Enhancement".] The "Class B Enhancement Payment" equals the lesser of (i) the Available Credit Enhancement Amount (as described below under "Payments to Class B Certificateholders Pursuant to the Class B Credit Enhancement") for such Remittance Date and (ii) the amount, if any, by which the Class B Formula Distribution Amount exceeds the Remaining Amount Available for such Remittance Date, and will be [withdrawn by the Trustee from the Cash Collateral Account and deposited in the Certificate Account] [paid to the Trustee by the Credit Enhancer pursuant to the Enhancement Agreement and deposited in the Certificate Account].]

The "Principal Balance" of a Class of Certificates as of any Remittance Date is the Original Principal Balance of such Class of Certificates less all amounts distributed to such Class in respect of principal on previous Remittance Dates.

[See "Description of the Certificates" for a detailed description of the amounts on deposit in the Certificate Account that will constitute the Remaining Amount Available, if any, and the [Guarantee Payment] Class B Enhancement Payment, if any, on each Remittance Date. The Remaining Amount Available will include amounts otherwise payable to the Credit Enhancer as the Enhancement Fee [to CIT as the Guarantee Fee] or to the Class R Certificateholders. See "Description of the Certificates--Subordination of [Class B Certificates and] Class R Certificates".]

On each Remittance Date, Certificateholders will be entitled to receive payments of interest and principal in the amounts, and according to the

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priorities, as set forth in subsections A. through [D.] below.

A. Interest on

Class A Certificates.... Interest on the then outstanding Class A Principal Balance will be paid on the Class A Certificates on each Remittance Date, to the extent of the Amount Available [(including any Monthly Advances)] for such date in the Certificate Account, at the Class A Remittance Rate.

In the event that, on a particular Remittance Date, the Amount Available [(including any Monthly Advances)] in the Certificate Account is not sufficient to make a full distribution of interest to the Holders of the Class A Certificates, the amount of the shortfall will be carried forward and added to the amount such Holders will be entitled to receive (to the extent of funds available for the payment thereof) on the next Remittance Date and every Remittance Date thereafter until paid. Any such amount so carried forward will bear interest at the Class A Remittance Rate, to the extent legally permissible. See "Description of the Certificates".

B. Principal (including Prepayments) on

Class A Certificates... Commencing on the first Remittance Date and on each Remittance Date thereafter on or prior to the Cross-Over Date, Class A Certificateholders will be entitled to receive as payments of principal, to the extent of the Amount Available in the Certificate Account after payment of all amounts described under "A. Interest on Class A Certificates" above, an amount equal to the sum (such sum referred to as the "Formula Principal Distribution Amount") of (i) with respect to Precomputed Contracts, all payments of principal due on each outstanding precomputed Contract during the Due Period which ended during the month preceding the month in which the Remittance Date occurs, and, with respect to simple interest Contracts, all payments of principal received in respect of each outstanding simple interest Contract during such Due Period, (ii) the Scheduled Principal Balance of each Contract which, during the related Due Period, was purchased by CITSF pursuant to the Agreement on

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account of certain breaches of its representations and warranties, (iii) all partial principal prepayments applied and all principal prepayments in full received during such Due Period, (iv) the

Scheduled Principal Balance of each Contract that became a Liquidated Contract during such Due Period and (v) any Formula Principal Distribution Amount for any prior Remittance Date which was not distributed on a prior Remittance Date. In addition, the Class A Certificateholders will be entitled to receive, to the extent of any Remaining Amount Available, the amount, if any, by which the Pool Scheduled Principal Balance is less than the Class A Principal Balance (after giving effect to the distribution on such Remittance Date).

The "Scheduled Principal Balance" of a Contract as of any Remittance Date is (i) with respect to a Precomputed Contract, its principal balance as determined by calculating the present value of all remaining principal and interest payments due with respect to such Contract as of any date of determination at the Contract Rate for such Contract, after giving effect to any previous partial principal prepayments and to the scheduled payment due on the Due Date during such Due Period, but without giving effect to any adjustments due to bankruptcy or similar proceedings, and (ii) with respect to a simple interest Contract, its unpaid principal balance. The "Due Date" for a Contract is its scheduled payment date. The "Pool Scheduled Principal Balance" is the aggregate of the Scheduled Principal Balances of Contracts outstanding at the end of a Due Period. A Liquidated Contract is a defaulted Contract as to which all amounts that the Servicer expects to recover through the date of disposition of the manufactured home securing such Contract (the "Manufactured Home") have been recovered. [The "Contract Rate" with respect to any fixed rate Contract is the rate of interest specified in that Contract and with respect to any variable rate Contract is the rate of interest calculated as provided in such Contract.]

[Any amounts on deposit in the Pre-Funding Account at the end of the Pre-Funding Period will be

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distributed on the first Remittance Date following the end of the Pre-Funding Period to Holders of the Class A Certificates as a principal prepayment.]

[C. Interest on Class B Certificates ... Following the payment to the Class A Certificateholders of the Class A Distribution Amount, interest will be paid to the Class B Certificateholders on each Remittance Date, to the extent of the Remaining Amount Available, if any, [and the Guarantee Payment] and the Class B Enhancement Payment, if any, in the Certificate Account on such Remittance Date, at the Class B Remittance Rate on the then outstanding Class B Principal Balance.

In the event that, on a particular Remittance Date, the Remaining Amount Available, if any, and the Class B Enhancement Payment, if any, in the Certificate Account [plus any amounts actually paid under the Limited Guarantee] are not sufficient to make a full distribution of interest to the Class B Certificateholders, the amount of the deficiency will be carried forward as an amount that the Class B Certificateholders are entitled to receive (to the extent of funds available for the payment thereof) on the next Remittance Date and every Remittance Date thereafter until paid. Any amount so carried forward will bear interest at the Class B Remittance Rate, to the extent legally permissible. See "Description of the Certificates".]

[D. Principal  
(including Prepayments)

on Class B Certificates.. Except for payments of the Class B Principal Liquidation Loss Amount (described below), payments of principal on the Class B Certificates will not commence until the Cross-over Date (the Remittance Date on which the Class A Certificateholders have received principal payments equal in the aggregate to the Original Class A Principal Balance).

On each Remittance Date prior to the Cross-over Date, the Class B Certificateholders will be entitled to receive (to the extent of the Remaining Amount Available, if any, and the Class B Enhancement Payment, if any, in the Certificate

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Account on such date after payments in respect of interest, as described under "C. Interest on Class B Certificates" above, have been made to the Class B Certificateholders [and pursuant to the Limited Guarantee] the amount, if any (the "Class B Principal Liquidation Loss Amount"), by which the sum of the Class A Principal Balance and the Class B Principal Balance for such Remittance Date exceeds the Pool Scheduled Principal Balance for such Remittance Date (after giving effect to all distributions in respect of principal and interest to the Class A Certificateholders on such Remittance Date). The Class B Principal Liquidation Loss Amount represents future principal payments on the Contracts that, because of the subordination of the Class B Certificates and liquidation losses on Liquidated Contracts, will not be paid to the Class B Certificateholders.

On each Remittance Date on and after the Cross-over Date, the Class B Certificateholders will be entitled to receive in respect of principal the Formula Principal Distribution Amount to the extent of the Remaining Amount Available, if any, and the Class B Enhancement Payment, if any, in the Certificate Account on such date after payments in respect of interest, as described under "C. Interest on Class B Certificates" above, have been made to the Class B Certificateholders [and the application of the Guarantee Payment, if any, for such date].

Subordination of

[Class B and] Class R

Certificates.....The rights of Holders of [the Class B Certificates

and] the Class R Certificates to receive distributions with respect to the Contracts in the Trust will be subordinated, to the extent described herein, to such rights of the Holders of the Class A Certificates. This subordination is intended to enhance the likelihood of regular receipt by the Holders of the Class A Certificates of the full amount of their scheduled monthly payments of principal and interest and to afford such Holders protection against losses on Liquidated Contracts.

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The protection afforded to the Holders of Class A Certificates by means of the subordination of the [Class B and] Class R Certificates will be

accomplished by the preferential right of the Class A Certificateholders to receive, prior to any distribution being made on a Remittance Date in respect of the [Class B and] Class R Certificates, the amounts of principal and interest due them on each Remittance Date out of the Amount Available on such date in the Certificate Account and, if necessary, by the right of such Class A Certificateholders to receive future distributions of Amounts Available that would otherwise be payable to the Holders of the [Class B and] Class R Certificates. [If a Class B Principal Liquidation Loss Amount is realized for any Remittance Date and [CIT fails to pay such amount pursuant to its Limited Guarantee] [the Available Credit Enhancement Amount is less than such amount], the Class B Certificateholders may incur losses on their investment in the Class B Certificates to the extent such losses are not made up from future payments on the Contracts. No assurance can be given that the Class B Certificateholders will not experience losses due to the subordination feature of the Class B Certificates. See "Special Considerations - 1. General".]

[The rights of the Holders of the Class R Certificates to receive distributions with respect to the Contracts on each Remittance Date will be subordinated to the rights of the Holders of the Class A and Class B Certificates.] See "Description of the Certificates -- Subordination of [Class B Certificates and] Class R Certificates".

[Payments to Class B Certificateholders Pursuant to the Class

B Credit Enhancement..... [In order to mitigate the effect of the subordination of the Class B Certificates, the Class B Certificateholders (and only the Class B Certificateholders) are entitled to receive on each Remittance Date the Class B Enhancement Payment, if any, for such Remittance Date. The "Class B Enhancement Payment" payable to the Class B Certificates on any Remittance Date will equal

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the lesser of (i) the Available Credit Enhancement Amount for such Remittance Date and (ii) the amount, if any, by which the Class B Formula Distribution Amount for such Remittance Date exceeds the Remaining Amount Available for such Remittance Date. An amount equal to the Class B Enhancement Payment would otherwise be absorbed by the Class B Certificates on account of the subordination feature. The Available Credit Enhancement Amount is limited (see "Description of the Certificates -- Class B Credit Enhancement") and no assurance can be given that the Class B Certificateholders will not experience losses due to the subordination feature of the Class B Certificates. See "Special Considerations - 1. General".]

[The "Available Credit Enhancement Amount" on any Remittance Date will equal \_\_\_\_\_.]

[The "Class B Credit Enhancement" for the Class B Certificates will be \_\_\_\_\_.]

[The "Class B Credit Enhancement" for the Class B Certificates will be provided from funds deposited into a reserve account or cash collateral account (the "Cash Collateral Account") established pursuant to a Cash Collateral Agreement or pursuant to the Agreement or a separate reserve account or escrow agreement. The Trust will have the benefit of the right to receive payments from

the Cash Collateral Account under certain circumstances specified below. [The Cash Collateral Account will be funded in the amount of \$\_\_\_\_\_ (the "Initial Cash Collateral Amount") from the proceeds of a loan to be made by one or more financial institutions selected by the Company (the "Cash Collateral Depositor").] With respect to any Remittance Date, the amount available in the Cash Collateral Account (the "Available Credit Enhancement Amount") will equal the lesser of the amount on deposit in the Cash Collateral Account or the Required Cash Collateral Amount. The "Required Cash Collateral Amount" with respect to any Remittance Date means \_\_\_% of the Pool Scheduled Principal Balance as of the first

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day of the related Due Period, but in no event less than \$\_\_\_\_\_, subject to adjustment based on delinquencies and losses on the Contracts as described in "The Certificates--The Cash Collateral Account." If the amount deposited in the Cash Collateral Account is reduced to zero, Certificateholders will bear the credit and other risks associated with ownership of the Contracts, including the risk that Certificateholders may not have a perfected security interest in the Manufactured Homes. See "Certain Legal Aspects of the Contracts."

With respect to any Remittance Date, all or a portion (specified in the Agreement) of the Excess Collections, if any, will be deposited in the Cash Collateral Account. "Excess Collections" for any Remittance Date will generally equal the amounts remaining in the Certificate Account on a Remittance Date after taking into account distributions to be made on the Certificates and payments and reimbursements made to the Servicer on such Remittance Date. Any Excess Collections not needed to fund the Cash Collateral Account up to the Required Cash Collateral Amount with respect to any Remittance Date will be withdrawn from the Cash Collateral Account and paid to the Cash Collateral Depositor. See "The Certificates--Distributions from the Certificate Account."

If, on any Remittance Date, the amount on deposit in the Cash Collateral Account exceeds the Required Cash Collateral Amount, such excess will be withdrawn from the Cash Collateral Account and paid to the Cash Collateral Depositor. See "The Certificates--The Cash Collateral Account."]

[Guarantee Payments to Class B Certificateholders under the Limited Guarantee of CIT ..... In order to mitigate the effect of the subordination of the Class B Certificates and liquidation losses and delinquencies on the Contracts, the Class B Certificateholders are entitled to receive on each Remittance Date the amount equal to the Guarantee Payment, if any, under the Limited

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Guarantee of CIT. Prior to the Cross-over Date, the Guarantee Payment will equal the amount, if any, by which (a) the sum of (i) the Class B

Formula Distribution Amount (which will be equal to one month's interest on the Class B Principal Balance) for such Remittance Date and (ii) the Class B Principal Liquidation Loss Amount, if any, exceeds (b) the Class B Distribution Amount for such Remittance Date; provided, however, that the aggregate Guaranty Payments shall in no event exceed the Guarantee Amount. The Guaranty Amount shall be \_\_\_\_\_. On each Remittance Date on and after the Cross-over Date, the Guarantee Payment will equal the amount, if any, by which the Class B Formula Distribution Amount (which will include both interest and principal) exceeds the Amount Available for such Remittance Date; provided, however, that the aggregate Guaranty Payments shall in no event exceed the Guarantee Amount.

The Limited Guarantee will be an unsecured general obligation of CIT and will not be supported by any letter of credit or other credit enhancement arrangement.]

[Losses on Liquidated

Contracts.....As described above, the distribution of principal to the Class A Certificateholders is intended to include the Scheduled Principal Balance of each Contract that became a Liquidated Contract during the Due Period preceding the Remittance Date. If the Net Liquidation Proceeds from such Liquidated Contract are less than the Scheduled Principal Balance of such Liquidated Contract, the deficiency will, in effect, be absorbed by the Class R Certificateholders [and then the Class B Certificateholders] since a portion of the future Amount Available equal to such deficiency and otherwise distributable to them will be paid to the Class A Certificateholders.

If the Amount Available is not sufficient to cover the entire amount distributable to the Class A Certificateholders on a particular Remittance Date, then the amount of the Pool Scheduled Principal Balance available to the Class B Certificates (i.e., such Pool Scheduled Principal

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Balance less the Class A Principal Balance), on future Remittance Dates will be reduced by the amount of such deficiency and a Class B Principal Liquidation Loss Amount will be realized.

But for the effect of the payment [under the Limited Guarantee as described above] [of the Class B Enhancement Payment described above], the subordination of the Class R Certificates and the [Guarantee Fee] [Enhancement Fee] and excess interest collections, the Class B Certificateholders would absorb (i) all losses on each Liquidated Contract in the amount by which its Net Liquidation Proceeds are less than its unpaid principal balance plus accrued and unpaid interest thereon and (ii) all delinquent payments on the Contracts. See "Description of the Certificates--Subordination of [Class B Certificates and] Class R Certificates" and "Yield and Prepayment Considerations".]

If further delinquencies and liquidation losses were to continue to decrease the Pool Scheduled Principal Balance (which is reduced by scheduled principal payments and all other collections of principal on the Contracts and the Scheduled Principal Balances of all Contracts that become Liquidated Contracts or are repurchased by CITSF pursuant to the Agreement, including Contracts repurchased as a result of certain breaches of



representations and warranties) faster than distributions of principal to the Class A Certificateholders reduce the Class A Principal Balance, then the amount of the Pool Scheduled Principal Balance available to the Class B Certificates, and therefore the level of protection afforded by the subordination of the Class B Certificates for the benefit of the Class A Certificates, would be reduced. In the event that the Pool Scheduled Principal Balance is reduced by delinquencies and liquidation losses to an amount less than or equal to the Class A Principal Balance, all additional losses on Liquidated Contracts, to the extent not covered by excess interest collections, will be absorbed by the Class A Certificates.

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Optional Repurchase  
of the Contracts  
by the Servicer  
or the Company.....

At its option, [either] the Servicer [or the Company] may repurchase from the Trust all remaining Contracts, and thereby effect early retirement of the Certificates, on any Remittance Date when, among other things, the Pool Scheduled Principal Balance is less than \_\_\_% of the Cut-off Date Pool Principal Balance. See "Description of the Certificates--Repurchase Option".

The Contracts.....

[Conventional] [FHA-insured] [VA-guaranteed] [fixed-rate] [variable rate] manufactured housing installment sales contracts and installment loan agreements, including any and all rights to receive payments due thereunder after the Cut-off Date and (i) security interests in Manufactured Homes purchased with the proceeds of such Contracts and/or (ii) with respect to certain of the Contracts liens on the real estate on which the related Manufactured Homes are located ("Land-Secured Contracts"). [Additional Contracts may be purchased by the Trust, from time to time, during the period beginning on \_\_\_\_\_, 1994 and ending on \_\_\_\_\_, 1994, (the "Subsequent Contracts") from monies on deposit in the Pre-Funding Account as described in "The Contract Pool".] The Contracts [(other than the Subsequent Contracts)] are secured by Manufactured Homes and/or real estate located in \_\_\_ states [and the District of Columbia] and have been selected by CITSF from its portfolio of manufactured housing contracts based on the criteria specified in the Agreement. All [but \_\_\_, or \_\_\_% by Cut-off Date Pool Principal Balance,] of the Contracts [(other than the Subsequent Contracts)] are conventional Contracts (i.e., not insured or guaranteed by any governmental agency). The contractual rate of interest on the Contracts [(other than the Subsequent Contracts)] ranges from \_\_\_% to \_\_\_% with a weighted average of approximately \_\_\_%. The Contracts [(other than the Subsequent Contracts)] had a weighted average term to scheduled maturity, as of origination, of \_\_\_ months, and a weighted average remaining term to scheduled maturity, as of the Cut-off Date, of \_\_\_ months. The final scheduled payment date on the Contract with the

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latest maturity will be in \_\_\_\_\_, 20\_\_\_. See "The Contract Pool".

Security Interests  
and Certain Other  
Aspects of the Con-  
tracts; Repurchase

or Substitution

Obligations..... In connection with the transfer of the Contracts to the Trustee, CITSF has assigned the security interests in the Manufactured Homes and/or the liens on the underlying real property, as appropriate, to the Company and the Company has assigned such security interests and liens to the Trust. Because of the expense and administrative inconvenience involved, [CITSF will not amend the certificates of title to name CITSF as the lienholder where CITSF is not the originator of the Contract and] CITSF will not amend any certificate of title to name the Company or the Trustee as the lienholder and the Company will not deliver any certificate of title to the Trustee or note thereon the Trustee's interest. Consequently, in some states, in the absence of such an amendment to the certificate of title, the successive assignments to [CITSF,] the Company and the Trustee of the security interest in the Manufactured Home may not be effective or such security interest may not be perfected and, in the absence of such notation or delivery to the Trustee, the assignment of the security interest in the Manufactured Home to the Trustee may not be effective against other creditors or a trustee in bankruptcy. Because of the expense and administrative inconvenience involved, CITSF will not record the successive assignments to [CITSF,] the Company and the Trustee of the mortgage, deed of trust or similar instrument securing each Land-Secured Contract. Consequently, in some states, in the absence of such recordation, the assignment to the Trustee of the mortgage, deed of trust or similar instrument securing a Land-Secured Contract may not be effective and, in the absence of such recordation, the assignment of the mortgage, deed of trust or similar instrument to the Trustee may not be effective against other creditors or a trustee in bankruptcy.

CITSF has agreed to repurchase, or, at its option, substitute another contract which is an "Eligible

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Contract" (as defined in the Agreement) for, any Contract as to which the Trustee does not have a valid and perfected security interest in the Manufactured Home securing such Contract, if such failure materially adversely affects the Trust's interest in the Contract unless such failure has been cured within 85 days of CITSF receiving notice of such failure or within 90 days after CITSF otherwise becomes aware of such failure.

Subject to the foregoing, the Servicer has agreed to maintain the Trustee's perfected first priority security interest in each Manufactured Home and first or second lien on each mortgaged property securing a Contract so long as the related Contract is the property of the Trust. See "Special Considerations--5. Security Interests and Certain Other Aspects of the Contracts" and "Certain Legal Aspects of the Contracts--The Contracts (Other than Land-Secured Contracts)" and "--Land-Secured Contracts" in the Prospectus.

Certain Federal Income

Tax Consequences.....[For federal income tax purposes, an election will be made to treat the Trust as a real estate mortgage investment conduit ("REMIC"). The Class A Certificates [and the Class B Certificates] will constitute "regular interests" in the REMIC and generally will be treated as debt instruments of the Trust for federal income tax purposes with payment terms equivalent to the terms of such Certificates. The Class R Certificates will constitute "residual interests" in the REMIC. The Holders of the Class A [and Class B] Certificates

will be required to include in income interest on such Certificates (including any original issue discount) in accordance with the accrual method of accounting. See "Certain Federal Income Tax Consequences" in the Prospectus.]

[The Trust will not be treated as a real estate mortgage investment conduit ("REMIC") for federal

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income tax purposes. See "Certain Federal Income Tax Consequences" in the Prospectus.]

ERISA Considerations..... Subject to the conditions described herein, the Class A Certificates may be purchased by employee benefit plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). See "ERISA Considerations" herein and in the Prospectus.

[No transfer of a Class B Certificate will be permitted to be made to any employee benefit plan subject to ERISA or to the Internal Revenue Code of 1986, as amended, unless the opinion of counsel described under "ERISA Considerations" is delivered to the Trustee. See "ERISA Considerations" herein and in the Prospectus.]

Legal Investment

Considerations..... [The Class A and the Class B Certificates offered hereby will constitute "mortgage related securities" under the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA") and, as such, will be "legal investments" for certain types of institutional investors to the extent provided in SMMEA. See "Legal Investment Considerations" in the Prospectus.]

[Because the Class B Certificates will not be rated in one of its two highest rating categories by a nationally recognized statistical rating organization, the Class B Certificates will not constitute "mortgage related securities" for purposes of SMMEA. Accordingly, many institutions with legal authority to invest in more highly rated securities based on first mortgage loans may not be legally authorized to invest in the Class B Certificates. See "Legal Investment Considerations" herein and in the Prospectus. No representations are made as to any regulatory requirements or considerations (including without limitation regulatory capital requirements) applicable to the purchase of Class B Certificates by banks, savings and loan associations or other financial institutions, which institutions should consult their own counsel as to such matters.]

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Rating..... It is a condition to the issuance of the Certificates on the Closing Date that the Class A Certificates be rated at least "\_\_\_\_\_" by \_\_\_\_\_. [It is a condition to the issuance of the Class B Certificates that they be rated at least "\_\_\_\_\_" by \_\_\_\_\_.] A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

Registration of Class A [and Class B]

Certificates..... [Each of] the Class A [and Class B] Certificates initially will be represented by one or more certificates registered in the name of Cede & Co.,

as the nominee of The Depository Trust Company ("DTC"), and will only be available in the form of book-entries on the records of DTC and its participants. Certificates representing the Class A [and Class B] Certificates will be issued in definitive form only under the limited circumstances described herein. All references herein to "Holders" or "Certificateholders" shall reflect the rights of Certificate Owners as they may indirectly exercise such rights through DTC and its participants, except as otherwise specified herein. See "Description of the Certificates--Registration of Class A Certificates [and Class B Certificates]" herein and "Description of the Certificates--Global Certificates" in the Prospectus.

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#### SPECIAL CONSIDERATIONS

Prospective Certificateholders should consider, in addition to the risk factors described under "Special Considerations" in the Prospectus, the following risk factors in connection with the purchase of the Class A Certificates [or the Class B Certificates]:

1. General. An investment in the Class A Certificates [or the Class B Certificates] may be affected by, among other things, a downturn in regional or local economic conditions. These regional or local economic conditions are often volatile and historically have affected the delinquency, loan loss and repossession experience of pools of manufactured housing installment sales contracts. In the event of defaults by the Obligor under the Contracts, the Trust will have to look primarily to the value of the Manufactured Homes for recovery of the outstanding principal and unpaid interest of the defaulted Contracts. Regardless of its location, manufactured housing generally depreciates in value. See "The Contract Pool--Delinquency, Loan Loss and Repossession Experience" herein and "The Trust--The Contract Pools" in the Prospectus. Consequently, it is possible that the market value of certain Manufactured Homes could be or become lower than the outstanding principal balances of the Contracts that they secure. Sufficiently high delinquencies and liquidation losses on the Contracts will have the effect of reducing, and could eliminate [(a)] the protection against loss afforded to the Class A Certificates by the subordination of the Class B and the Class R Certificates [and (b) the protection against loss afforded to the Class B Certificates by any monthly excess cashflow otherwise distributable to the Company and the Class R Certificateholders]. If [such protection] [the protection under (a)] is eliminated, the Class A Certificateholders will bear the risk of loss on the Contracts. [If the protection under (b) is eliminated and [CIT fails to make payments as required under the Limited Guarantee,] the Available Credit Enhancement Amount is reduced to zero, the Class B Certificateholders will bear the risk of losses on the Contracts.]
2. Limited Obligations. The Class A Certificates [and the Class B Certificates] will not represent an interest in or an obligation of the Company or any Servicer (including CITSF). [Except as set forth here with respect to the Limited Guarantee] the Class A Certificates [and the Class B Certificates] will not be insured or guaranteed by any government agency or instrumentality, CIT or any of its affiliates, including the Company and CITSF, the Underwriters or any of their affiliates, or any other Servicer or any of its affiliates.
3. Limited Liquidity. There can be no assurance that a secondary market will develop for the Class A [or Class B] Certificates or, if it does develop, that it will provide the Holders of the Class A [or Class B] Certificates with liquidity of investment or that it will remain for the term of the Class A [or Class B] Certificates. [In addition, the Class B Certificates will not constitute "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA"). Accordingly, many institutions with legal authority to invest in SMMEA securities will not be able to invest in the Class B Certificates, limiting the market for such securities.] See "Legal Investment Considerations" in the Prospectus.

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4. Insurance. The insurance policies on the Contracts or all or any part of the Trust will not cover all contingencies and will cover certain contingencies only to a limited extent. See "Description of the Certificates--Servicing--Hazard Insurance" in the Prospectus. The Company and CITSF have not verified the extent to which the Manufactured Homes are covered by flood insurance, but CITSF believes that Manufactured Homes in manufactured housing parks and Land-Secured Contracts which, at the time of origination were, and continue to be, located within a federally designated special flood hazard area, are covered by flood insurance, although the amount of such coverage may be less than the principal balance due from the Obligor under the related Contract. For all other Contracts, the Company and CITSF can give no assurance that flood insurance coverage has been obtained with respect to the related Manufactured Home.

5. Prepayment Considerations. The prepayment experience on the Contracts may affect the average life of the Class A Certificates [and the Class B Certificates]. Prepayments on the Contracts (which include both voluntary prepayments and liquidations following default) may be influenced by a variety of economic, geographic, social and other factors, including repossessions, aging, seasonality, market interest rates, changes in housing needs, job transfers, casualty losses and unemployment. In the event a Contract is prepaid in full, interest on such Contract will accrue only to the date of prepayment. If Class A Certificates [or Class B Certificates] are purchased at a discount and the purchaser calculates its anticipated yield to maturity based on an assumed rate of payment of principal on such Certificates that is faster than the rate actually realized, such purchaser's actual yield to maturity will be lower than the yield so calculated by such purchaser. See "Yield and Prepayment Considerations" herein and "Maturity and Prepayment Considerations" in the Prospectus. [To the extent that amounts on deposit in the Pre-Funding Account have not been fully applied to the purchase of Subsequent Contracts by or on behalf of the Trust by the end of the Pre-Funding Period, the Holders of the Class A Certificates will receive a prepayment of principal in an amount equal to the funds remaining in the Pre-Funding Account at such time, which prepayment will be made on the first Remittance Date following the end of the Pre-Funding Period. It is anticipated that the principal amount of Subsequent Contract purchased by or on behalf of the Trust will not be exactly equal to the amount on deposit in the Pre-Funding Account and that therefore there will be at least a nominal amount of principal prepaid to the Holders of the Class A Certificates.]

[6. Distributions of Principal. The yield to maturity on the Class A Certificates [and Class B Certificates] will be affected by the rate at which Contracts become Liquidated Contracts and the severity of ensuing losses on such Liquidated Contracts and the timing thereof. Prior to the time that the Class A Principal Balance is reduced to zero, the Class A Certificateholders will receive all payments of principal that are made on the Contracts and the Class B Certificateholders only will receive distributions of principal to the extent [that any Guarantee Payments paid under the Limited Guarantee represent a Class B Principal Liquidation Loss Amount] of any Class B Principal Liquidation Loss Amount. It is not possible to predict the timing of the occurrence of the Remittance Date, if any, on which the Class A Principal Balance is reduced to zero, which occurrence will be affected by rate of voluntary principal prepayments in addition to prepayments due to default and subsequent liquidation. Prepayments on Contracts may be influenced by a variety of economic, geographic, social and other factors, including repossessions, aging, seasonality, market interest rates, changes in

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housing needs, job transfers and unemployment. See "Yield and Prepayment Considerations" herein and "Maturity and Prepayment Considerations" in the Prospectus.]

7. Security Interests and Certain Other Aspects of the Contracts. A variety of factors may limit the ability of the Certificateholders to realize upon the manufactured homes securing the Contracts (the "Manufactured Homes") or may limit the amount realized to less than the amount due. See "Special Considerations" and "Certain Legal Aspects of the Contracts" in the Prospectus.

8. Certain Matters Relating to Insolvency. CITSF and the Company intend that each transfer of Contracts from CITSF to the Company and from the Company to the related Trust constitutes a sale, rather than a pledge of

the Contracts to secure indebtedness. However, if CITSF or the Company were to become a debtor under Title 11 of the United States Code, 11 U.S.C. ss.101 et seq. (the "Bankruptcy Code"), it is possible that a creditor, receiver, other party in interest or trustee in bankruptcy of CITSF or the Company, or CITSF or the Company as debtor-in-possession, may argue that the sale of the Contracts by CITSF or the Company, or by the Company to the Trust, respectively, was a pledge of the Contracts rather than a sale and that, accordingly, such Contracts should be part of such entity's bankruptcy estate. Such a position, if presented to a court, even if ultimately unsuccessful, could result in a delay in or reduction of distributions to the Certificateholders.

9. Subordination. While the subordination feature is intended to enhance the likelihood of timely payment of principal and interest to the Class A Certificateholders, shortfalls on the Class A Certificates could occur if the Pool Scheduled Principal Balance is less than the Class A Principal Balance and losses on Liquidated Contracts are not covered by excess interest collections.

#### STRUCTURE OF THE TRANSACTION

The Company will establish the Trust and transfer the Contracts and related rights to the Trust pursuant to the Agreement. The Certificates represent fractional undivided interests in the Trust, the corpus of which will consist of the Contracts (including all rights to receive payments due on such Contracts after \_\_\_\_\_, 199\_ (the "Cut-off Date") [or the date of origination, if later] and security interests in the Manufactured Homes securing such Contracts), rights under certain hazard insurance policies with respect to the Manufactured Homes, amounts held for the Trust in the Certificate Account (as defined below) [, all rights under the FHA/VA Regulations pertaining to any FHA/VA Contract] [any credit enhancement with respect to the Class B Certificates] [and any funds or other instruments on deposit in the Pre-Funding Account] and all proceeds in any way derived from any of the foregoing. CITSF will service the Contracts for the Trust. The Contracts will be held by CITSF on behalf of the Trustee.

Payments by obligors under the Contracts generally will be deposited in a separate account maintained at an Eligible Institution in the name of the Trustee (the "Certificate Account") no later than two business days after receipt. However, subject to the terms of the Agreement, as long as CITSF remains the Servicer under the Agreement and is a direct or indirect subsidiary of The CIT Group Holdings, Inc. (the parent of the Servicer) ("CIT"), if CIT

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maintains a short-term debt rating of [\_\_\_ or higher by \_\_\_\_\_ or \_\_\_ or higher by \_\_\_\_\_], [and the Trustee shall have received an opinion of counsel that any action taken pursuant to this sentence shall not adversely affect the status of the Trust as a REMIC or result in the imposition of a tax on the Trust,] the Servicer will not be required to deposit payments by obligors on the Contracts in the Certificate Account within two business days after the date of receipt. In such an event, the Servicer may make such deposits on a monthly basis but not later than the business day immediately preceding the next Remittance Date in an amount equal to the net amount of such deposits and payments which would have been made had the conditions of the proceeding sentence not applied. Certain payments deposited in the Certificate Account in respect of each Due Period will be applied on the \_\_\_th day of the next month (or, if such day is not a business day, the next succeeding business day) (a "Remittance Date") to make the distributions to certificateholders described under "Description of the Certificates--Distributions" and, to the extent not netted from deposits to the Certificate Account, [to reimburse the Servicer for unreimbursed Monthly Advances and] to pay certain other amounts to the Servicer including to pay certain monthly fees to Servicer as compensation for servicing the Contracts [and to [CIT for the Limited Guarantee] [to the Credit Enhancer for providing the Class B Credit Enhancement]. CITSF, in its capacity as Servicer of the Contracts, and any successor servicer are referred to herein as the "Servicer."

For each Remittance Date, the "Due Period" is the period commencing on the \_\_\_ day of the month (or, if the \_\_\_ day of such month is not a business day, the day following the first preceding business day) in the second month preceding the month in which such Remittance occurs (or the Cut-off Date, in the case of the first Remittance Date) and ending on the \_\_\_ day of the month (or, if such day is not a business day, the preceding business day) in the month preceding the month in which such Remittance Date occurs. For each Remittance Date, the determination date (the "Determination Date") is the [third] business day prior to such Remittance Date.

CITSF's transfer of the Contracts to the Company and the Company's conveyance of the Contracts to the Trust is without recourse, except for certain representations and warranties made by CITSF in the Agreement and certain indemnities by the Servicer described under "Description of the Certificates -- Indemnification".

#### THE CONTRACT POOL

The Contract Pool consists of \_\_\_\_\_ [conventional] [FHA-insured] [VA-guaranteed] [fixed-rate] [variable rate] manufactured housing installment sales contracts and installment loan agreements (collectively, the "Contracts") having an [approximate] aggregate principal balance as of the Cut-off Date [(or, in the case of Contracts originated after the Cut-off Date, the date of origination)] of \$\_\_\_\_\_ (the "Cut-off Date Pool Principal Balance"), which represents [the sum of] [the aggregate principal balance of each Contract that is] [an actuarial Contract or a Rule of 78s Contract (collectively referred to herein as "Precomputed Contracts")] and [the aggregate unpaid principal amount of each Contract that is a simple interest Contract]. For the purposes of the discussion of the characteristics of the Contracts on the Cut-off Date contained herein, the principal balance of each Contract is the Scheduled Principal Balance of such Contract as of the Cut-off Date. [The composition of the Contracts in the Contract Pool will change to the extent Subsequent Contracts are purchased from funds on deposit in the Pre-Funding Account. In addition, certain information set forth below does not take into account any of the Subsequent Contracts to the extent such information cannot yet be determined.]

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[\_\_\_\_% of the Contracts (by remaining principal balance) as of the Cut-off Date are actuarial Contracts. An "actuarial Contract" is a Contract as to which the allocation of its monthly payments to interest and principal is precomputed for each Due Date on an actuarial basis and, unlike a simple interest Contract, is not affected by a monthly payment being made before or after its Due Date.]

[\_\_\_\_% of the Contracts (by remaining principal balance) as of the Cut-off Date are Rule of 78s Contracts. A "Rule of 78s Contract" is a Contract that provides for the payment by the borrower of a specified total amount of payments, payable in equal monthly installments, which total represents the principal amount financed plus add-on interest in an amount calculated on the basis of the stated interest rate for such Contract. Under the "Rule of 78s", the amount of a monthly payment allocable to interest on a Contract is determined by multiplying the total amount of add-on interest payable over the term of the Contract by a fraction derived as described below. ("Add-on interest" is interest that is "added on" to the principal balance of a Rule of 78s Contract at the origination thereof, with the sum thereof being used to derive the amount of the monthly payment due thereon, by dividing such sum by the number of monthly payments.) The fraction used in the calculation of add-on interest earned each month under a Rule of 78s Contract has as its denominator a number equal to the sum of a series of numbers representing the number of monthly payments due under the Contract. For example, with a Contract providing for 12 payments, the denominator of each month's fraction will be 78, the sum of a series of numbers from 1 to 12. The numerator of the fraction for a given month is the number of payments remaining before giving effect to the payment to which the fraction is being applied. Accordingly, in the example of a twelve-payment Contract, the fraction for the first payment is 12/78, for the second payment 11/78, for the third payment 10/78, and so on through the final payment, for which the fraction is 1/78. The applicable fraction is then multiplied by the total add-on interest payment over the entire term of the Contract, and the resulting amount is the amount of add-on interest earned that month. The difference between the amount of the monthly payment and the amount of earned add-on interest calculated for the month is applied to "principal" reduction.]

[For purposes of the Agreement, each Rule of 78s Contract will be amortized on an actuarial basis. The Scheduled Principal Balance of a Rule of 78s Contract as of the Cut-off Date is the sum of the present value of each monthly payment due under such Rule of 78s Contract on or after the Cut-off Date for the calculated number of months remaining to maturity, discounted on a monthly basis (assuming a 360-day year of twelve 30-day months), using the actual contractual rate of interest for such Rule of 78s Contract as the discount rate. The scheduled amortization of such Scheduled Principal Balance will be computed, and each monthly payment thereon will be allocated to principal and interest, as if such Rule of 78s Contract were an actuarial Contract having a Contract Rate equal to the contractual rate of interest for such Rule of 78s Contract.]

[\_\_\_\_% of the Contracts (by remaining principal balance) are simple interest Contracts. A "simple interest Contract" is a Contract as to which interest is calculated each day on the basis of the actual principal balance

outstanding on such day.]

[Approximately \_\_\_% of the Contracts (measured by outstanding principal balance as of the Cut-off Date) are step-up rate Contracts. See "The Trust--The Contract Pools" in the Prospectus for a description of the general features of step-up rate Contracts. [All] [Approximately \_\_\_%] of the step-up rate Contracts are still bearing interest at their initial Contract Rate (the period during which such Contracts bear interest at their initial Contract Rate being referred to herein as the "Low Rate Period"). During the Low Rate Period, the total amount and the principal portion of each monthly payment is determined on a basis that would cause the Contract to be fully amortized over its term if the Contract were to bear interest during its entire term at its initial Contract

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Rate and were to have level payments over its entire term. The total amount and principal portion of each monthly payment due after the end of the applicable Low Rate Period is determined on a basis that would cause the Contract (which would then be bearing interest at a stepped-up rate) to be fully amortized over its remaining term on a level-payment basis. The Low Rate Periods will end no earlier than \_\_\_\_\_ and no later than \_\_\_\_\_. The increases in Contract Rates at the end of the Low Rate Periods range from \_\_\_ percentage points to \_\_\_ percentage points. The increases in monthly payments range from \$\_\_\_\_\_ to \$\_\_\_\_\_. (Approximately \_\_\_% of the Contracts, by aggregate principal balance as of the Cut-off Date, constitute step-up rate Contracts that were underwritten on the basis of the lower monthly payments due during the Low Rate Period.) The statistical information concerning the Contracts which is set forth below, to the extent it relates to the Contract Rates of the step-up rate Contracts, takes into account only their Contract Rates as of the Cut-off Date.]

The Contracts were originated between \_\_\_\_\_, 19\_\_ and \_\_\_\_\_, 19\_\_\_. [All Contracts are manufactured housing installments sales contracts originated by a manufactured housing dealer in the ordinary course of its business and purchased by CITSF [and The CIT Group/Consumer Finance, Inc. (NY), a wholly-owned subsidiary of CIT ("CITCF-NY")] in the ordinary course of its business, or manufactured housing installment loan agreements originated directly by CITSF [and CITCF-NY] in the ordinary course of its business.]

[The aggregate amount of the Original Class A Principal Balance and the Original Class B Principal Balance exceeds the Cut-off Date Pool Principal Balance by \$\_\_\_\_\_. Funds in the amount of such excess [plus certain additional amounts in respect of interest] have been deposited into a separate trust account maintained by the Trustee (the "Pre-Funding Account"). Additional Contracts may be purchased by or on behalf of the Trust, from time to time, during the period beginning on \_\_\_\_\_, 1994 and ending on \_\_\_\_\_, 1994 (the "Pre-Funding Period") from monies on deposit in the Pre-Funding Account. Such additional Contracts will be purchased by or on behalf of the Trust pursuant to a contract in which the [formula to determine the] price, the characteristics of the Contracts to be purchased and the delivery dates of such Contracts are identified. Deposits into the Pre-Funding Account may be in the form of cash or certain short-term permitted investments, which shall consist of [ ]. The conditions precedent which must be complied with prior to the transfer of Contracts purchased from funds on deposit in the Pre-Funding Account are as follows:[ ]. Any amounts on deposit in the Pre-Funding Account at the end of the Pre-Funding Period will be distributed on the first Remittance Date following the end of the Pre-Funding Period to Holders of the Class A Certificates as a principal prepayment.]

All [but \_\_\_%] of the Contracts (by remaining principal balance) are conventional contracts, meaning that they are not insured or guaranteed by any governmental agency.

Each Contract (a) is secured by a Manufactured Home and/or by a lien on the real estate on which the Manufactured Home is located, [(b) is fully amortizing with a fixed contractual rate of interest (the "Contract Rate") and provides for level payments over the term of such Contract] and (c) is dated on or after \_\_\_\_\_, 19\_\_\_. [Each Contract has a fixed Contract Rate.] A detailed description of the Contracts is included in the Agreement. Approximately \_\_\_% of the Cut-off Date Pool Principal Balance is attributable to loans to purchase Manufactured Homes which were new and approximately \_\_\_% is attributable to loans to purchase Manufactured Homes which were used at the time the related Contract was originated. All Contracts have a Contract Rate of at least \_\_\_\_%. [Approximately \_\_\_% of the Contracts by Cut-off Date Pool Principal Balance have Contract Rates less than \_\_\_\_% (equal to the Class B Remittance Rate plus

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the Monthly Servicing Fee).] The Contracts have remaining maturities, as of the Cut-off Date (or the date of origination, if later), of at least \_\_\_ months but



not more than \_\_\_ months, original maturities of at least \_\_\_ months but not more than \_\_\_ months, and a weighted average remaining term to scheduled maturity, as of the Cut-off Date (or the date of origination, if later), of \_\_\_ months. The average remaining principal balance per Contract, as of the Cut-off Date (or the date of origination, if later), was \$\_\_\_\_\_ and the outstanding principal balances of the Contracts, as of the Cut-off Date (or the date of origination, if later), ranged from \$\_\_\_\_\_ to \$\_\_\_\_\_. All but \_\_\_, or \_\_\_% by Cut-off Date Pool Principal Balance, of the Contracts had loan-to-value ratios at the time of origination of 90% or less. [The weighted average loan-to-value ratio of the Contracts, as of the origination of the Contracts, was \_\_\_\_\_%.] "Value" in such calculation is equal to (i) in the case of a Land-Secured Contract, the sum of the original appraised market value of the Manufactured Home and the real estate securing such Contract, if available, or the total delivered sales price for such Manufactured Home, plus taxes, fees and insurance, (ii) in the case of a new Manufactured Home, the total delivered sales price for such Manufactured Home, if available, or its appraised market value, plus taxes, fees and insurance and (iii) in the case of a used Manufactured Home, the lesser of the total delivered sales price for such Manufactured Home and its appraised market value (or whichever of the price or appraised value is available to the extent one of the two is not available), in each case plus taxes, fees and insurance. Manufactured Homes, unlike site-built homes, generally depreciate in value. Consequently, at any time after origination it is possible, especially in the case of Contracts with high loan-to-value ratios at origination, that the market value of a Manufactured Home may be lower than the principal amount outstanding under the related Contract.

The Contracts are secured by Manufactured Homes located in \_\_\_ states [and the District of Columbia], of which approximately \_\_\_% of the Contracts by remaining principal balance are secured by Manufactured Homes located in \_\_\_\_\_. No other state represented more than 5% of the Contracts.

Set forth below is a description of certain characteristics of the Contracts. [References to "Cut-off Date" in the following tables shall refer to the Cut-off Date in the case of Contracts originated on or prior to the Cut-off Date and to the date of origination in the case of a Contract originated after the Cut-off Date.] [The information set forth below does not relate to the Subsequent Contracts.]

Geographical Distribution of Manufactured Homes

<TABLE>  
<CAPTION>

State	Number of Contracts As of Cut-off Date	% of Contract Pool by Number of Contracts As of Cut-off Date	Aggregate Principal Balance Outstanding As of Cut-off Date	% of Contract Pool by Principal Balance Outstanding As of Cut-off Date
<S>	<C>	<C>	<C>	<C>
Alabama.....		%	\$	%
Arizona.....				
Arkansas.....				
California.....				
Colorado.....				
Connecticut.....				
Delaware.....				
District of Columbia.....				
Florida.....				
Georgia.....				
Idaho.....				
Illinois.....				
Indiana.....				
Iowa.....				
Kansas.....				
Kentucky.....				
Louisiana.....				
Maine.....				
Maryland.....				
Massachusetts.....				
Michigan.....				
Minnesota.....				
Mississippi.....				
Missouri.....				
Montana.....				
Nebraska.....				
Nevada.....				
New Hampshire.....				
New Jersey.....				

New Mexico.....				
New York.....				
North Carolina.....				
North Dakota.....				
Ohio.....				
Oklahoma.....				
Oregon.....				
Pennsylvania.....				
South Carolina.....				
South Dakota.....				
Tennessee.....				
Texas.....				
Utah.....				
Vermont.....				
Virginia.....				
Washington.....				
West Virginia.....				
Wisconsin.....				
Wyoming.....	-----	-----	-----	-----
Total.....	=====	100.00%	\$	100.00%
	=====	=====	=====	=====

</TABLE>

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Years of Origination of Contracts

<TABLE>  
<CAPTION>

Year of Origination	Number of Contracts As of Cut-off Date	Aggregate Principal Balance Outstanding As of Cut-off Date	% of Contract Pool By Principal Balance Outstanding As of Cut-off Date
-----	-----	-----	-----
<S>	<C>	<C>	<C>
1981.....		\$	%
1982.....			
1983.....			
1984.....			
1985.....			
1986.....			
1987.....			
1988.....			
1989.....			
1990.....			
1991.....			
1992.....			
1993.....	-----	-----	-----
Total.....	=====	\$	100.00%
	=====	=====	=====

</TABLE>

Distribution of [Remaining] [Original] Contract Amounts

<TABLE>  
<CAPTION>

[Remaining] [Original] Contract Amount (in Dollars) (1)	Number of Contracts As of Cut-off Date	Aggregate Principal Balance Outstanding As of Cut-off Date	% of Contract Pool By Principal Balance Outstanding As of Cut-off Date
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Less than \$10,000.....		\$	%
\$10,000-\$19,999.99.....			
\$20,000-\$29,999.99.....			
\$30,000-\$39,999.99.....			
\$40,000-\$49,999.99.....			
\$50,000-\$59,999.99.....			
\$60,000-\$69,999.99.....			
\$70,000-\$79,999.99.....	-----	-----	-----
Total.....	=====	\$	100.00%
	=====	=====	=====

</TABLE>

(1) The largest [original] [Remaining] Contract amount is \$\_\_\_\_\_, which

Distribution of Original Loan-to-Value Ratios

<TABLE>  
<CAPTION>

Loan-to Value Ratio(1)	Number of Contracts As of Cut-off Date	Aggregate Principal Balance Outstanding As of Cut-off Date	% of Contract Pool By Principal Balance Outstanding As of Cut-off Date
<S>	<C>	<C>	<C>
Less than 61%.....		\$	%
61-65%.....			
66-70%.....			
71-75%.....			
76-80%.....			
81-85%.....			
86-90%.....			
Over 90%.....	-----	-----	-----
Total.....	=====	\$	100.00%
	=====	=====	=====

</TABLE>

(1) [Rounded to the nearest 1%. The term "Value" as used in this table is defined above. The loan-to-value ratios on the Contracts may be subject to a variance of up to 5% from the tabular presentation. Such variances were caused by information input by CITSF's personnel in regional offices with respect to incidental items financed in the loans, such as dealer-installed equipment, the costs of which were estimated at the time the loan applications were approved.]

Contract Rates

<TABLE>  
<CAPTION>

Range of Contracts By Contract Rates	Number of Contracts As of Cut-off Date	Aggregate Principal Balance Outstanding As of Cut-off Date	% of Contract Pool By Principal Balance Outstanding As of Cut-off Date
<S>	<C>	<C>	<C>
9.25%-10.00%.....		\$	%
10.01%-11.00%.....			
11.01%-12.00%.....			
12.01%-13.00%.....			
13.01%-14.00%.....			
14.01%-15.00%.....			
15.01%-16.00%.....			
16.01%-16.50%.....			
Over 16.50%.....	-----	-----	-----
Total.....	=====	\$	100.00%
	=====	=====	=====

</TABLE>

Remaining Months to Maturity

<TABLE>  
<CAPTION>

Months Remaining As of Cut-off Date	Number of Contracts As of Cut-off Date	Aggregate Principal Balance Outstanding As of Cut-off Date	% of Contract Pool By Principal Balance Outstanding As of Cut-off Date
<S>	<C>	<C>	<C>
Less than 31.....		\$	%
31-60.....			
61-90.....			

91-120.....			
121-150.....			
151-180.....			
181-210.....			
211-240.....			
Over 240.....	-----	-----	-----
Total.....	=====	\$	100.00%
		=====	=====

</TABLE>

Delinquency, Loan Loss and Repossession Experience

The following Delinquency Experience and Loan Loss/Repossession Experience tables set forth data for CITSF's and CITCF-NY's originated non-recourse conventional manufactured housing portfolio. The following table sets forth the delinquency experience for the four years ended December 31, 1993 and the nine months ended September 30, 1994 of the portfolio of conventional manufactured housing contracts serviced by CITSF (other than contracts already in repossession), excluding contracts which are subject to dealer recourse arrangements, contracts acquired by CITSF through portfolio purchases and contracts which are serviced for others. All of the Contracts in the Trust are conventional Contracts.

Delinquency Experience  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Years Ended December 31,				Nine months ended September 30, 1994 (3)
	1990	1991	1992	1993 (3)	
<S>	<C>	<C>	<C>	<C>	<C>
Number of Contracts					
Outstanding.....	2,631	4,348	5,590	9,021	11,889
Principal Balance of Contracts					
Serviced.....	\$ 76,724	\$137,669	\$186,476	\$ 289,001	\$405,184
Principal Balance of Delinquent Contracts(1):					
30-59 Days.....	\$ 369	\$ 720	\$ 1,043	\$ 1,678	\$ 2,222
60-89 Days.....	85	294	428	189	1,080
90 Days or More.....	81	486	647	991	1,199
Principal Balance of Delinquent Contracts.....	\$ 535	\$ 1,500	\$ 2,118	\$ 2,858	\$ 4,501
Delinquencies as a Percent of Principal Balances					
Outstanding(2).....	0.70%	1.09%	1.14%	.99%	1.11%

</TABLE>

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- (1) The period of delinquency is based on the number of days payments are contractually past due (assuming 30-day months). Consequently, a contract due on the first day of a month is not 30 days delinquent until the first day of the next month.
- (2) Based on dollar percent delinquent.
- (3) Includes Contracts securitized in July, 1993.

The following table sets forth the loan loss and repossession experience for the four years ended December 31, 1993 and the nine months ended September 30, 1994, of the portfolio of conventional manufactured housing contracts serviced by CITSF, excluding contracts which are subject to dealer recourse arrangements, contracts acquired by CITSF through portfolio purchases and contracts which are serviced for others.

Loan Loss/Repossession Experience  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Years Ended December 31,				Nine months ended September 30, 1994 (6)
	1990	1991	1992	1993 (6)	
<S>	<C>	<C>	<C>	<C>	<C>
Number of Contracts(1).	2,631	4,348	5,590	9,021	11,889
Principal Balance of Contracts Serviced(1)	\$ 76,724	\$137,669	\$186,746	\$289,001	\$ 405,184
Contract Liquidations(2)	0.11%	0.37%	0.39%	0.57%	0.89% (5)
Net Losses:					
Dollars(3).....	\$ 168	\$ 206	\$ 547	\$ 1,310	\$ 1,409
Percentage(4).....	0.22%	0.15%	0.29%	0.45%	0.46% (5)

</TABLE>

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- (1) As of period end.
- (2) As a percentage of the total number of contracts being serviced as of period end.
- (3) The calculation of net loss includes unpaid interest to the date of repossession and all expenses of repossession and liquidation.
- (4) As a percentage of the principal balance of contracts as of period end.
- (5) Annualized.
- (6) Includes Contracts securitized in July, 1993.

CITSF began originating nonrecourse to dealer manufactured housing loans in 1989. CITSF's targeted customer under these guidelines has stable residence and employment history and good credit performance at the time of origination. CITSF's program generally requires down payments (which may include a mortgage interest in the land on which the Manufactured Home is located) in excess of 10% of the original purchase price or appraised value of the manufactured home and focuses on a high percentage of borrowers who own the underlying real estate associated with the manufactured home. Down payments of less than 10% to a minimum of 5% of the original purchase price are considered on a case by case basis. For homes placed in manufactured housing parks, CITSF focuses on better than average parks in terms of amenities and location, which CITSF believes attracts both higher quality borrowers and strong collateral.

During the period from 1989 through 1991, CITSF utilized a manual credit approval system, requiring strict adherence to the above established underwriting criteria. In 1992, CITSF introduced an automated credit scoring system. Such automated system was developed based on the credit performance

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of loans underwritten under the manual system. The automated credit scoring system incorporates CITSF's underwriting guidelines and assists loan officers in the credit approval process, resulting in more consistent decision making. Additionally, the system provides CITSF home office credit personnel with timely information to measure adherence to credit criteria and monitor trends.

In July 1994 CITSF's credit criteria was changed in line with industry practice to include manufactured housing units located on land leased by the Obligor from a third party and to permit greater reliance on credit scores and overall evaluation instead of using specific disqualifying criteria (e.g., five years of employment). Interest rates charged are adjusted in accordance with the underwriter's evaluation of each such individual application. It is possible that this change may result in higher delinquency and loan loss experience than is shown on the above charts.

The management of CITSF believes that its underwriting, high quality park criteria, and emphasis on financing borrowers who own the underlying real estate have contributed to low delinquency, default and loss rates during the period from January 1990 through September 30, 1994. Since 1990, the level of delinquency (more than 30 days past due after contractual due date) in CITSF's nonrecourse manufactured housing portfolio has approximated 1%. Since 1990 the

delinquency ratio ranged from .70% to 1.14% and stands at 1.11% as of September 30, 1994. This trend reflects the normal seasoning of the portfolio. The annualized net charge-off rate on the portfolio for the period from 1990 through the third quarter of 1994 has ranged from .15% to .46%. The increase in the annualized net charge-off rate in 1993 and the first three quarters of 1994 to .45% and .46%, respectively, was well within loan losses that had been expected for these receivables at their stage of seasoning.

The data presented in the foregoing tables are for illustrative purposes only. The data presented above relates to the performance of CITSF's entire nonrecourse manufactured housing portfolio, and is not historical data regarding solely the portion of CITSF's portfolio constituting the Contracts. There is no assurance that the delinquency, loan loss or repossession experience of the Contracts will be similar to that set forth above. The delinquency, loan loss and repossession experience of manufactured housing contracts historically has been sharply affected by a downturn in regional or local economic conditions. [In recent years, such a downturn and higher levels of delinquency, loan loss and repossession were experienced in many areas of the country in which the Manufactured Homes are located, including New England and areas dependent on the oil and gas industry, notably certain areas of Texas, Oklahoma and Louisiana.] These regional or local economic conditions are often volatile, and no predictions can be made regarding future economic conditions in any of the regions in which the Manufactured Homes are located. These downturns have tended to increase the severity of loss on repossession because of the increased supply of used units, which in turn may affect the supply in other regions. [In order to achieve geographic dispersion and to limit the effect of regional and local economic conditions on the Contract Pool, Contracts originated in any one state (except with respect to Contracts secured by Manufactured Homes located in \_\_\_\_\_) will not exceed \_\_\_% of the Cut-Off Date Pool Principal Balance.]

#### YIELD AND PREPAYMENT CONSIDERATIONS

The following information supplements, and to the extent inconsistent therewith supersedes, the information in the Prospectus under the heading "Yield Considerations".

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The Contracts have maturities at origination ranging from \_\_\_ years to \_\_\_ years, but may be prepaid in full or in part at any time. The prepayment experience of the Contracts (including prepayments due to liquidations of defaulted Contracts) will affect the average life of the Class A Certificates [and the Class B Certificates]. Based on CITSF's experience with the portfolio of manufactured housing contracts serviced by it, CITSF anticipates that a number of the Contracts will be prepaid prior to their maturity. A number of factors, including homeowner mobility, general and regional economic conditions and prevailing interest rates, may influence prepayments. In addition, repurchases of Contracts by CITSF on account of certain breaches of representations and warranties have the effect of prepaying such Contracts and therefore would affect the average life of the Class A [and Class B] Certificates. [Furthermore, any amounts on deposit in the Pre-Funding Account at the end of the Pre-Funding Period will be distributed to the Holders of the Class A Certificates as a prepayment of principal and therefore would affect the average life of the Class A Certificates.] The prepayment experience on manufactured housing contracts varies greatly. Although most of the Contracts contain a "due-on-sale" clause that would permit the Servicer to accelerate the maturity of a Contract upon the sale of the related Manufactured Home, CITSF currently expects to permit assumptions of Contracts if the purchaser of the related Manufactured Home satisfies CITSF's then-current underwriting standards.

The allocation of distributions to the Class A Certificateholders on each Remittance Date will have the effect of accelerating the amortization of the Class A Certificates compared to the amortization that would be applicable if the principal were distributed pro rata according to the Class A Principal Balance and the Class B Principal Balance. If the Class A Certificates are purchased at a discount and the purchaser calculates their anticipated yield to maturity based on an assumed rate of payment of principal on such Class A Certificates that is faster than the rate actually realized, such purchaser's actual yield to maturity will be lower than the yield so calculated by such purchaser.

[Until the Class A Principal Balance has been reduced to zero, the Class A Certificateholders will receive all payments of principal which are made on the Contracts. [The Class B Certificateholders will only receive distributions of principal prior to the Cross-over Date to the extent that any Remaining Amount Available and [Guarantee Payment] Class B Enhancement Payment (after the payment of interest on the Class B Certificates) represent a Class B Principal Liquidation Loss Amount. The rate of principal payments on the Class B Certificates and the aggregate amount of distributions on the Class B

Certificates will be affected by the rate of obligor defaults resulting in delinquencies on the Contracts and losses on Liquidated Contracts, by the severity of those losses and by the timing of those delinquencies and losses. See "Description of the Class B Certificates--Subordination of [Class B Certificates and] Class R Certificates" for a description of the manner in which such losses are borne by the Class B Certificateholders. If the Class B Certificates are purchased at a discount and the purchaser calculates its anticipated yield to maturity based on an assumed rate of payment of principal on the Class B Certificates that is faster than the rate actually realized, such purchaser's actual yield to maturity will be lower than the yield so calculated by such purchaser.]]

There can be no assurance that the delinquency or repossession experience for CITSF's portfolio set forth under "The Contract Pool--Delinquency, Loan Loss and Repossession Experience" will be representative of the results that may be experienced with respect to the Contracts.

[Each of the Company and] the Servicer has the option to purchase from the Trust all remaining Contracts, and thereby effect early retirement of the Certificates, on any Remittance Date when the Pool Scheduled Principal Balance is less than \_\_% of the Cut-off Date Pool Principal Balance. See "Description of the Certificates--Repurchase Option".

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Although Contract Rates on the Contracts vary, prepayments on Contracts will not affect the Class A Remittance Rate or the Class B Remittance Rate because such rates are fixed and do not exceed the Contract Rate on any Contract. Although partial prepayments of principal on Contracts are applied on scheduled payment dates for such Contracts, obligors are not required to pay interest on Contracts after the date of a full prepayment of principal. As a result, full prepayments on Contracts in advance of the scheduled payment dates for such Contracts in any Due Period will reduce the amount of interest received from obligors during such Due Period and available to be passed through to Holders of Certificates on the following Remittance Date. Subject to the availability of the subordination provided by the Class B and Class R Certificates, such subordination would apply to the net shortfall of interest received on account of prepayments in full in any Due Period so that the amount of interest paid on the Class A Certificates on the following Remittance Date would not be affected by such shortfall.

[The yield to Class A Certificateholders [and Class B Certificateholders] will be below that otherwise produced by the Class A Remittance Rate [and the Class B Remittance Rate, respectively], because, while interest will accrue in respect of each Due Period, the distribution of interest will be made on the \_\_th day (or, if such day is not a business day, the next business day) of the month following the Due Period in which it accrues.]

The final scheduled payment date on the Contract with the latest maturity is in , .

Certain statistical information relating to the payment behavior of nonrecourse manufactured housing contracts originated by CITSF is set forth below. In evaluating the information contained in this table and its relationship to the expected prepayment behavior of the Contracts, prospective Certificateholders should consider that the Company has performed no statistical analysis to determine whether the contracts to which the table relates constitute a statistically significant sample of nonrecourse manufactured housing contracts for purposes of determining expected prepayment behavior. Furthermore, no assurance can be given that the prepayment experience of the Contracts will exhibit prepayment behavior similar to the behavior summarized in the following table. In addition to the foregoing, prospective Class A [and Class B] Certificateholders should consider that the table set forth below is limited to the period covered therein and thus cannot reflect the effects, if any, of aging on the prepayment behavior of manufactured housing contracts beyond such periods.

The following table sets forth, with respect to all of the nonrecourse manufactured housing contracts originated by CITSF and CITCF-NY in each year since 1990, the aggregate initial principal balance of the contracts originated in such year, the approximate aggregate principal balance outstanding on the contracts originated in such year as of the last day of such year and the approximate aggregate principal balance outstanding on the contracts originated in such year as of the end of the subsequent fiscal quarter.

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Information Regarding Principal Reduction on Nonrecourse Manufactured  
Housing Contracts Originated by CITSF and CITCF-NY

(Dollars in Thousands)

<TABLE>  
<CAPTION>

Year of Origination -----	1990 ----	1991 ----	1992 ----	1993 ----
<S>	<C>	<C>	<C>	<C>
Volume (1).....	\$69,611	\$74,262	\$70,109	\$139,200
Aggregate Principal Balance (2):				
12/31/90.....	\$62,800			
03/31/91.....	61,900			
06/30/91.....	61,000			
09/30/91.....	59,900			
12/31/91.....	59,100	\$65,700		
03/31/92.....	56,700	63,400		
06/30/92.....	54,000	61,500		
09/30/92.....	52,100	59,700		
12/31/92.....	50,400	57,900	\$67,200	
03/31/93.....	48,700	56,700	65,200	
06/30/93.....	47,100	54,900	61,900	
09/30/93.....	44,600	53,000	59,900	
12/31/93.....	41,200	49,800	56,700	\$134,400
03/31/94.....	38,900	47,300	53,600	130,500
06/30/94.....	37,000	44,700	51,100	127,000
09/30/94.....	35,400	42,800	49,400	124,400

</TABLE>

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- (1) Volume represents aggregate initial principal balance of each contract originated in a particular year.
- (2) Approximate aggregate principal balance as of any date represents the approximate aggregate principal balance outstanding on each contract originated in a particular year.

This table includes Contracts securitized in July, 1993.

Weighted Average Life of the Class A Certificates

The following information is given solely to illustrate the effect of prepayments of the Contracts on the weighted average life of the Class A Certificates under the stated assumptions and is not a prediction of the prepayment rate that might actually be experienced by the Contracts.

Weighted average life refers to the average amount of time from the date of issuance of a security until each dollar of principal of such security will be repaid to the investor. The weighted average life of the Class A Certificates will be influenced by the rate at which principal on the Contracts is paid. Principal payments on Contracts may be in the form of scheduled amortization or prepayments (for this purpose, the term "prepayment" includes repayments and liquidations due to default or other dispositions of Contracts). Prepayments on Contracts may be measured by a prepayment standard or model. The model used in this Prospectus ("MH Prepayment Model") is based on an assumed rate of prepayment each month of the then unpaid principal balance of a pool of new Contracts.

As used in the following tables, a prepayment assumption of "100% of the MH Prepayment Model" assumes constant prepayment rates of 3.7% per annum of the then unpaid principal balance of such Contracts in the first month of the life of the Contracts and an additional 0.1% per annum in each month thereafter until the 24th month. Beginning in the 24th month and in each month thereafter during the life of all of the Contracts, 100% of the MH Prepayment Model assumes a



constant prepayment rate of 6.0% per annum each month. As used in the following table "0% of the MH Prepayment Model" assumes no prepayments on the Contracts; "50% of the MH Prepayment Model" assumes the Contracts will prepay at rates equal to 50% of the MH Prepayment Model assumed prepayment rates; "150% of the MH Prepayment Model" assumes the Contracts will prepay at rates equal to 150% of the MH Prepayment Model assumed prepayment rates; "175% of the MH Prepayment Model" assumes the Contracts will prepay at rates equal to 175% of the MH Prepayment Model assumed prepayment rates; "200% of the MH Prepayment Model" assumes the Contracts will prepay at rates equal to 200% of the MH Prepayment Model assumed prepayment rates; and "300% of the MH Prepayment Model" assumes the Contracts will prepay at rates equal to 300% of the MH Prepayment Model assumed prepayment rates.

There is no assurance, however, that prepayment of the Contracts will conform to any level of the MH Prepayment Model, and no representation is made that the Contracts will prepay at the prepayment rates shown or any other prepayment rate. The rate of principal payments on pools of manufactured housing contracts is influenced by a variety of economic, geographic, social and other factors, including the level of interest rates and the rate at which manufactured homeowners sell their manufactured homes or default on their contracts. Other factors affecting prepayment of contracts include changes in obligors' housing needs, job transfers, unemployment and obligors' net equity in the manufactured homes. In the case of mortgage loans secured by site-built homes, in general, if prevailing interest rates fall significantly below the interest rates on such mortgage loans, the mortgage loans are likely to be subject to higher prepayment rates than if prevailing interest rates remained at or above the rates borne by such mortgage loans. Conversely, if prevailing interest rates rise above the interest rates on such mortgage loans, the rate of prepayment would be expected to decrease. In the case of manufactured housing contracts, however, because the outstanding principal balances are, in general, much smaller than mortgage loan balances and the original term to maturity of each such contract is generally shorter, the reduction or increase in the size of the monthly payment on a contract arising from a change in the interest rate thereon is generally much smaller. Consequently, changes in prevailing interest rates may not have a similar effect, or may have a similar effect, but to a smaller degree, on the prepayment rates on manufactured housing contracts.

The percentages and weighted average lives in the following table were determined assuming that (i) scheduled interest and principal payments on the Contracts are received in a timely manner and prepayments are made at the indicated percentages of the MH Prepayment Model set forth in the table; (ii) [the Servicer does not exercise] [neither the Servicer nor the Company exercises] its right of optional termination described above; (iii) the Cut-off Date Pool Principal Balance is \$ , the Contracts have a weighted average term to maturity, as of origination, of months, a weighted average remaining term to maturity, as of the Cut-off Date, of months, a weighted average Contract Rate of %; (iv) the Class A Certificates initially represent \$ of the Cut-off Date Pool Principal Balance and will have a Class A Remittance Rate of %; (v) no interest shortfalls will arise in connection with prepayment in full of the Contracts; (vi) no delinquencies or losses are experienced on the Contracts; (vii) distributions are made on the Class A Certificates on the \_\_\_th day of each month, commencing \_\_\_\_\_, 199\_; (viii) the Class A Certificates are issued on , 199- [and (ix) no mandatory redemption of the Class A Certificates at the end of the Pre-Funding Period].

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No representation is made that the Contracts will not experience delinquencies or losses.

Since the table was prepared on the basis of the assumptions in the preceding paragraph, there are discrepancies between the characteristics of the actual Contracts and the characteristics of the Contracts assumed in preparing the table. Any such discrepancy may have an effect upon the percentages of the Original Principal Balances outstanding and the weighted average life of the Class A Certificates set forth in the table. In addition, since the actual Contracts and the Trust have characteristics which differ from those assumed in preparing the table set forth below, the distributions of principal on the Class A Certificates may be made earlier or later than as indicated in the table.

It is not likely that Contracts will prepay at any constant percentage of the MH Prepayment Model to maturity or that all Contracts will prepay at the same rate. In addition, the diverse remaining terms to maturity of the Contracts (which include recently originated Contracts) could produce slower distributions of principal than as indicated in the tables at the various percentages of the MH Prepayment Model specified even if the weighted average remaining term to maturity of the Contracts is months.

Investors are urged to make their investment decisions on a basis that includes their determination as to anticipated prepayment rates under a variety of the assumptions discussed herein.

Based on the foregoing assumptions, the following table indicates the projected weighted average life the Class A Certificates and set forth percentages of the Original Class A Principal Balance that would be outstanding after each of the dates shown at the indicated percentages of the MH Prepayment Model.

Percentage of the Original Principal Balance of the Class A Certificates at the Respective Percentages of the MH Prepayment Model Set Forth Below:

<TABLE>  
<CAPTION>

Date	0%	50%	100%	150%	175%	200%	300%
- - - - -	--	---	----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

Weighted Average Life  
(1) (years).....

</TABLE>  
- - - - -

(1) [The weighted average life of a Class A Certificate is determined by (i) multiplying the amount of cash distributions in reduction of the principal balance of such Class A Certificate by the number of years from the date of issuance of such Class A Certificate to the stated Remittance Date, (ii) adding the results, and (iii) dividing the sum by the initial principal balance of such Class A Certificate.]

[Weighted Average Life of the Class B Certificates

The following information is given solely to illustrate the effect of prepayments of the Contracts on the weighted average life of the Class B Certificates under the stated assumptions and is not a prediction of the prepayment rate that might actually be experienced by the Contracts.

As described under "Description of the Certificates--Principal (including Prepayments)--Class B Certificates," except for payments, if any, of [Guarantee Payments] Class B Enhancement Payments representing Class B Principal Liquidation Loss Amounts, payments of principal on the Class B Certificates will not commence until the Class A Certificateholders have received principal payments equal in the aggregate to the Original Class A Principal Balance, equal to \$ . This will have the effect of accelerating the amortization of the Class A Certificates while, in the absence of Class B Principal Liquidation Loss Amounts, increasing the respective interest in the Trust of the Class B Certificates.

The percentages and weighted average lives in the following table were determined assuming that (i) scheduled interest and principal payments on the Contracts are received in a timely manner and prepayments are made at the indicated percentages of the MH Prepayment Model set forth in the table; (ii) [the Servicer does not exercise] [neither the Servicer nor the Company exercises] its right of optional termination described above; (iii) the Cut-off Date Pool Principal Balance is \$ , the Contracts have a weighted average term to maturity, as of origination, of months, a weighted average remaining term to maturity, as of the Cut-off Date, of months, and a weighted average Contract Rate of %; (iv) the Class B Certificates initially represent \$ of the Cut-off Date Pool Principal Balance and have a Class B Remittance Rate of %, the Class A Certificates initially represent \$ of the Cut-off Date Pool Principal Balance and will have a Class A Remittance Rate of %; (v) no interest shortfalls will arise in connection with prepayment in full of the Contracts; (vi) no delinquencies or losses are experienced on the Contracts; (vii) distributions are made on the Class B Certificates on the \_\_th day of each month, commencing , 199 ; and (viii) the Class B Certificates are issued on , 199 . No representation is made that the Contracts will not experience delinquencies or losses.

Since the table was prepared on the basis of the foregoing assumptions, there are discrepancies between the characteristics of the actual Contracts and the characteristics of the Contracts assumed in preparing the table. Any such discrepancy may have an effect upon the percentages of the Original Class B

Principal Balance outstanding and the weighted average life of the Class B Certificates set forth in the table. In addition, since the actual Contracts and the Trust have characteristics which differ from those assumed in preparing the table set forth below, the distributions of principal on the Class B Certificates may be made earlier or later than as indicated in the table.

It is not likely that Contracts will prepay at any constant percentage of the MH Prepayment Model to maturity or that all Contracts will prepay at the same rate. In addition, the diverse remaining terms to maturity of the Contracts (which include recently originated Contracts) could produce slower distributions of principal than as indicated in the table at the various percentages of the MH Prepayment Model specified even if the weighted average remaining term to maturity of the Contracts is \_\_\_\_\_ months.

Investors are urged to make their investment decisions based on their determination of anticipated prepayment rates in light of the assumptions discussed herein.

Based on the foregoing assumptions, the following table indicates the projected weighted average life of the Class B Certificates and sets forth the percentage of the Original Class B Principal Balance that would be outstanding

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after each of the dates shown at the indicated percentages of the MH Prepayment Model.

Percentage of the Original Principal Balance of the Class B Certificates at the Respective Percentages of the MH Prepayment Model Set Forth Below:

<TABLE>  
<CAPTION>

Date	0%	50%	100%	150%	175%	200%	300%
-----	--	---	----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

Weighted Average Life  
(1) (years).....

</TABLE>  
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(1) [The weighted average life of a Class B Certificate is determined by (i) multiplying the amount of cash distributions in reduction of the principal balance of such Class B Certificate by the number of years from the date of issuance of such Class B Certificate to the stated Remittance Date, (ii) adding the results, and (iii) dividing the sum by the initial principal balance of such Class B Certificate.]

DESCRIPTION OF THE CERTIFICATES

The following information supplements, and to the extent inconsistent therewith supersedes, the information in the Prospectus under "Description of the Certificates".

The Certificates will be issued pursuant to the Agreement between the Company, CITSF as Servicer, and the Trustee. A copy of the execution form of the Agreement will be filed in a Current Report on Form 8-K with the Securities and Exchange Commission after the initial issuance of the Certificates. The following summary describes certain terms of the Agreement, does not purport to be complete and is qualified in its entirety by the Agreement, which is incorporated herein by reference. Wherever provisions of the Agreement are referred to, such provisions are incorporated herein by reference.

General

The Class A Certificates will be issued in [book-entry] [fully registered] form only in denominations equal to \$1,000 or any integral multiple of \$1,000 in excess thereof, except for one Class A Certificate with a denomination representing any remainder of the Original Class A Principal Balance. The percentage interest (the "Percentage Interest") of a Class A Certificate will be equal to the percentage obtained from dividing its denomination by the Original Class A Principal Balance.

[The Class B Certificates will be issued in [book-entry] [fully registered] form only in denominations equal to \$25,000 or any integral multiple of \$1,000 in excess thereof, except for one Class B Certificate with a denomination representing any remainder of the Original Class B Principal Balance. The Percentage Interest of a Class B Certificate will be equal to the percentage obtained from dividing its denomination by the Original Class B Principal Balance.]

The Trust will consist of the Contracts and the rights, benefits, obligations and proceeds arising therefrom or in connection therewith and any related mortgages, deeds of trust or similar instruments, all rights under certain hazard insurance on individual Manufactured Homes, proceeds from the errors and omissions protection policy and any blanket hazard insurance policies maintained pursuant to the Agreement, to the extent such proceeds relate to any Manufactured Homes, [all rights under the FHA/VA Regulations pertaining to any FHA/VA Contract,] [the rights of the Class B Certificateholders to receive Guarantee Payments pursuant to the Limited Guarantee of CIT] [the Class B Credit Enhancement with respect to the Class B Certificates] amounts held for the Trust in the Certificate Account, all documents contained in the Contract files [, any funds or other instruments on deposit in the Pre-Funding Account] and all proceeds in any way derived from any of the foregoing. (Section 1.02.)

Distributions on the Certificates will be made by the paying agent as specified in the Agreement, which shall be an Eligible Institution (the "Paying Agent") on each Remittance Date to persons in whose names the Certificates are registered as of the preceding Record Date. The Remittance Date for the Certificates will be the \_\_\_th day of each month (or if such \_\_\_th day is not a business day, the next succeeding business day) commencing with the month following the month of issuance. Payments will be made by check mailed to such Certificateholder at the address appearing on the Certificate Register, provided that a Certificateholder who holds an aggregate Percentage Interest of at least 5% of the Class A Certificates [or at least 5% of the Class B Certificates] may request payment by wire transfer or immediately available funds pursuant to written instructions delivered to the Trustee at least 10 days prior to such Remittance Date. Final payments will be made only upon tender of the Certificates to the Paying Agent for cancellation. (Articles I and VIII.) See "Registration of Class A Certificates [and Class B Certificates]" below.

#### Conveyance of Contracts

In addition to the representations and warranties described in the Prospectus under "Description of the Certificates--Conveyance of Contracts," CITSF has also made certain warranties with respect to the Contracts in the aggregate, including that (i) the aggregate principal amount payable by the obligors on the Contracts as of the Cut-off Date, or the date of origination, if later, equals the Cut-off Date Pool Principal Balance [and each fixed rate Contract and variable rate Contract has a maximum Contract Rate or a minimum Contract Rate, as applicable, equal to or greater than the Class A [and Class B] Remittance Rate]; (ii) as of the Cut-off Date, or the date of origination, if later, no more than \_\_\_% of the Contracts by Cut-off Date Pool Principal Balance are secured by Manufactured Homes located in any one state (except with respect to Contracts secured by Manufactured Homes located in \_\_\_\_\_), no more than \_\_\_% of the Contracts by remaining principal balance are secured by Manufactured Homes located in an area with the same zip code; (iii) no more than \_\_\_% of the Cut-off Date Pool Principal Balance is attributable to loans to purchase used Manufactured Homes; (iv) no Contract has a remaining maturity of less than \_\_\_ months or more than \_\_\_ months; (v) the date of each Contract is on or after \_\_\_\_\_, 19\_\_ and (vi) except for the effect of the representations and warranties of CITSF, no adverse selection procedures were employed in selecting the Contracts. (Article III.)

#### Payments on Contracts; Distributions on Certificates

The Trustee, on behalf of the Trust, will establish and maintain the Certificate Account at a depository institution or trust company (which may be the Trustee or an affiliate of the Trustee) organized under the laws of the United States or any state, the deposits of which are insured to the full extent permitted by law by the Bank Insurance Fund (currently administered by the Federal Deposit Insurance Corporation), which is subject to supervision and examination by federal or state authorities and whose short-term securities or

unsecured long-term debt (or, in the case of the principal bank of a bank holding company system, the short-term securities or unsecured long-term debt of such bank holding company) has a rating of [P-1 or higher by Moody's Investors Services, Inc. ("Moody's")] in the case of short-term securities, or in one of the two highest rating categories by [Moody's] in the case of unsecured long-term debt (an "Eligible Institution"). (Section 1.02.) The Servicer may authorize the Trustee to invest the funds in the Certificate Account in Eligible Investments (as defined in the Agreement) that will mature not later than the business day preceding the applicable monthly Remittance Date. "Eligible Investments" include, among other investments, obligations of the United States or of any agency thereof backed by the full faith and credit of the United States; federal funds, certificates of deposit, time deposits and bankers' acceptances sold by eligible financial institutions; certain repurchase agreements with eligible institutions; corporate securities assigned at least \_\_\_\_\_ rating by \_\_\_\_\_; commercial paper assigned an \_\_\_\_\_ rating by \_\_\_\_\_ at the time of such investment; and money market funds rated \_\_\_\_\_ or \_\_\_\_\_ by \_\_\_\_\_ (which may include money market or other funds for which the Trustee or an affiliate of the Trustee serves as an investment advisor, administrator, shareholder servicing agent and/or custodian or subcustodian and collects certain fees and expenses in connection therewith). (Section 5.05.)

All payments from obligors on the Contracts received by the Servicer, including principal prepayments and advance payments by obligors not constituting principal prepayments ("Advance Payments"), shall be paid into the Certificate Account no later than two business days following receipt thereof, except amounts received as late payment fees, extension fees, assumption fees or similar fees, which fees, together with any net income and gain from investments of funds in the Certificate Account, are included as part of the Servicer's servicing fees; provided, however, that, subject to compliance with the Agreement, for as long as CITSF remains the Servicer under the Agreement and CITSF remains a direct or indirect subsidiary of CIT, and if CIT has and maintains a short-term debt rating of \_\_\_\_\_ or higher by \_\_\_\_\_ or \_\_\_\_\_ or higher by \_\_\_\_\_, [and the Trustee shall have received an opinion of counsel that any action taken pursuant to this sentence shall not adversely affect the status of the Trust as a REMIC or result in the imposition of a tax on the Trust,] the Servicer will not be required to make such deposits into the Certificate Account (the "Delayed Deposits") until the business day immediately preceding the Remittance Date following the last day of the Due Period within which such payments were processed by the Servicer. See "Description of the Certificates--Servicing--Servicing Compensation and Payment of Expenses" in the Prospectus. In addition, (i) amounts paid by CITSF for Contracts repurchased as a result of breach of warranties under the Agreement, (ii) amounts required to be deposited upon substitution of a Contract because of breach of warranties, as described under "Description of the Certificates -- Conveyance of Contracts" in the Prospectus, [(iii) Monthly Advances,] (iv) the cash proceeds (net of Liquidation Expenses) received in connection with the liquidation of certain defaulted Contracts and (v) insurance proceeds with respect to the Contracts shall be paid into the Certificate Account. "Liquidation Expenses" are out-of-pocket expenses incurred by the Servicer in connection with the liquidation of certain defaulted Contracts, including, without limitation, legal fees and expenses. (Sections 1.02 and 8.02.) [Except with respect to Monthly Advances as set forth below,] [The Servicer will not make any advances in respect of delinquent payments on the Contracts.]

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On the third business day prior to each Remittance Date (the "Determination Date"), the Servicer will determine the Amount Available and the amounts to be distributed on the Certificates for such Remittance Date. The Amount Available is the amount in the Certificate Account on the last day of the preceding Due Period (or the Delayed Deposit, if applicable) less the following amounts: any repossession profits on defaulted Contracts, Advance Payments in respect of the Due Period just ended; [amounts payable to the Servicer to reimburse it for any REMIC "prohibited transaction" tax imposed on the Trust and paid by the Servicer;] Liquidation Expenses incurred and taxes and insurance advanced by the Servicer in respect of Manufactured Homes that are reimbursable to the Servicer under the Agreement; any amounts incorrectly deposited in the Certificate Account; and net investment earnings on the funds in the Certificate Account due to the Servicer pursuant to the Agreement and any other amounts permitted to be withdrawn from the Certificate Account by the Servicer pursuant to the Agreement. (Sections 1.02 and 8.02.)

The Trustee will withdraw funds from the Certificate Account to make payments to Certificateholders at the direction of the Servicer. From time to time, as provided in the Agreement, the Trustee will also withdraw funds from the Certificate Account to pay [the Guarantee Fee to CIT] [the Enhancement Fee to the Credit Enhancer as compensation for providing the Class B Credit Enhancement] and to make payments to the Servicer. (Sections 1.02 and 8.02.)

## Distributions

Distributions of interest and principal on each Remittance Date will be made first to Holders of Class A Certificates [and then to Class B Certificates].

Distributions of interest and principal to Holders of Class A Certificates will be made on each Remittance Date in an amount equal to the sum of their respective Percentage Interests multiplied by the Class A Distribution Amount. Distributions to Class A Certificateholders will be applied first to the payment of interest and then to the payment of principal. The "Class A Distribution Amount" for any Remittance Date will equal the sum (such sum referred to as the "Class A Formula Distribution Amount") of (i) the amount of interest calculated as set forth under "Interest--Class A Certificates" below and (ii) the amount of principal calculated as described in "Principal (including Prepayments)--Class A Certificates" below; except that, if the Class A Formula Distribution Amount exceeds the Amount Available in the Certificate Account on such Remittance Date, then the Class A Distribution Amount shall instead equal the Amount Available. (Sections 1.02 and 8.01.)

[Following the payment to the Class A Certificateholders of the Class A Distribution Amount, distributions of interest and principal to Holders of Class B Certificates will be made on each Remittance Date in an amount equal to their respective Percentage Interests multiplied by the Class B Distribution Amount. Distributions to the Class B Certificateholders will be applied first to the payment of interest and then to the payment of principal. The "Class B Distribution Amount" for any Remittance Date will equal the sum (such sum referred to as the "Class B Formula Distribution Amount") of (i) the amount of interest calculated as set forth under "Interest--Class B Certificates" below and (ii) an amount of principal calculated as described under "Principal (including Prepayments)--Class B Certificates" below; except that if the Class B Formula Distribution Amount exceeds the Amount Available in the Certificate Account available for distribution to the Class B Certificateholders (after giving effect to any distribution made to Class A Certificateholders) on such Remittance Date (the "Remaining Amount Available"), then the Class B Distribution Amount will equal the sum of the Remaining Amount Available, if any, [and the Class B Enhancement Payment, if any] [and CIT will be obligated to pay the lesser of the sum of such deficiency and an amount equal \_\_\_\_\_

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(the "Guaranteed Amount"). Such payment will constitute a Guarantee Payment.] [The "Class B Credit Enhancement" for the Class B Certificates will be provided from funds deposited into a Cash Collateral Account from which the Trustee may from time to time withdraw amounts up to the "Available Credit Enhancement Amount" as described below under "Payments to Class B Certificateholders Pursuant to the Class B Credit Enhancement".] The "Class B Enhancement Payment" for any Remittance Date will equal the lesser of (i) the Available Credit Enhancement Amount (as described below) for such Remittance Date and (ii) the amount, if any, by which the Class B Formula Distribution Amount for such Remittance Date exceeds the Remaining Amount Available for such Remittance Date, and will be [withdrawn by the Trustee from the Cash Collateral Account and deposited in the Certificate Account] [paid to the Trustee by the Credit Enhancer pursuant to the Enhancement Agreement and deposited in the Certificate Account]. (Sections 1.02 and 8.01.)

Each distribution with respect to a Book-Entry Certificate will be paid to DTC, which will credit the amount of such distribution to the accounts of its Participants in accordance with its normal procedures. Each Participant will be responsible for disbursing such distribution to the Certificate Owners that it represents and to each indirect participating brokerage firm (a "brokerage firm" or "indirect participating firm") for which it acts as agent. Each brokerage firm will be responsible for disbursing funds to the Certificate Owners that it represents. All such credits and disbursements with respect to a Book-Entry Certificate are to be made by DTC and the Participants in accordance with DTC's rules.

The Servicer will furnish to the Trustee, and the Trustee, so long as it has received such statement or statements, will send with each distribution on a Remittance Date to each holder of Class A Certificates [and Class B Certificates] (or to DTC), a statement or statements setting forth, among other things, (i) the amount of such distribution allocable to principal (including principal prepayments, if any) and (ii) the amount of such distribution allocable to interest. (Section 6.05.)

On each Remittance Date on or before the Cross-over Date, the Amount Available in the Certificate Account will be distributed to Class A Certificateholders and the Class B Certificateholders in the amounts and order

of priority set forth below:

#### Interest - Class A Certificates

One month's interest[, accruing from the \_\_\_ day of the month preceding the applicable Remittance Date through the \_\_\_ of the month of the applicable Remittance Date computed on the basis of a 360 day year of twelve 30 day months,) on the then outstanding Class A Principal Balance will be paid on the Class A Certificates on each Remittance Date, to the extent of the Amount Available [(including any Monthly Advance)] in the Certificate Account on such date, at the related Remittance Rate. (Sections 1.02 and 8.01.) The Class A Principal Balance as of any Remittance Date is the Original Class A Principal Balance less all amounts previously distributed to holders of Class A Certificates in respect of principal. (Section 1.02.) In the event that, on a particular Remittance Date, the Amount Available in the Certificate Account is not sufficient to make a full distribution of interest to the Holders of Class A Certificates, the Amount Available [(including any Monthly Advances)] will be distributed among the outstanding Class A Certificateholders pro rata based on their Percentage Interest in such Class, and the amount of the shortfall will be carried forward and added to the amount such Holders will be entitled to receive on the next Remittance Date and every succeeding Remittance Date thereafter until paid ("Unpaid Class A Interest Shortfall"). (Section 1.02.) Such a shortfall could occur, for example, if delinquencies or losses realized on

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the Contracts were exceptionally high and were concentrated in a particular Due Period. Any such amount so carried forward will bear interest at the Class A Remittance Rate, to the extent permitted by law.

#### Principal (including Prepayments) - Class A Certificates

Commencing on the first Remittance Date and on each Remittance Date thereafter, Holders of Class A Certificates will be entitled to receive on each Remittance Date as payment of principal, to the extent of the Amount Available in the Certificate Account on such date after the payment of interest on the Class A Certificates, the sum (such sum referred to as the "Formula Principal Distribution Amount") of (i) with respect to Precomputed Contracts, all payments of principal due on each outstanding Precomputed Contract during the Due Period which ends during the month preceding the month in which the Remittance Date occurs (after adjustments for previous partial principal prepayments on the Contracts but before any adjustment by reason of any bankruptcy of an Obligor or similar proceeding or any moratorium or similar waiver or grace period) and with respect to simple interest Contracts, all payments of principal received in respect of each outstanding simple interest Contract during such Due Period, (ii) the Scheduled Principal Balance of each Contract which, during the Due Period next preceding such Remittance Date, was purchased by CITSF pursuant to the Agreement, including on account of certain breaches of its representations and warranties, (iii) all partial principal prepayments applied and all principal prepayments in full received during such Due Period, (iv) the Scheduled Principal Balance of each Contract that became a Liquidated Contract during such Due Period and (v) any Formula Principal Distribution Amount for any prior Remittance Date which was not distributed on a prior Remittance Date.

The "Scheduled Principal Balance" of a Contract as of any Remittance Date is (i) with respect to a Precomputed Contract, its principal balance as determined by calculating the present value of all remaining principal and interest payments due with respect to such Contract as of any date of determination at the Contract Rate for such Contract, after giving effect to any previous partial principal prepayments and to the scheduled payment due on the Due Date during such Due Period, but without giving effect to any adjustments due to bankruptcy or similar proceedings, and (ii) with respect to a simple interest Contract, its unpaid principal balance. The "Due Date" for a Contract is its scheduled payment date. The "Pool Scheduled Principal Balance" is the aggregate of the Scheduled Principal Balances of Contracts outstanding at the end of a Due Period. A "Liquidated Contract" is a defaulted Contract as to which all amounts that the Servicer expects to recover through the date of disposition of the Manufactured Home have been received. (Section 1.02.)

The Formula Principal Distribution Amount will be distributed, to the extent of the Amount Available after payment of interest on the Class A Certificates, to the Class A Certificateholders until the Class A Principal Balance has been reduced to zero. When the Class A Principal Balance is reduced to zero, no further distributions will be made to the Class A Certificateholders.

[Any amounts on deposit in the Pre-Funding Account at the end of the Pre-Funding Period will be distributed on the first Remittance Date following the end of the Pre-Funding Period to Holders of the Class A Certificates as a principal prepayment.]

## [Interest - Class B Certificates

Following the payment to the Class A Certificateholders of the Class A Distribution Amount, one month's interest[, accruing from the \_\_\_ day of the month preceding the applicable Remittance Date through the \_\_\_ day of the month of the applicable Remittance Date computed on the basis of a 360 day year of twelve 30 day months,] will be paid to the Class B Certificateholders on each Remittance Date, to the extent of the Remaining Amount Available [(including any Monthly Advances)], if any, and the [amount paid pursuant to the Limited Guarantee] Class B Enhancement Payment, if any, in the Certificate Account on such Remittance Date, at the Class B Remittance Rate on the then outstanding Class B Principal Balance. The Class B Principal Balance is the Original Class B Principal Balance less the sum of all amounts previously distributed to Class B Certificateholders in respect of principal. In the event that, on a particular Remittance Date, the Remaining Amount Available, if any, and the Class B Enhancement Payment, if any, in the Certificate Account are not sufficient to make a full distribution to the Class B Certificateholders [and CIT fails to pay such amount under the Limited Guarantee], the amount of such deficiency will be carried forward and added to the amount such Holders will be entitled to receive on the next Remittance Date, and every Remittance Date thereafter until paid ("Unpaid Class B Interest Shortfall"). Any such amount so carried forward will bear interest at the Class B Remittance Rate, to the extent permitted by law.]

## [Principal (including Prepayments) - Class B Certificates

Except for distributions of any amounts representing a Class B Principal Liquidation Loss Amount as described below, prior to the Cross-over Date, there will be no distributions of principal on the Class B Certificates.

On each Remittance Date prior to the Cross-over Date, the Class B Certificateholders will be entitled to receive (to the extent of the Remaining Amount Available, if any, and the Class B Enhancement Payment, if any, in the Certificate Account on such date after payments in respect of interest, as described under "Interest--Class B Certificates" above, to the Class B Certificateholders [and pursuant to the Limited Guarantee]) the amount, if any (the "Class B Principal Liquidation Loss Amount"), by which the sum of Class A Principal Balance and the Class B Principal Balance for such Remittance Date exceeds the Pool Scheduled Principal Balance for such Remittance Date (after giving effect to all distributions of principal on such Remittance Date). The Class B Principal Liquidation Loss Amount represents future principal payments on the Contracts that, because of the subordination of the Class B Certificates and liquidation losses on Liquidated Contracts, will not be paid to the Class B Certificateholders.

On each Remittance Date on and after the Cross-over Date, Class B Certificateholders will be entitled to receive, as payments of principal, the Formula Principal Distribution Amount (as described above) to the extent of the Remaining Amount Available, if any, and the Class B Enhancement Payment, if any, in the Certificate Account on such date after payments in respect of interest, as described under "Interest--Class B Certificates" above, to the Class B Certificateholders [and the Guarantee Payment, if any].]

Notwithstanding the distributions to Certificateholders described above, amounts otherwise distributable to Certificateholders pursuant to the Agreement which are required to be withheld and remitted to a taxing authority shall be withheld and remitted to such taxing authority and such amounts shall be treated

as actually distributed to such Certificateholders for all purposes of the Agreement.

## Subordination of [Class B Certificates and] Class R Certificates

The rights of the Holders of [the Class B Certificates and] the Class R Certificates to receive distributions with respect to the Contracts in the Trust will be subordinated to such rights of the Class A Certificateholders to the extent described herein. The protection afforded to the Class A Certificateholders by means of the subordination feature will be accomplished by the preferential right of the Class A Certificateholders to receive, prior to any distribution being made on a Remittance Date in respect of [the Class B Certificates and] the Class R Certificates, the amount of principal and interest due them on each Remittance Date out of the Amount Available in the Certificate



Account on such date and, to the extent described below, by the right of the Class A Certificateholders to receive future distributions on the Contracts that would otherwise be payable to the Holders of [Class B and] Class R Certificates. This subordination is intended to enhance the likelihood of regular receipt by the Class A Certificateholders of the full amount of their scheduled monthly payments of principal and interest and to afford such Holders protection against losses on Liquidated Contracts. [On each Remittance Date, the Class B Certificateholders will be entitled to receive only amounts described above under "Interest--Class B Certificates" and "Principal (including Prepayments)--Class B Certificates".]

The rights of the Class R Certificateholders to receive distributions with respect to the Contracts in the Trust will be subordinated to the rights of the Class A [and the Class B] Certificateholders. On each Remittance Date the Class R Certificateholders will receive the Remaining Amount Available, if any, after payment of the amount distributed to the Class A Certificateholders [and Class B Certificateholders] as described above (less the Monthly Servicing Fee[, the Enhancement Fee payable to the Credit Enhancer] [and the Guarantee Fee payable to CIT] and less amounts retained by the Servicer to reimburse itself for taxes paid in respect to prohibited transactions) plus aggregate Repossession Profits (as defined in the Agreement) and all other amounts which the Servicer is entitled to withdraw from the Certificate Account pursuant to the Agreement.

As described above, prior to the Cross-over Date, the distribution of principal to the Class A Certificateholders is intended to include the Scheduled Principal Balance of each Contract that became a Liquidated Contract during the Due Period next preceding the Remittance Date. If the Liquidation Proceeds, net of related Liquidation Expenses, from such Liquidated Contract are less than its Scheduled Principal Balance plus accrued interest thereon, the deficiency will, in effect, be absorbed by amounts otherwise distributable to [the Class B and] the Class R Certificateholders, since a portion of the Amount Available equal to such deficiency and otherwise distributable to them will be paid to the Class A Certificateholders. If the Amount Available is not sufficient to cover the amounts distributable to the Class A Certificateholders on a particular Remittance Date, then the amount of the Pool Scheduled Principal Balance available to the Class B Certificates (i.e., such Pool Scheduled Principal Balance less the Class A Principal Balance) on future Remittance Dates will be reduced. [Consequently, but for the effect of the relative subordination of [the Monthly Servicing Fee payable to the Servicer,] [the Enhancement Fee payable to the Credit Enhancer,] [and the Guarantee Fee payable to CIT] amounts otherwise distributable to the Class R Certificateholders, amounts [paid under the Limited Guarantee] applied from the Available Credit Enhancement Amount as described below and excess interest collections, the Class B Certificateholders would absorb (i) all losses on each Liquidated Contract in the amount by which its Liquidation Proceeds, net of the related Liquidation Expenses, are less than its

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unpaid principal balance plus accrued and unpaid interest thereon [less the Monthly Servicing Fee] and (ii) all delinquent payments on the Contracts.] [If CIT fails to make a payment required under the Limited Guarantee, the Class B Certificateholders will therefore incur a loss on their investment in the Class B Certificates.]

If further delinquencies and liquidation losses were to continue to decrease the Pool Scheduled Principal Balance (which is reduced by scheduled principal payments and all other collections of principal on the Contracts and the Scheduled Principal Balances of all Contracts that become Liquidated Contracts or are repurchased by CITSF pursuant to the Agreement, including Contracts repurchased as a result of certain breaches of representations and warranties) faster than distributions of principal to the Class A Certificateholders reduce the Class A Principal Balance, then the amount of the Pool Scheduled Principal Balance available to the Class B Certificates, and therefore the level of protection afforded by the subordination of the Class B Certificates for the benefit of the Class A Certificates, would be reduced. In the event that the Pool Scheduled Principal Balance is reduced by delinquencies and liquidation losses to an amount less than or equal to the Class A Principal Balance, all additional losses on Liquidated Contracts, to the extent not covered by excess interest collections, will be absorbed by the Class A Certificates.

[Limited Guarantee of CIT

In order to mitigate the effect of the subordination of the Class B Certificates and liquidation losses and delinquencies on the Contracts, CIT will provide a guarantee (the "Limited Guarantee") against losses that would otherwise be absorbed by the Class B Certificates. Each payment required to be

made under the Limited Guarantee is referred to as a "Guarantee Payment". Prior to the Cross-over Date, the Guarantee Payment will equal the amount, if any, by which (i) the sum of (a) the Class B Formula Distribution Amount for such Remittance Date (which will be one month's interest at the Class B Remittance Rate on the Class B Principal Balance) and (b) the Class B Principal Liquidation Loss Amount for such Remittance Date exceeds (ii) the Class B Distribution Amount for such Remittance Date; provided, however, the aggregate Guaranty Payments shall in no event exceed the Guaranty Amount. The Guaranty Amount shall be \_\_\_\_\_. On each Remittance Date after the Remittance Date on which the Class A Principal Balance is reduced to zero, the Guarantee Payment will equal the amount, if any, by which (i) the Class B Formula Distribution Amount for such Remittance Date (which will include both interest and principal) exceeds (ii) the Amount Available for such Remittance Date; provided, however, the aggregate Guaranty Payments shall in no event exceed the Guaranty Amount. The Class B Principal Liquidation Loss Amount for any Remittance date equals the amount, if any, by which the sum of the Class A Principal Balance and the Class B Principal Balance for such Remittance Date exceeds the Pool Scheduled Principal Balance for such Remittance Date. The Class B Principal Liquidation Loss Amount is, in substance, the amount of delinquencies and losses experienced on the Contracts during the related due period that was not absorbed by the Guarantee Fee or the Class R Certificates.

The Limited Guarantee will be an unsecured general obligation of CIT and will not be supported by any letter of credit or other credit enhancement arrangement. The Limited Guarantee will not benefit in any way, or result in any payment to, the Class A or Class R Certificateholders.

The Agreement will specify the circumstances under which distributions that would otherwise be paid to the Class R Certificateholders will instead be paid to CIT to reimburse it for Guarantee Payments and interest thereon.

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As compensation for providing the Limited Guarantee, CIT will be entitled to receive a Guarantee Fee on each Remittance Date equal to [the lesser of (a) the Amount Available less the Class A Distribution Amount, the Class B Distribution Amount, the Monthly Servicing Fee and any other amounts required to be paid to the Servicer, and (b) an amount equal to 1/12 of the product of \_\_\_% and the Pool Scheduled Principal Balance for such Remittance Date].]

[Class B Credit Enhancement

In order to mitigate the effect of the subordination of the Class B Certificates and liquidation losses and delinquencies on the Class B Certificateholders, the Class B Credit Enhancement will provide a mechanism to protect Class B Certificateholders against losses that would otherwise be absorbed by them. [The "Class B Credit Enhancement" will be \_\_\_\_\_.]

[The Cash Collateral Account

The "Class B Credit Enhancement" will be provided from a reserve account, escrow account or cash collateral account (the "Cash Collateral Account"). The Trust will have the benefit of the right to receive payments from the Cash Collateral Account under certain circumstances specified below. The Cash Collateral Account will be funded in the amount of \$\_\_\_\_\_ from the proceeds of a loan to be made by the Cash Collateral Depositor.

On each Remittance Date, the amount available to be withdrawn from the Cash Collateral Account (the "Available Credit Enhancement Amount") will be equal to the lesser of the amount on deposit in the Cash Collateral Account (before giving effect to any deposit to be made to the Cash Collateral Account on such Remittance Date) and the Required Cash Collateral Amount.

On each Determination Date, the Servicer will determine the amounts, if any, required to be withdrawn from the Cash Collateral Account, up to the Available Credit Enhancement Amount, as described below on the related Remittance Date. The Trustee will withdraw funds from the Cash Collateral Account in such amount and will deposit the proceeds of such demand into the Certificate Account on the Business Day before the Remittance Date with respect to which such demand was made.

On each Remittance Date, (i) the Trustee will deposit into the Cash Collateral Account an amount equal to all or a portion (specified in the Agreement) of the Excess Collections, if any, after giving effect to any deposit to be made to, and any withdrawal to be made from, the Cash Collateral Account on such Remittance Date, and (ii) the Trustee will withdraw from the Cash

Collateral Account an amount equal to the amount by which the amount on deposit in the Cash Collateral Account exceeds the Required Cash Collateral Amount and pay such amounts to the Cash Collateral Depositor. Any such amounts paid to the Cash Collateral Depositor will not be available for distribution to Certificateholders.

The Required Cash Collateral Amount with respect to any Remittance Date will equal \_\_\_% of the Pool Scheduled Principal Balance as of the first day of the related Due Period, but in no event less than \$\_\_\_\_\_.]

Each payment required to be made pursuant to the Class B Credit Enhancement is referred to as a "Class B Enhancement Payment". Prior to the Cross-over Date, the Class B Enhancement Payment will equal the lesser of (i) the Available Credit Enhancement Amount for such Remittance Date and (ii) the amount, if any, by which the Class B Formula Distribution Amount for such Remittance Date (which

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will be one month's interest on the Class B Certificates and the Class B Principal Liquidation Loss Amount, if any) for such Remittance Date exceeds the Remaining Amount Available for such Remittance Date. The Class B Principal Liquidation Loss Amount for any Remittance Date equals the amount, if any, by which the sum of the Class A Principal Balance and the Class B Principal Balance for such Remittance Date exceeds the Pool Scheduled Principal Balance for such Remittance Date (after giving effect to all distributions on account of principal and interest to the Class A Certificateholders). The Class B Principal Liquidation Loss Amount is, in substance, the amount of delinquencies and losses experienced on the Contracts during the related Due Period that was not absorbed by the Enhancement Fee, excess interest collections or the Class R Certificates. On or after the Cross-over Date, the Class B Enhancement Payment will equal the lesser of (i) the Available Credit Enhancement Amount for such Remittance Date and (ii) the amount, if any, by which the Class B Formula Distribution Amount (which will be one month's interest on the Class B Certificates and the Formula Principal Distribution Amount) for such Remittance Date exceeds the Remaining Amount Available for such Remittance Date.

The "Available Credit Enhancement Amount" on any Remittance Date will be \_\_\_\_\_.

The Class B Credit Enhancement and the Available Credit Enhancement Amount will not benefit in any way, or result in any payment to, the Class A or Class R Certificateholders.

As compensation for providing the Class B Credit Enhancement, the Credit Enhancer will be entitled to receive an "Enhancement Fee" on each Remittance Date equal to \_\_\_\_\_.]

#### Servicing Compensation and Payment of Expenses

[The Servicer will receive on each Remittance Date a Servicing Fee equal to 1/12th of the product of \_\_\_% and the Pool Scheduled Principal Balance.]

The Servicer is obligated to pay certain on-going expenses associated with the Contract Pool and incurred by the Servicer in connection with its responsibilities under the Agreement. See "Description of the Certificates--Servicing--Servicing Compensation and Payment of Expenses" in the Prospectus for information regarding other possible compensation to the Servicer and for information regarding expenses payable by the Servicer.

#### [Advances

The Servicer is obligated to make advances of cash for distribution to the Certificateholders equal to the difference between the amount due to them and the amount in the Certificate Account to be distributed to them pursuant to the Agreement, but only to the extent such difference is attributable to delinquent payments of principal and interest during the prior Due Period which the Servicer determines will be recoverable from future payments and collections on the Contracts ("Monthly Advances"). Monthly Advances are intended to maintain a regular flow of scheduled interest and principal payments to the Certificateholders, not to guarantee or insure against losses. Accordingly, any funds so advanced are recoverable by the Servicer out of amounts received on the related Contracts which represent late collections respecting which any such Monthly Advance is made.]

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[FHA Insurance and VA Guarantee

\_\_\_\_\_% and \_\_\_\_%, respectively (by aggregate principal balance as of Cut-off Date) are subject to FHA insurance and VA guarantees. See "Description of FHA Insurance and VA Guarantees" in the Prospectus.]

#### Indemnification

The Agreement requires CITSF to defend and indemnify the Company, the Trust, the Trustee and the Certificateholders for any taxes which may at any time be asserted with respect to, and as of the date of, the conveyance of the Contracts to the Trust (but not including any federal, state or other tax arising out of the creation of the Trust and the issuance of the Certificates or distributions with respect thereto). (Article X.)

The Agreement also requires the Servicer, in connection with its duties as servicer of the Contracts, to defend, hold harmless and indemnify the Company, the Trust, the Trustee and the Certificateholders (which indemnification will survive any removal of the Servicer as servicer of the Contracts) against any and all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel and expenses of litigation, in respect of any negligent or wrongful action taken by the Servicer with respect to any Contract while it was the Servicer. (Section 10.04.)

#### Reports to Class A Certificateholders

The Servicer will furnish to the Trustee, and the Trustee will include with each distribution to a Class A Certificateholder, a statement in respect of the related Remittance Date setting forth, among other things:

(a) the amount of such distribution to holders of the Class A Certificates allocable to interest separately identifying any Unpaid Class A Interest Shortfall included therein;

(b) the amount of such distribution to holders of the Class A Certificates allocable to principal, separately identifying the aggregate amount of any principal prepayments included therein;

(c) the amount, if any, by which the Class A Formula Distribution Amount exceeds the Class A Distribution Amount for such Remittance Date;

(d) the Class A Principal Balance after giving effect to the distribution of principal on such Remittance Date;

(e) the Pool Scheduled Principal Balance of the Contracts for the following Remittance Date;

(f) the Class A Percentage for the following Remittance Date;

(g) the Pool Factor (a percentage derived from a fraction the numerator of which is the amount specified in (e) and the denominator of which is the Cut-Off Date Pool Principal Balance);

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(h) the number and aggregate principal balance of Contracts delinquent (i) 30-59 days and (ii) 60 or more days;

(i) the number of Manufactured Homes that were repossessed during the Due Period ending immediately prior to such Remittance Date;

(j) the number of Manufactured Homes that were repossessed but remain in inventory as of the last day of the Due Period ending immediately prior to such Remittance Date;

(k) the weighted average Contract Rate of all outstanding Contracts; and

(l) during the Pre-Funding Period, the amount of funds on deposit in the Pre-Funding Account.

Information furnished pursuant to clauses (a) through (d) will be expressed as dollar amounts for a Class A Certificate with a 1% Percentage Interest or per \$1,000 denomination of Class A Certificate. (Section 6.05.)

#### [Reports to Class B Certificateholders

The Servicer will furnish to the Trustee, and the Trustee will include with each distribution to a Class B Certificateholder, a statement in respect of the related Remittance Date setting forth, among other things:

(a) the amount of such distribution to Holders of Class B Certificates

allocable to interest separately identifying any Unpaid Class B Interest Shortfall included therein;

(b) the amount of such distribution to Holders of Class B Certificates principal, identifying separately the aggregate amount of any principal prepayments included therein;

(c) the amount, if any, by which the Class B Formula Distribution Amount exceeds the Remaining Amount Available for such Remittance Date;

(d) the Class B Principal Liquidation Loss Amount, if any, for such Remittance Date;

(e) the [Guarantee Payment] [Class B Enhancement Payment], if any, for such Remittance Date;

(f) the Class B Principal Balance after giving effect to the distribution of principal on such Remittance Date;

(g) the Pool Scheduled Principal Balance of the Contracts for the following Remittance Date;

(h) the Pool Factor (a percentage derived from a fraction the numerator of which is the amount specified in (g) and the denominator of which is the Cut-off Date Pool Principal Balance);

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(i) the number and aggregate principal balance of Contracts delinquent (i) 30-59 days and (ii) 60 or more days;

(j) the number of Manufactured Homes that were repossessed during the Due Period ending immediately prior to such Remittance Date;

(k) the number of Manufactured Homes that were repossessed but remain in inventory as of the last day of the Due Period ending immediately prior to such Remittance Date;

(l) the weighted average Contract Rate of all outstanding Contracts; and

(m) during the Pre-Funding Period, the amount of funds on deposit in the Pre-Funding Account.

Information furnished pursuant to clauses (a) through (d) will be expressed as dollar amounts for a Class B Certificate with a 1% Percentage Interest or per \$1,000 denomination of Class B Certificate.]

#### Repurchase Option

The Agreement provides that on any Remittance Date on which the Pool Scheduled Principal Balance is less than \_\_% of the Cut-off Date Pool Principal Balance, [the Company or] the Servicer will have the option to repurchase for cash, upon [the Company or] the Servicer giving notice mailed to the Certificateholders no earlier than the 15th day and no later than the 25th day of the month next preceding the month of such final distribution, all outstanding Contracts at a price equal to the greater of (i) the sum of (A) 100% of the Scheduled Principal Balance of each Contract (other than any Contract as to which the related Manufactured Home has been repossessed and whose fair market value is included pursuant to clause (B) below as of the final Remittance Date), and (B) the fair market value of such acquired property (as determined by the Servicer on the third business day next preceding the date upon which notice of such termination is furnished to Certificateholders pursuant to the Agreement), (ii) the aggregate fair market value (as determined by the Servicer as of the close of business on such third business day) of all of the assets of the Trust, and (iii) the remaining Pool Scheduled Principal Balance as of the close of business on such third business day, plus, in each case, any unpaid interest on the Class A Certificates and any unpaid interest on the Class B Certificates, as well as one month's interest at the applicable Contract Rate on the Scheduled Principal Balance of each Contract (including any Contract as to which the related Manufactured Home has been repossessed). (Section 8.03.)

#### Termination of the Agreement

The Agreement will terminate upon the last action required to be taken by the Trustee on the final Remittance Date following the earlier of (i) the purchase by the [Company or the] Servicer of all Contracts and all property acquired in respect of any Contract remaining in the Trust as described under "Repurchase Option" above or (ii) the final payment or other liquidation of the

last Contract remaining in the Trust or the disposition of all property acquired upon repossession of any Manufactured Home.

Upon presentation and surrender of the Certificates, the Trustee shall cause to be distributed, in the following order of priority, to Certificateholders on the final Remittance Date in proportion to their respective Percentage Interests an amount equal to (i) as to the Class A Certificates, the Class A Principal Balance, together with any unpaid interest at the Class A Remittance Rate and one month's interest at the Class A

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Remittance Rate on the Class A Principal Balance, (ii) as to the Class B Certificates, the Class B Principal Balance together with any unpaid interest thereon at the Class B Remittance Rate and one month's interest at the Class B Remittance Rate on the Class B Principal Balance, and (iii) as to the Class R Certificates, the amount which remains on deposit in the Certificate Account (other than amounts retained to meet claims) after application pursuant to clauses (i)-(iii) above. (Section 12.03.)

#### Amendment

The Agreement may be amended by agreement of the Trustee, the Company and the Servicer at any time, without the consent of the Certificateholders, to correct manifest error, to cure any ambiguity, to correct or supplement any provision which may be inconsistent with any other provision, [to make such changes as are necessary to maintain the status of the Trust as a REMIC,] to add or amend any provision as required by \_\_\_\_\_ or any other nationally recognized statistical rating organization to improve or maintain the rating of the Class A Certificates [or the Class B Certificates] or to add other provisions not inconsistent with the Agreement upon receipt of an Opinion of Counsel to the Servicer that such amendment will not adversely affect in any material respect the interests of any Certificateholder. (Section 12.07.) Neither the Company nor the Servicer is obligated to take any action to maintain or improve the rating given the Class A Certificates [or the Class B Certificates].

The Agreement may also be amended from time to time by the Trustee, the Company and the Servicer, with the consent of the holders of Certificates of each Class affected thereby evidencing, as to each such Class, Percentage Interests aggregating at least 51%, provided that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, collections of payments on Contracts or distributions which are required to be made on any Certificate without the consent of the holder of each Certificate affected thereby, (ii) reduce the aforesaid percentages of Certificateholders required for any amendment of the Agreement, without the unanimous consent of the Certificateholders or, (c) result in the disqualification of the Trust as a REMIC under the Code or adversely affect the status of the Trust as a REMIC or the status of the Certificates as "regular interests" therein, or cause any tax to be imposed on the Trust or (d) adversely affect in any material respect the interest of the Class R Certificateholders without the unanimous written consent of the Class R Certificateholders. (Section 12.07.)

[The Agreement may also be amended from time to time, without the consent of any Certificateholders, by the Company, the Trustee and the Servicer to modify, eliminate or add to the provisions of the Agreement to (i) maintain the qualification of the Trust as a REMIC under the Code and under relevant state and local law or avoid, or reduce the risk of, the imposition of any tax on the Trust under the Code that would be a claim against the Trust assets, provided that (A) an Opinion of Counsel is delivered to the Trustee to the effect that such action is necessary to maintain such qualification or avoid any such tax or reduce the risk of its imposition and (B) such amendment shall not materially adversely affect the interests of any Certificateholder or (ii) prevent the Trust from entering into any "prohibited transaction" as defined in Section 860F of the Code.]

The Trustee is required under the Agreement to furnish Certificateholders affected thereby with notice promptly upon execution of any amendment to the Agreement pursuant to the second preceding paragraph. (Section 12.07.)

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#### The Trustee

\_\_\_\_\_ (the "Trustee") has its corporate trust offices at \_\_\_\_\_. The Trustee [and certain of its affiliates] maintain commercial banking relationships with [CIT, CITSF and the Company].

The Agreement requires the Trustee to maintain, at its own expense, an office or agency in \_\_\_\_\_, \_\_\_\_\_ where Certificates may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Trustee and the certificate registrar and transfer agent in respect of the Certificates pursuant to the Agreement may be served. On the date hereof, the Trustee's offices for such purposes are located at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_. The Trustee will promptly give written notice to the Certificateholders of any change thereof. (Section 12.02.)

#### Registration of Class A Certificates [and Class B Certificates]

The Class A Certificates [and the Class B Certificates] will be registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"). DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC accepts securities for deposit from its participating organizations ("Participants") and facilitates the clearance and settlement of securities transactions between Participants in such securities through electronic book-entry changes in accounts of Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks and trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("indirect participants").

Certificate Owners who are not Participants but desire to purchase, sell or otherwise transfer ownership of Class A Certificates [or Class B Certificates] may do so only through Participants (unless and until Definitive Class A Certificates [or Definitive Class B Certificates], as defined below, are issued). In addition, Certificate Owners will receive all distributions of principal of, and interest on, the Class A Certificates [or the Class B Certificates] from the Trustee through DTC and Participants. Certificate Owners will not receive or be entitled to receive certificates representing their respective interests in the Class A Certificates [or the Class B Certificates, as the case may be], except under the limited circumstances described below.

Unless and until Definitive Class A Certificates [or Definitive Class B Certificates] are issued, it is anticipated that the only "Certificateholder" of the Class A Certificates [or the Class B Certificates, respectively,] will be Cede & Co., as nominee of DTC. Certificate Owners will not be Certificateholders as that term is used in the Agreement and will not receive reports or payments directly from the Trustee or the Servicer. Certificate Owners are only permitted to exercise the rights of Certificateholders indirectly through Participants and DTC.

While the Class A Certificates [or the Class B Certificates] are outstanding (except under the circumstances described below), under the rules, regulations and procedures creating and affecting DTC and its operations (the "DTC Rules"), DTC is required to make book-entry transfers among Participants on whose behalf it acts with respect to the Class A Certificates [or the Class B

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Certificates, respectively], and is required to receive and transmit distributions of principal of, and interest on, the Class A Certificates [and the Class B Certificates]. Participants with whom Certificate Owners have accounts with respect to Class A Certificates [or Class B Certificates] are similarly required to make book-entry transfers and receive and transmit such distributions on behalf of their respective Certificate Owners. Accordingly, although Certificate Owners will not possess certificates, the DTC Rules provide a mechanism by which Certificate Owners will receive distributions and will be able to transfer their interests.

Class A Certificates [and Class B Certificates] will be issued in registered form to Certificate Owners, or their nominees, rather than to DTC (such Certificates being referred to herein as "Definitive Class A Certificates" [and "Definitive Class B Certificates"]), respectively, if (i) DTC or the Company advises the Trustee in writing that DTC is no longer willing or able to discharge its responsibilities as depository with respect to the Class A Certificates [or the Class B Certificates, respectively,] and the Company or the Trustee is unable to locate a qualified successor or (ii) the Company at its sole option advises the Trustee in writing that it elects to terminate the book-entry system through DTC. Upon issuance of Definitive Class A Certificates [or Definitive Class B Certificates] to Certificate Owners, such Certificates will be transferable directly (and not exclusively on a book-entry basis) and registered holders will deal directly with the Trustee with respect to transfers, notices and distributions.

DTC has advised the Company and the Trustee that DTC will take any action permitted to be taken by a Certificateholder under the Agreement only at the direction of one or more Participants to whose DTC accounts the Class A Certificates [or Class B Certificates, respectively,] are credited. DTC has advised the Company that DTC will take such action with respect to any Percentage Interests of the Class A Certificates [or Class B Certificates] only at the direction of and on behalf of such Participants with respect to such Percentage Interests of the Class A Certificates [or Class B Certificates, respectively]. DTC may take actions, at the direction of the related Participants, with respect to some Class A Certificates [or some Class B Certificates] which conflict with actions taken with respect to other Class A Certificates [or other Class B Certificates, respectively].

Issuance of the Class A Certificates [and the Class B Certificates] in book-entry form rather than as physical certificates may adversely affect the liquidity of the Class A Certificates [or the Class B Certificates] in the secondary market and the ability to Certificate Owners to pledge them. In addition, since distributions on the Class A Certificates [and the Class B Certificates] will be made by the Trustee to DTC and DTC will credit such distributions to the accounts of its Participants, which will further credit them to the accounts of indirect participants of Certificate Owners, Certificate Owners may experience delays in the receipt of such distributions.

#### USE OF PROCEEDS

Substantially all of the net proceeds to be received from the sale of the Class A Certificates [and the Class B Certificates] will be used by the Company to purchase the Contracts from CIITSF and to pay expenses connected with pooling the Contracts and issuing the Certificates.

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#### ERISA CONSIDERATIONS

The following information supplements, and to the extent inconsistent therewith supersedes, the information in the Prospectus under "ERISA Considerations".

[Class A Certificates]

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain restrictions on employee benefit plans that are subject to ERISA ("Plans") and on persons who are fiduciaries with respect to such Plans. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA) are not subject to ERISA requirements. Accordingly, assets of such plans may be invested in the Class A Certificates without regard to the ERISA restrictions, subject to applicable provisions of other federal and state laws. However, any such governmental or church plan which is qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code is subject to the prohibited transaction rules set forth in Section 503 of the Code.

The U.S. Department of Labor ("DOL") has granted to \_\_\_\_\_ an administrative exemption (the "Exemption") from certain of the prohibited transaction rules of ERISA and the Code with respect to the initial purchase, the holding, and the subsequent resale by Plans of certificates representing interests in asset-backed pass-through trusts that consist of certain receivables, loans and other obligations that meet the conditions and requirements of the Exemption. The receivables covered by the Exemption include manufactured housing installment sales contracts and installment loan agreements such as the Contracts. The Exemption will apply to the acquisition, holding, and resale of the Class A Certificates by a Plan, provided that specified conditions (certain of which are described below) are met.

Among the conditions which must be satisfied for the Exemption to apply to the Class A Certificates are the following:

(1) The acquisition of the Class A Certificates by a Plan is on terms (including the price for the Class A Certificates) that are at least as favorable to the Plan as they would be in an arm's-length transaction with an unrelated party;

(2) The rights and interests evidenced by the Class A Certificates acquired by the Plan are not subordinated to the rights and interests evidenced by other certificates of the Trust;

(3) The Class A Certificates acquired by the Plan have received a rating at the time of such acquisition that is in one of the three highest



generic rating categories from either Standard & Poor's Corporation, Moody's Investors Service Inc., Duff & Phelps Inc. or Fitch Investors Service, Inc.;

(4) The Trustee is not an affiliate of any member of the Restricted Group (as defined below);

(5) The sum of all payments made to the Underwriters in connection with the distribution of the Class A Certificates represents not more than reasonable compensation for underwriting the Class A Certificates. The sum of all payments made to and retained by the Company pursuant to the sale of the Contracts to the Trust represents not more than the fair market value

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of such Contracts. The sum of all payments made to and retained by the Servicer represents not more than reasonable compensation for the Servicer's services under the Agreement and reimbursement of the Servicer's reasonable expenses in connection therewith; and

(6) The Plan investing in the Class A Certificates is an "accredited investor" as defined in Rule 501(a)(1) of Regulation D of the Securities and Exchange Commission under the Securities Act of 1933.

Moreover, the Exemption would provide relief from certain self-dealing/conflict of interest prohibited transactions only if, among other requirements, (i) in the case of the acquisition of Class A Certificates in connection with the initial issuance, at least fifty (50) percent of the Class A Certificates are acquired by persons independent of the Restricted Group (as defined below), (ii) the Plan's investment in Class A Certificates does not exceed twenty-five (25) percent of all of the Class A Certificates outstanding at the time of the acquisition and (iii) immediately after the acquisition, no more than twenty-five (25) percent of the assets of the Plan are invested in certificates representing an interest in one or more trusts containing assets sold or serviced by the same entity. The Exemption does not apply to Plans sponsored by the Company, the Underwriters, the Trustee, the Servicer, any obligor with respect to Contracts included in the Trust constituting more than five percent of the aggregate unamortized principal balance of the assets in the Trust, or any affiliate of such parties (the "Restricted Group").

The Company believes that the Exemption will apply to the acquisition and holding of Class A Certificates sold by the Underwriter and by Plans and that all conditions of the Exemption other than those within the control of the investors have been met. In addition, as of the date hereof, no obligor with respect to Contracts included in the Trust constitutes more than five percent of the aggregate unamortized principal balance of the assets of the Trust.

Any Plan fiduciary who proposes to cause a Plan to purchase Class A Certificates should consult with its own counsel with respect to the potential consequences under ERISA and the Code of the Plan's acquisition and ownership of the Class A Certificates. Assets of a Plan or individual retirement account should not be invested in the Class A Certificates unless it clear that the assets of the Trust will not be plan assets or unless it is clear that the Exemption or a prohibited transaction class exemption will apply and exempt all potential prohibited transactions. See "ERISA Considerations" in the Prospectus.

[Class B Certificates

No transfer of Class B Certificates will be permitted to be made to a Plan unless such Plan, at its expense, delivers to the Trustee and the Company an opinion of counsel (in form satisfactory to the Trustee and the Company) to the effect that the purchase or holding of a Class B Certificate by such Plan will not result in the assets of the Trust being deemed to be "plan assets" and subject to the prohibited transaction provisions of ERISA and the Code and will not subject the Trustee, the Company or the Servicer to any obligation or liability in addition to those undertaken in the Agreement. Unless such opinion is delivered, each person acquiring a Class B Certificate will be deemed to represent to the Trustee, the Company and the Servicer that such person is neither a Plan, nor acting on behalf of a Plan, subject to ERISA or to Section 4975 of the Code.]

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#### LEGAL INVESTMENT CONSIDERATIONS

[The Class A Certificates offered hereby will constitute "mortgage related

securities" under the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA") and, as such, will be "legal investments" for certain types of institutional investors to the extent provided in that Act. See "Legal Investment Considerations" in the Prospectus.]

[The Class B Certificates will not constitute "mortgage related securities" under SMMEA. The appropriate characterization of the Class B Certificates under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase Class B Certificates, may be subject to significant interpretive uncertainties. All investors whose investment authority is subject to legal restrictions should consult their own legal advisors to determine whether, and to what extent, the Class B Certificates will constitute legal investments for them.]

[The Company makes no representation as to the proper characterization of the Class B Certificates for legal investment or financial institution regulatory purposes, or as to the ability of particular investors to purchase Class B Certificates under applicable legal investment restrictions. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Class B Certificates) may adversely affect the liquidity of the Class B Certificates.]

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement dated \_\_\_\_\_, 19\_\_ (the "Underwriting Agreement"), among CITSF, the Company and \_\_\_\_\_ and \_\_\_\_\_ (the "Underwriters"), the Company has agreed to sell and the Underwriters have agreed to purchase the respective principal amounts of Class A Certificates [and the Class B Certificates] offered hereby upon issuance, as set forth opposite their names below:

Underwriter -----	Principal Amount of	
	Class A Certificates -----	[Class B Certificates] -----
	\$	\$
	\$	\$

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all such Class A Certificates [and all such Class B Certificates] if any are purchased.

[Distribution of the Class A Certificates [and the Class B Certificates] will be made from time to time in negotiated transactions or otherwise at varying prices to be determined at the time of sale. Proceeds to the Company from the sale of the Class A Certificates [and the Class B Certificates] will be \_\_\_% of the Original Class A Principal Balance [and \_\_\_% of the Original Class B Principal Balance, in each case] plus accrued interest thereon from the Cut-off Date, but before deducting expenses payable by the Company.] The Underwriters propose to offer the Class A Certificates [and the Class B Certificates] in part directly to purchasers at the initial public offering price set forth on the cover page of this Prospectus Supplement and in part to securities dealers at such prices less concessions not to exceed \_\_\_% of the Class A Principal Balance [and \_\_\_% of the Class B Principal Balance]. The

Underwriters may allow, and such dealers may reallow, concessions not to exceed \_\_\_% of the Class A Principal Balance [and \_\_\_% of the Class B Principal Balance] to certain brokers and dealers. After the Class A Certificates [and the Class B Certificates] are released for sale to the public, the offering price and other selling terms may be waived by the Underwriters. In connection with the purchase and sale of the Class A Certificates [and the Class B Certificates] offered hereby, the Underwriters may be deemed to have received compensation from the Company in the form of underwriting discounts.

CITSF has agreed to indemnify the Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the Underwriters may be required to make in respect thereof.

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No dealer, salesperson or other individual has been authorized to give any information or make any representations not contained in this Prospectus Supplement or the Prospectus in connection with the offering covered by this Prospectus. If given or made, such information or representation may not be relied upon as having been authorized by the Company, CITSF or the Underwriter. This Prospectus Supplement and the Prospectus do not constitute an offer to sell, or a solicitation of an offer to buy the Class A Certificates [or Class B Certificates] in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus Supplement or the Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this Prospectus Supplement or the Prospectus or in the affairs of the Company since the date hereof.

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The CIT Group Securitization  
Corporation II, Seller  
(The CIT Group/Sales Financing, Inc., Servicer)

\$ \_\_\_\_\_ (Approximate)  
Manufactured Housing Contract  
[Senior/Subordinate] Pass-Through  
Certificates, Series 199\_

\$ \_\_\_\_\_ (Approximate) \_\_\_\_% Class A  
[\$ \_\_\_\_\_ (Approximate) \_\_\_\_% Class B]

-----  
PROSPECTUS SUPPLEMENT  
\_\_\_\_\_, 199\_  
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[Underwriters]

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED DECEMBER 27, 1994

PRELIMINARY PROSPECTUS DATED \_\_\_\_\_, 1994

THE CIT GROUP SECURITIZATION CORPORATION II, SELLER  
MANUFACTURED HOUSING CONTRACT  
PASS-THROUGH CERTIFICATES  
(Issuable In Series)  
(The CIT Group/Sales Financing, Inc., Servicer)

Manufactured Housing Contract Pass-Through Certificates of one or more series (each, a "Series") may be sold from time to time under this Prospectus and a Prospectus Supplement for each such Series. The Certificates of each Series may be issued in one or more Classes or subclasses, as further described herein. If the Certificates of a Series are issued in more than one Class, all or less than all of such Classes may be sold under this Prospectus, and there may be separate Prospectus Supplements for one or more of such Classes so sold. Any reference herein to the Prospectus Supplement relating to a Series comprised of more than one Class should be understood to refer to each of the Prospectus Supplements relating to the Classes sold hereunder.

The Certificates evidence specified interests in separate pools of manufactured housing installment sales contracts and installment loan agreements (the "Contracts"), as more particularly described herein, and in certain other property conveyed by The CIT Group Securitization Corporation II (the "Company"). The Contracts included in any pool of contracts will be described in the related Prospectus Supplement. Except as otherwise specified in the related Prospectus Supplement, the Contracts will have been originated in the ordinary course of business by The CIT Group/Sales Financing, Inc. ("CITSF") or its affiliates or by a manufactured housing dealer and purchased by CITSF or its affiliates in the ordinary course of business. See "The CIT Group/Sales Financing, Inc., Servicer--Contract Origination". CITSF will act as Servicer (in such capacity referred to herein as the "Servicer") of the Contracts. Specific information, to the extent available, regarding the size and composition of the pool of Contracts relating to each Series of Certificates will be set forth in the related Prospectus Supplement. The related Prospectus Supplement may provide that monies will be on deposit in a separate trust account (the "Pre-Funding Account") to be maintained with the Trustee, which will be used to purchase additional manufactured housing installment sales contracts and installment loan agreements from the Company from time to time during the funding period specified in such Prospectus Supplement in the manner set forth therein. In addition, if specified in the related Prospectus Supplement, a pool insurance policy, letter of credit, surety bond, a guarantee by The CIT Group Holdings, Inc. ("CIT"), its affiliates or an unaffiliated third party (which may be limited in nature), cash reserve fund, or other form of credit enhancement, or any combination thereof, may be provided with respect to a Series of Certificates (which may include one or more Classes of Senior Certificates), or one or more Classes of such Series, evidencing interests in the Contracts.

Each Series of Certificates will consist of one or more Classes of Certificates, which may include one or more senior Classes of Certificates and one or more subordinate Classes of Certificates. Certificates of a Series may be divided into two or more Classes or sub-classes representing interests in specified percentages (which may be 0%) of principal or interest, or both, in distributions on the pool of Contracts relating to such Series, as specified in the related Prospectus Supplement. Each Prospectus Supplement will describe the Series and Class or Classes of Certificates offered thereby.

The Prospectus Supplement will set forth the Remittance Rate that will be paid to Certificateholders of each Class or sub-class of such Series. Such Remittance Rate may be fixed, variable or adjustable, as specified in the related Prospectus Supplement.

Except as otherwise specified in the related Prospectus Supplement, the only obligations of CITSF with respect to a Series of Certificates will be pursuant to certain limited representations and warranties. Except for certain representations and warranties relating to the Contracts and certain other exceptions, the Servicer's obligations with respect to the Certificates evidencing interests in a pool of Contracts are limited to its contractual servicing obligations. If so specified in the related Prospectus Supplement, the Servicer may be obligated, under certain terms and conditions, to advance the amount of any delinquent payments of principal and interest during the immediately preceding Due Period (as defined herein), but only to the extent the Servicer determines such advances are recoverable from future payments and collections on the Contracts or otherwise. See "Description of the Certificates--Advances" and "--Distributions on Certificates".

There will have been no public market for any Certificates sold hereunder prior to the offering thereof and there is no assurance that any such market will develop. The Underwriters named in the Prospectus Supplement relating to a Series may from time to time buy and sell Certificates of such Series, but there can be no assurance that an active secondary market therefor will develop, and there is no assurance that any such market, if established, will continue.

The Company may elect to cause the Trust relating to a Series of Certificates to be treated as a real estate mortgage investment conduit (a "REMIC") for federal income tax purposes. See "Certain Federal Income Tax Consequences" herein.

THE CERTIFICATES WILL NOT REPRESENT INTERESTS IN OR OBLIGATIONS OF CIT, THE COMPANY, CITSF, THE SERVICER OR ANY OF THEIR AFFILIATES, EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN OR IN THE RELATED PROSPECTUS SUPPLEMENT. THE CERTIFICATES WILL NOT BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY, OR (EXCEPT AS OTHERWISE SPECIFIED IN THE RELATED PROSPECTUS SUPPLEMENT) BY ANY OTHER PERSON OR ENTITY.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Prospectus may not be used to consummate sales of a Series of Certificates unless aTUS SUPPLEMENT) BY ANY OTHER PERSON OR ENTITY.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Prospectus may not be used to consummate ADDITIONAL INFORMATION

This Prospectus contains, and the Prospectus Supplement for each Series of Certificates will contain, a summary of certain material terms of certain of the documents referred to herein and therein, but neither contains nor will contain all of the information set forth in the Registration Statement of which this Prospectus is a part (the "Registration Statement"). For further information, reference is made to such Registration Statement and the exhibits thereto which the Company has filed with the Securities and Exchange Commission (the "Commission"), under the Securities Act of 1933, as amended. Statements contained in this Prospectus and any Prospectus Supplement describing a provision of any contract or other document are summaries, and if this Prospectus or such Prospectus Supplement indicates that such contract or other document has been filed as an exhibit to the Registration Statement, reference is made to the copy of the contract or other document filed as an exhibit. CIT is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, files reports and other information with the Commission. Such reports, copies of the Registration Statement and other information can be inspected and copied at the offices of the Commission, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549; Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission, at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549; at prescribed rates. Certain securities of CIT are listed on the New York Stock Exchange and reports and other information concerning CIT can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

The Company will be subject to the informational requirements of the Securities Exchange Act of 1934 and, in connection therewith, will file reports and other information with the Commission. Such reports and other information filed by the Company will be available for inspection as set forth above.

#### DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the Commission by CIT are incorporated by reference in this Prospectus:

(a) CIT's Annual Report on Form 10-K for the year ended December 31, 1993 together with the report of KPMG Peat Marwick LLP, independent certified public accountants. The report of KPMG Peat Marwick LLP covering the aforementioned financial statements refers to a change in the method of accounting for post-retirement benefits other than pensions in 1993;

(b) CIT's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1994, June 30, 1994 and September 30, 1994; and

(c) CIT's Current Reports on Form 8-K dated January 14, 1994, February 28, 1994, April 12, 1994, July 14, 1994 and October 13, 1994.

All documents filed by CIT pursuant to Sections 13(a) and (c), 14, or 15(d) of the Exchange Act after the date hereof and prior to the termination of the offering of the securities offered hereby shall be deemed to be incorporated by

reference herein and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

CIT will provide without charge to each person to whom this Prospectus is delivered, upon request, a copy of any or all of the foregoing documents described above which have been or may be incorporated by reference in this Prospectus other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Such request should be directed to:

Corporate Secretary  
The CIT Group Holdings, Inc.  
1211 Avenue of the Americas  
New York, New York 10036  
(212) 536-1950

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#### SUMMARY OF TERMS

This summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus and on the accompanying Prospectus Supplement. Reference is made to the Index of Defined Terms and the Glossary for the location herein of the definitions of certain capitalized terms used herein. Unless the context requires otherwise, capitalized terms used in this Prospectus and in any accompanying Prospectus Supplement refer only to the particular Series being offered by such Prospectus Supplement.

Title of Securities ..... Manufactured Housing Contract Pass-Through Certificates (Issuable in Series)(the "Certificates").

Seller ..... The CIT Group Securitization Corporation II (the "Company"), a wholly-owned, limited purpose subsidiary of The CIT Group Holdings, Inc. ("CIT"). Neither The CIT Group/Sales Financing, Inc. ("CITSF") nor any of its affiliates, including the Company and CIT, has guaranteed or is otherwise obligated with respect to the Certificates, except as otherwise specified in the related Prospectus Supplement. See "Special Considerations".

Servicer ..... The CIT Group/Sales Financing, Inc. (the "Servicer"), a wholly-owned subsidiary of CIT.

Special Considerations .... Certain special considerations are particularly relevant to a decision to invest in any Certificates sold hereunder. See "Special Considerations," herein.

Securities Offered ..... Certificates evidencing interests in pools of Contracts (as defined herein) may be issued from time to time in Series pursuant to separate Pooling and Servicing Agreements (each, an "Agreement") between the Company, as Seller, CITSF, as Servicer, and the Trustee specified in the related Prospectus Supplement for such Series of Certificates (the "Trustee").

The Contracts ..... The Contracts evidenced by a Series of Certificates (the "Contract Pool") will be fixed or variable rate Contracts. Such Contracts, as specified in the related Prospectus Supplement, will consist of manufactured housing installment sales contracts and installment loan agreements, some of which may be conventional contracts insured by the Federal Housing Administration ("FHA") or



partially guaranteed by the Veterans Administration ("VA"). Each Contract will be secured by a new or used Manufactured Home (as defined herein) and/or, in certain cases, by a mortgage, deed of trust or similar instrument on the real estate on which the manufactured home is located (a "Land-Secured Contract"). Under the laws of the jurisdiction in which such real estate is located the Manufactured Home may or may not be deemed permanently affixed to the real estate on which such Manufactured Home is situated and may or may not be considered or classified as part of the real estate regardless of whether the Manufactured Home is deemed affixed to the real estate on which it is situated.

The Prospectus Supplement for each Series will provide information with respect to (i) the aggregate principal balance of the Contracts comprising the Contract Pool, as of the date specified in the Prospectus Supplement (the "Cut-off Date"); (ii) the weighted average contractual rate of interest (the "Contract Rate") on the Contracts; (iii) the weighted average term to scheduled maturity as of origination; (iv) the weighted average term to scheduled maturity as of the Cut-off Date and the range of terms to maturity; (v) the percentage amount of Contracts secured by new or used Manufactured Homes; (vi) the average outstanding principal balance of the Contracts, as of the Cut-off Date; (vii) the range of loan-to-value ratios at the time of origination of the Contracts ("Loan-to-Value Ratios"); and (viii) the geographic location and types of Manufactured Homes securing the Contracts.

Except as otherwise specified in the related Prospectus Supplement, the Contracts will have been originated by CITSF (or a subsidiary of CIT) on an individual basis in the ordinary course of its business or by a manufactured housing dealer acting in the ordinary course of its business and purchased by CITSF (or a subsidiary of CIT) in the ordinary course of its business. See "The CIT Group/Sales Financing, Inc., Servicer--Contract Origination".

If so provided in the related Prospectus Supplement, the original principal amount of a Series of Certificates may exceed the principal balance of the Contracts initially being delivered to the Trustee. Cash in an amount equal to such difference will be deposited into a separate trust account (the "Pre-Funding Account") maintained with the Trustee. During the period set forth in the related Prospectus Supplement, amounts on deposit in the Pre-Funding Account may be used to purchase additional Contracts for the related Trust. In addition, if so provided in the related Prospectus Supplement, certain additional amounts in respect of interest will be deposited into the Pre-Funding Account or in a separate trust account. Any amounts remaining in the Pre-Funding Account at the end of such period will be distributed as a principal prepayment to the holders of the related Series of Certificates at the time and in the manner set forth in the related Prospectus Supplement, which will affect the average life of each such Class of Certificates.

Description of

Certificates..... Each Class of Certificates within a Series will evidence the interest specified in the related Prospectus Supplement in the Contract Pool and certain other property held in trust for the benefit of the Certificateholders (the "Trust").

Each Series of Certificates may consist of one or more Classes, one or more of which may be senior Certificates ("Senior Certificates") and one or more of which may be subordinated Certificates ("Subordinated Certificates"). A Class of Certificates of a Series may be divided into two or more sub-classes, as and on the terms specified in the related Prospectus Supplement. Within a Class, one or more of the sub-classes may be subordinated to other sub-classes or may be entitled to a specified priority in distributions specified in the related Prospectus Supplement. Each Class or sub-class of a Series may evidence the right to receive a specified portion (which may be 0%) of each distribution of principal or interest, or both, on the Contracts. Each Class or sub-class of a Series may be assigned a principal balance (the "Stated Balance") based on the cash flow from the assets in the Trust, and a fixed, variable or adjustable stated annual interest rate, and may be entitled

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to receive distributions in reduction of Stated Balance to the extent available therefor in the manner, priority and amounts specified in the related Prospectus Supplement. A Class or sub-class of Certificates may be Compound Interest Certificates on which interest will accrue, but not be paid for the period set forth in the related Prospectus Supplement. The Certificates will be issuable in fully registered form in the authorized denominations specified in the related Prospectus Supplement. See "Description of the Certificates". The Subordinated Certificates of a Series will be subordinated in certain respects to the Senior Certificates of the same Series. If a Series of Certificates contains more than one Class of Subordinated Certificates, distributions and losses will be allocated among such Classes in the manner specified in the related Prospectus Supplement. The Certificates will not be guaranteed or insured by any government agency or, unless otherwise specified in the related Prospectus Supplement, other insurer and, except as described below and in the related Prospectus Supplement, the Contracts will not be guaranteed or insured by any government agency or other insurer.

Subordinated

Certificates ..... One or more Classes or sub-classes of any Series may be Subordinated Certificates, as specified in the related Prospectus Supplement. The rights of the Subordinated Certificateholders to receive any or a specified portion of distributions with respect to the Contracts will be subordinated to the rights of Senior Certificateholders to the extent and in the manner specified in the related Prospectus Supplement. If a Series of Certificates contains more than one Class (or sub-class) of Subordinated Certificates, distributions and losses will be allocated among such classes in the manner specified in the related Prospectus Supplement. The rights of the Subordinated Certificateholders, to the extent not subordinated, may be on a parity with those of Senior Certificateholders. This subordination is intended to enhance the likelihood of regular

receipt by Senior Certificateholders of the full amount of scheduled monthly payments of principal and interest due them and to protect the Senior Certificateholders against losses.

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Credit Enhancement ..... As an alternative, or in addition, to the subordination of the Subordinated Certificates, credit enhancement with respect to a Series of Certificates (which may include one or more Classes of Senior Certificates) may be provided by a pool insurance policy, letter of credit, surety bond, a guarantee by CIT, its affiliates or an unaffiliated third party (which may be limited in nature), cash reserve fund, cash collateral account or other form of enhancement, or any combination thereof, acceptable to each nationally recognized statistical rating organization rating such Series of Certificates, in each case as described in the related Prospectus Supplement.

Interest ..... Except as otherwise set forth in the related Prospectus Supplement, interest on the Certificates will be paid on the dates specified in the related Prospectus Supplement (each, a "Remittance Date"), commencing on the date specified in the related Prospectus Supplement. The related Prospectus Supplement will set forth for each Class or sub-class of Certificates the interest rate, if any, for each such Class or sub-class or the method of determining such interest rate. See "Yield Considerations" and "Description of the Certificates". As specified in the related Prospectus Supplement, Classes of a Series of Certificates or sub-classes within a Class may be entitled to receive no interest or interest which is not proportionate to the principal allocable to such Certificates.

Principal  
(Including Prepayments) ... Except as otherwise set forth in the related Prospectus Supplement, principal on each Contract, including any principal prepayments, will be passed through on each Remittance Date. See "Maturity and Prepayment Considerations" and "Description of the Certificates". If so specified in the Prospectus Supplement with respect to a Class or sub-class of a Series having a Stated Balance, such distributions may be made in reduction of the Stated Balance, in an amount equal to the Certificate Remittance Amount or such other amounts as are specified in the related Prospectus Supplement. See "Maturity and Prepayment Considerations" and "Description of the Certificates-- Distributions on Certificates" and "--Payments on Contracts".

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Optional Termination ..... Unless otherwise specified in the related Prospectus Supplement, CITSF may at its option repurchase all Contracts relating to a Series of Certificates remaining outstanding at such time and under the circumstances specified in such Prospectus Supplement. Unless otherwise provided in the related Prospectus Supplement, the repurchase price will equal the principal amount of such Contracts plus accrued interest from the first day of the month of repurchase to the first day of the next succeeding month at the Contract Rates borne by such Contracts. See "Description of the Certificates--Termination of the

Agreement".

Global Certificate ..... Unless otherwise specified in the related Prospectus Supplement, the Certificates of a Series, or of one or more Classes within a Series, will be issuable in the form of one or more global certificates (each, a "Global Certificate") to be held by a depository (the "Depository") on behalf of the beneficial owners of the Certificates, as described herein under "Description of the Certificates-- Global Certificates." The description of the Certificates in this Prospectus assumes that the Certificates of a Series will not be issued in the form of Global Certificates. If some or all of the Certificates of a Series are issued in the form of one or more Global Certificates, the term "Global Certificateholder," as used herein, will refer to such beneficial owners of such Certificates and the rights of such Certificateholders will be limited as described herein under "Description of the Certificates--Global Certificates".

Representations  
and Warranties

of CITSF ..... As a condition to CITSF's conveyance of any Contract Pool to the Company and the Company's conveyance of such Contract Pool to the Trust, CITSF will be required to make certain representations and warranties in the related Agreement regarding the Contracts. Under the terms of the Agreement, if CITSF becomes aware of a breach of any such representation or warranty that materially and adversely affects the Trust's interest in any Contract or receives written notice of such a breach from the Trustee or the Servicer, then CITSF will be obligated either to cure such breach or to repurchase or substitute for the affected Contract, in each case under the

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conditions further described herein. See "Description of the Certificates--Conveyance of Contracts" herein.

Federal Income

Tax Considerations ..... If an election (a "REMIC Election") is made to treat the Trust represented by a Series of Certificates or a segregated portion thereof as a "real estate mortgage investment conduit" (a "REMIC") under the Internal Revenue Code of 1986, as amended (the "Code"), each class of Certificates which is offered hereby will constitute "regular interests" in such REMIC under the Code, with the tax consequences under the Code described herein and in such Prospectus Supplement. If so specified in the applicable Prospectus Supplement, a Class of Certificates offered hereby may represent interests in a "two-tier" REMIC, but all interests in the first and second tier REMIC will be created under the same Pooling and Servicing Agreement. See "Certain Federal Income Tax Consequences--REMIC Series".

If a REMIC Election is not made with respect to a Series of Certificates, the Trust represented by such Certificates will be treated as a grantor trust for federal income tax purposes and will not be classified as an association taxable as a corporation. In such event, each Certificateholder will be treated as the owner of an undivided pro rata interest in income and corpus attributable to the related Contract Pool and any other assets held by the Trust and will be considered the equitable owner of an undivided interest in the Contracts included in such Contract Pool. See "Certain Federal Income Tax Consequences--Non-REMIC Series".

ERISA Considerations ..... A fiduciary of any employee benefit plan subject to

the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the Code, should review carefully with its legal advisors whether the purchase or holding of Certificates could give rise to a transaction prohibited or otherwise impermissible under ERISA or the Code. See "ERISA Considerations" herein.

Legal Investment ..... Unless otherwise indicated in the applicable Prospectus Supplement, any Certificates offered hereby and by the related Prospectus Supplement

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that are rated by at least one nationally recognized statistical rating organization in one of its two highest rating categories will constitute "mortgage related securities" under the Secondary Mortgage Market Enhancement Act of 1984, as amended, and as such (unless otherwise indicated in the applicable Prospectus Supplement) will be "legal investments" for certain types of institutional investors to the extent provided in that Act. Some Classes of Certificates offered hereby may not be rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization and thus would not constitute "mortgage related securities". See "Legal Investment Considerations" herein.

Ratings ..... It is a condition precedent to the issuance of any Class of Certificates sold under this Prospectus that they be rated in one of the four highest rating categories (within which there may be sub-categories or gradations indicating relative standing) of at least one nationally recognized statistical rating organization. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. See "Ratings" herein.

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#### SPECIAL CONSIDERATIONS

Prospective investors in Certificates should consider, among other things, the following risk factors in connection with the purchase of the Certificates:

1. General. An investment in Certificates may be affected by, among other things, a downturn in regional or local economic conditions. These regional or local economic conditions are often volatile, and historically have affected the delinquency, loan loss and repossession experience of the Contracts. In the event of defaults by the obligors under the Contracts, the Trust will have to look primarily to the value of the Manufactured Homes securing such Contracts for recovery of the outstanding principal and unpaid interest of the defaulted Contracts. Regardless of its location, manufactured housing generally depreciates in value. Consequently, it is possible that the market value of a Manufactured Home could be or become lower than the outstanding principal balances of the Contracts that it secures. To the extent that losses on the Contracts are not covered by the subordination of other Classes of Certificates, if any, or by any other form of credit enhancement, Holders of the Certificates of a Series evidencing interests in such Contracts will bear all risk of loss resulting from default by obligors and will have to look primarily to the value of the Manufactured Homes for recovery of the outstanding principal and unpaid interest on the defaulted Contracts. See "The Trust--The Contract Pools".

2. Limited Obligations. The Certificates will not represent an interest in or obligation of the Company or any Servicer (including CITSF), except to the limited extent described herein. The Certificates will not be insured or guaranteed by any governmental agency or instrumentality, any Underwriter or its affiliates, CIT or any of its affiliates (except as otherwise specified in the related Prospectus Supplement), including the Company and CITSF, or any Servicer or any of its affiliates and will be payable only from amounts collected on the Contracts (except as otherwise specified in the related Prospectus Supplement).

3. Limited Liquidity. There can be no assurance that a secondary market will develop for the Certificates of any Series, or, if it does develop, that it will provide the Holders of any of the Certificates with liquidity of investment or that it will continue for the term of any Series of Certificates. Unless otherwise specified in the related Prospectus Supplement, Certificateholders have no right to request the repurchase of the Certificates.

4. Prepayment Considerations. The prepayment experience on the related Contracts will affect the average life of each Class of Certificates. Prepayments on the Contracts (which include both voluntary prepayments and liquidations following default) may be influenced by a variety of economic, geographic, social and other factors, including repossessions, aging, seasonality, market interest rates, changes in housing needs, job transfers, casualty losses and unemployment. In the event a Contract is prepaid in full, interest on such Contract will accrue only to the date of prepayment. If the Certificates of any Series are purchased at a discount and the purchaser calculates its anticipated yield to maturity based on an assumed rate of payment of principal on such Certificates that is faster than the rate actually realized, such purchaser's actual yield to maturity will be lower than the yield so calculated by such purchaser. See "Maturity and Prepayment Considerations".

5. Security Interests and Certain Other Aspects of the Contracts. Each Contract will be secured by a security interest in a Manufactured Home (and/or, in the case of a Land-Secured Contract, by a mortgage, deed of trust or similar instrument on the real estate on which the Manufactured Home is located). Perfection of security interests in the Manufactured Homes and enforcement of rights to realize upon the value of the Manufactured Homes as collateral for

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the Contracts are subject to a number of federal and state laws, including the Uniform Commercial Code (the "UCC") as adopted in each state and, in most states, certificate of title statutes, but generally not state real estate laws. The steps necessary to perfect the security interest in a Manufactured Home will vary from state to state. In most cases, the certificates of title relating to the Manufactured Homes name the originator of the contract (or its affiliates or predecessors) as the secured party. Because of the expense and administrative inconvenience involved, CITSF will not amend the certificates of title to name CITSF as the lienholder where CITSF is not the originator of the Contract and CITSF will not amend any certificate of title to name the Company or the Trustee as the lienholder and the Company will not deliver any certificate of title to the Trustee or note thereon the Trustee's interest. Consequently, in some states, in the absence of such an amendment to the certificate of title of the successive assignments (directly or by mesne assignment) to CITSF, the Company and the Trustee of the security interest in the Manufactured Home may not be effective, or such security interest may not be perfected, and, in the absence of such notation or delivery to the Trustee, the assignment of the security interest in the Manufactured Home to the Trustee may not be effective against other creditors or a trustee in bankruptcy. Because of the expense and administrative inconvenience involved, CITSF will not record the successive assignments (directly or by mesne assignment) to CITSF, the Company and the Trustee of the mortgage, deed of trust or similar instrument securing each Land-Secured Contract. Consequently, in some states, in the absence of such recordation the assignment to the Trustee of the mortgage, deed of trust or similar instrument securing a Land-Secured Contract may not be effective and, in the absence of such recordation, the assignment of the mortgage, deed of trust or similar instrument to the Trustee may not be effective against other creditors or a trustee in bankruptcy.

In addition, numerous federal and state consumer protection laws impose requirements on lenders under installment sales contracts and installment loan agreements, such as the Contracts. The failure by the lender or seller of goods to comply with such requirements could give rise to liabilities of assignees for amounts due under such agreements and the right to set-off against claims by such assignees. These laws would apply to the Trust as assignee of the Contracts. Neither the Trust nor the Company has obtained any license required under any federal or state consumer or mortgage banking laws or regulations, and the absence of such licenses may impede the enforcement of certain rights or give rise to certain defenses in actions seeking enforcement rights. From time to time, CITSF has been involved in administrative proceedings before governmental and regulatory bodies and in litigation under consumer or debtor protection laws, some of which have been class actions.

Pursuant to the Agreement, CITSF will represent and warrant that each Contract complies with all requirements of law and will provide certain warranties relating to the validity, perfection and priority of the security interest in each Manufactured Home securing a Contract. A breach by CITSF of any such warranty that materially adversely affects any Contract would require CITSF to repurchase, or at its option substitute another manufactured housing contract which is an Eligible Substitute Contract (as herein defined) for, such Contract unless such breach is cured within 85 days after it receives written notice of such breach or within 90 days after it becomes aware of such breach. If CITSF

does not honor its repurchase obligation in respect of a Contract and such Contract were to become defaulted, recovery of amounts due on such Contract would be dependent on repossession and resale of the Manufactured Home securing such Contract. Certain other factors may limit the ability of the Certificateholders to realize upon the Manufactured Homes or may limit the amount realized to less than the amount due. See "Certain Legal Aspects of the Contracts".

6. Certain Matters Relating to Insolvency. CITSF and the Company intend that each transfer of Contracts from CITSF to the Company and from the Company to the related Trust constitutes a sale, rather than a pledge of the Contracts

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to secure indebtedness. However, if CITSF or the Company were to become a debtor under Title 11 of the United States Code, 11 U.S.C. ss.101 et seq. (the "Bankruptcy Code"), it is possible that a creditor, receiver, other party in interest or trustee in bankruptcy of CITSF or the Company, or CITSF or the Company as debtor-in-possession, may argue that the sale of the Contracts by CITSF to the Company, or by the Company to the Trust, respectively, was a pledge of the Contracts rather than a sale and that, accordingly, such Contracts should be part of such entity's bankruptcy estate. Such a position, if presented to a court, even if ultimately unsuccessful, could result in a delay in or reduction of distributions to the Certificateholders.

A case recently decided by the United States Court of Appeals for the Tenth Circuit contains language to the effect that accounts sold by an entity which subsequently became bankrupt remained property of the debtor's bankruptcy estate. Although the Contracts constitute chattel paper rather than accounts under the UCC, sales of chattel paper, like sales of accounts, are governed by Article 9 of the UCC. If the Company were to become a debtor under the federal bankruptcy code and a court were to follow the reasoning of the Tenth Circuit and apply such reasoning to chattel paper, Certificateholders could experience a delay or reduction in distributions.

#### THE TRUST

##### General

Each Trust will include (i) a Contract Pool, (ii) the amounts held from time to time in a trust account (the "Certificate Account") maintained by the Trustee pursuant to the Agreement, (iii) proceeds from certain hazard insurance on individual Manufactured Homes and Manufactured Homes (or the related real estate, in the case of Land-Secured Contracts) acquired by repossession, (iv) any letter of credit, guarantee, surety bond, insurance policy, cash reserve fund or other credit enhancement securing payment of all or part of a Series of Certificates, and (v) such other property as may be specified in the related Prospectus Supplement.

Each Certificate will evidence the interest specified in the related Prospectus Supplement in one Trust, containing one Contract Pool comprised of Contracts having the aggregate principal balance as of the specified day of the month of the creation of the pool (the "Cut-off Date") specified in the related Prospectus Supplement. Holders of Certificates of a Series will have interests only in such Contract Pool and will have no interest in the Contract Pool created with respect to any other Series of Certificates.

Except as otherwise specified in the related Prospectus Supplement, all of the Contracts will have been originated by CITSF (or a subsidiary of CIT) on an individual basis in the ordinary course of its business or by a manufactured housing dealer in the ordinary course of its business and purchased by CITSF (or a subsidiary of CIT). The following is a brief description of the Contracts expected to be included in the Trust. Specific information respecting the Contracts will be provided in the Prospectus Supplement and, to the extent not contained in the related Prospectus Supplement, in a report on Form 8-K to be filed with the Securities and Exchange Commission within fifteen days after the initial issuance of such Certificates. A copy of the Agreement with respect to each Series of Certificates will be attached to the Form 8-K and will be available for inspection at the corporate trust office of the Trustee specified in the related Prospectus Supplement. A schedule of the Contracts relating to such Series will be attached to the Agreement delivered to the Trustee upon delivery of the Certificates.

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Whenever in this Prospectus terms such as "Contract Pool," "Trust," "Agreement" or "Remittance Rate" are used, those terms respectively apply, unless the context otherwise indicates, to the Contract Pool, Trust, Agreement and Remittance Rate applicable to the related Series of Certificates.

#### The Contract Pools

Except as otherwise specified in the related Prospectus Supplement, each pool of Contracts with respect to a Series of Certificates (the "Contract Pool") will consist of manufactured housing installment sales contracts and installment loan agreements (collectively, the "Contracts") originated by CITSF (or a subsidiary of CIT) on an individual basis in the ordinary course of business or by a manufactured housing dealer in the ordinary course of its business and purchased by CITSF (or a subsidiary of CIT) in the ordinary course of business and conveyed to the Company. The Contracts may be conventional manufactured housing contracts or contracts insured by the Federal Housing Administration (the "FHA") or partially guaranteed by the Veterans Administration (the "VA"). Each Contract will be secured by a Manufactured Home (as defined below) and/or by a mortgage, deed of trust or similar instrument relating to the real estate to which the Manufactured Home is deemed permanently affixed or, in certain cases, by a mortgage, deed of trust or similar instrument relating to the real estate on which such Manufactured Home is situated, which Manufactured Home is not considered or classified as part of the real estate under the laws of the jurisdiction in which such real estate is located (a "Land-Secured Contract"). Except as otherwise specified in the related Prospectus Supplement, the Contracts will be fully amortizing and will bear interest at a fixed or variable annual percentage rate (the "Contract Rate").

CITSF will represent that the Manufactured Homes securing the Contracts consist of manufactured homes within the meaning of 42 United States Code, Section 5402(6), which defines a "manufactured home" as "a structure, transportable in one or more sections, which in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein; except that such term shall include any structure which meets all the requirements of (this) paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of Housing and Urban Development and complies with the standards established under [this] chapter."

For each Series of Certificates, the Company will assign the Contracts constituting the Contract Pool to the trustee named in the related Prospectus Supplement (the "Trustee"). CITSF, as Servicer (in such capacity referred to herein as the "Servicer"), will service the Contracts pursuant to the Agreement. See "Description of the Certificates--Servicing". Unless otherwise specified in the related Prospectus Supplement, the Contract documents will be held by the Servicer as custodian for the Trustee.

Each Contract Pool will be composed of Contracts bearing interest at the annual fixed or variable Contract Rates specified in the Prospectus Supplement. Unless otherwise stated in the related Prospectus Supplement, each registered Holder of a Certificate will be entitled to receive periodic distributions, which will be monthly unless otherwise specified in the related Prospectus Supplement, of all or a portion of principal on the underlying Contracts or interest on the principal balance of such Certificate at the Remittance Rate, or both.

The related Prospectus Supplement will specify for the Contracts contained in the related Contract Pool, among other things, the dates of origination of the Contracts; the Contract Rates on the Contracts; the loan-to-value ratios

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at the time of origination of the Contracts (the "Loan-to-Value Ratios"), the minimum and maximum outstanding principal balances as of the Cut-off Date and the average outstanding principal balance; the outstanding principal balances of the Contracts included in the Contract Pool; and the original maturities of the Contracts and the last maturity date of any Contract.

If provided in the related Prospectus Supplement, the original principal amount of a Series of Certificates may exceed the principal balance of the Contracts initially being delivered to the Trustee. Cash in an amount equal to such difference will be deposited into a separate trust account (the "Pre-Funding Account") maintained with the Trustee. During the period set forth in the related Prospectus Supplement, amounts on deposit in the Pre-Funding Account may be used to purchase additional Contracts for the related Trust. In addition, if so provided in the related Prospectus Supplement, certain additional amounts in respect of interest will be deposited into the Pre-Funding



Account or in a separate trust account. The related Prospectus Supplement will specify the conditions which must be satisfied prior to the transfer of any such additional Contracts, including the requisite characteristics of such Contracts. Any amounts remaining in the Pre-Funding Account at the end of such period will be distributed as a principal prepayment to the holders of the related Series of Certificates at the time and in the manner set forth in the related Prospectus Supplement.

CITSF will make representations and warranties as to the types and geographical distribution of the Contracts included in a Contract Pool and as to the accuracy in all material respects of certain information furnished to the Trustee in respect of each such Contract. Upon a breach of any representation that materially and adversely affects the interests of the Certificateholders in a Contract, CITSF will be obligated either to cure the breach in all material respects, to purchase the Contract or to substitute another Contract as described below. This repurchase or substitution obligation constitutes the sole remedy available to the Certificateholders or the Trustee for a breach of representation by CITSF. See "Description of the Certificates--Conveyance of Contracts".

#### USE OF PROCEEDS

Unless otherwise specified in an applicable Prospectus Supplement, substantially all of the net proceeds to be received from the sale of each Series of Certificates will be used by the Company to purchase the Contracts from CITSF and to pay expenses connected with pooling the Contracts and issuing the Certificates of such Series.

#### THE CIT GROUP SECURITIZATION CORPORATION II, SELLER

The CIT Group Securitization Corporation II (the "Company") was incorporated in the State of Delaware on June 24, 1994 and is a wholly-owned, limited purpose finance subsidiary of The CIT Group Holdings, Inc., a Delaware corporation ("CIT"), which is a successor to a company founded in St. Louis, Missouri, in February 1908. CIT is 60% owned by The Dai-Ichi Kangyo Bank, Ltd. and 40% owned by MHC Holdings (Delaware) Inc., a subsidiary of Chemical Banking Corporation. The Company maintains its principal office at 650 CIT Drive, Livingston, New Jersey 07039. Its telephone number is (201) 740-5000.

As described herein and in the related Prospectus Supplement, the obligations, if any, of the Company with respect to any Series of Certificates are limited. The Company will have no ongoing servicing obligations or

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responsibilities with respect to any Contract Pool and will not make any representations or warranties regarding the Contracts.

CITSF is an affiliate of the Company. The Company will acquire each Contract Pool in a privately negotiated transaction from CITSF. If so specified in the related Prospectus Supplement, CITSF will acquire a portion of the Contracts from The CIT Group/Consumer Finance, Inc. (NY), a wholly-owned subsidiary of CIT.

Unless otherwise specified in the related Prospectus Supplement, neither CIT nor any of its affiliates, including the Company and CITSF, will be obligated with respect to any Series of Certificates. Accordingly, the Company has determined that financial statements of CITSF and its affiliates, including the Company, are not material to the offering of any Series of Certificates. If, with respect to a Series of Certificates any such financial statements are material, they will be included in the related Prospectus Supplement.

#### THE CIT GROUP/SALES FINANCING, INC., SERVICER

##### General

The CIT Group/Sales Financing, Inc., a Delaware corporation ("CITSF"), is a wholly-owned subsidiary of CIT. It has its principal executive office at 650 CIT Drive, Livingston, New Jersey 07039, and its telephone number is (201) 740-5000.

CITSF originates, purchases, sells and services conditional sales contracts for manufactured housing, recreational vehicles and other consumer goods throughout the United States. CITSF has been a lender to the manufactured housing industry for more than 30 years. CITSF has Regional Business Centers in

five cities and a centralized asset service facility (the "Asset Service Center") in Oklahoma City, Oklahoma. Working through dealers and manufacturers, CITSF offers retail installment credit. In addition to purchasing manufactured housing contracts from dealers on an individual basis, CITSF makes bulk purchases of manufactured housing contracts and services, on behalf of other owners, manufactured housing contracts that were not originated by CITSF. These bulk purchases may be from, and these servicing arrangements may be made with respect to, the portfolios of other lending institutions or finance companies, the portfolios of governmental agencies or instrumentalities or the portfolios of other entities that purchase and hold manufactured housing contracts.

The Asset Service Center of CITSF services consumer credit transactions in 50 states and the District of Columbia. It provides full servicing for manufactured housing and recreational vehicle retail installment credit supplemented by outside collectors and field remarketers located throughout the United States.

As of September 30, 1994, CITSF serviced for itself and others approximately 95,000 contracts (consisting primarily of manufactured housing and recreational vehicle contracts), representing an outstanding balance of approximately \$2.3 billion. Of this portfolio, approximately 38,000 contracts (representing approximately \$800 million outstanding balance) consisted of manufactured housing contracts.

Since December 1991, CITSF has entered into arrangements to service, on behalf of other owners, approximately 15,000 manufactured housing contracts (determined as of September 30, 1994) which were originated by other

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institutions. CITSF's management currently intends to pursue both the bulk purchase of manufactured housing contracts and arrangements under which it would service manufactured housing contracts, on behalf of other owners, that it neither purchased nor originated.

CITSF's general policies with regard to the origination of manufactured housing installment loans and the purchase of manufactured housing installment sales contracts from manufactured housing dealers are described below under "Contract Origination" and "CITSF's Underwriting Guidelines". See "Servicing" below for a description of certain of CITSF's servicing policies.

#### Contract Origination

The following information on CITSF's origination practices is presented for illustrative purposes and may not relate to each or any Contract in a particular Contract Pool. As described in the related Prospectus Supplement, some or all of the Contracts in a Contract Pool may not have been originated by CITSF.

Through its Regional Business Centers, CITSF arranges to purchase manufactured housing contracts from manufactured housing dealers located throughout the United States. Regional Business Center personnel contact the dealers located in their territories and explain CITSF's available financing plans, terms, prevailing rates and credit and financing policies. If the dealer wishes to use CITSF's available customer financing, the dealer must make an application for dealer approval. Upon satisfactory results of CITSF's investigation of the dealer's creditworthiness and general business reputation, CITSF and the dealer execute a dealer agreement. CITSF also originates manufactured housing installment loan agreements directly. In addition, CITSF purchases portfolios of manufactured housing contracts from other lending institutions or finance companies, and from governmental agencies or instrumentalities.

Contracts that CITSF purchases from dealers or originates itself (as opposed to portfolios of contracts purchased from other lenders) are purchased or originated on an individually approved basis in accordance with CITSF's underwriting guidelines.

#### CITSF's Underwriting Guidelines

Manufactured housing contracts are either originated by being purchased by CITSF from dealers or being entered into directly by CITSF with customers referred by dealers or purchased by CITSF in bulk from third party financial institutions. Forms for all contracts are provided by CITSF and are originated on an individually approved basis. For all contracts, CITSF's general practice is to have the dealer submit the customer's credit application, manufacturer's invoice (if the contract is for a new home) and certain other information relating to the contract to the applicable Regional Business Center. Personnel

at the Regional Business Center make an analysis of the creditworthiness of the customer and of other aspects of the proposed transaction.

Since 1992, each credit application is entered into an automated application processing system. CITSF's underwriting guidelines require, and have required, a credit officer at a Regional Business Center with the appropriate level of credit authority to examine each applicant's credit history, residence history, employment history and debt-to-income payment ratio. Although, with respect to these criteria, CITSF has, and has had, certain minimum requirements, as described below, CITSF's management does not believe that these minimum requirements are themselves generally sufficient to warrant credit approval of an applicant. Thus, there were and are no requirements on the basis of which, if they are met, credit is routinely approved. Based on credit score and other risk factors, each applicant is either approved, declined or, if necessary, referred

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to a credit officer with a higher credit authority. Funding of a contract is authorized after verification of the conditions of approval of the application and satisfactory delivery of the related manufactured home.

The targeted retail customer has a five year residence, employment and credit history, a minimum of two years in his or her present job, a housing ratio of 30% or less (the ratio of payments on the contract and park rental payments to gross monthly income), a debt ratio (the ratio of total installment debt and housing expenses to gross monthly income) of 40% or less, a down payment of at least 15% and an overall favorable credit profile. Approval of retail customers that do not meet the above-described retail customer profile are considered by the appropriate level credit officer, on a case by case basis. Such approval, if granted, is based on the applicant's length and likelihood of continued employment, ability to pay, and a review of the applicants' paying habits. No guarantors, endorsers or co-signers are to be considered in considering whether to accept or reject an application.

Prior to implementing the automated credit scoring system, applicants required a five year residence history, with no less than the last two years verified, a minimum five years of employment history with a minimum of three years or five years in his or her present job for home owners and renters, respectively, which employment must be verified, a housing ratio of 28% or less, a debt ratio of 40% or less, and a minimum of five years of established credit history. The credit history was evidenced by a current credit bureau report confirming a minimum of the last two years of good ratings indicated.

The credit review and approval practices of each Regional Business Center are subject to internal reviews and internal audits that, through sampling, examine the nature of the verification of credit histories, residence histories, employment histories, debt ratios and housing ratios of the applicants and evaluate the credit risks associated with the contracts purchased through such regional office by rating the obligors on such contracts according to their credit histories, employment histories, debt ratios and housing ratios.

The underwriting policies or standards applied by originators of contracts other than CITSF may differ from those applied by CITSF.

#### Servicing

CITSF services, through its Asset Service Center, manufactured housing, home equity, recreational vehicle and other consumer loans. CITSF services all of the manufactured housing contracts it purchases or originates, whether on an individual basis or in bulk. CITSF is actively seeking arrangements pursuant to which it will service manufactured housing contracts held by other entities. Such contracts would not be purchased by CITSF or sold to such other entities by CITSF. Generally, such servicing responsibilities are, and would be, also carried out through CITSF's Asset Service Center. Servicing responsibilities include collecting principal and interest payments, taxes, insurance premiums, where applicable, and other payments from obligors and, where such contracts have been sold, remitting principal and interest payments to the holders thereof, to the extent such holders are entitled thereto. Collection procedures include repossession and resale of manufactured homes securing defaulted contracts and, if deemed advisable by CITSF, entering into workout arrangements with obligors under certain defaulted contracts. Although decisions as to whether to repossess any manufactured home are made on an individual basis, CITSF's general policy is to institute repossession procedures promptly after Asset Service Center personnel determine that it is unlikely that a defaulted contract will be brought current, and thereafter to diligently pursue the resale of such manufactured homes if the market is favorable. See "The Contract

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Pool--Delinquency, Loan Loss and Repossession Experience" in the Prospectus Supplement for certain historical statistical data relating to the delinquency and repossession experience of the contracts serviced through CITSF's Asset Service Center.

The following table shows the composition of the CITSF portfolio, including conventional manufactured housing contracts serviced by CITSF on the dates indicated:

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<TABLE>

THE CIT GROUP/SALES FINANCING, INC.

<CAPTION>

	At December 31,								At	
	1990		1991		1992		1993		September 30, 1994	
	(Number)	(Dollars)	(Number)	(Dollars)	(Number)	(Dollars)	(Number)	(Dollars)	(Number)	(Dollars)
	(Dollars in thousands)									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Unpaid principal balance of contracts being serviced										
MH - Non-Recourse .....	5,500	\$163,287	11,397	\$275,999	9,282	\$281,838	9,959	\$251,371	14,112	\$395,480
MH - Recourse.....	23,423	260,076	19,739	215,568	17,081	183,129	14,031	142,246	527	6,098
MH - Service Retained(1)..	0	0	0	0	3,328	43,831	6,983	175,554	8,454	196,358
MH - Serviced For Others..	0	0	675	17,833	19,949	296,547	16,925	240,499	14,810	201,830
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total MH.....	28,923	\$423,363	31,811	\$509,400	49,640	\$805,345	47,898	\$809,670	37,903	\$799,766
RV-Owned.....	32,487	660,555	39,648	845,601	43,309	930,326	40,547	1,021,983	40,913	895,405
RV-Service Retained(1)..	0	0	0	0	0	0	0	0	5,082	125,419
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total RV.....	32,487	\$660,555	39,648	\$845,601	43,309	\$930,326	40,547	\$1,021,983	45,995	\$1,020,824
Home Equity.....	0	0	0	0	0	0	3,545	131,322	9,049	388,925
Other.....	33,896	336,304	6,942	101,022	1,126	19,485	1,572	41,944	2,440	66,029
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Contracts Serviced.....	95,306	\$1,420,222	78,401	\$1,456,023	94,075	\$1,755,156	93,562	\$2,004,919	95,387	\$2,275,544

</TABLE>

MH = Manufactured Housing  
RV = Recreation Vehicle

(1) Represents Contracts securitized with servicing retained.

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YIELD CONSIDERATIONS

The Remittance Rates and the weighted average Contract Rate of the Contracts relating to each Series of Certificates will be set forth in the related Prospectus Supplement.

Unless otherwise specified in the related Prospectus Supplement, each monthly accrual of interest on a Contract is calculated at one-twelfth of the product of the Contract Rate and the principal balance outstanding on the scheduled payment date for such Contract in the preceding month. Unless otherwise specified in the related Prospectus Supplement, the Remittance Rate with respect to each Certificate will be calculated similarly.

The Prospectus Supplement for each Series will indicate that a lower rate of principal prepayments than anticipated would negatively affect the total return to investors of any Class or such sub-class of Certificates that is offered at a discount to its principal amount, and a higher rate of principal prepayments than anticipated would negatively affect the total return to investors of any such Class or sub-class of Certificates that is offered at a premium to its principal amount or without any principal amount.

If a Series of Certificates contains Classes or sub-classes of Certificates entitled to receive distributions of principal or interest or both, in a specified order other than as a specified percentage of each distribution of principal or interest or both, the Prospectus Supplement will set forth information, measured relative to a prepayment standard or model specified in such Prospectus Supplement, with respect to the projected weighted average life of each such Class or sub-class and the percentage of the original Stated Balance of each such Class or sub-class that would be outstanding on specified Remittance Dates for such Series based on the assumptions stated in such Prospectus Supplement, including assumptions that prepayments on the Contracts in the related Trust are made at rates corresponding to the various percentages of such prepayment standard or model.

#### MATURITY AND PREPAYMENT CONSIDERATIONS

##### Maturity

Unless otherwise described in an applicable Prospectus Supplement, all of the Contracts will have maturities at origination of not more than 25 years.

##### Prepayment Considerations

Contracts generally may be prepaid in full or in part without penalty. FHA Contracts and VA Contracts may be prepaid at any time without penalty. Based on CITSF's experience with the portfolio of manufactured housing contracts serviced by it, CITSF anticipates that a number of the Contracts will be prepaid prior to their maturity. A number of factors, including homeowner mobility, general and regional economic conditions and prevailing interest rates, may influence prepayments. In addition, repurchases of Contracts on account of certain breaches of representations and warranties have the effect of prepaying such Contracts and therefore would affect the average life of the Certificates. Most of the Contracts contain a "due-on-sale" clause that would permit the Servicer to accelerate the maturity of a Contract upon the sale of the related Manufactured Home. In the case of those Contracts that do contain due-on-sale clauses, the Servicer will permit assumptions of such Contracts if the purchaser of the related Manufactured Home satisfies CITSF's then-current underwriting standards.

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Information regarding the Payment Model or any other rate of assumed prepayment, as applicable, will be set forth in the Prospectus Supplement with respect to a Series of Certificates.

See "Description of the Certificates--Termination of the Agreement" for a description of CITSF's or the Company's option to repurchase the Contracts comprising part of a Trust when the aggregate outstanding principal balance of such Contracts is less than a specified percentage of the initial aggregate outstanding principal balance of such Contracts as of the related Cut-off Date. See also "The Trust--The Contract Pools" for a description of the obligations of CITSF to repurchase a Contract in case of a breach of a representation or warranty relative to such Contract.

##### CIT

CIT is a successor to a company founded in St. Louis, Missouri on February 11, 1908. It has its principal executive offices at 1211 Avenue of the Americas, New York, New York 10036, and its telephone number is (212) 536-1950. CIT, operating directly or through its subsidiaries primarily in the United States, engages in financial services activities through a nationwide distribution network. CIT provides financing primarily on a secured basis to commercial borrowers, ranging from middle-market to larger companies and to consumers in connection with manufactured housing, recreational vehicles and boat financing,

as well as residential mortgages. While these secured lending activities reduce the risk of losses from extending credit, CIT's results of operations can also be affected by other factors, including general economic conditions, competitive conditions, the level and volatility of interest rates, concentrations of credit risk and government regulation and supervision. CIT does not finance the development or construction of commercial real estate. CIT has eight strategic business units, seven of which offer corporate financing, dealer and manufacturer financing, and factoring products and services to clients, and an eighth strategic business unit which commenced operations in the last quarter of 1992 offering consumer second mortgage financing and which began offering home equity lines of credit and purchase money mortgage loans to consumers in 1994.

Effective at year-end 1989, The Dai-Ichi Kangyo Bank, Limited ("DKB") purchased sixty percent (60%) of the issued and outstanding shares of common stock of CIT from Manufacturers Hanover Corporation ("MHC"). MHC retained a forty percent (40%) common stock interest in CIT. Effective March 29, 1990, MHC transferred its forty percent (40%) common stock interest in CIT to MHC Holdings (Delaware) Inc., a wholly-owned subsidiary of MHC ("MHC Holdings"). On December 31, 1991, MHC and Chemical Banking Corporation merged in a stock-for-stock transaction. The merged corporation is called Chemical Banking Corporation ("CBC"). CBC retains a forty percent (40%) common stock interest in CIT through MHC Holdings.

In accordance with a stockholders agreement among DKB, CBC, as successor to MHC, and CIT (the "Stockholders Agreement"), CIT amended its Certificate of Incorporation and its By-Laws in conformity therewith. Pursuant to the Stockholders Agreement, immediately after MHC sold the sixty percent (60%) interest in CIT to DKB, the stockholders elected a new Board of Directors comprised of the President and Chief Executive Officer and the Vice Chairman of CIT, six nominees designated by DKB, and two nominees designated by MHC. The Stockholders Agreement also contains provisions for the management of CIT, majority voting by DKB on CIT's Executive Committee, consent of MHC Holdings with respect to major corporate and business changes, and restrictions with respect to the transfer of stock of CIT to third parties.

CIT is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports and other information with the Commission. Such reports and other information can be inspected and copied at

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the offices of the Commission and at the offices of the New York Stock Exchange, Inc. See "Additional Information."

#### DESCRIPTION OF THE CERTIFICATES

Each Series of Certificates will be issued pursuant to a separate pooling and servicing agreement (each an "Agreement") to be entered into among the Company, as Seller, CITSF, as Servicer with respect to a Series of Certificates evidencing an interest in the Contracts, and the trustee named in the related Prospectus Supplement (the "Trustee"), and such other parties, if any, as are described in the applicable Prospectus Supplement. The following summaries describe certain provisions expected to be common to each Agreement and the related Certificates, but do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the related Agreement and the description set forth in the related Prospectus Supplement. Section references contained herein refer to sections of the form of Agreement filed as an exhibit to the Registration Statement of which this Prospectus is a part (the "Registration Statement"). The portions of such sections described herein may be contained in different numbered sections in the actual Agreement pursuant to which any Series of Certificates is issued. The provisions of the form of Agreement filed as an exhibit to the Registration Statement that are not described herein may differ from the provisions of any actual Agreement. The material differences will be described in the related Prospectus Supplement. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the form of Agreement filed as an exhibit to the Registration Statement.

Each Series of Certificates will have been rated in the rating category and by the rating agency or agencies specified in the related Prospectus Supplement.

#### General

The Certificates may be issued in one or more Classes or sub-classes (each referred to in this Prospectus as a "Class"). If the Certificate of a Series are issued in more than one Class, the Certificates of all or less than all of such Classes may be sold pursuant to this Prospectus, and there may be separate Prospectus Supplements relating to one or more of such Classes so sold. Any reference herein to the Prospectus Supplement relating to a Series comprised of

more than one Class should be understood as a reference to each of the Prospectus Supplements relating to the Classes sold hereunder. Any reference herein to the Certificates of a Class should be understood to refer to the Certificates of a Class within a Series, the Certificates of a sub-class within a Series or all of the Certificates of a single-Class Series, as the context may require.

The Certificates of each Series will be issued in fully registered form only and will represent the interests specified in the related Prospectus Supplement in a separate trust fund (the "Trust") created pursuant to the related Agreement. The Trust will be held by the Trustee for the benefit of the Certificateholders. Each Trust, to the extent specified in the related Prospectus Supplement, will include (i) Contracts (the "Contract Pool") which are subject to the Agreement from time to time and any related mortgages, deeds of trust or similar instruments, (ii) the amounts held in the Certificate Account from time to time, (iii) proceeds from certain hazard insurance on individual Manufactured Homes and Manufactured Homes (or the related real estate in the case of Land-Secured Contracts) acquired by repossession, (iv) any letter of credit, guarantee, surety bond, insurance policy, cash reserve fund, cash collateral account or other credit enhancement securing payment of all or part of a Series of Certificates and (v) such other property (including amounts on deposit in the Pre-Funding Account) as may be specified in the related Prospectus Supplement. Except as otherwise specified in the related

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Prospectus Supplement, the Certificates will be freely transferable and exchangeable at the corporate trust office of the Trustee at the address set forth in the related Prospectus Supplement. No service charge will be made for any registration of exchange or transfer of Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge.

Ownership of each Contract Pool may be evidenced by one or more classes of Certificates, each representing the interest in the Contract Pool specified in the related Prospectus Supplement. One or more Classes of Certificates evidencing interests in Contracts may be Subordinated Certificates, evidencing the right of the Holders thereof to receive any or a portion of distributions of principal or interest or both on the Contracts subordinate to the rights of the Holders of other Classes of Certificates ("Senior Certificates") as provided in the related Prospectus Supplement. If a Series of Certificates contains more than one Class of Subordinated Certificates, losses will be allocated among such Classes in the manner described in the Prospectus Supplement.

A Series of Certificates may consist of Classes of Certificates evidencing the right to receive distributions of principal or interest or both in the order specified in the related Prospectus Supplement. A Class of Certificates of a Series may be divided into two or more sub-classes. The related Prospectus Supplement will specify whether a Class has been so divided and the terms of each sub-class. Within a Class, one or more of the sub-classes may be subordinated to other sub-classes or may be entitled to a specified priority in the distributions specified in the related Prospectus Supplement. The Holders of each sub-class of a Class of Certificates will be entitled to the percentages (which may be 0%) of principal or interest payments or both on the related Contracts as specified in the related Prospectus Supplement. The related Prospectus Supplement will specify the minimum denomination or initial principal amount of Contracts evidenced by a single Certificate of each Class of Certificates of a Series (a "Single Certificate").

Distributions of principal and interest on the Certificates will be made on the payment dates set forth in the related Prospectus Supplement (each, a "Remittance Date") to the persons in whose names the Certificates are registered at the close of business on the related record date specified in the related Prospectus Supplement (the "Record Date"). Distributions will be made by check mailed to the address of the person entitled thereto as it appears on the Certificate Register, or, to the extent described in the related Agreement by wire transfer, except that the final distribution in retirement of Certificates will be made only upon presentation and surrender of the Certificates at the office or agency of the Trustee specified in the final distribution notice to Certificateholders.

#### Global Certificates

The Certificates of ahClassatey Prospectus Supplement (the "Record Date"). Distributions will be made by chec mailed to the address of the person entitled thereto as it appears on the Certificate Register, or, to the extent described in the related Agreement by wire transfer, except that the final distribution in retirement of Certificates will be made only upon presentation and surrender of

the Certificates at the office o form. If the Certificates of a Class are issued in the form of one or more Global Certificates, the term "Certificateholder" should be understood to refer to the beneficial owners of the Global Certificates, and the rights of such Certificateholders will be limited as described under this subheading.

Global Certificates will be issued in registered form. Unless and until it is exchanged in whole or in part for Certificates in definitive form, a Global Certificate may not be transferred except in whole by the Depository for such Global Certificate to a nominee of such Depository or by a nominee of such

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Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor of such Depository or a nominee of such successor.

The specific terms of the depository arrangement with respect to any Certificates of a Class will be described in the related Prospectus Supplement. It is anticipated that the following provisions will apply to all depository arrangements:

Upon the issuance of a Global Certificate, the Depository for such Global Certificate will credit on its book-entry registration and transfer system, the respective denominations of the Certificates represented by such Global Certificate to the accounts of institutions that have accounts with such Depository ("participants"). Ownership of beneficial interests in a Global Certificate will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in such Global Certificate will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository for such Global Certificate or by participants or persons that hold through participants. The laws of some states require that certain purchases of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Certificate.

So long as the Depository for a Global Certificate, or its nominee, is the owner of each Global Certificate, such Depository or such nominee, as the case may be, will be considered the sole owner or Holder of the Certificates represented by such Global Certificate for all purposes under the Agreement relating to such Certificates. Except as set forth below, owners of beneficial interests in a Global Certificate will not be entitled to have Certificates of the Series represented by such Global Certificate registered in their names, will not receive or be entitled to reserve physical delivery of Certificates of such Series in definitive form and will not be considered the owners or Holders thereof under the Agreement governing such Certificates.

Distributions or payments on Certificates registered in the name of or held by a Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the registered owner for the Holder of the Global Certificate representing such Certificates. In addition, all reports required under the applicable Agreement to be made to Certificateholders (as described below under "Reports to Certificateholders") will be delivered to the Depository or its nominee, as the case may be. None of the Company, Servicer, Trustee, or any agent thereof (including any applicable Certificate Registrar or Paying Agent), will have any responsibility or liability for any impact of the records relating to or payments made on account of beneficial ownership interests in a Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for providing reports to the related beneficial owners.

The Company expects that the Depository for Certificates of a Class, upon receipt of any distribution or payment in respect of a Global Certificate, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interest in such Global certificate as shown on the records of such Depository. The Company also expects that payments by participants to owners of beneficial interests in such Global Certificate held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name," and will be the responsibility of such participants.

If a Depository for Certificates of a Class is at any time unwilling or unable to continue as Depository and a successor depository is not appointed by or on behalf of the Company within the time period specified

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in the Agreement, the Company will cause to be issued Certificates of such Class in definitive form in exchange for the related Global Certificate or Certificates. In addition, the Company may at any time and in its sole discretion determine not to have any Certificates of a Class represented by one or more Global Certificates and, in such event, will cause to be issued Certificates of such Class in definitive form in exchange for the related Global Certificate or Certificates. Further, if the Company so specifies with respect to the Certificates of a Class, an owner of a beneficial interest in a Global Certificate representing Certificates of such Class may, on terms acceptable to the Company and the Depository for such Global Certificate, receive Certificates of such Class in definitive form. In any such instance, an owner of a beneficial interest in a Global Certificate will be entitled to physical delivery in definitive form of Certificates of the Class represented by such Global Certificate equal in denominations to such beneficial interest and to have such Certificates registered in its name.

#### Conveyance of Contracts

The Company will sell, transfer, assign, set over and otherwise convey to the Trustee on behalf of the Trust all right, title and interest of the Company in the Contracts, including, without limitation, all security interests created thereby and any related mortgages, deeds of trust or similar instruments, all principal and interest received on or with respect to the Contracts after the Cut-off Date (other than receipts of principal and interest due on or with respect to the Contracts on or before the Cut-off Date), all principal and interest received by the Company on or before the Cut-off Date which was due after the Cut-off Date, all rights under certain hazard insurance policies on the related Manufactured Homes, the proceeds from any errors and omissions protection policy and any blanket hazard insurance policy maintained pursuant to an Agreement to the extent such proceeds relate to the Contracts or the Manufactured Homes, all documents contained in the Contract files, all rights to the related portion of certain hazard insurance premiums for policies purchased by CITSF prior to the Cut-off Date and all proceeds derived from any of the foregoing. (Section 2.01.) On behalf of the Trust, as the issuer of the related Series of Certificates, the Trustee, concurrently with such conveyance, will execute and deliver the Certificates to the order of the Company. The Contracts will be as described on a list attached to the Agreement. (Sections 1.02 and 2.02.) Such list will include, among other things, the approximate amount of monthly payments due from obligors under the Contracts as of the Cut-off Date, the Contract Rate on each Contract as of the Cut-off Date and the maturity date of each Contract. Such list will be available for inspection by any Certificateholder at the principal executive office of the Servicer. (Sections 1.02 and 5.04.) Prior to the conveyance of the Contracts to the Trust, CITSF will complete a review of all of the Contract files, including the certificates of title to, or other evidence of a perfected security interest in, the Manufactured Homes and confirm the accuracy of the list of Contracts delivered to the Trustee. Any Contract discovered not to agree with such list in a manner that is materially adverse to the interests of the Trust in such Contract will be repurchased by CITSF or replaced with another Contract, or, if the discrepancy relates to the unpaid principal balance of a Contract, CITSF may deposit cash in the separate account maintained at an Eligible Institution in the name of the Trustee (the "Certificate Account") in an amount sufficient to cure such discrepancy. (Section 3.05.) If the Trust includes a Pre-Funding Account, the related Prospectus Supplement will specify the conditions that must be satisfied prior to any transfer of Contracts purchased from funds on deposit in the Pre-Funding Account, including the requisite characteristics of such Contracts.

The Agreement will designate CITSF as custodian to maintain possession, as the Trustee's agent, of the Contracts and any other documents related to the Manufactured Homes. (Sections 2.03 and 4.01.) To facilitate servicing and save administrative costs, the documents will not be physically segregated from other similar documents that are in CITSF's possession. Uniform Commercial Code financing statements will be filed in Oklahoma and New Jersey reflecting the sale and assignment of the Contracts by CITSF to the Company and by the Company

to the Trustee and CITSF's and the Company's accounting records and computer systems will also reflect such sales and assignments. The Contracts will not be stamped to reflect their assignment by CITSF to the Company and by the Company to the Trustee. Therefore, if through fraud, negligence or otherwise, a subsequent purchaser from CITSF or the Company were able to take physical possession of the Contracts without knowledge of the assignment, the Trustee's interest in the Contracts could be defeated. See "Special Considerations -- 5. Security Interests and Certain Other Aspects of the Contracts". The Agreement will designate the Servicer as the Trustee's agent, to maintain possession of the documents relating to all Land-Secured Contracts.

Except as otherwise specified in the related Prospectus Supplement, CITSF will make certain warranties in the Agreement with respect to each Contract as of the Closing Date, including that (a) as of the Cut-off Date, or the date of origination, if later, the most recent scheduled payment was made or was not delinquent more than 60 days; (b) no provision of a Contract has been waived, altered or modified in any respect, except by instruments or documents contained in the Contract file; (c) each Contract is a legal, valid and binding obligation of the obligor under such Contract (the "Obligor") and is enforceable in accordance with its terms (except as may be limited by laws affecting creditors' rights generally); (d) no right of rescission, set-off, counterclaim or defense has been asserted with respect to any Contract; (e) each Contract is covered by hazard insurance described below under "Servicing--Hazard Insurance"; (f) each Contract was either (i) originated by a manufactured housing dealer acting in the ordinary course of its business and was purchased by CITSF in the ordinary course of its business, (ii) originated by an originating institution in the ordinary course of its business or (iii) originated by CITSF in the ordinary course of its business; (g) no Contract was originated in or is subject to the laws of any jurisdiction whose laws would make the transfer of the Contract to the Company pursuant to a purchase and sale agreement or to the Trustee pursuant to the Agreement or pursuant to transfers of the Certificates or ownership of the Trust unlawful; (h) each Contract complies with all requirements of law; (i) no Contract has been satisfied, subordinated in whole or in part or rescinded, and the Manufactured Home securing the Contract has not been released from the lien of the Contract in whole or in part; (j) each Contract (other than a Land-Secured Contract) creates a valid and enforceable perfected first priority security interest in favor of CITSF (or, if CITSF did not originate the Contract, the related contract originator or a successor to such contract originator by direct or mesne assignment) in the Manufactured Home covered thereby and, with respect to each Land-Secured Contract, the lien created thereby is a valid and enforceable first or second lien in favor of CITSF (or, if CITSF did not originate the Contract, the related contract originator or a successor to such contract originator by direct or mesne assignment) on the related real property (which, in a Land-Secured Contract, includes the Manufactured Home) and such security interest or lien has been assigned by CITSF to the Company and from the Company to the Trustee on behalf of the Trust; (k) all parties to each Contract had legal capacity to execute such Contract; (l) no Contract has been sold, assigned or pledged by CITSF to any person other than the Company and, prior to the transfer of the Contracts by CITSF to the Company and the Company to the Trust, CITSF had good and marketable title to each Contract, free and clear of any encumbrance, equity, loan, pledge, charge, claim or security interest, and was the sole owner and had full right to transfer such Contract to the Company; (m) as of the Cut-off Date, or the date of origination if later, there was no default, breach, violation or event permitting acceleration under any Contract (except for payment delinquencies permitted by clause (a) above), no event which with notice and the expiration of any grace or cure period would constitute a default, breach, violation or event permitting acceleration under such Contract, and CITSF has not waived any of the foregoing (except for payment delinquencies permitted by clause (a) above); (n) as of the Closing Date, there were, to the best of CITSF's knowledge, no liens or claims which have been filed for work, labor or materials affecting a Manufactured Home or any related Mortgaged Property securing a Contract, which are or may be liens prior or equal to the lien of the Contract; (o) each Contract is a fully-amortizing loan with a fixed Contract Rate and provides for level payments over the term of such Contract; (p) each Contract contains customary and enforceable provisions such as to render the rights and remedies of the

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Holder thereof adequate for realization against the collateral of the benefits of the security provided thereby (except as may be limited by creditors' rights generally); (q) the description of each Contract set forth in the list delivered to the Trustee is true and correct; (r) except as specified in the related Prospectus Supplement, no more than 85% of the Contracts had a Loan-to-Value Ratio at origination greater than 90% and none of the Contracts had a Loan-to-Value Ratio at origination greater than 125%; (s) if a Manufactured Home is considered or classified as part of the real estate on which it is located under the laws of the jurisdiction in which it is located (i) a UCC fixture filing was made or (ii) a mortgage, deed of trust or similar instrument was recorded, or (iii) under applicable law, even though the Manufactured Home is part of the real estate on which it is located, no fixture filing or mortgage recording is required to protect the priority of CITSF's security interest on these Manufactured Homes or (iv) irrespective of (i), (ii) or (iii) foregoing, no person in fact holds a security interest or mortgage lien upon the Manufactured Home prior to CITSF's security interest therein; (t) the related Manufactured Home is a "manufactured home" within the meaning of 42 United States Code, Section 5402(6), and each Contract was originated by (i) a savings and loan association, savings bank, commercial bank, credit union, insurance company, or similar institution which is supervised and examined by a federal or state authority, (ii) a mortgagee approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act, or

(iii) a financial institution approved for insurance by the Secretary of Housing and Urban Development pursuant to Section 2 of the National Housing Act; and (u) if a Contract was, at the time of its origination, insured by the FHA or partially guaranteed by the VA, it has been serviced in accordance with the contractual agreements and regulations of the FHA or the VA ("FHA/VA Regulations"), the insurance or guarantee of the Contract under the FHA/VA Regulations and related laws is in full force and effect, and no event has occurred which, with or without notice or lapse of time or both, would impair such insurance or guarantee. (Article III.)

If the Company elects to cause the Trust relating to a Series of Certificates to be treated as a REMIC, CITSF will make warranties in the Agreement with respect to the related Contracts as of the Closing Date, including that (a) each Contract is a "qualified mortgage" under Section 860G(a)(3) of the Code, (b) each Manufactured Home is a "single family residence" within the meaning of Section 25(e)(10) of the Code and (i) has a minimum of 400 square feet of living space, (ii) has a minimum width in excess of 102 inches and (iii) is of a kind customarily used at a fixed location and (c) none of the Contracts had a loan-to-value ratio greater than 125% at the time of origination, and in the case of a Contract that has been modified, at the time of origination and at the time such Contract has been modified. For purposes of computing such loan-to-value ratio for a Contract which, with respect to the real estate on which the related Manufactured Home is located, is not secured by a first mortgage, the fair market value of the Manufactured Home and other property securing the Contract must be reduced by the amount of any lien that is senior to the Contract, and must be further reduced by a proportionate amount of any lien that is in parity with the Contract.

Under the terms of the Agreement and subject to the conditions specified in the preceding paragraph and to CITSF's option to effect a substitution as described in the next paragraph, CITSF will be obligated to repurchase for the Repurchase Price (as defined below) any Contract not later than 85 days after CITSF receives written notice from the Trustee or the Servicer or not later than 90 days after CITSF becomes aware of (i) a breach of any representation or warranty of CITSF in the Agreement that materially adversely affects the Trust's interest in any Contract if such breach has not been cured or (ii) the occurrence of certain other events specified in the Agreement, including events rendering such Contract unenforceable, which have not been cured. (Section 3.05.) The Repurchase Price for any Contract will be the remaining principal amount outstanding on such Contract on the date of repurchase plus accrued and unpaid interest thereon at its Contract Rate to the Due Date in the month immediately preceding such repurchase. (Section 1.02.) This repurchase obligation constitutes the sole remedy available to the Trust and the

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Certificateholders for a breach of a warranty under the Agreement with respect to the Contracts (but not with respect to any other breach by CITSF of its obligations under the Agreement). If a prohibited transaction tax under the REMIC provisions of the Code is incurred in connection with such repurchase and a REMIC Election has been made with respect to such Series, distributions otherwise payable to the Holders of the Class which constitutes the "residual interest" in such REMIC will be applied to pay such tax. CITSF will be required to pay the amount of such tax that is not funded out of such distributions. (Section 3.05.)

In lieu of purchasing a Contract as specified in the preceding paragraph, during the two-year period following the Closing Date, CITSF may, at its option, substitute an Eligible Substitute Contract (as defined below) for the Contract that it is otherwise obligated to repurchase (referred to herein as the "Replaced Contract"). An Eligible Substitute Contract is a Contract that satisfies or does not cause to be incorrect, as of the date of its substitution, the representations and warranties specified in Article III of the Agreement, has a Scheduled Principal Balance that is not greater than the Scheduled Principal Balance of the Replaced Contract, has a Contract Rate that is at least equal to the Contract Rate of the Replaced Contract and has a remaining term to scheduled maturity that is not greater than the remaining term to scheduled maturity of the Replaced Contract. (Section 1.02.) CITSF will be required to deposit in the Certificate Account cash in the amount, if any, by which the Scheduled Principal Balance of the Replaced Contract exceeds the Scheduled Principal Balance of the Contract being substituted. Such deposit will be deemed to be a Partial Principal Prepayment. (Sections 1.02 and 3.05.)

#### Payments on Contracts

Each Certificate Account will be a trust account established by the Trustee on behalf of the Trust as to each Series of Certificates in the name of the Trustee with the Trustee or any depository institution or trust company (which may be the Trustee or an Affiliate of the Trustee) organized under the laws of the United States or any state, the deposits of which are insured to the full

extent permitted by law by the Bank Insurance Fund (presently administered by the Federal Deposit Insurance Corporation), which is subject to supervision and examination by federal or state authorities and whose short-term securities or unsecured long-term debt has been rated P-1 or higher by Moody's Investors Service, Inc. ("Moody's") in the case of short-term securities, or in one of the two highest rating categories by Moody's in the case of unsecured long-term debt, or with an institution otherwise acceptable to the rating agency without reduction or withdrawal of the rating assigned to the relevant certificates. The collateral eligible to secure accounts in the Certificate Account is limited to United States government securities and other high-quality investments ("Eligible Investments"). A Certificate Account may be maintained as an interest bearing account, or the funds held therein may be invested pending each succeeding Remittance Date in Eligible Investments.

Unless otherwise specified herein or in the related Prospectus Supplement, the Servicer will deposit in the Certificate Account no later than two business days following receipt thereof the following payments and collections received or made by it subsequent to the Cut-off Date (including scheduled payments of principal and interest due after the Cut-off Date but received by the Servicer on or before the Cut-off Date):

- (i) all Obligor payments in respect of principal, including principal prepayments, on the Contracts;
  - (ii) all Obligor payments in respect of interest on the Contracts except amounts received as late payment fees, extension fees, assumption fees or similar fees, which fees together with any net income and gain from investments of funds in the Certificate Account, are included as part of the Servicer's servicing fees;
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- (iii) all amounts received and retained in connection with the liquidation of defaulted Contracts ("Liquidation Proceeds"), net of liquidation expenses ("Net Liquidation Proceeds");
  - (iv) all proceeds received under any hazard or other insurance policy covering any Contract, other than proceeds to be applied to the restoration or repair of the Manufactured Home or released to the Obligor;
  - (v) any Advances made as described under "Advances" below, and certain other amounts required under the Agreement to be deposited in the Certificate Account; and
  - (vi) all amounts received from any credit enhancement provided with respect to a Series of Certificates.

Subject to compliance with the Agreement, for as long as CITSF remains the Servicer under the Agreement, and CITSF remains a direct or indirect subsidiary of CIT, and if CIT has and maintains a short-term debt rating of P-1 by Moody's and the Trustee shall have received an opinion of counsel that any action taken pursuant to this sentence shall not adversely affect the status of the Trust as a REMIC, if applicable, or result in the imposition of a tax on the trust, the Servicer will not be required to make such deposits into the Certificate Account (the "Delayed Deposits") until the business day immediately preceding the next Remittance Date.

#### Distributions on Certificates

Except as otherwise provided in the related Prospectus Supplement, on each Remittance Date, the Trustee will withdraw from the applicable Certificate Account and distribute to the Certificateholders of each Class (other than a Series having a Class or sub-class of Subordinated Certificates, as described below), either the specified interest of such Class in the Contract Pool times the aggregate of all amounts on deposit in the Certificate Account as of the third business day preceding the Remittance Date or such other date as may be specified in the related Prospectus Supplement (the "Determination Date"), or, in the case of a Series of Certificates comprised of Classes which have been assigned a Stated Balance, payments of interest and payments in reduction of the Stated Balance from all amounts on deposit in the Certificate Account on the Determination Date, in the priority and calculated in the manner set forth in the related Prospectus Supplement, except in each case: (i) all payments on the Contracts that were due on or before the Cut-off Date; (ii) all payments or collections received after the Due Period preceding the month in which the Remittance Date occurs; (iii) all scheduled payments of principal and interest due on a date or dates subsequent to the Due Period preceding the Determination

Date; (iv) amounts representing reimbursement for Advances, such reimbursements being limited, if so specified in the related Prospectus Supplement, to amounts received on particular Contracts as late collections of principal or interest as to which the Servicer has made an unreimbursed Advance; and (v) amounts representing reimbursement for any unpaid Servicing Fees (as defined below) and expenses from Liquidation Proceeds, condemnation proceeds and proceeds of insurance policies with respect to the related Contracts and other amounts which either are not required to be deposited in the Certificate Account or which may be withdrawn from the Certificate Account as set forth in the Agreement. The "Due Period" is the period for which interest and principal on the Contracts is calculated for a related Remittance Date, as specified in the related Prospectus Supplement. The amounts on deposit in the Certificate Account on a Determination Date, less the amounts specified in (i) through (v) above, with respect to a Series of Certificates having a Class or sub-class of Subordinated Certificates, are referred to herein as the "Amount Available".

Unless otherwise specified in the related Prospectus Supplement, with respect to a Series of Certificates having a Class or sub-class of Subordinated Certificates, on each Remittance Date, the Trustee will withdraw from the

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applicable Certificate Account and distribute to the Holders of Senior Certificates, in the aggregate, the lesser of (i) the Senior Distribution Amount plus the Outstanding Senior Shortfall (each defined below) or (ii) the percentage interest (which may vary as specified in the related Prospectus Supplement) of the Classes (or sub-classes) of Senior Certificates times the Amount Available plus (A) the percentage interest (which may vary as specified in the related Prospectus Supplement) of the Classes (or sub-classes) of Subordinated Certificates times the Amount Available not to exceed the Available Subordinate Amount, if any, as defined in the related Prospectus Supplement and (B) Advances, if any, made by the Servicer. The distributions made to the Certificateholders of each Class or sub-class of Senior Certificates shall be calculated as described in the related Prospectus Supplement and may vary as to the allocation of principal or interest or both. Unless otherwise specified in the related Prospectus Supplement, the "Senior Distribution Amount" is an amount equal to the percentage interest of the Classes of Senior Certificates times:

- (i) all regularly scheduled payments of principal and interest which were due on Contracts during the related Due Period, whether or not received, with the interest portions thereof adjusted to the Remittance Rate;
- (ii) all Principal Prepayments made by the Obligor during the prior Due Period;
- (iii) with respect to each Contract not described in (iv) below, all insurance proceeds, all condemnation awards and any other cash proceeds from a source other than the Obligor, to the extent required to be deposited in the Certificate Account, which were received during the prior Due Period, net of related unreimbursed Advances and net of any portion thereof which, as to any Contract, constitutes late collections;
- (iv) with respect to each Contract as to which a receipt of Liquidation Proceeds has been received during the prior Due Period or other event of termination of the Contract has occurred during the prior Due Period, an amount equal to the principal amount of the Contract outstanding immediately prior to the date of receipt of such Liquidation Proceeds or such other event of termination, reduced by the principal portion of any unpaid payments due on or before such date to the extent previously advanced against or otherwise received by the Certificateholder, plus interest thereon from the most recent Due Date at the Remittance Rate; and
- (v) with respect to each Contract repurchased by CITSF for which the repurchase price was not distributed previously, an amount equal to the principal amount of the Contract outstanding on the date of such repurchase reduced by the principal portion of any unpaid payments due on or before such date (but only to the extent advanced against or otherwise received by the Certificateholders), plus interest thereon to the most recent Due Date.

The "Outstanding Senior Shortfall" for any sub-class of Senior Certificates means as of any date, to the extent not previously paid, the aggregate of the amounts by which the Senior Distribution Amount for such sub-class for any Remittance Date exceeded the amount actually paid on such Remittance Date plus interest at the Remittance Rate.

Unless otherwise specified in the related Prospectus Supplement, on each

Remittance Date, the Servicer shall distribute to the Classes (and sub-classes) of Subordinate Certificateholders, in the order set forth in the Related Prospectus Supplement, the balance of the Amount Available, if any, after the payment to the Senior Certificateholders, as described above.

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Unless otherwise specified in the Prospectus Supplement relating to a Series of Certificates, one or more Classes or sub-classes of which have been assigned a Stated Balance, distributions in reduction of the Stated Balance of such Certificates will be made on each Remittance Date to the Certificateholders of the Class or sub-class then entitled to receive such Certificate distributions until the aggregate amount of such distributions have reduced the Stated Balance of the Certificates of such Class or sub-class to zero. Allocation of distributions in reduction of Stated Balance will be made to each Class or sub-class of such Certificates in the order specified in the related Prospectus Supplement, which, if so specified in such Prospectus Supplement, may be concurrently. Unless otherwise specified in the related Prospectus Supplement, distributions in reduction of the Stated Balance of each Certificate of a Class or sub-class then entitled to receive such distributions will be made pro rata among the Certificates of such Class or sub-class.

Unless otherwise specified in the related Prospectus Supplement, the maximum amount which will be distributed in reduction of Stated Balance to Holders of Certificates of a Class or sub-class then entitled thereto on any Remittance Date will equal, to the extent funds are available, the sum of (i) the amount of the interest, if any, that has accrued but is not yet payable on the Compound Interest Certificates of such Series, if any, from the prior Remittance Date (or since the date specified in the related Prospectus Supplement in the case of first Remittance Date), (ii) the Certificate Remittance Amount and (iii) the applicable percentage of the Excess Cash Flow, if any, specified in such Prospectus Supplement.

The "Certificate Remittance Amount" means, unless otherwise specified in the related Prospectus Supplement, with respect to a Series of Certificates providing for sequential distributions in reduction of the Stated Balance of the Classes of such Series, as of any Remittance Date, the amount, if any, by which the then outstanding Stated Balance of the Classes of Certificates of such Series (before taking into account the amount of interest accrued on any Class of Compound Interest Certificates to be added to the Stated Balance thereof on such Remittance Date) exceeds the asset value of the Contracts included in the Trust for such Series as of the end of the related Due Period. "Compound Interest Certificates" are Certificates on which interest may accrue but not be paid for the period described in the related Prospectus Supplement.

Unless otherwise specified in the related Prospectus Supplement, the Certificate Remittance Amount with respect to a Remittance Date will equal the amount, if any, by which the then outstanding Stated Balance of the Certificates of the related Classes or sub-classes of Compound Interest Certificates of such Series (before taking into account the amount of interest accrued on any Class or sub-class of Compound Interest Certificates of such Series to be added to the Stated Balance thereof on such Remittance Date) exceeds the asset value of the Contracts in the Contract Pool underlying such Series as of the end of the applicable Due Period specified in the related Prospectus Supplement. For the purposes of determining the Certificate Remittance Amount with respect to a Remittance Date, the asset value of the Contracts will be reduced to take into account the interest evidenced by such Classes or sub-classes of Certificates in the principal distributions on or with respect to such Contracts received by the Trustee during the preceding Due Period.

Unless otherwise specified in the Prospectus Supplement relating to a Series of Certificates, one or more Classes or sub-classes of which have been assigned a Stated Balance, Excess Cash Flow represents the excess of (i) the interest evidenced by such Classes or sub-classes of Certificates in the distributions received on the Contracts underlying such Series in the Due Period preceding a Remittance Date for such Series (and, in the case of the first Due Period, the amount deposited in the Certificate Account on the closing date for the sale of such Certificates), together with income from the reinvestment thereof, (ii) the sum of all interest accrued, whether or not then payable, on the Certificates of such Classes or sub-classes since the preceding Remittance Date (or since the date specified in the related Prospectus Supplement in the case of the first Remittance Date), the Certificate Remittance Amount for the then current Remittance Date and, if applicable, any payments made on any

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Certificates of such Class or sub-class pursuant to any special distributions in

reduction of Stated Balance during such Due Period.

Within the time specified in the Agreement and described in the related Prospectus Supplement, the Servicer will furnish a statement to the Trustee setting forth the amount to be distributed on the related Remittance Date on account of principal and interest, stated separately, and a statement setting forth certain information with respect to the Contracts.

If there are not sufficient funds in the Certificate Account to make the full distribution to Certificateholders described above on any Remittance Date, the Servicer will distribute the funds available for distribution to the Certificateholders of each Class in accordance with the respective interests therein, except that Subordinated Certificateholders, if any, will not, subject to the limitations described in the related Prospectus Supplement, receive any distributions until Senior Certificateholders receive the Senior Distribution Amount plus the Outstanding Senior Shortfall. The difference between the amount which the Certificateholders would have received if there had been sufficient eligible funds in the Certificate Account and the amount actually distributed, plus interest at the Remittance Rates of the respective Contracts to which such shortfall is attributable, will be added to the amount which the Certificateholders are entitled to receive on the next Remittance Date.

Special Distributions. To the extent specified in the Prospectus Supplement relating to a Series of Certificates, one or more Classes or sub-classes of which have been assigned a Stated Balance and having less frequent than monthly Remittance Dates, such Classes or sub-classes may receive special distributions in reduction of Stated Balance ("Special Distributions") in any month, other than a month in which a Remittance Date occurs, if, as a result of principal prepayments on the Contracts in the related Contract Pool or low reinvestment yields, the Trustee determines, based on assumptions specified in the related Agreement, that the amount of cash anticipated to be on deposit in the Certificate Account on the next Remittance Date for such Series and available to be distributed to the Holders of the Certificates of such Classes or sub-classes may be less than the sum of (i) the interest scheduled to be distributed to Holders of the Certificates of such Classes or sub-classes and (ii) the amount to be distributed in reduction of Stated Balance of such Certificates on such Remittance Date. Any such Special Distributions will be made in the same priority and manner as distributions in reduction of Stated Balance would be made on the next Remittance Date.

Subordinated Certificates. The rights of a Class or sub-class of Certificateholders of a Series to receive any or a specified portion of distributions of principal or interest or both with respect to the Contracts, to the extent specified in the related Agreement and described in the related Prospectus Supplement, may be subordinated to such rights of other Certificateholders. With respect to a Series of Certificates having a Class or sub-class of Subordinated Certificates, the Prospectus Supplement will set forth, among other things, the extent to which such Class or sub-class is subordinated (which may include a formula for determining the subordinated amount or for determining the allocation of the Amount Available among Senior Certificates and Subordinated Certificates), the allocation of losses among the Classes or sub-classes of Subordinated Certificates, the period or periods of such subordination, the minimum subordinated amount, if any, and any distributions or payments which will not be affected by such subordination. The protection afforded to the Senior Certificateholders from the subordination feature described above will be effected by the preferential right of the Senior Certificateholders to receive current distributions from the Contract Pool.

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#### Advances

To the extent provided in the related Prospectus Supplement, the Servicer is obligated to make periodic advances ("Advances") of cash from its own funds or, if so specified in the related Prospectus Supplement, from excess funds in the Certificate Account not then required to be distributed to Certificateholders for distribution to the Certificateholders (other than Subordinated Certificateholders) in an amount equal to the difference between the amount due to them and the amount in the Certificate Account eligible for distribution to them pursuant to the Agreement, but only to the extent such difference is due to delinquent payments of principal and interest for the preceding Due Period and only to the extent the Servicer determines such advances are recoverable from future payments and collections on the Contracts. The Servicer's obligation to make Advances, if any, may, as specified in the related Prospectus Supplement, be limited in amount. If so specified in the related Prospectus Supplement, the Servicer will not be obligated to make Advances until all or a specified portion of the Reserve Fund, if any, for the related Series is depleted. Advances are intended to maintain a regular flow of scheduled interest and principal payments to the Senior Certificateholders, not

to guarantee or insure against losses. Accordingly, any funds so advanced are recoverable by the Servicer out of amounts received on particular Contracts which represent late recoveries of principal or interest respecting which any such Advance was made.

#### Example of Distributions

The following is an example of the flow of funds as it would relate to a hypothetical series of Certificates issued, and with a Cut-off Date occurring in June, 1994 (all days are assumed to be business days):

- June 26 - July 25 .... (1) Due Period. Servicer receives scheduled payments on the Contracts and any Principal Prepayments made by Obligor and applicable interest thereon.
- July 30 ..... (2) Record Date.
- August 12 ..... (3) Determination Date. Distribution amount determined.
- August 15 ..... (4) Remittance Date.

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- (1) Scheduled payments and Principal Prepayments may be received at any time during this period and will be deposited in the Certificate Account by the Servicer for distribution to Certificateholders. When a Contract is prepaid in full, interest in the amount prepaid is collected from the Obligor only to the date of payment.
- (2) Distributions on the Remittance Date will be made to Certificateholders of record at the close of business or the last business day of the month immediately preceding the month of distribution.
- (3) On August 12 (the third business day prior to the Remittance Date), the Servicer will determine the amounts of principal and interest which will be passed through on the Remittance Date. In addition, the Servicer may advance funds to cover any delinquencies, in which event the distribution to Certificateholders on the Remittance Date will include the full amounts of principal and interest due during the Due Period. The Servicer will also calculate any changes in the relative interests evidenced by the Senior Certificates and the Subordinated Certificates in the Trust.
- (4) On August 15, the amounts determined on August 12 will be distributed to Certificateholders.

Succeeding months follow the pattern of (2) through (4). The flow of funds with respect to any Series of Certificates may differ from the above example, as specified in the related Prospectus Supplement.

#### Indemnification

The Agreement requires CITSF to defend, hold harmless and indemnify the Company, the Trustee and the Certificateholders (which indemnification will survive any removal of the Servicer as servicer of the Contracts) from and against any and all liability, loss, costs and expenses resulting from any affirmative claims for recovery asserted or collected by Obligor under the Contracts. (Section 11.10.) The Agreement also requires CITSF to pay, and to defend, indemnify and hold harmless the Company, the Trust, the Trustee and the Certificateholders for any taxes which may at any time be asserted with respect to, and as of the date of, the conveyance of the Contracts to the Trust (but not including any tax arising out of the creation of the Trust and the issuance of the Certificates or distributions with respect thereto) and the costs, expenses and reasonable counsel fees in defending the same. (Section 10.02.)

The Agreement also requires the Servicer, in connection with its duties as servicer of the Contracts, to defend and indemnify the Company, the Trust, the Trustee and the Certificateholders against any and all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel and expenses of litigation, in respect of any negligent or wrongful action taken or failed to be taken by the Servicer with respect to any Contract while it was the Servicer. (Section 10.03.)

#### Servicing

Pursuant to the Agreement, the Servicer will service and administer the Contracts assigned to the Trustee as more fully set forth below. The Servicer will perform diligently all services and duties specified in each Agreement, exercising the degree of skill and care consistent with the same degree of skill and care that the Servicer exercises with respect to similar contracts serviced by it for its own account. The duties to be performed by the Servicer will



include collection and remittance of principal and interest payments, collection of insurance claims and, if necessary, repossessions.

The Servicer will make reasonable efforts to collect all payments called for under the Contracts and, consistent with the Agreement and any FHA insurance and VA guaranty, will follow such collection procedures as it follows with respect to mortgage loans or contracts serviced by it that are comparable to the Contracts.

Hazard Insurance. Except as otherwise specified in the related Prospectus Supplement, the terms of the Agreement will require the Servicer to cause to be maintained with respect to each Contract and each Manufactured Home that has been repossessed in connection with certain defaulted Contracts one or more Hazard Insurance Policies which provide, at a minimum, the same coverage as a standard form fire and extended coverage insurance policy that is customary for manufactured housing, issued by a company authorized to issue such policies in the state in which the Manufactured Home is located, and in an amount which is not less than the maximum insurable value of such Manufactured Home or the principal balance due from the Obligor on the related Contract, whichever is less; provided, however, that the amount of coverage provided by each Hazard Insurance Policy shall be sufficient to avoid the application of any co-

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insurance clause contained therein and provided further that such Hazard Insurance Policies may provide for customary deductible amounts. Each Hazard Insurance Policy caused to be maintained by the Servicer shall contain a standard loss payee clause in favor of the Servicer and its successors and assigns. If any Obligor is in default in the payment of premiums on its Hazard Insurance Policy or Policies, the Servicer shall pay such premiums out of its own funds, and may add separately such premium to the Obligor's obligation as provided by the Contract, but may not add such premium to the remaining principal balance of the Contract.

The Servicer may maintain, in lieu of causing individual Hazard Insurance Policies to be maintained with respect to each Manufactured Home, and shall maintain, to the extent that the related Contract does not require the Obligor to maintain a Hazard Insurance Policy with respect to the related Manufactured Home, one or more blanket insurance policies covering losses on the Obligors' interest in the Contracts resulting from the absence or insufficiency of individual Hazard Insurance Policies. Any such blanket policy shall be substantially in the form and in the amount carried by the Servicer as of the date of the Agreement. The Servicer shall pay the premium for such policy on the basis described therein but shall not be required to deposit any deductible amount with respect to claims under individual Hazard Insurance Policies maintained as described in the immediately preceding paragraph or claims under any blanket insurance policy. If the insurer thereunder shall cease to be acceptable to the Servicer, the Servicer shall exercise its best reasonable efforts to obtain from another insurer a replacement policy comparable to such policy.

If the Servicer shall have repossessed a Manufactured Home on behalf of the Trustee, the Servicer shall maintain at its expense hazard insurance with respect to such Manufactured Home.

Evidence as to Compliance. Unless otherwise specified in the related Prospectus Supplement, each Agreement will require the Servicer to deliver to the Trustee a monthly report prior to each Remittance Date, setting forth certain information regarding the Contract Pool and the Certificates of such Series as is specified in the related Prospectus Supplement. Each such report to the Trustee will be accompanied by a statement from an appropriate officer of the Servicer certifying the accuracy of such report and stating that the Servicer has not defaulted in the performance of its obligations under the Agreement. Unless otherwise specified in the related Prospectus Supplement, each Agreement will require that on or before April 1 of each year, the Servicer will deliver to the Trustee a report of independent public accountants stating that such firm has, with respect to the Servicer's overall servicing operations, examined such operations in accordance with the requirements of the Uniform Single Audit Program for Mortgage Bankers, and stating such firm's conclusions relating thereto.

The Servicer will furnish to the Trustee such reasonably pertinent underlying data as can be generated by the Servicer's existing data processing system without undue modification or expense. (Article VI.)

Certain Matters Regarding the Servicer. The Servicer may not resign from its obligations and duties under an Agreement except upon a determination that

its duties thereunder are no longer permissible under such Agreement or applicable law. No such resignation will become effective until the Trustee or a successor servicer has assumed the Servicer's responsibilities and obligations under such Agreement. The Servicer can only be removed as servicer pursuant to an Event of Termination as discussed below. Any person with which the Servicer is merged or consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Servicer is a party, or any person succeeding to the business of the Servicer, will be the successor to the Servicer under the Agreement. (Section 12.01.)

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Unless otherwise specified in the related Prospectus Supplement, each Agreement will also provide that neither the Servicer nor the Company, nor any director, officer, employee or agent of the Servicer or the Company, will be under any liability to the Trustee or the Certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to the Agreement, or for errors in judgment; provided, however, that the Servicer, the Company or any such person will not be protected against any liability which would otherwise be imposed by reason of the failure to perform its obligations in compliance with the standards of care set forth in the Agreement. The Servicer or the Company may, in its discretion, undertake any such action which it may deem necessary or desirable with respect to the Agreement and the rights and duties of the parties thereto and the interests of the Certificateholders thereunder. In such event, the legal expenses and costs of such action and any liability resulting therefrom will be expenses, costs and liabilities of the Trust and the Servicer and the Company will be entitled to be reimbursed therefor out of the Certificate Account.

The Servicer shall keep in force throughout the term of the Agreement (i) at such time as the long-term debt of its parent is rated less than A3 by Moody's, a policy or policies of insurance covering errors and omissions for failure to maintain insurance as required by this Agreement, and (ii) a fidelity bond. Such policy or policies and such fidelity bond shall be in such form and amount as is generally customary among persons which service a portfolio of manufactured housing contracts having an aggregate principal amount of \$100 million or more and which are generally regarded as servicers acceptable to institutional investors.

To the extent that nonpayment of any taxes or charges would result in the creation of a lien upon any Manufactured Home having a priority equal or senior to the lien of the related Contract (except for real estate taxes that would create a lien for taxes that are not yet due and payable), the Servicer shall advance any such delinquent tax or charge and be reimbursed by the related Obligor or from Liquidation Proceeds in respect of such Contract.

Servicing Compensation and Payment of Expenses. For its servicing of the Contracts, the Servicer will receive servicing fees ("Servicing Fees") which include a monthly Servicing Fee ("Monthly Servicing Fee") for each Due Period (paid on the next succeeding Remittance Date) which, unless otherwise stated in the related Prospectus Supplement, will be equal to 1/12th of the product of 1.00% and the Pool Scheduled Principal Balance for such Remittance Date.

The Monthly Servicing Fee provides compensation for customary manufactured housing contract third-party servicing activities to be performed by the Servicer for the Trust and for additional administrative services performed by the Servicer on behalf of the Trust. Customary servicing activities include collecting and recording payments, communicating with Obligors, investigating payment delinquencies, providing billing and tax records to obligors and maintaining internal records with respect to each Contract. Administrative services performed by the Servicer on behalf of the Trust include calculating distributions to Certificateholders and providing related data processing and reporting services for Certificateholders and on behalf of the Trustee. Expenses incurred in connection with the servicing of the Contracts and paid by the Servicer from its Servicing Fees include, without limitation, payments of all fees and expenses incurred in connection with the enforcement of Contracts (except Liquidation Expenses) and payment of expenses incurred in connection with distributions and reports to Certificateholders. The Servicer will be reimbursed out of the Liquidation Proceeds of a Liquidated Contract for all ordinary and necessary Liquidation Expenses incurred by it in realizing the related Manufactured Home. (Section 5.08.)

As part of its Servicing Fees, the Servicer will also be entitled to retain, as compensation for the additional services provided in connection therewith, any fees for late payments made by Obligors, extension fees paid by

Obligors for the extension of scheduled payments and assumption fees for permitted assumptions of Contracts by purchasers of the related Manufactured Homes. (Section 1.02.) As part of its Servicing Fees, the Servicer will also be entitled to retain the net income and gain from the investment of funds in the Certificate Account.

Events of Termination. Except as otherwise specified in the related Prospectus Supplement, Events of Termination under each Agreement will include (i) any failure by the Servicer to make deposits required under an Agreement and such failure continues unremedied for 5 business days (or such other period specified in the related Prospectus Supplement) after the Servicer has become aware that such deposit was required; (ii) any failure by the Servicer duly to observe or perform in any material respect any other of its covenants or agreements in the Agreement which continues unremedied for 30 days after the giving of written notice of such failure; (iii) any assignment by the Servicer of its duties or rights under the Agreement, except as specifically permitted under the Agreement, or any attempt to make such an assignment; (iv) certain events of insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings regarding the Servicer; and (v) the Servicer is no longer an Eligible Servicer (as defined in the applicable Agreement). Notice as used herein shall mean notice to the Servicer by the Trustee or the Company, or to the Company, the Servicer and the Trustee by the Holders of Certificates representing interests aggregating not less than 25% of the Trust.

Rights Upon Event of Termination. Except as otherwise specified in the related Prospectus Supplement, so long as an Event of Termination remains unremedied, the Trustee may, and at the written direction of the Certificateholders of a Series evidencing interests aggregating 25% or more of the related Trust, shall, unless prohibited by applicable law, terminate all (but not less than all) of the Servicer's management, administrative, servicing and collection functions under the related Agreement, whereupon (subject to applicable law regarding the Trustee's ability to make advances), unless prohibited by applicable law, the Trustee under the Agreement will succeed to all the responsibilities, duties and liabilities of the Servicer under the Agreement and will be entitled to similar compensation arrangements; provided, however, that the Trustee will not assume any obligation of CITSF to repurchase Contracts pursuant to the Agreement, including for breaches of representations or warranties. Notwithstanding such termination, the Servicer shall be entitled to payment of certain amounts payable to it prior to such termination, for services rendered prior to such termination. No such termination will affect in any manner CITSF's obligation to repurchase certain Contracts pursuant to the Agreement, including for breaches of representations or warranties under the Agreement. In the event that the Trustee would be obligated to succeed the Servicer but is unwilling or unable so to act, it may appoint, or petition to a court of competent jurisdiction for the appointment of, a Servicer. Pending such appointment, the Trustee is obligated to act in such capacity, unless the Trustee is prohibited by law from so acting. The Trustee and such successor may agree upon the servicing compensation to be paid, which in no event (unless 100% of the Certificateholders consent in writing) may be greater than the compensation to the Servicer under the Agreement.

No Certificateholder will have any right under an Agreement to institute any proceeding with respect to such Agreement unless the Holders of Certificates evidencing interests aggregating not less than 25% of the related Trust requested the Trustee in writing to institute such proceeding in its own name as Trustee and have offered to the Trustee reasonable indemnity. The Trustee will be under no obligation to take any action or institute, conduct or defend any litigation under the Agreement at the request, order or direction of any of the Holders of Certificates, unless such Certificateholders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which the Trustee may incur.

#### Reports to Certificateholders

The Servicer or the Trustee, as applicable, will forward to each Certificateholder on each Remittance Date, or as soon thereafter as is practicable, a report, as described in the related Prospectus Supplement.

In addition, within a reasonable period of time after the end of each calendar year, the Servicer or Trustee, as applicable, will furnish to each Certificateholder of record at any time during such calendar year a report containing information relating to interest accrued and principal paid on its Certificates during such calendar year and such other information as the Servicer deems necessary or desirable for Certificateholders to prepare their

tax returns. Information in the monthly and annual reports provided to the Certificateholders will not have been examined and reported upon by an independent public accountant. However, the Servicer will provide to the Trustee annually a report by independent public accountants with respect to the servicing of the Contracts as described under "Servicing--Evidence as to Compliance" above.

In addition, to the extent applicable, such report shall include:

- (i) in the case of Certificates which are assigned a Stated Balance, the amount of the distribution being made in reduction of Stated Balance specified in the related Prospectus Supplement, and the Stated Balance of each such Class of Certificates and a Single Certificate of the Holder's Class after giving effect to the distribution in reduction of Stated Balance made on such Remittance Date and after giving effect to all Special Distributions since the preceding Remittance Date or since the Closing Date in the case of the first Remittance Date; and
- (ii) with respect to a Compound Interest Certificate (but only if the Holder thereof shall not have received on such Remittance Date a distribution of interest equal to the entire amount of interest accrued on such Certificate during the related Due Period with respect to such Remittance Date):

(A) the interest accrued on such Class of Compound Interest Certificates and on a Single Certificate of such Class during the Due Period (or specified interest accrual period) with respect to such Remittance Date and added to the principal of such Compound Interest Certificates; and

(B) the Stated Balance of such Class of Compound Interest Certificates and of a Single Certificate of such Class after giving effect to the addition thereto of all interest accrued thereon during the Due Period (or specified interest accrual period) with respect to such Remittance Date.

#### Amendment

Unless otherwise specified in the related Prospectus Supplement, the Agreement may be amended by the Company, the Servicer and the Trustee without the consent of the Certificateholders (i) to correct manifest error or to cure any ambiguity, (ii) to correct or supplement any provision therein that may be inconsistent with any other provision therein, (iii) if an election has been made with respect to a particular Series of Certificates to treat the Trust as a real estate mortgage investment conduit ("REMIC") within the meaning of Section 860D(a) of the Internal Revenue Code of 1986, as amended, to maintain the REMIC status of the Trust and to avoid the imposition of certain taxes on the REMIC or (iv) to make any other provisions with respect to matters or questions arising under such Agreement that are not inconsistent with the provisions thereof, provided that such action will not adversely affect in any material respect the interests of the Certificateholders of the related Series.

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Unless otherwise specified in the related Prospectus Supplement, the Agreement may be amended by the Company, the Servicer and the Trustee with the consent of the Certificateholders evidencing, as to each Class of Certificates affected thereby, interests aggregating not less than 51% of such Class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of such Agreement or of modifying in any manner the rights of the Certificateholders; provided, however, that no such amendment that reduces in any manner the amount of, or delays the timing of, any payment received on or with respect to Contracts which are required to be distributed on any Certificate may be effective without the consent of the Holders of each such Certificate.

#### Termination of the Agreement

The obligations created by each Agreement will terminate upon the date calculated as specified in the Agreement, generally upon the last action required to be taken by the Trustee on the final Remittance Date following the earlier of (i) the purchase by the Servicer of all Contracts and all property acquired in respect of any Contract remaining in the Trust as described below, or (ii) the final payment or other liquidation of the last Contract remaining in the Trust or the disposition of all property acquired upon repossession of any Manufactured Home. In addition, unless otherwise specified in the related Prospectus Supplement, the Company or the Servicer may, at its option, with respect to any Series of Certificates, repurchase all Certificates or Contracts remaining outstanding at such time as the aggregate unpaid principal balance of such Contracts is less than the percentage of the aggregate unpaid principal balance of the Contracts on the Cut-off Date specified with respect to such

Series in the related Prospectus Supplement. Unless otherwise provided in the related Prospectus Supplement, the repurchase price will equal the principal amount of such Contracts plus accrued interest from the first day of the month of repurchase to the first day of the next succeeding month at the Contract Rates borne by such Contracts.

The Trustee

The Prospectus Supplement for a Series of Certificates will specify the Trustee under the related Agreement. The Trustee may have normal banking relationships with the Company or its affiliates and the Servicer or its affiliates.

The Trustee may resign at any time, in which event the Company will be obligated to appoint a successor Trustee. The Company may also remove the Trustee if the Trustee ceases to be eligible to continue as such under the Agreement or if the Trustee becomes insolvent. Any resignation or removal of the Trustee and appointment of a successor Trustee will not become effective until acceptance of the appointment by the successor Trustee.

The Trustee will make no representation as to the validity or sufficiency of the Agreement or the Certificates (other than its authentication or execution thereof) or any Contract, Contract file or related document, and will not be accountable for the use or application by the Company or CITSF of any funds paid to the Company or CITSF in consideration of the conveyance of the Contracts or deposited into or withdrawn from the Certificate Account. (Section 11.03.) If no Event of Termination has occurred and after the curing of all Events of Termination which may have occurred, the Trustee will be required to perform only those duties specifically required of it under the Agreement. However, upon receipt of the various certificates, reports or other instruments required to be furnished to it, the Trustee will be required to examine them to determine whether they conform as to form to the requirements of the Agreement. (Section 11.01.) Whether or not an Event of Termination has occurred and after the curing of all Events of Termination which may have occurred, the Trustee is not required to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its powers if it

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has reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. (Section 11.01.)

Under the Agreement, CITSF agrees to pay to the Trustee on each Remittance Date (a) reasonable compensation for all services rendered by it thereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and (b) reimbursement for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of the Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith. The Servicer has agreed to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the Trust and the Trustee's duties thereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of the Trustee's powers or duties thereunder. (Section 11.05.)

#### DESCRIPTION OF FHA INSURANCE AND VA GUARANTEES

Certain of the Contracts may be insured by the Federal Housing Administration (the "FHA") or guaranteed by the Veterans' Administration (the "VA"), the payments upon which, subject to the following discussion, are insured by the FHA under Title I of the National Housing Act or partially guaranteed by the VA.

The regulations governing FHA manufactured home insurance provide that insurance benefits are payable upon the repossession and resale of the collateral and assignment of the contract to the United States Department of Housing and Urban Development ("HUD"). With respect to a defaulted FHA contract, the servicer must follow applicable regulations before initiating repossession procedures. These regulations include requirements that the lender arrange a face-to-face meeting with the borrower, initiate a modification or repayment plan, if feasible, and give the borrower 30 days' notice of default prior to any repossession. The insurance claim is paid in cash by HUD. For manufactured housing contracts, the amount of insurance benefits generally paid by FHA is equal to 90% of the sum of (i) the unpaid principal amount of the contract at the date of default and uncollected interest earned to the date of default computed at the contract rate, after deducting the best price obtainable for the collateral (based in part on a HUD-approved appraisal) and all amounts retained

or collected by the lender from other sources with respect to the contract, (ii) accrued and unpaid interest on the unpaid amount of the contract from the date of default to the date of submission of the claim plus 15 calendar days (but in no event more than nine months) computed at a rate of 7% per annum, (iii) costs paid to a dealer or other third party to repossess and preserve the manufactured home, (iv) the amount of any sales commission paid to a dealer or other third party for the resale of the property, (v) with respect to a Land-Secured Contract, property taxes, special assessments and other similar charges and hazard insurance premiums, prorated to the date of disposition of the property, (vi) uncollected court costs, (vii) legal fees, not to exceed \$500, and (viii) expenses for recording the assignment of the lien on the collateral to the United States.

The insurance available to a lender under FHA Title I insurance is subject to the limit of a reserve amount equal to 10% of the original principal balance of all Title I insured loans originated by the lender, which amount is reduced by all claims paid to the lender and by an annual reduction in the reserve amount of 10% of the reserve amount, and which is increased by an amount equal to 10% of the original principal balance of insured loans subsequently originated by the lender. If CITSF were replaced as Servicer of the Contracts under the Agreement, it is not clear from the FHA regulations what portion of this reserve amount would be available for claims in respect of the

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FHA-insured Contracts. The obligation to pay insurance premiums to FHA is the obligation of CITSF, as Servicer of the FHA-insured Contracts.

The maximum guarantee that may be issued by the VA for a VA-guaranteed contract is the lesser of (a) the lesser of \$20,000 and 40% of the principal amount of the contract and (b) the maximum amount of guaranty entitlement available to the obligor veteran (which may range from \$20,000 to zero). The amount payable under the guarantee will be the percentage of the VA contract originally guaranteed applied to indebtedness outstanding as of the applicable date of computation specified in the VA regulations, interest accrued on the unpaid balance of the loan to the appropriate date of computation and limited expenses of the contract Holder, but in each case only to the extent that such amounts have not been recovered through resale of the manufactured home. The amount payable under the guarantee may in no event exceed the amount of the original guarantee.

#### CERTAIN LEGAL ASPECTS OF THE CONTRACTS

The following discussion contains summaries of certain legal aspects of manufactured housing contracts, including Land-Secured Contracts, which are general in nature. Because such legal aspects are governed by applicable state law (which laws may differ substantially from state to state), the summaries do not purport to be complete nor to reflect the laws of any particular state, nor to encompass the laws of all states in which the security for the Contracts or Land-Secured Contracts is situated. The summaries are qualified in their entirety by reference to the applicable federal and state laws governing the Contracts or Land-Secured Contracts.

#### The Contracts (Other than Land-Secured Contracts)

General. As a result of the assignment of the Contracts to the Trustee, the Trust will succeed collectively to all of the rights (including the right to receive payment on the Contracts) and will assume the obligations of the obligee under the Contracts. Each Contract evidences both (a) the obligation of the Obligor to repay the loan evidenced thereby, and (b) the grant of a security interest in the Manufactured Home to secure repayment of such loan. Certain aspects of both features of the Contracts are described more fully below.

The Contracts generally are "chattel paper" as defined in the Uniform Commercial Code (the "UCC") in effect in the states in which the Manufactured Homes initially were registered. Pursuant to the UCC, the sale of chattel paper is treated in a manner similar to perfection of a security interest in chattel paper. Under the Agreement, the Servicer will retain possession of the Contracts as custodian of the Trustee, and will make an appropriate filing of a UCC-1 financing statement in Oklahoma and New Jersey to give notice of the Trustee's ownership of the Contracts. The Contracts will not be stamped to reflect their assignment from CITSF to the Company or from the Company to the Trustee. Therefore, if through negligence, fraud or otherwise, a subsequent purchaser were able to take physical possession of the Contracts without notice of such assignment, the Trustee's interest in the Contracts could be defeated.

Security Interests in the Manufactured Homes. The Manufactured Homes securing the Contracts may be located in all 50 states and the District of Columbia. Security interests in manufactured homes may be perfected either by notation of the secured party's lien on the certificate of title or by delivery of the required documents and payment of a fee to the state motor vehicle

authority, depending on state law. In some nontitle states, perfection pursuant to the provisions of the UCC is required. CITSF effects such notation or delivery of the required documents and fees, and obtains possession of the

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certificate of title, as appropriate under the laws of the state in which a Manufactured Home is registered. However, contract originators other than CITSF may not have effected such notation or delivery of the required documents and fees, and may not have obtained possession of the certificate of title, as appropriate under the laws of the state in which any manufactured home securing a manufactured housing conditional sales contract is registered. In the event CITSF or a contract originator other than CITSF fails, due to clerical error

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certificate of title, as appropriate under the laws of the state in which a Manufactured Home is registered. However, contract originators other than CITSF may not have effected such notation or delivery of the required documents and fees, and may not have obtained possession of the certificate of title, as appropriate under the laws of the state in which any manufactured home securing a manufactured housing conditional sales contract is registered. In the event manufactured homes, under certain circumstances, may become subject to real estate title and recording laws. As a result, a security interest in a manufactured home could be rendered subordinate to the interests of other parties claiming an interest in the home under applicable state real estate law. In order to perfect a security interest in a manufactured home under real estate laws of some states, the holder of the security interest must file either a "fixture filing" under the provisions of the UCC or a real estate mortgage under the real estate laws of the state where the home is located. See "Land-Secured Contracts" below. These filings must be made in the real estate records office of the county where the home is located. CITSF believes that a large portion of the Contracts will contain provisions prohibiting the Obligor from permanently attaching the Manufactured Home to its site. So long as the Obligor does not violate this agreement, a security interest in the Manufactured Home will be governed by the certificate of title laws or the UCC, and (depending upon the requirements of applicable state law) the notation of the security interest on the certificate of title or the filing of a UCC financing statement will be effective to maintain the priority of the security interest in the Manufactured Home. If, however, a Manufactured Home becomes permanently attached to its site, other parties could obtain an interest in the Manufactured Home which is prior to the security interest originally retained by the seller and subsequently transferred to the Company. CITSF will represent that at the date of the initial issuance of the related Series of Certificates it has obtained a perfected first priority security interest with respect to the Manufactured Homes securing the Contracts. Such representation will not, however, be based upon any inspection of the sites of the Manufactured Homes.

The Company will cause the security interest in the Manufactured Homes to be assigned to the Trustee on behalf of the Certificateholders. CITSF believes that in most cases, the certificate of title names the contract originator (or its affiliates or predecessors or assignee, directly or by mesne assignment) as the secured party. Unless otherwise specified in the related Prospectus Supplement, CITSF, the Company and the Trustee will not amend the certificates of title to identify the Trustee as the new secured party or deliver the certificates of title to the Trustee or note thereon the interest of the Trustee. Accordingly, CITSF, or the related contract originator (or its affiliate, predecessor or assignee) if other than CITSF, will continue to be named as the secured party on the certificates of title relating to some of the Manufactured Homes. In most states, such assignment from the related contract originator (if other than CITSF) to CITSF, from CITSF to the Company and from the Company to the Trustee is an effective conveyance of such security interest without amendment of any lien noted on the related certificate of title and the new secured party succeeds to the rights of the related contract originator (if other than CITSF), CITSF or the Company, as the case may be, as the secured party. However, in a few states in the absence of an amendment to the certificate of title, any such assignment of the security interest in the Manufactured Home may not be held effective or such security interest may not be perfected, and, in the absence of such notation or delivery to the Trustee, the assignment of the security interest in the Manufactured Home may not be effective against creditors or a trustee in bankruptcy or against CITSF or the Company as debtor-in-possession.

If there are any Manufactured Homes as to which the security interest assigned to the Trustee is not perfected, such security interest would be subordinate to, among others, subsequent purchasers for value of the Manu-

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factured Homes and holders of perfected security interest therein. There also exists a risk in not identifying the Trustee as the new secured party on the certificate of title that, through fraud or negligence, the security interest of the Trustee could be released.

In the event that the owner of a Manufactured Home moves it to a state other than the state in which such Manufactured Home initially is registered, under the laws of most states the perfected security interest in the Manufactured Home would continue for four months after such relocation and thereafter only if and after the owner re-registers the Manufactured Home in such state. If the owner were to relocate a Manufactured Home to another state and not re-register the Manufactured Home in such state, and if steps were not taken to re-perfect the Trustee's security interest in such state, the security interest in the Manufactured Home would cease to be perfected. A majority of states generally require surrender of a certificate of title to re-register a Manufactured Home; accordingly, the Trustee (or the Servicer, as custodian for the Trustee) must surrender possession if it holds the certificate of title to such Manufactured Home or, in the case of Manufactured Homes registered in states which provide for notation of lien, the contract originator would receive notice of surrender if the security interest in the Manufactured Home is noted on the certificate of title and the Servicer may not receive notice. Accordingly, the Trustee would have the opportunity to re-perfect its security interest in the Manufactured Home in the state of relocation in the case where the Servicer holds the certificate of title and is noted as the secured party thereon and may not have such an opportunity to re-perfect in other cases. In states which do not require a certificate of title for registration of a manufactured home, re-registration could defeat perfection. In the ordinary course of servicing the manufactured housing conditional sales contracts, the Servicer takes steps to effect such re-perfection upon receipt of notice of re-registration or information from the obligor as to relocation. Similarly, when an obligor under a Contract sells a Manufactured Home, the Trustee (or the Servicer, as custodian for the Trustee) must surrender possession of the certificate of title or will receive notice as a result of its lien noted thereon and, accordingly, will have an opportunity to require satisfaction of the related manufactured housing conditional sales contract before release of the lien. Such protections generally would not be available in the case of security interests in manufactured homes located in nontitle states where perfection of such security interest is achieved by appropriate filings under the UCC (as in effect in such state). Under the Agreement, the Servicer is obligated to take such steps, at the Servicer's expense, as are necessary to maintain perfection of security interests in the Manufactured Homes.

Under the laws of most states, liens for repairs performed on a Manufactured Home and liens for personal property taxes take priority over a perfected security interest. Such liens could arise at any time during the term of a Contract. No notice will be given to the Trustee or Certificateholders in the event such a lien arises.

Enforcement of Security Interests in Manufactured Homes. The Servicer on behalf of the Trustee, to the extent required by the related Agreement, may take action to enforce the Trustee's security interest with respect to Contracts in default by repossession and resale of the Manufactured Homes securing such defaulted Contracts. So long as the Manufactured Home has not become subject to real estate laws, a creditor can repossess a Manufactured Home securing a Contract by voluntary surrender, by "self-help" repossession that is "peaceful" (i.e., without breach of the peace) or, in the absence of voluntary surrender and the ability to repossess without breach of the peace, by judicial process. The holder of a Contract must give the debtor a number of days' notice, which varies from 10 to 30 days depending on the state, prior to commencement of any repossession. The UCC and consumer protection laws in most states place restrictions on repossession sales, including requiring prior notice to the debtor and commercial reasonableness in effecting such a sale. The law in most states also requires that the debtor be given notice of any sale prior to resale of the unit so that the debtor may redeem at or before such resale. In the event of such repossession and resale of a Manufactured Home, the Trustee would be

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entitled to be paid out of the sale proceeds before such proceeds could be applied to the payment of the claims of unsecured creditors or the holders of subsequently perfected security interests or, thereafter, to the debtor.

Under the laws applicable in most states, a creditor is entitled to obtain a deficiency judgment from a debtor for any deficiency on repossession and resale of the manufactured home securing such a debtor's loan. However, some states impose prohibitions or limitations on deficiency judgments, and in many cases the defaulting borrower would have no assets with which to pay a judgment.

Certain other statutory provisions, including federal and state bankruptcy and insolvency laws and general equitable principles, may limit or delay the



ability of a lender to repossess and resell collateral or enforce a deficiency judgment.

Under the terms of the federal Soldiers' and Sailors' Civil Relief Act of 1940, as amended (the "Relief Act"), an Obligor who enters military service after the origination of such Obligor's Contract (including an Obligor who is a member of the National Guard or is in reserve status at the time of the origination of the Contract and is later called to active duty) may not be charged interest above an annual rate of 6% during the period of such Obligor's active duty status, unless a court orders otherwise upon application of the lender. It is possible that such action could have an effect, for an indeterminate period of time, on the ability of the Servicer to collect full amounts of interest on certain of the Contracts. Any shortfall in interest collections resulting from the application of the Relief Act, to the extent not covered by the subordination of a Class of Subordinated Certificates, could result in losses to the Holders of a Series of Certificates. In addition, the Relief Act imposes limitations which would impair the ability of the Servicer to foreclose on an affected Contract during the Obligor's period of active duty status. Thus, in the event that such a Contract goes into default, there may be delays and losses occasioned by the inability to realize upon the Manufactured Home in a timely fashion.

#### Land-Secured Contracts

General. The Land-Secured Contracts will be secured by (i) a first or second mortgage, deed of trust, or similar instrument, upon the land on which the Manufactured Home is located and (ii) either (A) a perfected first security interest or (B) a recorded first mortgage, deed of trust or similar instrument on the Manufactured Home (depending on whether the Manufactured Home is affixed to the land and upon the specific provisions of applicable state law). A mortgage creates a lien upon the real property described in the mortgage. There are two parties to a mortgage: the mortgagor, who is the borrower, and the mortgagee, who is the lender. In a mortgage state, the mortgagor delivers to the mortgagee a note or bond evidencing the loan and the mortgage. Although a deed of trust is similar to a mortgage, a deed of trust has three parties: the borrower, a lender as beneficiary, and a third-party grantee called the trustee. Under a deed of trust, the borrower grants the property, irrevocably until the debt is paid, in trust, generally with a power of sale, to the trustee to secure payment of the loan. The trustee's authority under a deed of trust and the mortgagee's authority under a mortgage are governed by the express provisions of the deed of trust or mortgage, applicable law, and, in some cases, with respect to the deed of trust, the directions of the beneficiary.

Foreclosure. Foreclosure of a mortgage is generally accomplished by judicial action. Generally, the action is initiated by the service of legal pleadings upon all parties having an interest of record in the real property. Delays in completion of the foreclosure occasionally may result from difficulties in locating any necessary party defendant. When the mortgagee's right to foreclosure is contested, the legal proceedings necessary to resolve the issue can be time-consuming and expensive. After the completion of a judicial foreclosure proceeding, the court may issue a judgment of foreclosure

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and appoint a receiver or other officerto conduct the sale of the property. In some states, mortgages may also be foreclosed by advertisement, pursuant to a power of sale provided in the mortgage. Foreclosure of a mortgage by advertisement is essentially similar to foreclosure of a deed of trust by non-judicial power of sale.

Foreclosure of a deed of trust is generally accomplished by a non-judicial trustee's sale under a specific provision in the deed of trust that authorizes the trustee to sell the property to a third party upon any default by the borrower under the terms of the note or deed of trust. In certain states, such foreclosure also may be accomplished by judicial action in the manner provided for foreclosure of mortgages. In some states, the trustee must record a notice of default and send a copy to the borrower-trustor and to any person who has recorded a request for a copy of a notice of default and the notice of sale. In addition, the trustee must provide notice in some states to any other individual having an interest of record in the real property, including any junior lienholder. If the deed of trust is not reinstated within any applicable cure period, a notice of sale must be posted in a public place and, in most states, published for a specified period of time in one or more newspapers. In addition, some state laws require that a copy of the notice of sale be posted on the property and sent to all parties having an interest of record in the property.

In some states, the borrower-trustor has the right to reinstate the loan at any time following default until shortly before the trustee's sale. In general, the borrower, or any other person having a junior encumbrance on the real estate, may, during a reinstatement period, cure the default by paying the entire amount in arrears plus the costs and expenses incurred in enforcing the

obligation. Certain state laws control the amount of foreclosure expenses and costs, including attorneys' fees, that may be recovered by a lender.

In the case of foreclosure under either a mortgage, deed of trust or similar instrument, the sale by the receiver or other designated officer, or by the trustee, is a public sale. However, because of the difficulty a potential buyer at the sale would have in determining the exact status of title and because the physical condition of the property may be deteriorated during the foreclosure proceedings, it is not common for a third party to purchase the property at the foreclosure sale. Rather, the lender generally purchases the property from the trustee or receiver. Thereafter, subject to the right of the borrower in some states to remain in possession during the redemption period, the lender will assume the burdens of ownership, including obtaining hazard insurance and making such repairs at its own expense as are necessary to render the property suitable for sale. The lender commonly will obtain the services of a real estate broker and pay the broker a commission in connection with the sale of the property. Depending upon market conditions, the ultimate proceeds of the sale of the property may not equal the lender's investment in the property.

**Rights of Redemption.** In some states, after sale pursuant to a deed of trust or foreclosure of a mortgage, the borrower and certain foreclosed junior lienors are given a statutory period in which to redeem the property from the foreclosure sale. In certain other states, this right of redemption applies only to sale following judicial foreclosure, and not sale pursuant to a non-judicial power of sale. In most states where the right of redemption is available, statutory redemption may occur upon payment of the foreclosure purchase price, accrued interest and taxes. In some states, the right to redeem is an equitable right. The effect of a right of redemption is to diminish the ability of the lender to sell the foreclosed property. The exercise of a right of redemption would defeat the title of any purchaser at a foreclosure sale, or of any purchaser from the lender subsequent to judicial foreclosure or sale under a deed of trust. Consequently, the practical effect of the redemption right is to force the lender to maintain the property and pay the expenses of ownership until the redemption period has run.

**Anti-Deficiency Legislation and Other Limitations on Lenders.** Certain states have imposed statutory restrictions that limit the remedies of a beneficiary under a deed of trust or a mortgagee under a mortgage relating to a single family residence. In some states, statutes limit the right of the

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beneficiary or mortgagee to obtain a deficiency judgment against the borrower following foreclosure or sale under a deed of trust. A deficiency judgment is a personal judgment against the borrower equal in most cases to the difference between the amount due to the lender and the net amount realized upon the foreclosure sale.

Some state statutes may require the beneficiary or mortgagee to exhaust the security afforded under a deed of trust or mortgage by foreclosure in an attempt to satisfy the full debt before bringing a personal action against the borrower. In certain other states, the lender has the option of bringing a personal action against the borrower on the debt without first exhausting such security; however, in some of these states, the lender, following judgment on such personal action, may be deemed to have elected a remedy and may be precluded from exercising remedies with respect to the security. Consequently, the practical effect of the election requirement, when applicable, is that lenders will usually proceed first against the security rather than bringing a personal action against the borrower.

Other statutory provisions may limit any deficiency judgment against the former borrower following a foreclosure sale to the excess of the outstanding debt over the fair market value of the property at the time of such sale. The purpose of these statutes is to prevent a beneficiary or a mortgagee from obtaining a large deficiency judgment against the former borrower as a result of low or no bids at the foreclosure sale.

In some states, exceptions to the anti-deficiency statutes are provided for in certain instances where the value of the lender's security has been impaired by acts or omissions of the borrower, for example, in the event of waste of the property.

In addition to anti-deficiency and related legislation, numerous other federal and state statutory provisions, including the federal bankruptcy laws, the Relief Act and state laws affording relief to debtors, may interfere with or affect the ability of a secured mortgage lender to realize upon its security. A bankruptcy court may grant a debtor in a bankruptcy case a reasonable time to cure a payment default, and in the case of a mortgage loan not secured by the debtor's principal residence, also may reduce the monthly payments due under such mortgage loan, change the rate of interest and alter the mortgage loan repayment schedule. Certain court decisions have applied such relief to claims

secured by the debtor's principal residence. For example, with respect to a Land-Secured Contract, in a bankruptcy case commenced under Chapter 13 of the Bankruptcy Code, when it has been determined that the value of a home is less than the principal balance of the loan, bankruptcy courts historically have prevented a lender from foreclosing on the home, and, as part of the rehabilitation plan, reduced the amount of the secured indebtedness to the value of the home as of the date the bankruptcy case was commenced, leaving the lender with a general unsecured claim for the difference between that value and the amount of outstanding indebtedness. This result may be sharply curtailed, however, as a result of a recent decision by the United States Supreme Court which denied confirmation of a Chapter 13 debtor's plan of rehabilitation which proposed to bifurcate a lender's secured claim on the debtor's principal residence into secured and unsecured claims and reduce the mortgage lien to the fair market value of the debtor's residence.

The Code provides priority to certain tax liens over the lien of the mortgage, deed of trust or similar instrument. The laws of some states provide priority to certain tax liens over the lien of the mortgage, deed of trust or similar instrument. Numerous federal and some state consumer protection laws impose substantive requirements upon mortgage lenders in the connection with the origination, servicing and enforcement of mortgage loans. These laws include the federal Truth in Lending Act, Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Fair Credit Billing Act, Fair Credit Reporting Act, and related statutes and regulations. These federal laws and state laws impose

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specific statutory liabilities upon lenders who originate or service mortgage loans and who fail to comply with the provisions of the law. In some cases, this liability may affect assignees of the Contracts.

#### Certain Matters Relating to Insolvency

Each of CITSF, as seller of the Contracts to the Company, and the Company, as seller of the Contracts to the Trustee, intend that the transfer of such Contracts from CITSF to the Company and from the Company to a Trust, respectively, will constitute a sale rather than a pledge of the Contracts to secure indebtedness of CITSF or the Company, respectively. However, if CITSF or the Company were to become a debtor under the Bankruptcy Code, it is possible that a creditor, receiver, other party-in-interest or trustee in bankruptcy of CITSF or the Company, or CITSF or the Company as a debtor-in-possession may argue that the sale of the Contracts by CITSF to the Company or by the Company to the Trust, respectively, was a pledge of the Contracts rather than a sale and that, accordingly, such Contracts should be part of such entity's bankruptcy estate. Such a position, if presented to a court, even if ultimately unsuccessful, could result in a delay in or reduction of distributions to the related Certificateholders.

A case (Octagon Gas Systems, Inc. v. Rimmer, 995 F.2d 948 (10th Cir.), cert. denied 114 S. Ct. 554 (1993)) decided by the United States Court of Appeals for the Tenth Circuit contains language to the effect that accounts sold by a debtor under Article 9 of the UCC would remain property of the debtor's bankruptcy estate. Although the Contracts constitute chattel paper under the UCC rather than accounts, sales of chattel paper are similarly governed by Article 9 of the UCC. If, following a bankruptcy of the Company, a court were to follow the reasoning of the Tenth Circuit and apply such reasoning to chattel paper, then delays or reductions in payments of collections on or in respect of the Contracts could occur.

#### Consumer Protection Laws

The so-called "Holder-in-Due-Course" rule of the Federal Trade Commission is intended to defeat the ability of the transferor of a consumer credit contract which is the seller of goods which gave rise to the transaction (and certain related lenders and assignees) to transfer such contract free of notice of claims by the debtor thereunder. The effect of this rule is to subject the assignee of such a Contract (such as the Trust) to all claims and defenses which the Obligor could assert against the seller of the Manufactured Home. Liability under this rule is limited to amounts paid under a contract; however, the Obligor also may be able to assert the rule to set off remaining amounts due as a defense against a claim brought by the Trust against such Obligor. Numerous other federal and state consumer protection laws impose requirements applicable to the origination and lending pursuant to the Contracts, including the Truth in Lending Act, the Federal Trade Commission Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act and the Uniform Consumer Credit Code. In the case of some of these laws, the failure to comply with their provisions may affect the enforceability of the related Contract. Neither the Trust nor the Company has obtained any license required under any federal or state consumer or mortgage banking laws or regulations, and the absence of such licenses may impede the enforcement of certain rights or give rise to certain defenses in actions

seeking enforcement rights.

#### Transfers of Manufactured Homes, Enforceability of "Due-on-Sale" Clauses

The Contracts, in general, prohibit the sale or transfer of the related Manufactured Homes without the consent of the Servicer and permit the acceleration of the maturity of the Contracts by the Servicer upon any such sale or transfer that is not consented to. In the case of those Contracts that do not contain such due-on-sale clauses, CITSF may permit assumptions of such Contracts if the purchaser of the related Manufactured Home satisfies CITSF's current underwriting standards.

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In the case of a transfer of a Manufactured Home after which the Servicer desires to accelerate the maturity of the related Contract, the Servicer's ability to do so will depend on the enforceability under state law of the "due-on-sale" clause. The Garn-St. Germain Depository Institutions Act of 1982 preempts, subject to certain exceptions and conditions, state laws prohibiting enforcement of "due-on-sale" clauses applicable to the Manufactured Homes. Consequently, the Servicer may be prohibited from enforcing a "due-on-sale" clause in respect of certain Manufactured Homes to the limited extent provided in the Garn-St. Germain Depository Institutions Act of 1982.

#### Applicability of Usury Laws

Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980, as amended ("Title V"), provides that, subject to the following conditions, state usury limitations shall not apply to any loan which is secured by a first lien on certain kinds of manufactured housing. The Contracts would be covered if they satisfy certain conditions, among other things, governing the terms of any prepayments, late charges and deferral fees and requiring a 30-day notice period prior to instituting any action leading to repossession of or foreclosure with respect to the related unit.

Title V authorized any state to reimpose limitations on interest rates and finance charges by adopting before April 1, 1983 a law or constitutional provision which expressly rejects application of the federal law. Fifteen states adopted such a law prior to the April 1, 1983 deadline. In addition, even where Title V was not so rejected, any state is authorized by the law to adopt a provision limiting discount points or other charges on loans covered by Title V.

#### ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") imposes certain requirements on employee benefit plans subject to ERISA ("Plans") and on persons who are fiduciaries with respect to such Plans. Generally, ERISA applies to investments made by such Plans. Among other requirements, ERISA mandates that the assets of Plans be held in trust and that the trustee, or other duly authorized fiduciary, have exclusive authority and discretion to manage and control the assets of such Plans. ERISA also imposes certain duties on persons who are fiduciaries of such Plans. Under ERISA, any person who exercises any authority or control with respect to the management or disposition of the assets of a Plan is considered to be a fiduciary of such Plan, subject to the standards of fiduciary conduct under ERISA. These standards include the requirements that the assets of Plans be invested and managed for the exclusive benefit of Plan participants and beneficiaries, a determination by the Plan fiduciary that any such investment is permitted under the governing Plan instruments and is prudent and appropriate for the Plan in view of its overall investment policy and the composition and diversification of its portfolio. Certain employee benefit plans, such as governmental plans (as defined in ERISA Section 3(32)) and certain church plans (as defined in ERISA Section 3(33)), are not subject to ERISA. Accordingly, assets of such plans may be invested in Certificates without regard to the ERISA considerations described herein, subject to provisions of other federal and applicable state laws. Any such plan which is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code, however, is subject to the prohibited transaction rules set forth in Section 503 of the Code.

In addition to the imposition of general fiduciary standards of investment prudence and diversification, ERISA, and the corresponding provisions of the Code, prohibit a broad range of transactions involving Plan assets and persons having certain specified relationships to a Plan ("parties in interest" and "disqualified persons"). Such transactions are treated as "prohibited

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transactions" under Sections 406 and 407 of ERISA and excise taxes are imposed upon such persons by Section 4975 of the Code. An investment in the Certificates by a Plan might constitute prohibited transactions under the foregoing provisions unless an administrative exemption applies. In addition, if an investing Plan's assets were deemed to include an interest in the assets of the Contract Pool and not merely an interest in the Certificates, transactions occurring in the operation of the Contract Pool might constitute prohibited transactions unless an administrative exemption applies. Certain such exemptions which may be applicable to the acquisition and holding of the Certificates or to the servicing and operation of the Contract Pool are noted below.

The Department of Labor ("DOL") has issued a regulation (29 C.F.R. Section 2510.3-101) (the "DOL Regulation") concerning the definition of what constitutes the assets of a Plan. The DOL Regulation provides that, as a general rule, the underlying assets and properties of corporations, partnerships, trusts and certain other entities in which a Plan makes an "equity" investment will be deemed for purposes of ERISA to be assets of the investing plan unless certain exceptions apply. However, the DOL Regulation provides that, generally, the assets of a corporation or partnership in which a Plan invests will not be deemed for purposes of ERISA to be assets of such Plan if the equity interest acquired by the investing Plan is a publicly-offered security. A publicly-offered security, as defined under the DOL Regulation, is a security that is widely held, freely transferable, and registered under the Securities Exchange Act of 1934, as amended. The Certificates are not expected to be publicly-offered securities under the terms of the DOL Regulation.

Relief from the prohibited transaction rules of Section 406 and 407 of ERISA (and from the prohibited transaction excise provisions of Section 4975 of the Code) may be found under the provisions of specific statutory or administrative exemptive relief authorities under Section 408 of ERISA. In Prohibited Transaction Exemption 83-1 ("PTE 83-1"), which amended Prohibited Transaction Exemption 81-7, the DOL exempted from ERISA's prohibited transaction rules certain transactions relating to the operation of residential mortgage pool investment trusts and the purchase, sale and holding of "mortgage pool pass-through certificates" in the initial issuance of such certificates. PTE 83-1 permits, subject to certain conditions, transactions which might otherwise be prohibited between Plans and parties in interest with respect to those Plans related to the origination, maintenance and termination of mortgage pools consisting of mortgage loans secured by first or second mortgages or deeds of trust on single-family residential property, and the acquisition and holding of certain mortgage pool pass-through certificates representing an interest in such mortgage pools by Plans. If the general conditions of PTE 83-1 are satisfied, investments by a Plan in certificates that represent interests in a mortgage pool consisting of single family loans will be exempt from the prohibitions of Sections 406(a) and 407 of ERISA (relating generally to transactions with parties in interest who are not fiduciaries) if the Plan purchases such certificates at no more than fair market value, and will be exempt from the prohibitions of Section 406(b)(1) and (2) of ERISA (relating generally to transactions with fiduciaries) if, in addition, the purchase is approved by an independent fiduciary, no sales commission is paid to the pool sponsor, the Plan does not purchase more than 25% of such certificates, and at least 50% of all such certificates are purchased by persons independent of the pool sponsor or pool trustee. However, PTE 83-1 does not provide an exemption for transactions involving subordinate certificates or for certificates representing an interest in conditional sales contracts and installment sales or loan agreements secured by manufactured housing like the Contracts.

There can be no assurance that any of the exceptions set forth in the DOL Regulation, PTE 83-1 or any other administrative exemption under ERISA, will apply to the purchase of Certificates offered hereby, and, as a result, an investing Plan's assets could be considered to include an undivided interest in the Contracts and any other assets held in the Contract Pool. In the event that assets of a Contract Pool are considered assets of an investing Plan, the Company, the Servicer, the Trustee and other persons, in providing services with respect to the Contracts, may be considered fiduciaries to such Plan and subject

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to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 4975 of the Code with respect to transactions involving such assets unless a statutory or administrative exemption applies.

In addition, certain affiliates of the Company may be considered to be parties in interest or disqualified persons with respect to some Plans. An investment by such a Plan may be a prohibited transaction under ERISA and the Code unless such investment is subject to a statutory or administrative exemption.

Any Plan fiduciary considering the purchase of a Certificate should consult with its counsel with respect to the potential applicability of ERISA and the

Code to such investment. Moreover, each Plan fiduciary should determine whether, under the general fiduciary standards of investment prudence and diversification, an investment in the Certificates is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio.

#### CERTAIN FEDERAL INCOME TAX CONSEQUENCES

##### General

The following is a general discussion of certain federal income tax consequences relating to the purchase, ownership, and disposition of the Certificates. The discussion is based upon laws, regulations, rulings, and decisions now in effect, including Treasury Regulations issued on December 23, 1992 (the "REMIC Regulations"), all of which are subject to change or possibly differing interpretations. The discussion does not purport to deal with federal income tax consequences applicable to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisors to determine the federal, state, local, and other tax consequences of the purchase, ownership, and disposition of the Certificates.

Many aspects of the federal tax treatment of the purchase, ownership, and disposition of the Certificates will depend upon whether an election is made to treat the Trust, or a segregated portion thereof evidenced by a particular series or sub-series of Certificates, as a REMIC within the meaning of Section 860D(a) of the Code. The Prospectus Supplement for each series will indicate whether or not an election to be treated as a REMIC has been or will be made with respect thereto. The following discussion deals first with Series with respect to which a REMIC Election is made and then with Series with respect to which a REMIC Election is not made.

##### REMIC Series

With respect to each Series of Certificates for which a REMIC Election is made, counsel to the Company identified in the applicable Prospectus Supplement will have advised the Company that in its opinion, assuming (i) the making of that election in accordance with the requirements of the Code and (ii) ongoing compliance with the applicable Agreement, and in reliance upon the representations and warranties in the Agreement, at the initial issuance of the Certificates in such Series the Trust will qualify as a REMIC and the Certificates in such Series ("REMIC Certificates") will be treated either as regular interests in the REMIC within the meaning of Section 860G(a)(1) of the Code ("Regular Certificates") or as residual interests in the REMIC within the meaning of Section 860G(a)(2) of the Code ("Residual Certificates").

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Qualification as a REMIC. Qualification as a REMIC involves ongoing compliance with certain requirements and the following discussion assumes that such requirements will be satisfied by the Trust as long as there are any REMIC Certificates outstanding. Substantially all of the assets of the REMIC must consist of "qualified mortgages" and "permitted investments" as of the close of the third month beginning after the day on which the REMIC issues all of its regular and residual interests (the "Startup Day") and at all times thereafter. The term "qualified mortgage" means any obligation (including a participation or certificate of beneficial ownership in such obligation) which is principally secured by an interest in real property that is transferred to the REMIC on the Startup Day in exchange for regular or residual interests in the REMIC or is purchased by the REMIC within the three-month period beginning on the Startup Day if such purchase is pursuant to a fixed price contract in effect on the Startup Day. The REMIC Regulations provide that an obligation is principally secured by an interest in real property if the fair market value of the real property securing the obligation is at least equal to either (i) 80% of the issue price (generally, the principal balance) of the obligation at the time it was originated or (ii) 80% of the adjusted issue price (the then-outstanding principal balance, with certain adjustments) of the obligation at the time it is contributed to a REMIC. In the case of a second mortgage, the fair market value of the underlying real property must be reduced by the amount of any lien that is senior to such mortgage, and must be further reduced by a proportionate amount of any lien which is in parity with such mortgage. Alternatively, an obligation is principally secured by an interest in real property if substantially all of the proceeds of the obligation were used to acquire or to improve or protect an interest in real property that, at the origination date, is the only security for the obligation (other than the personal liability of the obligor). A qualified mortgage also includes a qualified replacement mortgage that is used to replace any qualified mortgage within three months of the Startup Day or to replace a defective mortgage within two years of the Startup Day. The REMIC Regulations provide that obligations secured by manufactured housing which are treated as "single family residences" under

Section 25(e)(10) of the Code will qualify as obligations secured by real property without regard to state law classifications. See the discussion below under "REMIC Series - Status of Manufactured Housing Contracts."

Permitted Investments. Permitted investments consist of (a) temporary investments of cash received under qualified mortgages before distribution to holders of interests in the REMIC ("cash-flow investments"), (b) amounts, such as a fund (a "reserve fund"), if any, reasonably required to provide for full payment of expenses of the REMIC, the principal and interest due on regular or residual interests in the event of defaults on qualified mortgages, lower than expected returns on cash-flow investments, prepayment interest shortfalls or certain other contingencies ("qualified reserve assets"), and (c) certain property acquired as a result of foreclosure of defaulted qualified mortgages ("foreclosure property"). Certain credit enhancement arrangements which provide for full or partial payment on one or more classes of Regular Interests in the event of defaults or delinquencies on qualified mortgages, unanticipated losses or expenses incurred by the REMIC or lower than expected returns on cash flow investments are not treated as separate assets of the REMIC under the REMIC Regulations and payments under such arrangements are treated as payments received on qualified mortgages. In addition, the REMIC Regulations do not treat certain reserve funds maintained outside of the REMIC as an asset of the REMIC. A reserve fund will not be qualified if more than 30% of the gross income from the assets in the reserve fund is derived from the sale or other disposition of property held for less than three months, unless such sale is necessary to prevent a default in payment of principal or interest on a regular interest as the result of a default on a qualified mortgage. In accordance with Section 860G(a)(7) of the Code, a reserve fund must be "promptly and appropriately" reduced as payments on Contracts are received. Foreclosure property will be a permitted investment only to the extent that such property is not held for more than two years.

The Code requires that in order to qualify as a REMIC an entity must make reasonable arrangements designed to ensure that certain specified entities, generally including governmental entities or other entities that are exempt

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from United States tax, including the tax on unrelated business income ("Disqualified Organizations"), not hold residual interests in the REMIC. Consequently, in the case of any Trust for which a REMIC Election is made the transfer, sale or other disposition of a Residual Certificate to a Disqualified Organization will be prohibited and the ability of a Residual Certificate to be transferred will be conditioned on the Trustee's receipt of a certificate or other document representing that the proposed transferee is not a Disqualified Organization. The transferor of a Residual Certificate must not, as of the time of the transfer, have actual knowledge that such representation is false. The Code further requires that reasonable arrangements must be made to enable a REMIC to provide the Internal Revenue Service (the "Service") and certain other parties, including transferors of residual interests in a REMIC, with the information needed to compute the tax imposed by Section 860E(e)(1) of the Code if, in spite of the steps taken to prevent Disqualified Organizations from holding residual interests, such an organization does, in fact, acquire a residual interest.

If the Trust fails to comply with one or more of the ongoing requirements for qualification as a REMIC, the Trust will not be treated as a REMIC for the year during which such failure occurs and thereafter unless the Service determines, in its discretion, that such failure was inadvertent (in which case, the Service may require any adjustments which it deems appropriate). If the ownership interests in the assets of the Trust consist of multiple classes, failure to treat the Trust as a REMIC may cause the Trust to be treated as an association taxable as a corporation. Such treatment could result in income of the Trust being subject to corporate tax in the hands of the Trust and in a reduced amount being available for distribution to Certificateholders as a result of the payment of such taxes.

Status of Manufactured Housing Contracts. The REMIC Regulations provide that obligations secured by interests in manufactured housing, which qualify as "single family residences" within the meaning of Section 25(e)(10) of the Code, are to be treated as "qualified mortgages" for a REMIC. Under Section 25(e)(10) of the Code, the term "single family residence" includes any manufactured home which has a minimum of 400 square feet of living space and a minimum width in excess of 102 inches and which is of a kind customarily used at a fixed location. The Company will represent and warrant that each of the manufactured homes securing the Contracts which is part of a Trust which makes a REMIC Election meets this definition of a "single family residence." See the discussion above under "REMIC Series --Qualification as a REMIC."

Two-Tier REMIC Structures. For certain Series of Certificates, two separate elections may be made to treat segregated portions of the assets of a single Trust as REMICs for federal income tax purposes (respectively, the "Subsidiary REMIC" and the "Master REMIC"). Upon the issuance of any such Series of

Certificates, counsel will have advised the Company, as described above, that at the initial issuance of the Certificates, the Subsidiary REMIC and the Master REMIC will each qualify as a REMIC for federal income tax purposes, and that the Certificates in such a series will be treated either as Regular Certificates or Residual Certificates of the appropriate REMIC. Solely for the purpose of determining whether such Regular Certificates will constitute qualifying real estate or real property assets for certain categories of financial institutions or real estate investment trusts as described below, both REMICs in a two-tier REMIC structure will be treated as one. See the discussion below under "REMIC Series -- Taxation of Regular Interests".

Taxation of Regular Interests. Regular Certificates will be treated as new debt instruments issued by the REMIC on the Startup Day. Stated interest on a Regular Certificate will be taxable as ordinary income. Holders of Regular Certificates that would otherwise report income under a cash method of accounting will be required to report income with respect to such Regular Certificates under the accrual method. Under Temporary Treasury Regulations, if a Trust, with respect to which a REMIC Election is made, is considered to be a

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"single-class REMIC," a portion of the REMIC's servicing fees, administrative and other non-interest expenses, including assumption fees and late payment charges retained by the Company, will be allocated as a separate item to those Regular Certificateholders that are "pass-through interest holders". Generally, a single-class REMIC is defined as a REMIC that would be treated as a fixed investment trust under applicable law but for its qualification as a REMIC, or a REMIC that is substantially similar to an investment trust but is structured with the principal purpose of avoiding this allocation requirement imposed by the Temporary Treasury Regulations. Generally, a pass-through interest holder refers to individuals, entities taxed as individuals, such as certain trusts and estates, which hold their Regular Certificates either directly or through certain pass-through entities. Such a Holder of a Regular Certificate in a single-class REMIC will be allowed to deduct the foregoing expenses under Section 212 of the Code only to the extent that, in the aggregate and combined with certain other miscellaneous itemized deductions, they exceed 2% of the adjusted gross income of the holder. In addition, Section 68 of the Code provides that the amount of certain itemized deductions (including those provided for in Section 212 of the Code) otherwise allowable for the taxable year for an individual whose adjusted gross income exceeds an inflation-adjusted threshold amount specified in the Code (\$111,800 for taxable years beginning in 1994, in the case of a joint return) will be reduced by the lesser of (i) 3% of the excess of adjusted gross income over the specified threshold amount or (ii) 80% of the amount of itemized deductions otherwise allowable for such taxable year. As a result of the foregoing limitations, certain Holders of Regular Certificates in "single-class REMICs" may not be entitled to deduct all of any part of the foregoing expenses.

Tax Status of REMIC Certificates. In general, (i) Regular Certificates held by a financial institution described in Section 593(a) of the Code will represent interests in "qualifying real property loans" within the meaning of Section 593(d) of the Code; (ii) Regular Certificates held by a "domestic building and loan association" within the meaning of Section 7701(a)(19) of the Code will constitute "a regular ... interest in a REMIC" within the meaning of Section 7701(a)(19)(c)(xi) of the Code; and (iii) Regular Certificates held by a real estate investment trust will constitute "real estate assets" within the meaning of Section 856(c)(5)(A) of the Code and interest thereon will be considered "interest on obligations secured by mortgages on real property" within the meaning of Section 856(c)(3)(B) of the Code. If less than 95% of the average adjusted basis of the assets comprising the REMIC are assets qualifying under any of the foregoing Sections of the Code (including assets described in Section 7701(a)(19)(C) of the Code), then the Regular Certificates will be qualifying assets only to the extent that the assets comprising the REMIC are qualifying assets. Treasury Regulations promulgated pursuant to Section 593 on the Code define "qualifying real property loans" to include a loan secured by manufactured housing treated as a single family residence under Section 25(e)(10) of the Code. Section 7701(a)(19)(C)(v) of the Code provides that "loans secured by an interest in real property" includes loans secured by mobile homes not used on a transient basis. Treasury Regulations promulgated pursuant to Section 856 of the Code provide that the term "real estate asset" includes manufactured housing treated as a single family residence under Section 25(e)(10) of the Code. Furthermore, interest paid with respect to Certificates held by a real estate investment trust will be considered "interest on obligations secured by mortgages on real property or on interests in real property" within the meaning of Section 856(c)(3)(B) of the Code to the same extent that the Certificates themselves are treated as real estate assets. Regular Certificates held by a regulated investment company or a real estate investment trust will not constitute "Government securities" within the meaning of Sections 851(b)(4)(A)(i) and 856(c)(5)(A) of the Code, respectively. In addition, the REMIC Regulations provide that payments on Contracts held and reinvested pending distribution to Certificateholders will be considered to be "qualifying real property loans" within the meaning of Section 593(b) of the



Code and "real estate assets" within the meaning of Section 856(c)(5)(A) of the Code. Entities affected by the foregoing provisions of the Code that are considering the purchase of Certificates should consult their own tax advisors regarding these provisions.

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Original Issue Discount. Regular Certificates may be issued with "original issue discount". Rules governing original issue discount are set forth in Sections 1271-1273 and 1275 of the Code and Treasury Regulations issued thereunder in January 1994 (the "OID Regulations"). Although the rules relating to original issue discount contained in the Code were modified by the Tax Reform Act of 1986 specifically to address the tax treatment of securities, such as the Regular Certificates, on which principal is required to be prepaid based on prepayments of the underlying assets, regulations under that legislation have not yet been finalized. Certificateholders also should be aware that the OID Regulations do not address certain issues relevant to prepayable securities such as the Regular Certificates. Moreover, under the OID Regulations, there is some uncertainty as to the requirements for treating stated interest on a debt obligation like a Regular Certificate as "qualified stated interest". If the stated interest payments on a Regular Certificate were not considered to be "qualified stated interest", such interest would be treated as OID in the manner described below and, in the case of a Regular Certificate otherwise issued with de minimis OID, would cause all of the OID on such a Regular Certificate to be treated as non-de minimis OID.

In general, in the hands of the original Holder of a Regular Certificate, original issue discount, if any, is the difference between the "stated redemption price at maturity" of the Regular Certificate and its "issue price". The original issue discount with respect to a Regular Certificate will be considered to be zero if it is less than .25% of the Regular Certificate's stated redemption price at maturity multiplied by the number of complete years from the date of issue of such Regular Certificate to its maturity date. The OID Regulations, however, provide a special de minimis rule to apply to obligations such as the Regular Certificates that have more than one principal payment or that have interest payments that are not qualified stated interest as defined in the OID Regulations, payable before maturity ("installment obligations"). Under the special rule, original issue discount on an installment obligation is generally considered to be zero if it is less than .25% of the stated redemption price at maturity (generally the principal amount) of the obligation multiplied by the weighted average maturity of the obligation as defined in the OID Regulations. Because of the possibility of prepayments, it is not clear whether or how the de minimis rules will apply to the Regular Certificates. It is possible that the anticipated rate of prepayments assumed in pricing the debt instrument (the "Prepayment Assumption") will be required to be used in determining the weighted average maturity of the Regular Certificates. In the absence of authority to the contrary, the Company expects to apply the de minimis rule applicable to installment obligations by using the Prepayment Assumption. The OID Regulations provide a further special de minimis rule applicable to any Regular Certificates that provide for payments of principal no more rapidly than a "self-amortizing installment obligation," i.e., an obligation that provides for equal payments composed of principal and qualified stated interest payable unconditionally at least annually during its entire term, with no significant additional payment required at maturity. Under this special rule, original issue discount is generally considered to be zero if it is less than .167% of the stated redemption price at maturity (generally the principal amount) of the obligation multiplied by the number of complete years from the date of issue of such a Regular Certificate to its maturity date.

Generally, the original Holder of a Regular Certificate that includes a de minimis amount of original issue discount includes that original issue discount in income as principal payments are made. The amount includable in income with respect to each principal payment equals a pro rata portion of the entire amount of de minimis original issue discount with respect to that Regular Certificate. Any de minimis amount of original issue discount includable in income by a Holder of a Regular Certificate is generally treated as a capital gain if the Regular Certificate is a capital asset in the hands of the Holder thereof. Pursuant to the OID Regulations, a Holder of a Regular Certificate may, however, elect to include in gross income all interest that accrues on a Regular Certificate, including any de minimis original issue discount and market discount, by using the constant yield method described below with respect to original issue discount.

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The stated redemption price at maturity of a Regular Certificate generally will be equal to the sum of all payments, whether denominated as principal or

interest, to be made with respect thereto other than "qualified stated interest". Pursuant to the OID Regulations, qualified stated interest is stated interest that is unconditionally payable at least annually at a single fixed rate of interest (or, under certain circumstances, a variable rate tied to an objective index. See "REMIC Series--Variable Rate Regular Certificates" below) during the entire term of the Regular Certificate (including short periods). In the absence of authority to the contrary and if otherwise appropriate, the Company expects to determine the stated redemption price at maturity of a Regular Certificate, by assuming that the anticipated rate of prepayment for all Contracts will occur in such a manner that the initial Remittance Rate for a Certificate will not change. Accordingly, interest at the initial Remittance Rate will constitute qualified stated interest payments for purposes of applying the original issue discount provisions of the Code. In general, the issue price of a Regular Certificate is the price paid by the first buyer of the particular Regular Certificate or, in the case of a Regular Certificate included in a class that is publicly offered, the initial offering price to the public at which a substantial amount of the Regular Certificates of such class are sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers). If a portion of the initial offering price of a Regular Certificate is allocable to interest that has accrued prior to its date of issue, the issue price of such a Regular Certificate includes that pre-issuance accrued interest.

If the Regular Certificates are determined to be issued with original issue discount, a Holder of a Regular Certificate must generally include the original issue discount in ordinary gross income for federal income tax purposes as it accrues in advance of the receipt of any cash attributable to such income. The amount of original issue discount, if any, required to be included in a Regular Certificateholder's ordinary gross income for federal income tax purposes in any taxable year will be computed in accordance with Section 1272(a) of the Code and the OID Regulations. Under such Section and the OID Regulations, original issue discount accrues on a daily basis under a constant yield method that takes into account the compounding of interest. The amount of original issue discount to be included in income by a holder of a debt instrument, such as a Regular Certificate, under which principal payments may be subject to acceleration because of prepayments of other debt obligations securing such instruments, is computed by taking into account the Prepayment Assumption.

The amount of original issue discount includable in income by a Holder of a Regular Certificate is the sum of the "daily portions" of the original issue discount for each day during the taxable year on which the Holder held the Regular Certificate. The daily portions of original issue discount are determined by allocating to each day in any "accrual period" a pro rata portion of the excess, if any, of the sum of (i) the present value of all remaining payments to be made on the Regular Certificate as of the close of the "accrual period" and (ii) the payments during the "accrual period" of amounts included in the stated redemption price of the Regular Certificate over the "adjusted issue price" of the Regular Certificate at the beginning of the "accrual period". Generally, the "accrual periods" for the Regular Certificates correspond to the intervals at which amounts are paid or compounded with respect to such Regular Certificates beginning with their date of issuance and ending with their maturity date. The "adjusted issue price" of a Regular Certificate at the beginning of any accrual period is the sum of the issue price and accrued original issue discount for each prior accrual period reduced by the amount of payments other than payments of qualified stated interest made during each prior accrual period. The Code requires the present value of the remaining payments to be determined on the basis of (a) the original yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), (b) events including actual prepayments, which have occurred before the close of the accrual period, and (c) the assumption that the remaining payments will be made in accordance with the original Prepayment Assumption. The effect of this method is to increase the portions of original issue discount that a Regular Certificateholder must include in income to take into account prepayments with respect to the Contracts

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held by the Trust that occur at a rate that exceeds the Prepayment Assumption and to decrease (but not below zero for any period) the portions of original issue discount that a Regular Certificateholder must include in income to take into account prepayments with respect to the Contracts that occur at a rate that is slower than the Prepayment Assumption. Although original issue discount will be reported to Regular Certificateholders based on the Prepayment Assumption, no representation is made to Regular Certificateholders that the Contracts will be prepaid at that rate or at any other rate.

A subsequent purchaser of a Regular Certificate will also be required to include in such purchaser's ordinary gross income for federal income tax purposes the original issue discount, if any, accruing with respect to such Regular Certificate, unless the price paid equals or exceeds the Regular Certificate's outstanding principal amount. If the price paid exceeds the sum of

the Regular Certificate's issue price plus the aggregate amount of original issue discount accrued with respect to the Regular Certificate, but does not equal or exceed the outstanding principal amount of the Regular Certificate, the amount of original issue discount to be accrued will be reduced in accordance with a formula set forth in Section 1272(a)(7)(B) of the code.

The Company believes that the Holder of a Regular Certificate determined to be issued with non-de minimis original issue discount will be required to include the original issue discount in ordinary gross income for federal income tax purposes computed in the manner described above. However, the OID Regulations either do not address or are subject to varying interpretations with respect to several issues concerning the computation of original issue discount for obligations such as the Regular Certificates.

Variable Rate Regular Certificates. Regular Certificates may bear interest at a variable rate. Under the OID Regulations, if a variable rate Regular Certificate provides for qualified stated interest payments computed on the basis of certain qualified floating rates or objective rates, then any original issue discount on such a Regular Certificate is computed and accrued under the same methodology that applies to Regular Certificates paying qualified stated interest at a fixed rate. Accordingly, if the issue price of such a Regular Certificate is equal to its stated redemption price at maturity, the Regular Certificate will not have any original issue discount. Under the OID Regulations, certain variable interest rates payable on Regular Certificates, including rates based upon the weighted average interest rate of a Pool of Contracts, may not be treated as qualified stated interest. In such case, the OID Regulations would treat interest under such rates as contingent interest which generally must be included in income by the Regular Certificateholder when the interest becomes fixed, as opposed to when it accrues. Further information regarding the treatment of variable interest that does not constitute qualified stated interest will be provided, when necessary, in the Prospectus Supplement relating to the issuance of such Regular Certificates.

For purposes of applying the original issue discount provisions of the Code, all or a portion of the interest payable with respect to a variable rate Regular Certificate may not be treated as qualified stated interest in certain circumstances, including the following: (i) if the variable rate of interest is subject to one or more minimum or maximum rate ceilings which are not fixed throughout the term of the Regular Certificate and which are reasonably expected as of the issue date to cause the rate in certain accrual periods to be significantly higher or lower than the overall expected return on the Regular Certificate determined without such minimum or maximum rates; (ii) if it is reasonably expected that the average value of the variable rate during the first half of the term of the Regular Certificate will be either significantly less than or greater than the average value of the rate during the final half of the term of the Regular Certificate; or (iii) if interest is not payable in all circumstances. In these situations, as well as others, it is unclear under the OID Regulations whether or to what extent such interest payments constitute qualified stated interest payments, must be treated either as part of a Regular

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Certificate's stated redemption price at maturity resulting in original issue discount, or represent contingent payments which are recognized as ordinary gross income for federal income tax purposes only as the interest payments become fixed in each accrual period.

If a variable rate Regular Certificate is deemed to have been issued with original issue discount, as described above, the amount of original issue discount accrues on a daily basis under a constant yield method that takes into account the compounding of interest; provided, however, that the interest associated with such a Regular Certificate generally is assumed to remain constant throughout the term of the Regular Certificate at a rate that, in the case of a qualified floating rate, equals the value of such qualified floating rate as of the issue date of the Regular Certificate, or, in the case of an objective rate, at a fixed rate that reflects the yield that is reasonably expected for the Regular Certificate. A Holder of such a Regular Certificate would then recognize original issue discount during such accrual period at a rate equal to such a Regular Certificate's original, assumed yield to maturity, adjusted to reflect the difference between the assumed and actual interest rate.

The OID Regulations either do not address or are subject to varying interpretations with respect to several issues concerning the computation of original issue discount with respect to the Regular Certificates, including variable rate Regular Certificates. When available, additional information regarding the manner of reporting original issue discount to the Service and to Holders of variable rate Regular Certificates will be set forth in the Prospectus Supplement relating to the issuance of such Regular Certificates.

Market Discount. Regular Certificates, whether or not issued with original issue discount, will be subject to the market discount rules of the Code. A

purchaser of a Regular Certificate who purchases the Regular Certificate at a market discount (i.e., a discount from its original issue price plus any accrued original issue discount, if any, as described above) will be required to recognize accrued market discount as ordinary income as payments of principal are received on such Regular Certificate or upon the disposition of the Regular Certificate. In general, the Holder of a Regular Certificate may elect to treat market discount as accruing either (i) under a constant yield method that is similar to the method for the accrual of original issue discount or (ii) in proportion to accruals of original issue discount (or, if there es no angiacc ed original t, in proportion to accruals of stated interest), in each case computed taking into account the Prepayment Assumption.

The Code provides that the market discount in respect of a Regular Certificate will be considered to be zero if the amount allocable to the Regular Certificate is less than 0.25% of the Regular Certificate's stated redemption price at maturity multiplied by the number of complete years remaining to its maturity after the Holder acquired the obligation. If market discount is treated as de minimis under this rule, the actual discount would be allocated among a portion of each scheduled distribution representing the stated redemption price of such Regular Certificate and that portion of the discount allocable to such distribution would be reported as income when such distribution occurs or is due.

The Code further provides that any principal payment with respect to a Regular Certificate acquired with market discount or any gain on disposition of such a Regular Certificate shall be treated as ordinary income to the extent it does not exceed the accrued market discount at the time of such payment. The amount of accrued market discount for purposes of determining the amount of ordinary income to be recognized with respect to subsequent payments on such a Regular Certificate is to be reduced by the amount previously treated as ordinary income.

The Code grants authority to the Treasury Department to issue regulations providing for the computation of accrued market discount on debt instruments such as the Regular Certificates. Until such time as regulations are issued,

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rules described in the legislative history for these provisions of the Code will apply. Under those rules, as described above, the Holder of a Regular Certificate with market discount may elect to accrue market discount either on the basis of a constant interest rate or according to certain other methods. Certificateholders who acquire a Regular Certificate at a market discount should consult their tax advisors concerning various methods which are available for accruing that market discount.

In general, limitations imposed by the Code that are intended to match deductions with the taxation of income may require a Holder of a Regular Certificate having market discount to defer a portion of the interest deductions attributable to any indebtedness incurred or continued to purchase or carry such Regular Certificate. Alternatively, a Holder of a Regular Certificate may elect to include market discount in gross income as it accrues and, if he makes such an election, is exempt from this rule. The adjusted basis of a Regular Certificate subject to such election will be increased to reflect market discount included in gross income, thereby reducing any gain or increasing any loss on a sale or taxable disposition.

Amortizable Premium. A Holder of a Regular Certificate who holds the Regular Certificate as a capital asset and who purchased the Regular Certificate at a cost greater than its outstanding principal amount will be considered to have purchased the Regular Certificate at a premium. In general, the Regular Certificateholder may elect to deduct the amortizable bond premium as it accrues under a constant yield method. A Regular Certificateholder's tax basis in the Regular Certificate will be reduced by the amount of the amortizable bond premium deducted. In addition, it appears that the same methods which apply to the accrual of market discount on installment obligations are intended to apply in computing the amortizable bond premium deduction with respect to a Regular Certificate. It is not clear, however, (i) whether the alternatives to the constant-yield method which may be available for the accrual of market discount are available for amortizing premium on Regular Certificates and (ii) whether the Prepayment Assumption should be taken into account in determining the term of a Regular Certificate for this purpose. Certificateholders who pay a premium for a Regular Certificate should consult their tax advisors concerning such an election and rules for determining the method for amortizing bond premium.

Gain or Loss on Disposition. If a Regular Certificate is sold, the seller will recognize gain or loss equal to the difference between the amount realized from the sale and the seller's adjusted basis in such Regular Certificate. The adjusted basis generally will equal the cost of such Regular Certificate to the seller, increased by any original issue discount included in the seller's ordinary gross income with respect to such Regular Certificate and reduced (but

not below zero) by any payments on the Regular Certificate previously received or accrued by the seller (other than qualified stated interest payments) and any amortizable premium. Similarly, a Regular Certificateholder who receives a principal payment with respect to a Regular Certificate will recognize gain or loss equal to the difference between the amount of the payment and the Holder's allocable portion of his or her adjusted basis in the Regular Certificate. Except as discussed below or with respect to market discount, any gain or loss recognized upon a sale, exchange, retirement, or other disposition of a Regular Certificate will be capital gain if the Regular Certificate is held as a capital asset.

Gain from the disposition of a Regular Certificate that might otherwise be capital gain, including any gain attributable to de minimis original issue discount, will be treated as ordinary income to the extent of the excess, if any, of (i) the amount that would have been includable in the Holder's income if the yield on such Regular Certificate had equaled 110% of the applicable federal rate determined as of the beginning of such Holder's holding period, over (ii) the amount of ordinary income actually recognized by the Holder with respect to such Regular Certificate.

Certain Taxes on the REMIC. The REMIC provisions of the Code impose a 100% tax on any net income derived by a REMIC from certain prohibited transactions.

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Such transactions are (i) any disposition of a qualified mortgage, other than pursuant to the substitution of a qualified replacement mortgage for a qualified mortgage (or the repurchase in lieu of substitution of a defective obligation), a disposition incident to the foreclosure, default, or imminent default of a mortgage, the bankruptcy or insolvency of the REMIC, or a qualified liquidation of the REMIC; (ii) the receipt of income from assets other than qualified mortgages and permitted investments; (iii) the receipt of compensation for services; and (iv) the receipt of gain from the dispositions of cash flow investments. The REMIC Regulations provide that the modification of the terms of a Contract occasioned by default or a reasonably foreseeable default of the Contract, the assumption of the Contract, the waiver of a due-on-sale clause or the conversion of an interest rate by an Obligor pursuant to the terms of a convertible adjustable-rate Contract will not be treated as a disposition of the Contract. The Code also imposes a 100% tax on contributions to a REMIC made after the Startup Day, unless such contributions are payments made to facilitate a cleanup call or a qualified liquidation of the REMIC, payments in a nature of a guaranty, contributions during the three-month period beginning on the Startup Day or contributions to a qualified reserve fund of the REMIC by a Holder of a residual interest in the REMIC. The Code also imposes a tax on a REMIC at the highest corporate rate on certain net income from foreclosure property that the REMIC derives from the management, sale, or disposition of any real property, or any personal property incident thereto, acquired by the REMIC in connection with the default or imminent default of a loan. Generally, it is not anticipated that a Trust which makes a REMIC Election will generate a significant amount of such income.

Liquidation of the REMIC. A REMIC may liquidate without the imposition of entity-level tax only in a "qualified liquidation". A liquidation is considered qualified if a REMIC adopts a plan of complete liquidation and sells all of its assets (other than cash) within the ninety-day period beginning on the date of the adoption of the plan of liquidation, provided that it distributes to Holders of Regular or Residual Certificates, on or before the last day of the ninety-day liquidation period, all the proceeds of the liquidation (plus all cash), less amounts remained to meet claims.

Taxation of Certain Foreign Investors. For purposes of this discussion, a "Foreign Holder" is a Certificateholder who holds a Regular Certificate and who is not (i) a citizen or resident of the United States, (ii) a corporation, partnership, or other entity organized in or under the laws of the United States or a political subdivision thereof or (iii) an estate or trust the income of which is includable in gross income for United States tax purposes regardless of its source. Unless the interest on a Regular Certificate is effectively connected with the conduct by the Foreign Holder of a trade or business within the United States, the Foreign Holder is not subject to federal income or withholding tax on interest (or original issue discount, if any) on a Regular Certificate (subject to possible backup withholding of tax, discussed below), provided the Foreign Holder is not a controlled foreign corporation related to the Company (or subsequent holder of the Residual Certificates) and does not own actually or constructively 10% or more of the voting stock of the Company (or subsequent holder of the Residual Certificates). To qualify for this tax exemption, the Foreign Holder will be required to provide periodically a statement signed under penalties of perjury certifying that the Foreign Holder meets the requirements for treatment as a Foreign Holder and providing the Foreign Holder's name and address. The statement, which may be made on a Form W-8 or substantially similar substitute form, generally must be provided in the year a payment occurs or in either of the two preceding years. The statement

must be provided either directly or through a clearing organization or financial institution intermediaries, to the person that otherwise would withhold tax. This exemption may not apply to a Foreign Holder that owns both Regular Certificates and Residual Certificates. If the interest on a Regular Certificate is effectively connected with the conduct by a Foreign Holder of a trade or business within the United States, then the Foreign Holder will be subject to tax at the regular graduated rates and such a Foreign Holder may avoid withholding of tax on such interest (or original issue discount, if any) if the Foreign Holder provides a properly completed Form 4224. Foreign Holders should consult their own tax advisors regarding the specific tax consequences of their owning a Regular Certificate.

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Any gain recognized by a Foreign Holder upon a sale, retirement or other taxable disposition of a Regular Certificate generally will not be subject to United States federal income tax unless either (i) the Foreign Holder is a non-resident alien individual who holds the Regular Certificate as a capital asset and who is present in the United States for 183 days or more in the taxable year of the disposition and either the gain is attributable to an office or other fixed place of business maintained in the U.S. by the individual or the individual has a "tax home" in the United States, or (ii) the gain is effectively connected with the conduct by the Foreign Holder of a trade or business within the United States.

A Regular Certificate will not be includible in the estate of a Foreign Holder who does not own actually or constructively 10% or more of the voting stock of the Company (or subsequent holder of the Residual Certificates).

Backup Withholding. Under certain circumstances, a REMIC Certificateholder may be subject to "backup withholding" at a 31% rate. Backup withholding may apply to a REMIC Certificateholder who is a United States person if the Holder, among other circumstances, fails to furnish his Social Security number or other taxpayer identification number to the Trustee. Backup withholding may apply, under certain circumstances, to a REMIC Certificateholder who is a foreign person if the REMIC Certificateholder fails to provide the trustee or the REMIC Certificateholder's securities broker with the statement necessary to establish the exemption from federal income and withholding tax on interest on the REMIC Certificate. Backup withholding, however, does not apply to payments on a Certificate made to certain exempt recipients, such as corporations and tax-exempt organizations, and to certain foreign persons. REMIC Certificateholders should consult their tax advisors for additional information concerning the potential application of backup withholding to payments received by them with respect to a Certificate.

Reporting Requirements and Tax Administration. The Trustee will report annually to the Service, Holders of record of the Regular Certificates that are not excepted from the reporting requirements and, to the extent required by the Code, other interested parties, information with respect to the interest paid or accrued on the Regular Certificates, original issue discount, if any, accruing on the Regular Certificates and information necessary to compute the accrual of any market discount or the amortization of any premium on the Regular Certificates.

The Treasury Department has issued temporary regulations concerning certain aspects of REMIC tax administration. Under those regulations, a Residual Certificateholder must be designated as the REMIC's "tax matters person". The tax matters person generally has responsibility for overseeing and providing notice to the other Residual Certificateholders of certain administrative and judicial proceedings regarding the REMIC's tax affairs. Unless otherwise indicated in the related Prospectus Supplement, the Company will be designated as the tax matters person for each REMIC, and in conjunction with the Trustee will act as the agent of the Residual Certificateholders in the preparation and filing of the REMIC's federal and state income tax and other information returns.

#### Non-REMIC Series

Tax Status of the Trust. In the case of a Trust evidenced by a series or sub-series of Certificates, or a segregated portion thereof, with respect to which a REMIC Election is not made ("Non-REMIC Certificates"), counsel to the Company identified in the applicable Prospectus Supplement will have advised the Company that, in its opinion, each Contract Pool and the arrangement to be administered by the Company under which the Trustee will hold and the Company will be obligated to service the Contracts and pursuant to which Non-REMIC Certificates will be issued to Non-REMIC Certificateholders will not be classified as an association taxable as a corporation or a "taxable mortgage

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pool," within the meaning of Code Section 7701(i), but rather will be classified as a grantor trust under Subpart E, Part 1 of Subchapter J of the Code. Each Non-REMIC Certificateholder will be treated as the owner of a pro rata undivided interest in the ordinary income and corpus portions of the trust attributable to the Contract Pool in which its Certificate evidences an ownership interest and will be considered the equitable owner of a pro rata undivided interest in each of the Contracts included therein.

**Tax Status of Non-REMIC Certificates.** In general, (i) Certificates held by a financial institution taxed as described in Section 593(a) of the Code may represent interests in "qualifying real property loans" within the meaning of Section 593(d) of the Code, (ii) Certificates held by a "domestic building and loan association" within the meaning of Section 7701(a)(19) of the Code may be considered to represent "qualifying real property loans" within the meaning of Section 7701(a)(19)(C)(v) of the Code, and (iii) Certificates held by a real estate investment trust may constitute "real estate assets" within the meaning of Section 856(c)(5)(A) of the Code and interest thereon may be considered "interest on obligations secured by mortgages on real property" within the meaning of Section 856(c)(3)(B) of the Code. Treasury Regulations promulgated pursuant to Section 593 on the Code define "qualifying real property loans" to include a loan secured by a mobile unit "permanently fixed to real property" except during a brief period in which the unit is transported to its site. Section 7701(a)(19)(C)(v) of the Code provides that "loans secured by an interest in real property" includes loans secured by mobile homes not used on a transient basis. Investors should review the related Prospectus Supplement for a discussion of the treatment of Non-REMIC Certificates and Contracts under these Code sections and should, in addition, consult with their own tax advisors with respect to these matters.

**Tax Treatment of Non-REMIC Certificates.** Non-REMIC Certificateholders will be required to report on their federal income tax returns, and in a manner consistent with their respective methods of accounting, their pro rata share of the entire income arising from the Contracts comprising such Contract Pool, including interest, original issue discount, if any, prepayment fees, assumption fees, and late payment charges received by the Company, and any gain upon disposition of such Contracts. (For purposes of this discussion, the term "disposition" when used with respect to the Contracts, includes scheduled or prepaid collections with respect to the Contracts, as well as the sale or exchange of a Non-REMIC Certificate.) Non-REMIC Certificateholders will be entitled under Section 162 or 212 of the Code to deduct their pro rata share of related servicing fees, administrative and other non-interest expenses, including assumption fees and late payment charges retained by the Company. An individual, an estate, or a trust that holds a Non-REMIC Certificate either directly or through a pass-through entity will be allowed to deduct such expenses under Section 212 of the Code only to the extent that, in the aggregate and combined with certain other miscellaneous itemized deductions, they exceed 2% of the adjusted gross income of the Holder. In addition, Section 68 of the Code provides that the amount of certain itemized deductions (including those provided for in Section 212 of the Code) otherwise allowable for the taxable year for an individual whose adjusted gross income exceeds an inflation-adjusted threshold amount specified in the Code (\$111,800 for taxable years beginning in 1994, in the case of a joint return) will be reduced by the lesser of (i) 3% of the excess of adjusted gross income over the specified threshold amount or (ii) 80% of the amount of itemized deductions otherwise allowable for such taxable year. To the extent that a Non-REMIC Certificateholder is not permitted to deduct servicing fees allocable to a Non-REMIC Certificate, the taxable income of the Non-REMIC Certificateholder attributable to that Non-REMIC Certificate will exceed the net cash distributions related to such income. Non-REMIC Certificateholders may deduct any loss on disposition of the Contracts to the extent permitted under the Code.

Under current Service interpretations of applicable Treasury Regulations the Company would be able to sell or otherwise dispose of any subordinated Non-REMIC Certificates. In general, such subordination should not affect the federal income tax treatment of either the subordinated or senior Certificates.

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Holders of subordinated classes of Certificates should be able to recognize any losses allocated to such class when and if losses are realized.

Gain on the prepayment of a Contract on which the obligor is an individual will be treated as ordinary income. To the extent that any of the Contracts comprising a Contract Pool were originated on or after March 2, 1984 and under circumstances giving rise to original issue discount, Certificateholders will be required to report annually an amount of additional interest income attributable to such discount in such Contracts prior to receipt of cash related to such discount. See the discussion above under "REMIC Series--Original issue Discount". Similarly, Code provisions concerning (i) market discount will apply

to the Contracts comprising of a Contract Pool to the extent that the loans were purchased after April 30, 1993 and (ii) amortizable bond premiums will apply to the Contracts comprising a Contract Pool to the extent that the loans were originated after September 27, 1985. See the discussions above under "REMIC Series--Market Discount" and "REMIC Series--Amortizable Premium".

Stripped Non-REMIC Certificates. Certain classes of Non-REMIC Certificates may be subject to the stripped bond rules of Section 1286 of the Code and for purposes of this discussion will be referred to as "Stripped Certificates". In general, a Stripped Certificate will be subject to the stripped bond rules where there has been a separation of ownership of the right to receive some or all of the principal payments on a Contract from an ownership of the right to receive some or all of the related interest payments. Non-REMIC Certificates will constitute Stripped Certificates and will be subject to these rules under various circumstances, including the following: (i) if any servicing compensation is deemed to exceed a reasonable amount; (ii) if the Company or any other party retains a Retained Yield with respect to the Contracts comprising a Contract Pool; (iii) if two or more classes of Non-REMIC Certificates are issued representing the right to non-pro rata percentages of the interest or principal payments on the Contracts; or (iv) if Non-REMIC Certificates are issued which represent the right to interest only payments or principal only payments.

Although not entirely clear, each Stripped Certificate should be considered to be a single debt instrument issued on the day it is purchased for purposes of calculating any original issue discount. Original issue discount with respect to a Stripped Certificate, if any, must be included in ordinary gross income for federal income tax purposes as it accrues in accordance with the constant-yield method that takes into account the compounding of interest and such accrual of income may be in advance of the receipt of any cash attributable to such income. See "REMIC Series -- Original Issue Discount" above. For purposes of applying the original issue discount provisions of the Code, the issue price of a Stripped Certificate will be the purchase price paid by each Holder thereof and the stated redemption price at maturity may include the aggregate amount of all payments to be made with respect to the Stripped Certificate whether or not denominated as interest. The amount of original issue discount with respect to a Stripped Certificate may be treated as zero under the original issue discount de minimis rules described above. A purchaser of a Stripped Certificate will be required to account for any discount on the certificate as market discount rather than original issue discount if either (i) the amount of original issue discount with respect to the certificate was treated as zero under the original issue discount de minimis rule when the certificate was stripped or (ii) no more than 100 basis points (including any amount of servicing in excess of reasonable servicing) is stripped off of the Contracts. See "REMIC Series -- Market Discount" above.

When an investor purchases more than one class of Stripped Certificates it is currently unclear whether for federal income tax purposes such classes of Stripped Certificates should be treated separately or aggregated for purposes of applying the original issue discount rules described above.

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It is possible that the Service may take a contrary position with respect to some or all of the foregoing tax consequences. For example, a Holder of a Stripped Certificate may be treated as the owner of (i) as many stripped bonds or stripped coupons as there are scheduled payments of principal and/or interest on each Contract or (ii) a separate installment obligation for each Contract representing the Stripped Certificate's pro rata share of principal and/or interest payments to be made with respect thereto. As a result of these possible alternative characterizations, investors should consult their own tax advisors regarding the proper treatment of Stripped Certificates for federal income tax purposes.

Gain or Loss on Disposition. Upon sale or exchange of a Non-REMIC Certificate, a Non-REMIC Certificateholder will recognize gain or loss equal to the difference between the amount realized in the sale and its aggregate adjusted basis in the Contracts represented by the Non-REMIC Certificate. Generally, the aggregate adjusted basis will equal the Non-REMIC Certificateholder's cost for the Non-REMIC Certificate increased by the amount of any previously reported income and gain with respect to the Non-REMIC Certificate and decreased by the amount of any losses previously reported with respect to the Non-REMIC Certificate and the amount of any distributions received thereon. Except as provided above with respect to the original issue discount and market discount rules, any such gain or loss would be capital gain or loss if the Non-REMIC Certificate was held as a capital asset.

Tax Treatment of Certain Foreign Investors. Generally, interest or original issue discount paid to or accruing for the benefit of a Non-REMIC Certificateholder who is a Foreign Holder (as defined in "REMIC Series--Taxation of Certain Foreign Investors") will be treated as "portfolio interest" and therefore will be exempt from the 30% withholding tax, but only to the extent



the Contracts were originated after July 18, 1984 and provided that such Non-REMIC Certificateholder periodically provides the Trustee (or other person who would otherwise be required to withhold tax) with a statement certifying under penalty of perjury that such Non-REMIC Certificateholder is not a United States person and providing the name and address of such Non-REMIC Certificateholder. The statement, which may be made on a Form W-8 or substantially similar substitute form, generally must be provided in the year a payment occurs or in either of the two preceding years. The statement must be provided either directly or through clearing organization or financial institution intermediaries, to the person that otherwise would withhold tax. If the interest on a Non-REMIC Certificate is effectively connected with the conduct by a Foreign Holder of a trade or business within the United States, then the Foreign Holder will be subject to tax at the regular graduated rates and such a foreign holder may avoid withholding tax on such interest (or original issue discount, if any) if the Foreign Holder provides a properly completed Form 4224. For additional information concerning the treatment of a sale or exchange of a Non-REMIC Certificate by a Foreign Holder, which will generally have the same tax consequences as the sale of a Regular Certificate, see the discussion above under "REMIC Series -- Taxation of Certain Foreign Investors".

**Tax Administration and Reporting.** The Trustee will furnish to each Non-REMIC Certificateholder with each distribution a statement setting forth the amount of such distribution allocable to principal and to interest. In addition, the Trustee will furnish, within a reasonable time after the end of each calendar year, to each Non-REMIC Certificateholder who was a Certificateholder at any time during such year, information regarding the amount of servicing compensation received by the Company and any sub-servicer and such other customary factual information as the Trustee deems necessary or desirable to enable Certificateholders to prepare their tax returns. Reports will be made annually to the Service and to Holders of record that are not excepted from the reporting requirements regarding information as may be required with respect to interest and original issue discount, if any, with respect to the Non-REMIC Certificates.

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#### Other Tax Consequences

No advice has been received as to local income, franchise, personal property, or other taxation in any state or locality, or as to the tax effect of ownership of Certificates in any state or locality. Certificateholders are advised to consult their own tax advisors with respect to any state or local income, franchise, personal property, or other tax consequences arising out of their ownership of Certificates.

#### LEGAL INVESTMENT CONSIDERATIONS

Unless otherwise indicated in the applicable Prospectus Supplement, any Certificates offered hereby that are rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization will constitute "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA") and, as such, will be legal investments for persons, trusts, corporations, partnerships, associations, business trusts and business entities (including depository institutions, life insurance companies and pension funds) created pursuant to or existing under the laws of the United States or of any state whose authorized investments are subject to state regulation to the same extent as, under applicable law, obligations issued by or guaranteed as to principal and interest by the United States or any such entities. Under SMMEA, certain states have created legislation specifically limiting the legal investment authority of any such entities with respect to "mortgage related securities," in which case the Certificates will constitute legal investments for entities subject to such legislation only to the extent provided therein. SMMEA provides, however, that in no event will be enactment of any such legislation affect the validity of any contractual commitment to purchase, hold or invest in Certificates, or require the sale or other disposition of Certificates, so long as such contractual commitment was made or such Certificates were acquired prior to the enactment of such legislation.

SMMEA also amended the legal investment authority of federally chartered depository institutions as follows: federal savings and loan associations and federal savings banks may invest in, sell or otherwise deal in Certificates without limitation as to the percentage of their assets represented thereby; federal credit unions may invest in Certificates; and national banks may purchase Certificates for their own account without regard to the limitations generally applicable to investment securities set forth in 12 U.S.C. ss.24 (Seventh), subject in each case to such regulations as the applicable federal regulatory authority may prescribe.

Some Classes of Certificates offered hereby may not be rated in one of the

two highest rating categories and, thus, would not constitute "mortgage related securities" for purposes of SMMEA.

The Federal Financial Institutions Examination Council, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Office of the Comptroller of the Currency and the National Credit Union Administration have proposed or adopted guidelines regarding investment in various types of mortgage-backed securities. In addition, certain state regulators have taken positions that may prohibit regulated institutions subject to their jurisdiction from holding securities representing residual interests, including securities previously purchased. There may be other restrictions on the ability of certain investors, including depository institutions, either to purchase Certificates or to purchase Certificates representing more than a specified percentage of the investor's assets. Investors should consult their own legal advisors in determining whether and to what extent the Certificates constitute legal investments for such investors.

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#### RATINGS

It is a condition precedent to the issuance of any Class of Certificates sold under this Prospectus that they be rated by at least one nationally recognized statistical rating organization in one of its four highest rating categories (within which there may be sub-categories or gradations indicating relative standing). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. The security rating of any Series of Certificates should be evaluated independently of similar security ratings assigned to other kinds of securities.

#### UNDERWRITING

The Company may sell Certificates of each Series to or through underwriters (the "Underwriters") by a negotiated firm commitment underwriting and public reoffering by the Underwriters, and also may sell and place Certificates directly to other purchasers or through agents. The Company intends that Certificates will be offered through such various methods from time to time and that offerings may be made concurrently through more than one of these methods or that an offering of a particular Series of Certificates may be made through a combination of such methods.

The distribution of the Certificates may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

If so specified in the Prospectus Supplement relating to a Series of Certificates, the Company, CITSF or any affiliate thereof may purchase some or all of one or more Classes of Certificates of such Series from the Underwriter or Underwriters at a price specified in such Prospectus Supplement. Such purchaser may thereafter from time to time offer and sell, pursuant to this Prospectus, some or all of such Certificates so purchased directly, through one or more Underwriters to be designated at the time of the offering of such Certificates or through broker-dealers acting as agent and/or principal. Such offering may be restricted in the manner specified in such Prospectus Supplement. Such transactions may be effected at market prices prevailing at the time of sale, at negotiated prices or fixed prices.

In connection with the sale of the Certificates, Underwriters may receive compensation from the Company or from purchasers of Certificates for whom they may act as agents in the form of discount, concessions or commissions. Underwriters may sell the Certificates of a Series to or through dealers and such dealers may receive compensation in the form of discounts, concessions or commissions from the Underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of the Certificates of a Series may be deemed to be Underwriters, and any discounts or commissions received by them from the Company and any profit on the resale of the Certificates by them may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended (the "Act"). Any such Underwriters or agents will be identified, and any such compensation received from the Company will be described, in the Prospectus Supplement.

Under agreements which may be entered into by the Company, underwriters and agents who participate in the distribution of the Certificates may be entitled to indemnification by the Company against certain liabilities, including liabilities under the Act.

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If so indicated in the Prospectus Supplement, the Company will authorize Underwriters or other persons acting as the Company's agents to solicit offers by certain institutions to purchase the Certificates from the Company pursuant to a contract providing for payment and delivery on a future date. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational or charitable institutions and others, but in all cases such institutions must be approved by the Company. The obligation of any purchaser under any such contract will be subject to the condition that the purchaser of the offered Certificates shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject from purchasing such Certificates. The Underwriters and such other agents will not have responsibility in respect of the validity or performance of such contracts.

The Underwriters may, from time to time, buy and sell Certificates, but there can be no assurance that an active secondary market will develop and there is no assurance that any such market, if established, will continue.

Certain of the Underwriters and their associates may engage in transactions with and perform services for the Company, CIT or their affiliates in the ordinary course of business.

#### LEGAL MATTERS

The legality of the Certificates will be passed upon for the Company by Schulte Roth & Zabel, New York, New York. The material federal income tax consequences of the Certificates will be passed upon for the Company by Schulte Roth & Zabel. Paul N. Roth, a director of CIT, is a partner of Schulte Roth & Zabel.

#### EXPERTS

The financial statements and schedule listed under the heading "Exhibits, Financial Statement Schedule and Reports on Form 8-K" in the Corporation's 1993 Annual Report on Form 10-K incorporated by reference herein have been incorporated by reference herein in reliance upon the reports of KPMG Peat Marwick LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The report of KPMG Peat Marwick LLP covering the December 31, 1993 consolidated financial statements refers to a change in the method of accounting for post-retirement benefits other than pensions in 1993.

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#### GLOSSARY

There follows abbreviated definitions of certain capitalized terms used in this Prospectus and the Prospectus Supplement. Reference is also made to the Index of Defined Terms herein and in the Prospectus Supplement. The Agreement may contain a more complete definition of certain of the terms defined herein and reference should be made to the Agreement for a more complete definition of all such terms.

"Advances" means the advances made by a Servicer (including from advances made by a sub-servicer) on any Remittance Date pursuant to an Agreement.

"Agreement" means each Pooling and Servicing Agreement by and among the Company, CITSF, as Servicer, and the Trustee.

"Amount Available" means, with respect to each Series of Certificates, certain amounts on deposit in the Certificate Account on a Determination Date.

"Asset Service Center" means CITSF's asset service facility in Oklahoma

City, Oklahoma.

"Bankruptcy Code" means Title 11 of United States Code, 11 U.S.C. ss. 101 et seq.

"Certificate Account" means the account maintained by the Servicer or the Trustee, as specified in the related Prospectus Supplement.

"Certificate Remittance Amount" means, unless otherwise specified in the related Prospectus Supplement, with respect to a Series of Certificates providing for sequential distributions in reduction of the Stated Balance of the Classes of such Series, as of any Remittance Date, the amount, if any, by which the then outstanding Stated Balance of the Classes of Certificates of such Series (before taking into account the amount of interest accrued on any Class of Compound Interest Certificates to be added to the Stated Balance thereof on such Remittance Date) exceeds the asset value of the Contracts included in the Trust for such Series as of the end of the related Due Period.

"Certificates" means the Manufactured Housing Contract Pass-Through Certificates issued pursuant to an Agreement.

"CIT" means The CIT Group Holdings, Inc.

"CITSF" means The CIT Group/Sales Financing, Inc.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Company" means The CIT Group Securitization Corporation II.

"Compound Interest Certificates" means Certificates on which interest may accrue but not be paid for the period described in the related Prospectus Supplement.

"Contract Pool" means, with respect to each Series of Certificates, the pool of manufactured housing installment sales contracts and installment loan agreements transferred by the Company to the Trustee.

"Contract Rate" means, with respect to each Contract, the interest rate specified in the Contract.

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"Contracts" means the manufactured housing installment sales contracts and installment loan agreements, which constitute the corpus of a Trust.

"Cut-off Date" means the date specified in the related Prospectus Supplement as the date from which principal and interest payments on the Contracts are included in the Trust.

"Determination Date" means, unless otherwise specified in the related Prospectus Supplement, the third Business Day immediately preceding the related Remittance Date.

"DOL" means the United States Department of Labor.

"Due Period" means the period for which interest and principal on the Contracts is calculated for a related Remittance Date, as specified in the related Prospectus Supplement.

"Eligible Investments" means one or more of the investments specified in the Agreement in which moneys in the Certificate Account and certain other accounts are permitted to be invested.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"FHA" means the Federal Housing Administration.

"HUD" means the United States Department of Housing and Urban Development.

"Land-Secured Contract" means a Contract that is secured by a new or used Manufactured Home and/or in certain cases, a mortgage, deed of trust or similar instrument on real estate on which the related Manufactured Home is located. Under the laws of the jurisdiction in which such real estate is located the Manufactured Home may or may not be deemed permanently affixed to the real estate on which such Manufactured Home is situated and may or may not be considered or classified as part of the real estate regardless of whether the Manufactured Home is deemed affixed to the real estate on which it is situated.

"Liquidation Proceeds" means all amounts received and retained in

connection with the liquidation of defaulted Contracts.

"Loan-to-Value Ratio" means the loan-to-value ratio at the time of origination of the Contract.

"Manufactured Home" means a unit of manufactured housing, including all accessions thereto, securing the indebtedness of the Obligor under the related Contract.

"Obligor" means each person who is indebted under a Contract or who has acquired a Manufactured Home subject to a Contract.

"Record Date" means the date specified in the related Prospectus Supplement for the list of Certificateholders entitled to distributions on the Certificates.

"Relief Act" means the Soldiers' and Sailors' Civil Relief Act of 1940, as amended.

"REMIC" means a "real estate mortgage investment conduit" as defined in the Code.

"Remittance Date" means the date specified in the related Prospectus Supplement for payments on the Certificates.

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"Remittance Rate" means, as to a Certificate, the rate or rates of interest thereon specified in the related Prospectus Supplement.

"Senior Certificates" means, with respect to each Series of Certificates, the Class or Classes which have rights senior to another Class or Classes in such Series.

"Senior Distribution Amount" means, with respect to a Series of Certificates having Subordinated Certificates, as of each Remittance Date and for each Class of Senior Certificates, the amount due the holders of such Class of Senior Certificates.

"Series" means a series of Certificates.

"Servicer" means, with respect to each Series of Certificates evidencing interests in Contracts, the Servicer specified in the related Prospectus Supplement.

"Servicing Fee" means the amount of the annual fee paid to the Servicer or the Trustee as specified in the related Prospectus Supplement.

"Single Certificate" means, unless otherwise specified in the related Prospectus Supplement, for each Class of Certificates of any Series, the initial principal amount of Contracts evidenced by a single Certificate of such class.

"SMMEA" means the Secondary Mortgage Market Enhancement Act of 1984.

"Stated Balance" means, with respect to a Series of Certificates providing for sequential distributions in reduction of Stated Balance of the Classes of such Series, the maximum specified dollar amount (exclusive of interest at the related interest rate) to which the Holder thereof is entitled from the cash flow of the Trust.

"Subordinated Certificates" means, with respect to each Series of Certificates, the Class or Classes with rights subordinate to another Class or Classes of such Series.

"Trust" means, with respect to each Series of Certificates, the trust created by the related Agreement.

"Trustee" means the Trustee for a Series of Certificates specified in the related Prospectus Supplement.

"UCC" means the Uniform Commercial Code.

"VA" means the Veterans' Administration.

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## PART II.

### INFORMATION NOT REQUIRED IN PROSPECTUS

Item 30. Other Expenses of Issuance and Distribution

The following is an itemized list of the estimated expenses to be incurred in connection with the offering of the securities being offered hereunder other than underwriting discounts and commissions.

Registration Fee.....	\$172,415.00
Blue Sky Fees and Expenses.....	30,000.00
Accountant's Fee and Expenses.....	50,000.00
Attorney's Fees and Expenses.....	195,000.00
Trustee's Fees and Expenses.....	20,000.00
Printing and Engraving Expenses.....	60,000.00
Rating Agency Fees.....	35,000.00
Miscellaneous Fees and Expenses.....	5,000.00
	-----
Total.....	\$567,415.00

Item 31. Sales to Special Parties

Not Applicable

Item 32. Recent Sales of Unregistered Securities

During June 1994, The CIT Group Securitization Corporation II (the "Company") issued 200 shares of its Common Stock, no par value per share, to The CIT Group Holdings, Inc. ("CIT"). No underwriters were involved in connection with such issuance, which was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act").

Listed below are all other unregistered securities sold by the Company since its formation. These Certificates were distributed by the placement agent listed below and privately placed by such placement agent with institutional investors in transactions exempt from the registration provisions of the Securities Act.

Series	Issue Date	Principal Amount of Certificates	Placement Agent
-----	-----	-----	-----
1994-1	July 14, 1994	\$42,033,000 (Class A) (Approximate)	Goldman, Sachs & Co.

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Item 33. Indemnification of Directors and Officers.

Subsection (a) of Section 145 of the General Corporation Law of Delaware empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Subsection (b) of Section 145 empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation except that no indemnification may be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine that despite the adjudication of liability but in view of all the

circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 145 further provides that to the extent a director, officer, employee, or agent of a corporation has been successful in the defense of any action, suit, or proceeding referred to in subsections (a) and (b) or in the defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith; that indemnification provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; and empowers the corporation to purchase and maintain insurance on behalf of any person acting in any of the capacities set forth in the second preceding paragraph against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not the corporation would have the power to indemnify him against such liabilities under Section 145.

The Company's By-Laws provide for indemnification of directors and officers of the Company to the full extent permitted by Delaware law.

Article X of the By-laws of CIT provides, in effect, that, in addition to any rights afforded to an officer, director or employee of CIT by contract or operation of law, CIT may indemnify any person who is or was a director, officer, employee, or agent of CIT, or of any other corporation which he served at the request of CIT, against any and all liability and reasonable expense incurred by him in connection with or resulting from any claim, action, suit, or proceeding (whether brought by or in the right of CIT or such other corporation or otherwise), civil or criminal, in which he may have become involved, as a party or otherwise, by reason of his being or having been such director, officer, employee, or agent of CIT or such other corporation, whether or not he continues to be such at the time such liability or expense is incurred, provided that such person acted in good faith and in what he reasonably believed to be

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the best interests of CIT or such other corporation, and, in connection with any criminal action proceeding, had no reasonable cause to believe his conduct was unlawful.

Article X further provides that any person who is or was a director, officer, employee, or agent of CIT or any direct or indirect wholly-owned subsidiary of CIT shall be entitled to indemnification as a matter of right if he has been wholly successful, on the merits or otherwise, with respect to any claim, action, suit, or proceeding of the type described in the foregoing paragraph.

In addition, the Registrants maintain directors' and officers' reimbursement and liability insurance pursuant to standard form policies with aggregate limits of \$65,000,000. The risks covered by such policies do not exclude liabilities under the Securities Act of 1933.

Pursuant to the form of Underwriting Agreement, the Underwriters will agree, subject to certain conditions, to indemnify the Registrants, their directors, certain of their officers and persons who control the Registrants within the meaning of the Securities Act of 1933 against certain liabilities.

Item 34. Treatment of Proceeds from Stock Being Registered

Not Applicable

Item 35. Financial Statements and Exhibits

(a) Financial Statements:

Not Applicable

(b) Exhibits:

- 1.1\* Form of Underwriting Agreement
- 3(i).1\* Certificate of Incorporation of The CIT Group Securitization Corporation II
- 3(ii).1\* Bylaws of The CIT Group Securitization Corporation II
- 4.1\* Form of Pooling and Servicing Agreement



- 4.2\* Form of Limited Guarantee
- 5.1\* Opinion and Consent of Schulte Roth & Zabel
- 8.1\* Opinion of Schulte Roth & Zabel as to tax matters
- 10.1\* Form of Sale and Purchase Agreement
- 10.2\* Form of Subsequent Sale and Purchase Agreement
- 12.1\* Computation of Ratios of Earnings to Fixed Charges
- 24.1\* Consent of Schulte Roth & Zabel (included as part of Exhibit 5.1)
- 24.2\* Consent of KPMG Peat Marwick LLP
- 25.1\* Powers of attorney of The CIT Group Securitization Corporation II (included on page II-6)
- 25.2\* Powers of attorney of The CIT Group Holdings, Inc.

-----  
\* Filed herewith

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Item 36. Undertakings.

The undersigned registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by CIT pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(5) That, for purposes of determining any liability under Securities Act, each filing of CIT's annual report pursuant to Section 13(a) or

Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bonafide offering thereof.

The undersigned Registrants hereby agree to provide to the underwriters at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrants pursuant to the foregoing provisions, or otherwise, the Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or

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proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Livingston, State of New Jersey, on December 21, 1994.

THE CIT GROUP SECURITIZATION CORPORATION II

By: /s/ JAMES J. EGAN, JR.

-----  
Name: James J. Egan, Jr.  
Title: President

\*By: /s/ JAMES J. EGAN, JR.

-----  
Name: James J. Egan, Jr.  
Title: Attorney-in-Fact

#### POWER OF ATTORNEY

Each person whose signature to this Registration Statement appears below hereby constitutes and appoints James J. Egan, Jr., Joseph M. Leone and Norman H. Rosen, or any of them (with the full power of each of them to act alone), as his true and lawful attorney-in-fact and agent, with full power of substitution, to sign on his behalf individually and in the capacity stated below and to perform any acts necessary to be done in order to file all amendments and post-effective amendments to this Registration Statement, and any and all instruments or documents filed as part of or in connection with this Registration Statement or the amendments thereto, and each of the undersigned does hereby ratify and confirm all that said attorney-in-fact and agent, or his substitutes, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this

Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<TABLE>  
<CAPTION>

Signature -----	Title -----	Date ----
<S> * ----- James J. Egan, Jr.	<C> President and Director	<C> December 21, 1994
* ----- Joseph M. Leone	Executive Vice President and Director	December 21, 1994
* ----- Edward A. Farley	Vice President and Director	December 21, 1994
* ----- Robin H. Gordon	Vice President, Treasurer and Controller (principal financial and accounting officer)	December 21, 1994

</TABLE>

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Original powers of attorney authorizing James J. Egan, Jr., Joseph M. Leone and Norman H. Rosen and each of them to sign the Registration Statement and amendments thereto on behalf of the directors and officers of the Registrant indicated above are held by the Corporation and available for examination pursuant to Item 302(b) of Registration S-T.

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#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of New York and State of New York, on December 21, 1994.

THE CIT GROUP HOLDINGS, INC.

By: /s/ ERNEST D. STEIN  
-----

Ernest D. Stein  
Executive Vice President, General Counsel  
and Secretary

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated:

Signature and Title -----	Date ----
* ----- Albert R. Gamper, Jr. President, Chief, Executive Officer, and Director (principal executive officer)	

\*  
-----  
Hisao Kobayashi  
Director

\*  
-----  
Michio Murata  
Director

\*  
-----  
Joseph A. Pollicino  
Director

\*  
-----  
Paul N. Roth  
Director

\*  
-----  
Hideo Kitahara  
Director

\*By /s/ ERNEST D. STEIN

-----  
Ernest D. Stein  
Attorney-in-fact

December 21, 1994

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Signature and Title  
-----

Date  
----

\*  
-----  
Peter J. Tobin  
Director

\*  
-----  
Toshiji Tokiwa  
Director

\*  
-----  
Keiji Torii  
Director

\*  
-----  
William H. Turner  
Director

/s/ JOSEPH J. CARROLL

December 21, 1994

-----  
Joseph J. Carroll  
Executive Vice President and Chief Financial Officer  
(principal financial and accounting officer)

Original powers of attorney authorizing Albert R. Gamper, Jr., Ernest D. Stein, and Donald J. Rapson and each of them to sign the Registration Statement and amendments thereto on behalf of the directors and officers of the Registrant indicated above are held by The CIT Group Holdings, Inc. and available for examination pursuant to Item 302(b) of Regulation S-T.

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Exhibit 1.1

Form of Underwriting Agreement

THE CIT GROUP SECURITIZATION CORPORATION II, SELLER  
Manufactured Housing Contract  
Pass-Through Certificates

UNDERWRITING AGREEMENT

, 199

[Name(s) and Address(es) of  
Underwriters]

Dear Sirs:

The CIT Group Securitization Corporation II (the "Company"), a Delaware corporation with its principal place of business in Livingston, New Jersey, is a wholly-owned limited-purpose finance subsidiary of the CIT Group Holdings, Inc., a Delaware corporation. The Company has authorized the issuance by the Trustee (as defined below) and sale of Manufactured Housing Contract Pass-Through Certificates (the "Certificates") evidencing interests in manufactured housing installment sales contracts and installment loan agreements (the "Contracts") and having aggregate outstanding principal balances of up to \$\_\_\_\_\_. The Certificates may be issued in various series, and, within each series, in one or more classes, and, within each class, in one or more sub-classes, in one or more offerings on terms determined at the time of sale each such series, a "Series" and each such class, a "Class"). Each Series of the Certificates will be issued under a separate Pooling and Servicing Agreement (each, a "Pooling and Servicing Agreement") with respect to such Series among the Company, as seller, The CIT

Group/Sales Financing, Inc. (in such capacity, the "Servicer") and a trustee to be identified in the prospectus supplement for each such Series (the "Trustee"). The Certificates of each Series will evidence specified interests in separate pools of Contracts (each, a "Contract Pool") and certain other property held in trust with respect to such Series (each, a "Trust Fund"). The form of each Pooling and Servicing Agreement has been filed as an exhibit to the Registration Statement (hereinafter defined).

The Certificates are more fully described in a Registration Statement which the Company has furnished to you. Capitalized terms used but not defined herein shall have the meanings given to them in the Pooling and Servicing Agreement. The term "you" as used herein, unless the context otherwise requires, shall mean [managing underwriter] and such persons as are named as co-managers in the applicable Terms Agreement (defined below).

Upon a determination by the Company to make an offering of a Series of Certificates through you as managing underwriter or through an underwriting syndicate managed by you, it will enter into an agreement (the "Terms Agreement") providing for the sale of such Certificates to, and the purchase and offering thereof by, you and such other underwriters, if any, selected by you as have authorized you to enter into such Terms Agreement on their behalf (the "Underwriters," which term shall include you whether acting alone in the sale of Certificates or as a member of an underwriting syndicate). The Terms Agreement relating to such offering of a Series of Certificates shall specify, among other things, the principal amount or amounts of Certificates to be issued, the price or prices at which the Certificates are to be purchased by the Underwriters from the Company and the initial public offering price or prices or the method by which the price or prices at which such Certificates are to be sold will be determined. A terms agreement relating to such Series of Certificates, which shall be substantially in the form of Exhibit A hereto (a "Terms Agreement"), may take the form of an exchange of any standard form of written telecommunication between you and the Company. The offering of any such Series of Certificates will be governed by this Agreement, as supplemented by the applicable Terms Agreement, and this Agreement and such Terms Agreement shall inure to the benefit of and be binding upon the Underwriters participating in the offering of such Certificates. Subject to Section 3(g), the Company may, in its sole discretion, offer a Series of Certificates through an underwriter other than you, or through an underwriting syndicate which is not managed by you.

The Company and The CIT Group Holdings, Inc. have filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 and Form S-11 (No. 33-85224 and \_\_\_\_\_, the "registration statement") relating to the Certificates, and the offering thereof from time to time in accordance with Rule 415 under the Securities Act of 1933 (the "1933 Act"), and have filed, and propose to file, such amendments thereto as may have been required to the

date hereof pursuant to the 1933 Act and the rules of the Commission thereunder (the "Regulations"). Such registration statement, as amended at the time when it becomes effective under the 1933 Act, and the prospectus relating to the sale of Certificates by the Company constituting a part thereof, as from time to time each is amended or supplemented pursuant to the 1933 Act or otherwise, are referred to herein as the "Registration Statement" and the "Prospectus" respectively; provided, however, that a supplement to the Prospectus contemplated by Section 3(a) hereof (a "Prospectus Supplement") shall be deemed to have supplemented the Prospectus only with respect to the offering or offerings of Certificates to which it relates.

SECTION 1. Representations and Warranties. The Company represents and warrants to you as of the date hereof, and to the Underwriters named in any

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Terms Agreement, all as of the date of such Terms Agreement (in each case, the "Representation Date"), as follows:

(1) The Registration Statement and the Prospectus, at the time the Registration Statement became effective did, and as of the applicable Representation Date will, comply in all material respects with the requirements of the 1933 Act and the Regulations. The Registration Statement, at the time it became effective did not, and as of the applicable Representation Date will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus, as amended or supplemented at the time the Registration Statement became effective did not, and as amended or supplemented as of the applicable Representation Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to statements in, or omissions from, the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriters or by any third-party provider of credit enhancement expressly for use in the Registration Statement or Prospectus. The conditions to the use by the Company of a registration statement on Form S-3 and Form S-11 under the 1933 Act, as set forth in the General Instructions to Form S-3 and Form S-11, have been satisfied with respect to the Registration Statement and the Prospectus. There are no contracts or documents of the Company which are required to be filed as exhibits to the Registration Statement pursuant to the 1933 Act or the Regulations which have not been so filed.

(2) The Company has been duly incorporated and is validly existing as

a corporation in good standing under the laws of the State of Delaware with corporate power and authority to own, lease and operate its properties and conduct its business as described in the Prospectus and to enter into and perform its obligations under this Agreement, the applicable Pooling and Servicing Agreement and such Terms Agreement; and the Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the character of the business transacted by it or properties owned or leased by it requires such qualification and in which the failure so to qualify would have a material adverse effect on its business, properties, assets, or condition (financial or other).

(3) The Company is not in violation of its certificate of incorporation or by-laws or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other

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instrument to which it is a party or by which it or its properties may be bound, which default might result in any material adverse change in the financial condition, earnings, affairs or business of the Company or which might materially and adversely affect the properties or assets thereof.

(4) The execution and delivery by the Company of this Agreement, such Terms Agreement and the applicable Pooling and Servicing Agreement are within the corporate power of the Company and have been duly authorized by all necessary corporate action on the part of the Company; and neither the issuance and sale of the Certificates to the Underwriters, nor the execution and delivery by the Company of this Agreement and the Pooling and Servicing Agreement, nor the consummation by the Company of the transactions therein contemplated, nor compliance by the Company with the provisions hereof or thereof, will materially conflict with or result in a material breach of, or constitute a material default under, any of the provisions of any law, governmental rule, regulation, judgment, decree or order binding on the Company or its properties or the certificate of incorporation or by-laws of the Company, or any of the provisions of any indenture, mortgage, contract or other instrument to which the Company is a party or by which it is bound or result in the creation or imposition of any lien, charge or encumbrance upon any of its property pursuant to the terms of any such indenture, mortgage, contract or other instrument.

(5) This Agreement has been, and such Terms Agreement when executed and delivered as contemplated hereby and thereby will have been, duly authorized, executed and delivered by the Company, and each constitutes, or will constitute when so executed and delivered, a legal, valid and binding instrument enforceable against the Company in accordance with its terms, subject (i) to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally,



(ii) as to enforce-ability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (iii) as to enforceability with respect to rights of indemnity thereunder, to limitations of public policy under applicable securities laws.

(6) Each applicable Pooling and Servicing Agreement when executed and delivered as contemplated hereby and thereby will have been duly authorized, executed and delivered by the Company, and will constitute when so executed and delivered, a legal, valid and binding instrument enforceable against the Company in accordance with its terms, subject (i) to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and (ii) as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

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(7) As of the Closing Time (as defined below) with respect to the Series of Certificates to which such Terms Agreement relates, the Certificates will have been duly and validly authorized by the Company, and, when executed and authenticated as specified in the related Pooling and Servicing Agreement, will be validly issued and outstanding and will be entitled to the benefits of the related Pooling and Servicing Agreement.

(8) No filing or registration with, notice to or consent, approval, authorization or order of any court or governmental authority or agency is required for the consummation by the Company of the transactions contemplated by this Agreement, the applicable Pooling and Servicing Agreement or such Terms Agreement, except such as may be required under the 1933 Act, the Regulations, or state securities or Blue Sky laws.

(9) The Company possesses all material licenses, certificates, authorities or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct the business now operated by it and as described in the Prospectus, other than such licenses, the failure of which to possess would not have a material adverse effect on the interests of Certificateholders under the Pooling and Servicing Agreement, and the Company has received no notice of proceedings relating to the revocation or modification of any such license, certificate, authority or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect the conduct of the business, operations, financial condition or income of the Company.

(10) As of the Closing Time with respect to the Series of Certificates to which such Terms Agreement relates, the Contracts constituting a portion of the Trust Fund will have been duly and validly assigned to the Trustee in accordance with the applicable Pooling and Servicing Agreement; and when such assignment is effected, a duly and validly perfected transfer of all

such Contracts subject to no prior lien, mortgage, security interest, pledge, charge or other encumbrance created by the Company will have occurred.

(11) As of the Closing Time with respect to the Series of Certificates to which such Terms Agreement relates, each of the Contracts will meet the eligibility criteria described in the Prospectus.

(12) Neither the Company nor the Trust Fund created by the applicable Pooling and Servicing Agreement will be subject to registration as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

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(13) The Certificates, the applicable Pooling and Servicing Agreement, and any Standard Hazard Insurance Policies, Letter of Credit or other form of credit enhancement conform in all material respects to the descriptions thereof contained in the Prospectus.

(14) At the Closing Time with respect to a Series of Certificates, the Certificates shall have received the certificate rating or ratings specified in such Terms Agreement.

(15) At the Closing Time with respect to a Series of Certificates, each of the representations and warranties of the Company set forth in the related Pooling and Servicing Agreement will be true and correct in all material respects.

Any certificate signed by an officer of the Company and delivered to you or counsel for the Underwriters in connection with an offering of Certificates shall be deemed, and shall state that it is, a representation and warranty as to the matters covered thereby to each person to whom the representations and warranties in this Section 1 are made.

SECTION 2 . Purchase and Sale. The commitment of the Underwriters to purchase Certificates pursuant to any Terms Agreements shall be deemed to have been made on the basis of the representations and warranties herein contained and shall be subject to the terms and conditions herein set forth.

Payment of the purchase price for, and delivery of, any Certificates to be purchased by the Underwriters pursuant to any Terms Agreement shall be made at the office of [name and address of managing underwriter], or at such other place as shall be agreed upon by you and the Company, at such time or date as shall be agreed upon by you and the Company in such Terms Agreement (each such time and date being referred to as a "Closing Time"). Unless otherwise specified in such Terms Agreement, payment shall be made to the Company, at the option of the Company, either (a) by certified or official bank check or checks in New York Clearing House or similar next day funds payable to the order of the Company, or

(b) in immediately available Federal funds wired to such bank as may be designated by the Company. Such Certificates shall be in such denominations and registered in such names as you may request in writing at least two business days prior to the applicable Closing Time. Such Certificates, which may be in temporary form, will be made available for examination and packaging by you no later than 12:00 noon on the first business day prior to the applicable Closing Time.

SECTION 3. Covenants of the Company. In connection with each offering of a Series of Certificates made through you as managing underwriter or through an underwriting syndicate managed by you, the Company covenants with you and the Underwriters named in the related Terms Agreement, as follows:

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(a) Immediately following the execution of such Terms Agreement, the Company will prepare a Prospectus Supplement setting forth the principal amount of Certificates covered thereby, the price or prices at which the Certificates are to be purchased by the Underwriters from the applicable Trust, either the initial public offering price or prices or the method by which the price or prices by which the Certificates are to be sold will be determined, the selling concession(s) and reallowance(s), if any, and any delayed delivery arrangements, which information shall be provided by you to the Company, and such other information as you and the Company deem appropriate in connection with the offering of the Certificates. The Company will promptly transmit copies of such Prospectus Supplement to the Commission for filing pursuant to Rule 424 under the 1933 Act and will furnish to such Underwriters as many copies of the Prospectus and such Prospectus Supplement as you shall reasonably request.

(b) If at any time when the Prospectus relating to such Series of Certificates is required by the 1933 Act to be delivered in connection with sales of the Certificates by you or the Underwriters, any event shall occur or condition exist as a result of which it is necessary, in the opinion of your counsel, counsel for the Company, or otherwise, to further amend or supplement such Prospectus in order that such Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of circumstances existing at the time it is delivered to a purchaser, not misleading or if it shall be necessary, in the opinion of any such counsel or otherwise, at any such time to amend or supplement the Registration Statement or such Prospectus in order to comply with the requirements of the 1933 Act or the Regulations thereunder, the Company will promptly prepare and file with the Commission such amendment or supplement as may be necessary to correct such untrue statement or omission or to make the Registration Statement comply with such requirements, and within two business days of such filing will furnish to the Underwriters as many copies of the Prospectus, as so amended or supplemented, as you shall reasonably request.

(c) The Company will give you reasonable notice, with respect to such Series of Certificates, of its intention to file any amendment to the Registration Statement or any amendment or supplement to the Prospectus relating to such Series of Certificates, whether pursuant to the 1933 Act or otherwise, will furnish you with copies of any such amendment or supplement or other documents proposed to be filed a reasonable time in advance of filing, and will not file any such amendment or supplement or other documents in a form to which you or your counsel shall object.

(d) The Company will notify you immediately, with respect to such Series of Certificates, and confirm the notice in writing, (i) of the effectiveness of any amendment to the Registration Statement, (ii) of the

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mailing or the delivery to the Commission for filing of any supplement to the Prospectus relating to such Series of Certificates or any document, other than quarterly and annual reports to be filed pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act") relating to such Series of Certificates, (iii) of the receipt of any comments from the Commission with respect to the Registration Statement, the Prospectus or any Prospectus Supplement relating to such Series of Certificates, (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus relating to such Series of Certificates or for additional information, and (v) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose. The Company will make every reasonable effort to prevent the issuance of any such stop order and, if any such stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(e) The Company will deliver to you as many as three signed and as many conformed copies of the Registration Statement (as ordinarily filed) and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated by reference in the Prospectus) as you may reasonably request.

(f) The Company will endeavor, in cooperation with you, to qualify such Certificates for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as you may designate, and will maintain or cause to be maintained such qualifications in effect for as long as may be required for the distribution of the Certificates; provided, however, that the Company will not be required to qualify to do business in any state in which it is not currently so qualified. The Company will file or cause the filing of such statements and reports as may be required by the laws of each jurisdiction in which the Certificates have been qualified as above provided.

(g) The Company will not, without your prior consent, publicly offer

or sell any other pass-through certificates for a period of 30 days from the date of any Terms Agreement.

(h) If the Company has elected to cause the applicable Contract Pool to be treated as a real estate mortgage investment conduit (a "REMIC"), the Company will prepare, or cause to be prepared, and file, or cause to be filed a timely election to treat the Contract Pool as a REMIC for federal income tax purposes.

SECTION 4. Conditions of Underwriters' Obligations. The Obligations of the Underwriters to purchase Certificates pursuant to any Terms Agreement are subject to the accuracy of the representations and warranties on the part of the

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Company herein contained, to the accuracy of the statements of the Company's officers made pursuant hereto, to the performance by the Company of all of its obligations hereunder and to the following further conditions:

(a) At the applicable Closing Time (i) no stop order suspending the effectiveness of the Registration Statement shall have been issued or, to the knowledge of the Company or you, proceedings therefor initiated or threatened by the Commission, (ii) the Certificates shall have received the rating or ratings specified in the applicable Terms Agreement, and (iii) there shall not have come to your attention any facts that would cause you to believe that the Prospectus, together with the applicable Prospectus Supplement at the time it was required to be delivered to a purchaser of the Certificates, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading.

(b) At the applicable Closing Time you shall have received:

(1) The favorable opinion, dated as of the applicable Closing Time, of in-house General Counsel for the Company and the Servicer, in form and substance satisfactory to such of you as may be named in the applicable Terms Agreement, to the effect that:

(i) The Company and the Servicer have each been duly organized and are validly existing as corporations in good standing under the laws of the State of Delaware.

(ii) The Company and the Servicer each have the corporate power and corporate authority to carry on their respective businesses as described in the Prospectus and to own and operate their properties in connection therewith.

(iii) The Company and the Servicer are each corporations

duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization and each has the corporate power to own its assets and to transact the business in which it is currently engaged. The Company and the Servicer are each qualified to do business as a foreign corporation and each is in good standing in each jurisdiction in which the character of the business transacted by it or properties owned or leased by it requires such qualification and in which the failure so to qualify would have a material adverse effect on the business, properties, assets, or condition (financial or other) of the Company or the Servicer, respectively.

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(iv) This Agreement and the applicable Terms Agreement have been duly authorized, executed and delivered by each of the Company and the Servicer, and each is a valid and binding obligation of the Company and the Servicer enforceable against each of the Company and the Servicer in accordance with its terms, except that (A) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, (B) such enforcement may be limited by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and (C) the enforceability as to rights to indemnity thereunder may be limited under applicable law.

(v) The applicable Pooling and Servicing Agreement has been duly authorized, executed and delivered by the Company and the Servicer, and is a valid and binding obligation of each of the Company and the Servicer enforceable against each of the Company and the Servicer in accordance with its terms, except that (A) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (B) such enforcement may be limited by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(vi) The execution and delivery by the Company and the Servicer of this Agreement, the applicable Terms Agreement and the applicable Pooling and Servicing Agreement and the signing of the Registration Statement by the Company are within the corporate power of the Company and the Servicer, as applicable, and have been duly authorized by all necessary corporate action on the part of the Company and the Servicer as applicable; and neither the issue and sale of the Certificates, nor the consummation of the transactions contemplated herein nor the

fulfillment of the terms hereof will, to the best of such counsel's knowledge, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or the Servicer pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or the Servicer is a party or by which either may be bound or to which the property or assets of the Company or the Servicer are subject (which contracts, indentures, mortgages, loan agreements, notes, leases and other such instruments have

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been identified by the Company or the Servicer to such counsel), nor will such action result in any violation of the provisions of the certificate of incorporation or by-laws of the Company or the Servicer or, to the best of such counsel's knowledge, any law, administrative regulation or administrative or court decree of any state or federal courts, regulatory bodies, other body, governmental entity or arbitrator having jurisdiction over the Company or the Servicer.

(vii) To the best of such counsel's knowledge, no filing or registration with or notice to or consent, approval, authorization or order of any New Jersey or federal court or governmental authority or agency is required for the consummation by the Company or the Servicer of the transactions contemplated by this Agreement or the applicable Terms Agreement, except such as may be required under the 1933 Act or the Regulations, or state securities or Blue Sky laws.

(2) The favorable opinion, dated as of the applicable Closing Time, of Lowenstein, Sandler, Kohl, Fisher, and Boylan, special local New Jersey counsel for the Company and the Servicer, in form and substance satisfactory to such of you as may be named in the applicable Terms Agreement, to the effect that the Security interest of the Trustee in the Contracts and in the proceeds thereof will be perfected and will constitute a first perfected security interest upon the taking of possession of the Contracts by the Servicer as custodian for the Trustee and upon the filing of UCC financing statements in the offices of the Secretary of State of New Jersey naming the Company as the debtor and the Trustee as secured party; provided, however, that (i) for purposes of its opinion in this paragraph such counsel may assume that (a) the Company has good title and is the sole owner and holder of each Contract free and clear of any right of rescission, set-off, defense or counterclaim, charges, security interests or other rights of any nature and has full right and authority, subject to no agreement with any other party, to sell, pledge and assign the same, (b) immediately prior to conveyance thereof to the Company, the

Servicer was the obligee under the Contracts and the Servicer has assigned all of its right, title and interest in the Contracts to the Company, (c) no Contract constitutes proceeds of any property subject to a third party's security interest and (d) that the Company's chief executive office is in the State of New Jersey; (ii) for purposes of its opinion in this paragraph, such counsel may assume that (a) the Trustee took the assignment of the Contracts in good faith for value and without notice or knowledge of any adverse claims, liens or encumbrances or of any defense against or claim to the Contracts on the part of any person; and (b) the Trustee gave value for the

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Contracts and the Servicer took possession of the Contracts as agent for the Trustee in the ordinary course of the Trustee's business; and (iii) such counsel need express no opinion (a) as to the continuation of a security interest in the Contracts in the event the Servicer relinquishes possession of such Contracts and a subsequent purchaser takes possession without notice of the Trustee's interest, (b) as to the continuation of a security interest in the Contracts if continuation statements are not filed as required by the Pooling and Servicing Agreement, and (c) as to the priority of any security interest in the Contracts against any liens, claims or other interests that arise by operation of law and do not require any filing or similar action in order to take priority over perfected security interests. In addition, because it is not practicable to review each of the Contracts, in rendering its opinion such counsel may assume that each Contract evidences a monetary obligation and a security interest in a Manufactured Home that constituted personal property, and not real property, at the origination thereof.

(3) The favorable opinion, dated as of the applicable Closing Time, of Schulte Roth & Zabel, special counsel for the Company and the Servicer, in form and substance satisfactory to such of you as may be named in the applicable Terms Agreement, to the effect that:

(i) The Certificates have been duly authorized and, when executed and authenticated as specified in the related Pooling and Servicing Agreement and issued and delivered and paid for as contemplated by the Registration Statement, will be duly issued and entitled to the benefits of the related Pooling and Servicing Agreement.

(ii) The Registration Statement became effective under the 1933 Act as of the date and time specified in the order of the Commission with respect thereto and, to the best of such counsel's knowledge and information, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceedings therefor initiated or threatened by



the Commission.

(iii) The Pooling and Servicing Agreement is not required to be qualified under the Trust Indenture Act of 1939. as amended.

(iv) The conditions to the use by the Company of a registration statement on Form S-3 and Form S-11 under the 1933 Act, as set forth in the General Instructions to Form S-3 and

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Form S-11, have been satisfied with respect to the Registration Statement and the Prospectus. To the best of such counsel's knowledge, there are no contracts or documents of the Company which are required to be filed as exhibits to the Registration Statement pursuant to the 1933 Act or the Regulations thereunder which have not been so filed.

(v) The statements in the Prospectus under the heading "Certain Federal Income Tax Consequences," to the extent that they constitute matters of law or legal conclusions with respect thereto, have been prepared or reviewed by such counsel and are correct in all material respects.

(vi) The Trust Fund created by the applicable Pooling and Servicing Agreement is not, and will not as a result of the offer and sale of the Certificates as contemplated in the Prospectus and in this Agreement become, required to register as an "investment company" under the 1940 Act.

(vii) The statements in the Prospectus Supplement under the caption "Description of the Certificates," insofar as such statements purport to summarize certain terms of the Certificates and the applicable Pooling and Servicing Agreement, Present a fair summary of such documents.

(viii) The Registration Statement and the Prospectus (other than the financial statements and other financial, statistical and numerical information included therein, as to which no opinion need be rendered) as of their respective effective or issue dates, and each amendment thereof and supplement thereto, as of their respective effective or issue dates, complied as to form in all material respects with the requirements of the 1933 Act and the Regulations thereunder.

Such counsel shall state that it has participated in the conferences with officers and other representatives of the Company and the Servicer, your counsel, representatives of the independent accountants for the Company and the Servicer and you at which the

contents of the Registration Statement and the Prospectus were discussed and, although such counsel is not passing upon and does not assume responsibility for, the factual accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus (except as stated in paragraphs 4(b)(3)(v) and 4(b)(3)(vii) above) and has made no independent check or verification thereof for the purpose of rendering this opinion, on the basis of the

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foregoing (relying as to materiality to a large extent upon the certificates of officers and other representatives of the Company and the Servicer), no facts have come to their attention that leads such counsel to believe that the Registration Statement, when it became effective, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Registration Statement and the Prospectus on their respective dates contained, and the Prospectus on the date of first use contains, any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that such counsel need express no view with respect to the financial statements, schedules and other financial, statistical and numerical data included in or incorporated by reference into the Registration Statement or the Prospectus, or as to any information furnished to the Company for inclusion in the Prospectus by any third-party provider of credit enhancement.

Said counsel may state that they are admitted to practice only in the State of New York, that they are not admitted to the Bar in any other State and are not experts in the law of any other State and to the extent that the foregoing opinions concern the laws of any other State such counsel may rely upon the opinion of counsel satisfactory to the Underwriters and admitted to practice in such jurisdiction. Any opinions relied upon by such counsel as aforesaid shall be addressed to the Underwriters and shall be delivered together with the opinion of such counsel, which shall state that such counsel believes that their reliance thereon is justified.

The Company shall cause legal counsel to deliver to you such additional opinions addressing the transfer by the Company to the Trustee of its right title and interest in and to the Contracts and other property included in the Trust Fund on the Closing Time as may be required by each Rating Agency rating the Certificates.

(4) The favorable opinion of counsel, which may be in-house counsel to the Trustee, dated as of the applicable Closing Time, addressed to you and in form and scope satisfactory to your counsel,

to the effect that:

(i) The applicable Pooling and Servicing Agreement has been duly authorized, executed and delivered by the Trustee and is enforceable against the Trustee in accordance with its terms, subject to customary and usual exceptions.

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(ii) The Trustee has full power and authority to execute and deliver the applicable Pooling and Servicing Agreement and to perform its obligations thereunder.

(iii) To the best of such counsel's knowledge, there are no actions, proceedings or investigations pending or threatened against or affecting the Trustee before or by any court, arbitrator, administrative agency or other governmental authority which, if adversely decided, would materially and adversely affect the ability of the Trustee to carry out the transactions contemplated in the Pooling and Servicing Agreement.

(iv) No consent, approval or authorization of, or registration, declaration or filing with, any court or governmental agency or body of the jurisdiction of incorporation of the Trustee is required for the execution, delivery or performance by the Trustee of the Pooling and Servicing Agreement.

In rendering such opinion, such counsel may rely, as to matters of fact, to the extent deemed proper and stated therein, on certificates of responsible officers of the Trustee or public officials.

(5) The favorable opinion or opinions, dated as of the applicable Closing Time, of counsel for the Underwriters with respect to the issue and sale of the Certificates the Registration Statement, this Agreement, the Prospectus, the applicable Prospectus Supplement and other related matters as the Underwriters may require.

(c) At the applicable Closing Time you shall have received a certificate of the President or a Vice President of the Company, dated as of such Closing Time, to the effect that the representations and warranties of the Company contained in Section 1 are true and correct with the same force and effect as though such Closing Time were a Representation Date.

(d) You shall have received from independent certified public accountants acceptable to you, a letter, dated as of the date of the applicable Terms Agreement and as of the applicable Closing Time, delivered at such times, in a form acceptable to you and to us.

(e) At the Closing Time you shall have received, addressed to you, any additional opinions delivered by counsel pursuant to the request of the Rating Agency or Rating Agencies rating the Certificates.

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(f) At the applicable Closing Time, counsel for the Underwriters shall have been furnished with such documents and opinions as they reasonably may require for the purpose of enabling them to pass upon the issuance and sale of the Certificates as herein contemplated and related proceedings or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Certificates as herein contemplated shall be satisfactory in form and substance to you and counsel for the Underwriters.

(g) At the applicable Closing Time with respect to a Series of Certificates, you shall have received any Letter of Credit providing credit enhancement with respect to such Series or any Class thereof, and you shall have received an opinion of counsel from counsel to the provider of any such Letter of Credit, in form and substance satisfactory to you, to the effect that such Letter of Credit has been duly and validly authorized, executed and delivered by, and will constitute a legal, valid and binding obligation of, the provider of such Letter of Credit, enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and as to enforceability, to general principles of equity (regardless whether enforcement is sought in a proceeding in equity or at law).

If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, and which nonfulfillment has, in your reasonable judgment, a material and adverse effect on your ability to issue and sell the Certificates as herein contemplated, the applicable Terms Agreement may be terminated by you by notice to the Company at any time at or prior to the applicable Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 5.

SECTION 5. Payment of Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including without limitation those related to (i) the filing of the Registration Statement and all amendments thereto, (ii) the printing and delivery to the Underwriters, in such quantities as you may reasonably request, of copies of this Agreement, each Terms Agreement, (iii) the preparation, issuance and delivery of the Certificates to the Underwriters, (iv) the fees and disbursements of the Company's counsel and accountants, (v) the qualification of the Certificates

under securities and Blue Sky laws and the determination of the eligibility of the Certificates for investment in accordance with the provisions of Section 3(f), including filing fees, and the fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of any Blue Sky Survey and Legal Investment Survey, (vi) the printing and delivery to the Underwriters, in such quantities as you may reasonably request,

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hereinafter stated, of copies of the Registration Statement and Prospectus relating to a Series of Certificates underwritten by such Underwriters and all amendments and supplements thereto, and of any Blue Sky Survey and Legal Investment Survey, (vii) the printing and delivery to the Underwriters, in such quantities as you may reasonably request, of copies of each Pooling and Servicing Agreement relating to a Series of Certificates underwritten by such Underwriters, (viii) the fees charged by investment rating agencies for rating the Certificates, (ix) the fees and expenses incurred in connection with the listing of the Certificates on any national securities exchange, (x) the fees and expenses incurred with respect to the National Association of Securities Dealers, Inc., including the fees and disbursements of counsel for the Underwriters in connection therewith and (xi) the fees and expenses of the Trustee and its counsel.

If a Terms Agreement is terminated by you in accordance with the provisions of Section 4 or Section 9(i) hereof, the Company shall reimburse you for all reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriter.

SECTION 6. Indemnification. (a) The Servicer agrees to indemnify and hold harmless the Underwriters and each person, if any, who controls the Underwriters within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, if such settlement is effected with the

written consent of the Company and the Servicer; and

(iii) against any and all expense whatsoever (including, subject to Section 6(c), the fees and disbursements of counsel chosen by you, reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

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unless any such untrue statement or omission or alleged untrue statement or omission referred to in clauses (i), (ii) and (iii) above was made in reliance upon and in conformity with, written information furnished to the Company or the Servicer by the Underwriters expressly for use in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto).

This indemnity agreement will be in addition to any liability which the Company or the Servicer may otherwise have. Insofar as this indemnity may permit indemnification for liabilities under the 1933 Act of any person who is a partner of the Underwriters entitled to indemnity hereby or who controls the Underwriters within the meaning of Section 15 of the 1933 Act and who, at the date of this Agreement, is a director, officer or controlling person of the Company, such indemnity agreement is subject to the undertaking of the Company in the Registration Statement.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company and the Servicer, each of the Company's or the Servicer's directors, each of the Company's officers who signed the Registration Statement, and each person, if any, who controls the Company or the Servicer within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by that Underwriter expressly for use in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto). This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(c) Each indemnified party shall give prompt notice to each indemnifying party of any action commenced against it with respect to which indemnity may be sought hereunder but failure to so notify an indemnifying party shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action. In no event shall the indemnifying

parties be liable for the fees and expenses of more than one counsel (in addition to its own counsel) for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

SECTION 7. Contribution. (a) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 6 hereof is for any reason held to be unenforceable by the indemnified parties although applicable in accordance with its terms, the Company and the Servicer on the one hand, and the Underwriters, on the other, shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Servicer and one or more of the Underwriters in such proportion as is appropriate to reflect not

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only the relative benefits received by the Company and the Servicer on the one hand and the Underwriters on the other from the offering of the Certificates but also the relative fault of the Company and the Servicer on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages and expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Servicer on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the difference between (i) the total price at which the Certificates underwritten by the Underwriters and distributed to the public were offered to the public, and (ii) the portion of the total net proceeds from the offering (before deducting expenses) received by the Company attributable to the Certificates. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact related to information supplied by the Company, the Servicer or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, the Servicer and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The amount paid by an indemnified party as a result of the losses, liabilities, claims, damages and expenses referred to in the first sentence of this Section 7(a) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this Section 7(a). Notwithstanding the provisions of this Section 7(a), the Underwriters shall not be required to contribute any amount in excess of the amount by which the total price at which the Certificates underwritten by them and distributed to the public were offered to the public exceeds the amount of any damages which the Underwriters have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No

person guilty of fraudulent misrepresentation (within the meaning of section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(b) The obligations of the Company and the Servicer under this Section 7 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriters within the meaning of the 1933 Act; and the obligations of the Underwriters under this Section 7 shall be in addition to any liability which the Underwriters may otherwise have and shall extend, upon the same terms and conditions, to the officers of the Company and the Servicer who signed the Registration Statement or any amendment thereof, to its directors, and to each person who controls the Company and the Servicer within the meaning of the 1933 Act.

SECTION 8. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company and the Servicer submitted pursuant hereto, shall remain operative and in full force and effect, regardless

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of any termination of this Agreement, or any investigation made by or on behalf of the Underwriters or controlling person thereof, or by or on behalf of the Company and the Servicer and shall survive delivery of any Certificates to the Underwriters.

SECTION 9. Termination of Agreement. This Agreement may be terminated for any reason at any time by any of the Company, the Servicer or you (insofar as this Agreement relates to a Series of Certificates underwritten by you) upon the giving of thirty days' written notice of such termination to the other party hereto. You, as Representative of the Underwriters named in any Terms Agreement, may also terminate such Terms Agreement, immediately upon notice to the Company and the Servicer, at any time at or prior to the applicable Closing Time (i) if there has been, since the date of such Terms Agreement or since the respective dates as of which information is given in the Registration Statement or Prospectus any change, or any development involving a prospective change in, or affecting, the condition, financial or otherwise, earnings, affairs or business of the Company or the Servicer whether or not arising in the ordinary course of business, which in your reasonable judgment would materially impair the market for, or the investment quality of, the Certificates subject to the applicable Terms Agreement, or (ii) if there has occurred any outbreak of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it, in your judgment, impracticable to market the Certificates subject to the applicable Terms Agreement or enforce contracts for the sale of the Certificates, or (iii) if trading generally on either the New York Stock Exchange or the American Stock Exchange has been suspended, or minimum or maximum prices for securities have been required, by either of said exchanges or by order of the Commission or any other governmental authority, or



if a banking moratorium has been declared by either Federal, New York or New Jersey authorities. In the event of any such termination, (A) the covenants set forth in Section 3 with respect to any offering of Certificates shall remain in effect so long as the Underwriters own any such Certificates purchased from the Company pursuant to the applicable Terms Agreement and (B) the covenant set forth in Section 3(c), the provisions of Section 5, the indemnity agreement set forth in Section 6, and the contribution provisions set forth in Section 7, and the provisions of Sections 8 and 13 shall remain in effect.

SECTION 10. Default by One or More of the Underwriters. If one or more of the Underwriters participating in an offering of Certificates shall fail at the applicable Closing Time to purchase the Certificates which it or they are obligated to purchase hereunder and under the applicable Terms Agreement (the "Defaulted Certificates"), then such of you as are named therein shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Certificates in such amounts as may be agreed upon and upon the terms herein set forth. If, however, you have not completed such arrangements within such 24-hour period, then:

(a) if the aggregate principal amount of Defaulted Certificates does not exceed \_\_\_% of the aggregate principal amount of the Certificates to be purchased pursuant to such Terms Agreement, the non-defaulting Underwriters

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named in such Terms Agreement shall be obligated to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all such non-defaulting Underwriters, or

(b) if the aggregate principal amount of Defaulted Certificates exceeds \_\_\_% of the aggregate principal amount of the Certificates to be purchased pursuant to such Terms Agreement, the applicable Terms Agreement shall terminate, without any liability on the part of any non-defaulting Underwriters.

No action taken pursuant to this Section shall relieve any defaulting Underwriters from liability with respect to any default of such Underwriters under this Agreement and the applicable Terms Agreement.

In the event of a default by any Underwriters as set forth in this Section, either you or the Company shall have the right to postpone the applicable Closing Time for a period of time not exceeding seven days in order that any required changes in the Registration Statement or Prospectus or in any other documents or arrangements may be effected.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or

transmitted by any standard form of telecommunication; a copy of any notice transmitted by telecopier shall be delivered by registered or certified mail, and any such telecopied notice shall be deemed to have been duly given only upon the receipt of a written acknowledgement from the party receiving such notice. Notices to the Underwriter shall be directed to you at the address set forth on the first page hereof, attention Syndicate Department. Notices to the Company shall be directed to The CIT Group Securitization Corporation II, 650 CIT Drive, Livingston, New Jersey 07039, attention James J. Egan, Jr., President. Notices to the Servicer shall be directed to The CIT Group/Sales Financing, Inc., 650 CIT Drive, Livingston, New Jersey 07039, attention James J. Egan, Jr., President.

SECTION 12. Parties. This Agreement shall inure to the benefit of and be binding upon you the Company and the Servicer and any Terms Agreement shall inure to the benefit of and be binding upon the Company and any Underwriter who becomes a party to a Terms Agreement, and their respective successors. Nothing expressed or mentioned in this Agreement or a Terms Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto or thereto and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives any legal or equitable right, remedy or claim under or with respect to this Agreement or a Terms Agreement or any provision herein or therein contained. This Agreement and any Terms Agreement and all conditions and provisions hereof or thereof are intended to be for the sole and exclusive benefit of the parties and their respective successors and said controlling persons and officers and directors and their heirs and legal representatives (to the extent of their rights as specified herein and therein) and for the benefit of no other person, firm or corporation. No purchaser of

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Certificates from any Underwriters shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. Governing Law and Time. This Agreement and each Terms Agreement shall be governed by the laws of the State of New York. Specified times of day refer to New York City time.

SECTION 14. Counterparts. This Agreement and any Terms Agreement may be executed in counterparts, each of which shall constitute an original of any party whose signature appears on it, and all of which shall together constitute a single instrument.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between you and the Company in accordance with its terms.

Very truly yours,

THE CIT GROUP SECURITIZATION CORPORATION II

By: \_\_\_\_\_  
Name:  
Title:

THE CIT GROUP/SALES FINANCING, INC.

By: \_\_\_\_\_  
Name:  
Title:

CONFIRMED AND ACCEPTED, as of  
the date first above written:

[Underwriter(s)]

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT A

MANUFACTURED HOUSING CONTRACT  
PASS-THROUGH CERTIFICATES OF  
THE CIT GROUP SECURITIZATION CORPORATION II, AS SELLER

TERMS AGREEMENT  
-----

Dated: \_\_\_\_\_, 199

To: The CIT Group Securitization Corporation II, as seller (the "Seller") under the Pooling and Servicing Agreement dated as of \_\_\_\_\_, 199 (the "Pooling Servicing Agreement")

Re: Underwriting Agreement dated June \_\_\_\_\_, 1993 (the "Agreement")

Series Designation: Manufactured Housing Contract  
[Senior/Subordinate] Pass-Through  
Certificates Series 1993-\_\_

Terms of the Certificates and Underwriting Compensation:

Class	Initial Principal Balance*	Remittance Rate
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\* Approximate. Subject to permitted variance of plus or minus 5%.

Certificate Rating(s):

-----

Class : " " by

REMIC Election: [Yes] [No]

-----

Trust Fund:

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The Trust Fund shall include the Contracts listed in Exhibit A to the Pooling and Servicing Agreement.

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Credit Enhancement:

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Payment Dates: The \_\_\_\_\_ day of each month (or if such day is not a business day, the next succeeding business day) commencing \_\_\_\_\_, 199 .

Purchase Price:

-----

The purchase price payable by you for (i) the Class \_\_\_\_\_ Certificates is \_\_\_\_\_ % of the principal amount thereof to be issued plus accrued interest thereon at \_\_\_\_\_ % per annum from \_\_\_\_\_, 199\_\_\_\_, [(ii) the Class \_\_\_\_\_ Certificates in \_\_\_\_\_ % of the principal amount thereof to be issued plus accrued interest thereon at \_\_\_\_\_ % per annum from \_\_\_\_\_, 199\_\_\_\_ and (iii) the Class \_\_\_\_\_ Certificates in \_\_\_\_\_ % of the principal amount thereof to be issued plus accrued interest at \_\_\_\_\_ % per annum from \_\_\_\_\_, 199\_\_\_\_.

Underwriting Commission:

- -----

Notwithstanding anything to the contrary in the Underwriting Agreement, no additional underwriting commission shall be payable by the Company to the Underwriter in connection with the purchase of the Certificates.

Public Offering Price and/or method of determining price at which the Underwriter will sell the Certificates to the public:

Reallowance:

- -----

Selling Concession:

- -----

Closing Date and Location: \_\_\_\_\_, 199\_\_\_\_, offices of [Schulte Roth & Zabel, 900 Third Avenue, New York, \_\_\_\_\_ New York].

[Underwriter(s)]

By: \_\_\_\_\_

Name:

Title:

ACCEPTED:

THE CIT GROUP SECURITIZATION CORPORATION II

By: \_\_\_\_\_

Name:

Title:

Exhibit 3(i).1

Certificate of Incorporation of The CIT Group  
Securitization Corporation II

CERTIFICATE OF INCORPORATION  
OF  
THE CIT GROUP SECURITIZATION CORPORATION II

FIRST: The name of the Corporation is The CIT Group Securitization Corporation II (hereinafter referred to as the "Corporation").

SECOND: The address of the registered office of the corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle 19801. The name of the registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is limited to: (a) issuing and selling one or more series of bonds, pass-through certificates or other securities secured primarily by mortgages, deeds of trust, manufactured housing, recreational vehicle or marine retail installment contracts or any other type of loan agreements (all of the foregoing collectively referred to herein as the "Contracts"), investing in certain Contracts to be purchased with the proceeds of bonds, pass-through certificates or other securities secured by Contracts and taking certain other action with respect thereto, (b) selling interests in Contracts, evidencing such interests with bonds, pass-through certificates or other securities secured by the Contracts, using the proceeds of the sale of such bonds, pass-through certificates or other securities secured by the Contracts, to acquire Contracts, retaining or acquiring an interest (including a subordinated interest) in Contracts acquired and sold, and taking certain other action with respect thereto, and (c) acting as settlor or depositor of trusts or other entities formed to issue bonds, pass-through certificates or other securities secured by Contracts and investing in or selling beneficial interests

in the same. The Corporation is not otherwise authorized to trade or deal in securities, or engage in any other activity other than (a) issuing and selling bonds, pass-through certificates or other securities under an indenture, trust agreement, pooling and servicing agreement or other agreement, (b) acting as settlor or depositor of a trust or other entity formed to issue and sell bonds, pass-through certificates or other securities and investing in or selling beneficial interests in the same, (c) acquiring, owning, holding and pledging or selling interests in Contracts, (d) investing cash balances on an interim basis in certain short-term investments and (e) engaging in activities incidental to and necessary to accomplish the foregoing.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 200 shares of no par Common Stock.

FIFTH:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) In furtherance and not in limitation of the power conferred upon the directors by law, the directors shall, with the approval of 100% of the

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directors (including the Independent Director, or if there is more than one, all of the Independent Directors), have power to make, adopt, alter, amend and repeal from time to time by-laws of the Corporation, subject to the right of the stockholders entitled to vote with respect thereto to alter and repeal by-laws made by the directors.

(3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide. At least one director (the Independent Director, or if there is more than one, all of the Independent Directors) and one executive officer of the Corporation (who may be the same person) will not be a director, officer or employee of any direct or ultimate parent of the Corporation or of any direct or indirect subsidiary of such parent.

(4) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the General Corporation Law of the State of Delaware (the "GCL"), this Certificate of Incorporation and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted. The Corporation's board of directors will duly authorize all of the Corporation's actions.

(5) The Corporation's assets will not be commingled with those of any direct or ultimate parent of the Corporation or any subsidiary or affiliate thereof.

(6) The Corporation will maintain separate corporate records and books of account from those of any direct or ultimate Parent of the Corporation or any subsidiary or affiliate thereof.

(7) The Corporation will maintain and conduct its business from an office separate from that of any direct or ultimate parent, or affiliate, of the Corporation or any subsidiary or affiliate thereof.

SIXTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

SEVENTH: The Corporation shall, to the maximum extent permitted from time to time under the law of the State of Delaware, indemnify and upon request shall advance expenses to any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit, proceeding or claim, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was or has agreed to be a director or officer of this corporation or while a director or officer is or was serving at the request

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of this corporation as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorney's fees and expenses), judgments, fines, penalties and amounts paid in settlement incurred in connection with the investigation, preparation to defend or defense of such action, suit, proceeding or claim; provided, however, that the foregoing shall not require the Corporation to indemnify or advance expenses to any person in connection with any action, suit, proceeding, claim or counterclaim initiated by or on behalf of such person. Such indemnification shall not be exclusive of other indemnification rights arising under any by-law, agreement, vote of directors or stockholders or otherwise and shall inure to the benefit of the heirs and legal representatives of such person. Any person seeking indemnification under this Article SEVENTH shall be deemed to have met the standard of conduct required for such indemnification unless the contrary shall be established. Any repeal or modification of the foregoing provisions of this Article SEVENTH shall not adversely affect any right or protection of a director or officer of the Corporation with respect to any acts or omissions of such director or officer occurring prior to such repeal or modification.



EIGHTH: No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article NINTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

NINTH: The Corporation shall not, without the affirmative vote of one hundred percent (100%) of the directors (including the Independent Director, or if there is more than one, all of the Independent Directors), institute proceedings to be adjudicated bankrupt or insolvent; or consent to the institution of bankruptcy or insolvency proceedings against it; or file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy; or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of this corporation or a substantial part of its property; or make any assignment for the benefit of creditors; or admit in writing its inability to pay its debts generally as they become due; or take any corporate action in furtherance of any such action.

TENTH: For so long as the Corporation is able to pay its debts generally as they become due, the Corporation shall not institute proceedings to be adjudicated bankrupt or insolvent; or consent to the institution of bankruptcy or insolvency proceedings against it; or file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to

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bankruptcy; or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the corporation or of a substantial part of its property; or make any assignment for the benefit of creditors; or admit in writing its inability to pay its debts generally as they become due; or take any corporate action in furtherance of any such action.

ELEVENTH: The Corporation will not issue any securities (other than common or preferred stock of the Corporation), nor will it act as settlor or depositor of any trust or other entity which issues securities of any securities, if either such action would result in the downgrading by any nationally recognized statistical rating organization (as defined in Rule 15c3-1 under the Securities Exchange Act of 1934 or any successor Rule) of any outstanding securities of either the Corporation or any trust or other entity of which the Corporation is the settlor or depositor, which securities are then rated by such nationally recognized statistical rating organization.

TWELFTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation, provided that, none of Article FIFTH, EIGHTH, NINTH, TENTH or ELEVENTH shall be amended without the affirmative vote of all the directors, including the Independent Director, or if there is more than one, all of the Independent Directors.

THIRTEENTH: Martin I. Fineberg is the Sole Incorporator and his mailing address is c/o Schulte Roth & Zabel, 900 Third Avenue, New York, New York 10022.

Dated: June 24, 1994

/s/ Martin I. Fineberg  
-----  
Martin I. Fineberg  
c/o Schulte Roth & Zabel  
900 Third Avenue  
New York, New York 10022

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Exhibit 3(ii).1

Bylaws of The CIT Group Securitization Corporation II

BY-LAWS

OF

THE CIT GROUP SECURITIZATION CORPORATION II

(hereinafter called the "Corporation")

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation both within shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by

the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting. Written notice of the Annual Meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten, nor more than sixty days before the date of the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called by either (i) the Chairman, if there be one, or (ii) the President, (iii) any Vice President, if there be one, (iv) the Secretary or (v) any Assistant Secretary, if there be one, and shall be called by any such officer at the request in writing of a majority of the Board of Directors or at the request in writing of stockholders owning a majority of the capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. Written notice of a Special Meeting stating the place, date and hour of the meeting and the purpose

or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 4. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

Section 5. Voting. Unless otherwise required by law, the Certificate of Incorporation or these By-Laws (including without limitation Article III, Section 7, Article VII, Sections 5 and 6 and Article IX, Section 1 hereof), any question brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote thereat. Each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy but, no proxy shall be voted on or after three years from its date, unless such

proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 6. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which

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all shares entitled to vote thereof were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 7. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 8. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 7 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

### ARTICLE III

#### DIRECTORS

Section 1. Number, Election and Removal of Directors. The Board of Directors shall consist of not less than one nor more than fifteen members, the exact number of which shall initially be fixed by the Incorporator and thereafter from time to time by the Board of Directors. The Board of Directors shall at all times include at least one Director (the "Independent Director") who is not a director, officer, 5% stockholder, employee or former employee of

the Corporation's direct or indirect parent or its subsidiaries. Except as provided in Section 2 of this Article, directors shall be elected by a plurality of the votes cast at Annual Meetings of Stockholders, and each director so elected shall hold office until the next Annual Meeting and until his successor is duly elected and qualified, or until his earlier resignation or removal. Any director may resign at any time upon notice to the Corporation. Directors need not be stockholders. At any time, Directors may be removed and their successors

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chosen by the unanimous written consent of the holders of the outstanding stock of the Corporation entitled to vote on the election of Directors.

Section 2. Vacancies. Subject to Section 1 of this Article, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, or until their earlier resignation or removal.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders. The directors of the Corporation shall act independently and in the interests of the Corporation and in a manner consistent will the purposes stated herein and in the Articles of Incorporation of the Corporation.

Section 4. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the President, or any two directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone or telegram on twenty-four (24) hours notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 5. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a

quorum shall be present.

Section 6. Actions of Board. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken

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at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 7. Meetings by Means of Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 7 shall constitute presence in person at such meeting.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Each committee shall keep regular minutes and report to the Board of Directors when required.

Section 9. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 10. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the

Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 11. Voluntary Bankruptcy, Insolvency or Other Similar Proceeding. No amendment, modification or waiver of the Corporate Separateness Agreement dated as of July 1, 1994 and no voluntary bankruptcy, insolvency or other similar proceeding may be filed, instituted, approved or take place on behalf of the Corporation without in each case the prior unanimous vote of the full Board of Directors (including the Independent Director, or if there is more than one, all of the Independent Directors) that specifically approves and authorizes such action.

#### ARTICLE IV

#### OFFICERS

Section 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors, in its discretion, may also choose a Chairman of the Board of Directors (who must be a director) and one or more Assistant Vice-Presidents, Assistant Secretaries, Assistant Treasurers and other officers. The Corporation shall at all times have at least one executive officer (the "Independent Officer") who is not a director, officer or employee of the



director indirect parent of the Corporation (such executive officer may be the same person as the one Director, referred to in Article III, Section 1, who is not a director, officer or employee of the direct or indirect parent of the Corporation). Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation. The officers of the Corporation shall act independently and in the interests of the Corporation and in a manner consistent with the purposes stated herein or in the Articles of Incorporation of the Corporation.

Section 2. Election. The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the President or any Vice-President and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. He shall be the Chief Executive Officer of the Corporation, and except where by law the signature of the President is required, the Chairman of the Board of Directors shall possess the same power as the President to sign all contracts, certificates and other instruments of the

Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, the Chairman of the Board of Directors

shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 5. President. The President shall, subject to the control of the Board of Directors and, if there be one, the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the President. In the absence or disability of the Chairman of the Board of Directors, the President shall be the Chief Executive Officer of the Corporation. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 6. Vice-Presidents. At the request of the President or in his absence or in the event of his inability or refusal to act (and if there be no Chairman of the Board of Directors), the Vice-President or the Vice-Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice-President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors and no Vice-President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 7. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and

special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one,

shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 8. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 9. Assistant Secretaries. Except as may be otherwise provided in these By-Laws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice-President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so

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acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 10. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice-President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever

kind in his possession or under his control belonging to the Corporation.

Section 11. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

## ARTICLE V

### STOCK

Section 1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman of the Board of Directors, the President or a Vice-President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 2. Signatures. Where a certificate is countersigned by (i) a transfer agent other than the Corporation or its employee, or (ii) a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such

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certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or

by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be cancelled before a new certificate shall be issued.

Section 5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders of any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not

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it shall have express or other notice thereof, except as otherwise provided by law.

## ARTICLE VI

### NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by telegram, telex or cable.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed, by the person or persons entitled to said notice, whether before or after the time

stated therein, shall be deemed equivalent thereto.

## ARTICLE VII

### GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

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Section 3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced, or otherwise.

Section 5. Separate Books and Records; Separate Accounts. The Corporation shall (i) keep correct and complete books and records of account on an unconsolidated basis, (ii) ensure that its funds and other assets are not deposited in the same account as, or commingled with, those of its parent or any subsidiary or affiliate of its parent, and (iii) maintain separate financial statements, corporate records and books of account from those of its parent or any subsidiary or affiliate of its parent.

Section 6. No Advances or Guarantees. The Corporation shall not (i) make any advances to, or guarantees on behalf of, its parent or any subsidiary or affiliate thereof, or (ii) receive from its parent or any subsidiary or affiliate thereof any advance or guarantee on the Corporation's behalf.

## ARTICLE VIII

## INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Corporation. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The

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termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, has reasonable cause to believe that his conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any

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claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 or 2 of this Article VIII, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2 of this Article VIII. The basis of such indemnification



by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Sections 1 or 2 of this Article VIII, as the case may be. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application.

Section 6. Expenses Payable in Advance. Expenses incurred in defending or investigating a threatened or pending action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or

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proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article VIII.

Section 7. Non-exclusivity and Survival of Indemnification. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article VIII but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise. The indemnification provided by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or another enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this Article VIII.

Section 9. Meaning of "Corporation" for Purposes of Article VIII. For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including

any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership,

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joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

## ARTICLE XI

### AMENDMENTS

Section 1. Amendment of By-Laws. Except as otherwise set forth in this Article IX, these By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors; provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of stockholders or Board of Directors, as the case may be. All such amendments must be approved by either the holders of a majority of the outstanding capital stock entitled to vote thereon or by a majority of the entire Board of Directors then in office. Section 11 of Article III and Sections 5 and 6 of Article VII of these By-Laws may be altered, amended or repealed only upon the unanimous vote of the full Board of Directors (including the Independent Director, or if there is more than one, all of the Independent Directors); provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of the Board of Directors.

Section 2. Entire Board of Directors. As used in this Article IX and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors that the Corporation would have if there were no vacancies.

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Exhibit 4.1

Form of Pooling and Servicing Agreement

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Manufactured Housing Contract  
[Senior/Subordinate]  
Pass-Through Certificates  
Series 199\_ \_

POOLING AND SERVICING AGREEMENT

among

THE CIT GROUP SECURITIZATION CORPORATION II  
as Seller,

THE CIT GROUP/SALES FINANCING, INC.  
as Servicer,

and

[TRUSTEE]  
not in its individual capacity but solely as Trustee

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AGREEMENT, dated as of \_\_\_\_\_, \_\_\_\_\_, among The CIT Group Securitization Corporation II, as seller (together with its permitted successors and assigns, the "Company"), The CIT Group/Sales Financing, Inc., a corporation organized and existing under the laws of the State of Delaware, as Servicer (in its individual capacity, "CITSF," or, together with its permitted successors and assigns, the "Servicer"), \_\_\_\_\_ and \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of \_\_\_\_\_, not in its individual capacity but solely as Trustee (together with permitted successors and assigns, the "Trustee").

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereto agree as provided herein:

## ARTICLE I

### DEFINITIONS

#### SECTION 1.01. General.

For the purpose of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Article include the plural as well as the singular, the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, and Section references refer to Sections of this Agreement.

#### SECTION 1.02. Specific Terms.

"Advance Payment" means any payment by an Obligor in advance of the Due Period in which it would be due under such Contract and which payment is not a Principal Prepayment.

"Affiliate" of any specified Person means any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" or "controlled" have meanings correlative to the foregoing.

"Agreement" means this Pooling and Servicing Agreement.

"Amount Available" means, as to any Remittance Date, an amount equal to (a) the amount on deposit (or which would have been on deposit on such day but for



the operation of the penultimate sentence of Section 5.05(a)) in the Certificate Account as of the close of business on the last day of the related Due Period less (b) the sum, as of the close of business on the Business Day preceding such Remittance Date, of (i) aggregate Repossession Profits, (ii) the Amount Held for Future Distribution, and (iii) amounts permitted to be withdrawn by the Servicer from the Certificate Account in respect of the Contracts pursuant to clauses (b) - - (g), inclusive, of Section 8.02.

"Amount Held for Future Distribution" means, as to any Remittance Date, the total of the amounts on deposit (or which would have been on deposit on such day but for the operation of the penultimate sentence of Section 5.05(a)) in the Certificate Account as of the close of business on the last day of the related Due Period on account of Advance Payments in respect of such Due Period.

"Applicants" has the meaning assigned in Section 9.06.

"Appraised Value" means, with respect to any Manufactured Home, the value of such Manufactured Home as determined by a professional appraiser (who may be an employee of CITSF).

"Assumption Fee" means any assumption or other similar fee paid by the Obligor on a Contract.

"Authenticating Agent" means any authenticating agent appointed pursuant to Section 9.07.

"Book-Entry Certificate" means any Certificate registered in the name of the Depository or its nominee, ownership of which is reflected on the books of the Depository or on the books of a person maintaining an account with such Depository (directly or as an indirect participant in accordance with the rules of such Depository).

"Business Day" means any day other than (a) a Saturday or a Sunday or (b) another day on which national banking institutions in the States of Oklahoma, \_\_\_\_\_ or New York are authorized or obligated by law, executive order, or governmental decree to be closed.

"Certificate" means a Manufactured Housing Contract Pass-Through Certificate executed and delivered by the Trustee substantially in the form of Exhibits A, B or C.

"Certificate Account" means a separate trust account maintained in the name of the Trust in an Eligible Institution.

"Certificate Owner" means the person who is the beneficial owner of a Book-Entry Certificate.

"Certificate Register" means the register maintained pursuant to Section 9.02.

"Certificate Registrar" or "Registrar" means the registrar appointed pursuant to Section 9.02.

"Certificateholder" or "Holder" means the person in whose name a Certificate is registered on the Certificate Register, except that, solely for the purposes of giving any consent, waiver, request or demand pursuant to this Agreement, any Class A Certificate [and any Class B Certificate] registered in the name of the Contract Seller, the Servicer or any Affiliate of the Contract Seller or the Servicer shall be deemed not to be outstanding, and the Percentage Interest evidenced thereby shall not be taken into account in determining whether the requisite Percentage Interest necessary to effect any such consent, request, waiver or demand has been obtained unless all the Class A Certificates [or all the Class B Certificates] are held by such Persons; provided, however, that in determining whether the Trustee shall be protected in relying upon any such consent, waiver, request or demand only Class A Certificates [and Class B Certificates] which the Trustee knows to be so owned shall be so disregarded.

"CITSF" means The CIT Group/Sales Financing Inc., and its successors in interest as permitted hereunder.

"Class," "Class A," ["Class B"] or "Class R" means pertaining to Class A Certificates[, Class B Certificates] and/or Class R Certificates, as the case may be.

"Class A Certificate" means any one of the certificates executed and delivered by the Trustee and authenticated by the Authenticating Agent substantially in the form set forth in Exhibit A and evidencing an interest designated as a "regular interest" in the Trust for purposes of the REMIC Provisions[, which certificates shall be senior to the Class B Certificates].

"Class A Interest Distribution Amount" means, as to any Remittance Date, an amount equal to the sum of (a) one month's interest at the Class A Remittance Rate on the Class A Principal Balance and (b) the Unpaid Class A Interest Shortfall, if any, for such Remittance Date.

"Class A Interest Shortfall" means, as to any Remittance Date, any amount by which the amount distributed to Holders of the Class A Certificates on such Remittance Date is less than the Class A Interest Distribution Amount for such Remittance Date.

"Class A Principal Balance" means, as to any Remittance Date, the Original Class A Principal Balance less all amounts previously distributed to Holders of Class A Certificates on account of principal.

"Class A Remittance Rate" means \_\_\_\_% per annum, computed on the basis of a 360-day year of twelve 30-day months.

["Class B Certificate" means any one of the certificates executed by the Trustee and authenticated by the Authenticating Agent substantially in the form set forth in Exhibit B hereto and evidencing an interest designated as a "regular interest" in the Trust for purposes of the REMIC Provisions which certificates shall be subordinate to the Class A Certificates.]<sup>1</sup>

["Class B Enhancement Payment" means \_\_\_\_\_.]

["Class B Interest Distribution Amount" means, as to any Remittance Date, the sum of (a) one month's interest at the Class B Remittance Rate on the Class B Principal Balance and (b) the Unpaid Class B Interest Shortfall, if any, for such Remittance Date.]

["Class B Interest Shortfall" means, as to any Remittance Date, any amount by which the amount distributed to Holders of Class B Certificates on such Remittance Date is less than the Class B Interest Distribution Amount for such Remittance Date.]

["Class B Principal Balance" means, as to any Remittance Date, the Original Class B Principal Balance minus the sum of all amounts previously distributed to Class B Certificateholders on account of principal.]

["Class B Principal Loss Liquidation Amount" means, as to any Remittance Date prior to the Cross-over Date, the amount, if any, by which the sum of the Class A Principal Balance and the Class B Principal Balance for such Remittance Date exceeds the Pool Scheduled Principal Balance for such Remittance Date.]

["Class B Remittance Rate" means \_\_\_\_\_% per annum, computed on the basis of a 360-day year of twelve 30-day months.]

"Class R Certificate" means any one of the Certificates executed by the Trustee and authenticated by the Authenticating Agent substantially in the form set forth in Exhibit C hereto and evidencing an interest designated as a "residual interest" in the Trust for purposes of the REMIC Provisions.

"Class R Certificateholder" means the person in whose name a Class R Certificate is registered on the Certificate Register.

"Class R Distribution Amount" means, as to any Remittance Date, the amount, if any, payable to the Holders of the Class R Certificates pursuant to subsection 8.01(c)(iii).

"Closing Date" means \_\_\_\_\_, 199\_.

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<sup>1</sup> Class B definitions apply only where the regular interests in the REMIC are represented by a senior (Class A) and a subordinated (Class B) class.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means The CIT Group Securitization Corporation II and its permitted successors in interest.

"Computer Tape" means the computer tape generated by the Servicer which provides information relating to the Contracts, and includes the master file and the history file.

"Contract(s)" means one or more of the manufactured housing installment sales contracts and installment loan agreements described in the List of Contracts, which constitute part of the corpus of the Trust, and which Contracts are to be assigned by the Company to the Trustee; including, without limitation, all related security interests, collateral, liens, insurance policies and guarantees of the obligations of the related Obligor (other than guarantees, if any, by the related dealer) and any and all rights to receive payments which are due, in the case of Precomputed Contracts, or received, in the case of simple interest Contracts, pursuant thereto from and after the Cut-off Date, but excluding any rights to receive payments which are due, in the case of Precomputed Contracts, or received, in the case of simple interest contracts, pursuant thereto prior to the Cut-off Date.

"Contract File" means, as to each Contract, other than a Land-Home Contract, (a) the original copy of the Contract, (b) either (i) the original title document for the related Manufactured Home or a duplicate certified by the appropriate governmental authority which issued the original thereof or the application for such title document, or (ii) if the laws of the jurisdiction in which the related Manufactured Home is located do not provide for the issuance of title documents for manufactured housing, other evidence of ownership of the related Manufactured Home which is customarily relied upon in such jurisdiction as evidence of title to a manufactured housing unit; (c) evidence of one or more of the following types of perfection of the security interest in the related Manufactured Home granted by such Contract, as appropriate: (i) notation of such security interest on the title document, (ii) a financing statement meeting the requirements of the UCC, with evidence of recording indicated thereon, or (iii) such other evidence of perfection of a security interest in a manufactured housing unit as is customarily relied upon in the jurisdiction in which the related Manufactured Home is located; (d) each assignment of the Contract evidencing the chain of title of the Contract from the originator thereof (if other than CITSF) to CITSF; and (e) any extension, modification or waiver agreement(s).

"Contract Holders' Errors and Omissions Protection Policy" means the contract holders' errors and omissions policy maintained by the Servicer or any similar replacement policy, if any, pursuant to Section 5.09(c).

["Contract Originator" means .]

"Contract Rate" means, with respect to any particular Contract, the rate of interest specified in that Contract and computed on a precomputed basis with an

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actuarial rebate of unearned interest upon prepayment, provided that the rebate upon prepayment of Contracts originated in California and Oklahoma may be computed on the simple interest method if so required by applicable law or regulations.

"Contract Seller" means CITSF.

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date of the execution of this Agreement is located at the address set forth in Section 12.09.

"Cross-over Date" means the Remittance Date on which the Class A Principal Balance (after giving effect to the distributions and adjustments on the Class A Certificates on such Remittance Date) is reduced to zero.

"Cut-off Date" means \_\_\_\_\_, 199\_.

"Cut-off Date Pool Principal Balance" means the aggregate of the Cut-off Date Principal Balances of the Contracts.

"Cut-off Date Principal Balance" means, as to any Contract, the unpaid Scheduled Principal Balance thereof at the Cut-off Date.

"Defaulted Contract" means, with respect to any Due Period, a Contract in respect of which payments exceeding \$25 in the aggregate were delinquent 120 days or more as of the last day of such Due Period, provided that any Contract in respect of which such delinquencies were permitted by the Soldiers' and Sailors' Relief Act of 1940 shall not be deemed a Defaulted Contract.

"Depository" means the initial Depository, The Depository Trust Company, the nominee of which is CEDE & CO., and any permitted successor depository. The Depository shall at all times be a "clearing corporation" defined in Section 8-102(3) of the Uniform Commercial Code of the State of New York.

"Depository Participant" means a broker, dealer, bank or other financial institution or other Person for whom from time to time a Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"Determination Date" means the third Business Day prior to each Remittance Date during the term of this Agreement.

"Due Date" means, as to any Contract, the date of the month on which the scheduled monthly payment for such Contract is due.

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"Due Period" means, as to any Remittance Date, the period commencing on the 26th day of the month (or, if the 25th day of such month is not a Business Day, the day following the first preceding Business Day) in the second month preceding the month of such Remittance Date (or the Cut-off Date, in the case of the first Remittance Date) and ending on the 25th day of the month (or, if such day is not a Business Day, the preceding Business Day) in the month preceding the month of such Remittance Date.

"Electronic Ledger" means the electronic master record of installment sales contracts of the Servicer.

"Eligible Institution" means the Trustee or any depository institution or trust company (which may be the Trustee or an Affiliate of the Trustee) organized under the laws of the United States or any state, the deposits of which are insured to the full extent permitted by law by the Bank Insurance Fund (presently administered by the Federal Deposit Insurance Corporation), which is subject to supervision and examination by federal or state authorities and whose short term securities or unsecured long-term debt has been rated [A-1 or higher by Standard & Poor's and P-1 or higher by Moody's] in the case of short term securities, or in one of the two highest rating categories by [Standard & Poor's and Moody's] in the case of unsecured long-term debt.

"Eligible Investments" has the meaning assigned in Section 5.05(b).

"Eligible Servicer" means CITSF or any Person qualified to act as Servicer of the Contracts under applicable federal and state laws and regulations, which Person services not less than \$100,000,000 in outstanding principal amount of manufactured housing installment sales contracts and installment loan agreements [and, so long as any FHA/VA Contract is outstanding, which Person is qualified under FHA/VA Regulations to act as a servicer of all such FHA/VA Contracts].

"Eligible Substitute Contract" means, as to any Replaced Contract for which such Eligible Substitute Contract is being substituted pursuant to Section 3.05(b), a Contract that (a) as of the date of its substitution, satisfies all of the representations and warranties (which, except when expressly stated to be as of origination, shall be deemed to be determined as of the date of its substitution rather than as of the Cut-off Date or the Closing Date) in Section 3.02 and does not cause any of the representations and warranties in Section 3.03, after giving effect to such substitution, to be incorrect, (b) after giving effect to the scheduled payment due in the month of such substitution, has a Scheduled Principal Balance that is not greater than the Scheduled Principal Balance of such Replaced Contract, (c) has a Contract Rate that is at least equal to the Contract Rate of such Replaced Contract and (d) has a remaining term to scheduled maturity that is not greater than the remaining term to scheduled maturity of the Replaced Contract. Notwithstanding the foregoing, in the event that on any date more than one Eligible Substitute Contract is substituted for one or more Replaced Contracts, the requirement set forth in clause (b) above with respect to the Scheduled Principal Balance may be satisfied if the aggregate of the Scheduled Principal Balances of such Eligible

Substitute Contracts is not greater than the aggregate of the Scheduled Principal Balances of such Replaced Contracts, the requirement set forth in clause (c) above with respect to the Contract Rate may be satisfied if the weighted average Contract Rate of such Eligible Substitute Contracts is at least equal to the weighted average Contract Rate of such Replaced Contracts; and the requirement set forth in clause (d) above with respect to remaining term to scheduled maturity may be satisfied if the weighted average remaining term to scheduled maturity of such Eligible Substitute Contracts is not greater than the weighted average remaining term to scheduled maturity of such Replaced Contracts.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Event of Termination" has the meaning assigned in Section 7.01.

["FHA/VA Contract" means a Contract that, at its origination, was insured by the Federal Housing Administration or partially guaranteed by the Veterans Administration.]

["FHA/VA Regulations" means, as to any FHA/VA Contract, the contractual agreements and regulations of the Federal Housing Administration or the Veterans Administration, as the case may be, providing or governing the terms of the insurance for such Contract by the Federal Housing Administration or the partial guarantee for such Contract by the Veterans Administration, as the case may be.]

"Extension Fee" means any extension or other similar fee paid by the Obligor on a Contract.

"Final Remittance Date" means the Remittance Date on which the final distribution in respect of Certificates is made pursuant to Section 12.03.

"Formula Principal Distribution Amount" means, as to any Remittance Date, the sum of (i) in the case of each Contract which is a Precomputed Contract, all scheduled payments of principal due on each Outstanding Contract during the Due Period which ends during the month preceding the month in which such Remittance Date occurs as specified in the amortization schedule at the time applicable thereto (after adjustments for previous Partial Principal Prepayments but before any adjustment to such amortization schedule by reason of any bankruptcy of an Obligor or similar proceeding or any moratorium or similar waiver or grace period) and, in the case of each Contract which is a simple interest Contract, any payments in respect of principal received during such Due Period; (ii) all Partial Principal Prepayments applied and all Principal Prepayments in Full received during such preceding Due Period; (iii) the Scheduled Principal Balance of each Contract that became a Liquidated Contract during such preceding Due Period; and (iv) the Scheduled Principal Balance of each Contract which was repurchased immediately prior to such Remittance Date pursuant to Section 3.05.

"Hazard Insurance Policy" means, with respect to each Contract, the policy of fire and extended coverage insurance (and federal flood insurance, if the

Manufactured Home is located in a federally designated special flood area) required to be maintained for the related Manufactured Home, as provided in Section 5.09, and which, as provided in said Section 5.09, may be a blanket policy maintained by the Servicer in accordance with the terms and conditions of said Section 5.09.

"Holder" has the same meaning as "Certificateholder".

"Independent" means, with respect to any specified Person, any person or firm rendering an opinion at Closing or any Person who (a) is in fact independent of the specified Person, (b) does not have any direct financial interest or any material indirect financial interest in the specified Person or any Affiliate of the specified Person (other than acting as outside counsel for the specified Person or such Affiliate), and (c) is not connected with the specified Person as an officer, employee, promoter, underwriter, trustee, partner, director (other than a law firm a member of which is a director) or person performing similar functions. Except with respect to any person or firm rendering an opinion at the Closing, whenever it is herein provided that any Independent Person's opinion or certificate shall be furnished to the Trustee, such person shall be approved by the Trustee and such opinion or certificate shall state that the signer has read this definition and that the signer is independent within the meaning hereof.

"Insurance Proceeds" means proceeds paid by any insurer pursuant to any insurance policy or contract [or any FHA/VA Contracts].

"Land-Home Contract" means a Contract that is secured by a mortgage or deed of trust on real estate on which the related Manufactured Home is situated, and which Manufactured Home is considered or classified as part of the real estate under the laws of the jurisdiction in which it is located.

"Land-Home Contract File" means, as to each Land-Home Contract, (a) the original copy of the Land-Home Contract; (b) the related Mortgage with evidence of recording thereon and any title document for the related Manufactured Home; (c) each assignment of the Land-Home Contract evidencing the chain of title from the originator thereof (if other than CITSF) to CITSF; and (d) any extension, modification or waiver agreement(s).

"Land-in-Lieu Contract" means a Contract that is secured by (i) a security interest in a Manufactured Home, and (ii) a mortgage or deed of trust on real estate on which such Manufactured Home is situated, but such Manufactured Home is not considered or classified as part of the real estate under the laws of the jurisdiction in which it is located.

"Late Payment Fees" means late payment fees paid by Obligors on Contracts.

"Liquidated Contract" means any Defaulted Contract as to which the Servicer has determined that all amounts which it expects to recover from or on account of such Contract have been recovered; provided that any Defaulted Contract in



respect of which the related Manufactured Home and, in the case of Land-Home Contracts and Land-in-Lieu Contracts, Mortgaged Property, have been realized

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upon and disposed of and the proceeds of such disposition have been received shall be deemed to be a Liquidated Contract.

"Liquidation Expenses" means out-of-pocket expenses (exclusive of any overhead expenses) which are incurred by the Servicer in connection with the liquidation of any Defaulted Contract, on or prior to the date on which the related Manufactured Home and, in the case of Land-Home Contracts and Land-in-Lieu Contracts, Mortgaged Property, are disposed of, including, without limitation, legal fees and expenses, and any related and unreimbursed expenditures for property taxes, property preservation or restoration of the property to marketable condition.

"Liquidation Proceeds" means cash (including Insurance Proceeds) received in connection with the liquidation of Defaulted Contracts, whether through repossession, foreclosure sale or otherwise, including any rental income realized from the repossessed Manufactured Home.

"List of Contracts" means the list attached hereto as Exhibit N identifying each Contract constituting part of the corpus of the Trust, which list (a) identifies each Contract and (b) sets forth as to each Contract (i) the Cut-off Date Principal Balance, (ii) the amount of monthly payment due from the Obligor, (iii) the Contract Rate and (iv) the maturity date.

"Loan-to-Value Ratio" means, with respect to any Contract, the original principal amount thereof divided by the Original Value of the Manufactured Home [plus, in the case of a Land-Home Contract or a Land-in-Lieu Contract, the Original Value of the Mortgaged Property other than the Manufactured Home].

"Manufactured Home" means a unit of manufactured housing, including all accessions thereto, securing the indebtedness of the Obligor under the related Contract.

"Monthly Report" has the meaning assigned in Section 6.05. The forms of the Monthly Report for the Certificates are attached as Exhibit L hereto.

"Monthly Servicing Fee" means, as to any Remittance Date, one-twelfth of the product of \_\_\_\_% and the Pool Scheduled Principal Balance for such Remittance Date.

["Moody's" means Moody's Investors Service Inc. or any successor thereto.]

"Mortgage" means the mortgage or deed of trust creating a first lien on an estate in fee simple in the real property securing a Contract.

"Mortgaged Property" means the property subject to a Mortgage.

"Net Liquidation Loss" means, with respect to a Liquidated Contract, the amount, if any, by which (a) the outstanding principal balance of such

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Liquidated Contract plus accrued and unpaid interest thereon to the date on which such Liquidated Contract became a Liquidated Contract exceeds (b) the Net Liquidation Proceeds for such Liquidated Contract.

"Net Liquidation Proceeds" means, as to any Liquidated Contract, Liquidation Proceeds net of Liquidation Expenses.

"NRSRO" means any nationally recognized statistical rating organization.

"Obligor" means each Person who is indebted under a Contract.

"Officers' Certificate" means a certificate signed by the chairman of the board, president or any vice president of the Servicer and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel acceptable to the Trustee, who may be counsel for the Servicer, except that any opinion of counsel relating to the qualification of the Trust as a REMIC or compliance with the REMIC Provisions must be an opinion of counsel Independent with respect to the Company and the Servicer.

"Original Class A Principal Balance" means \$\_\_\_\_\_.

["Original Class B Principal Balance" means \$\_\_\_\_\_.]

["Originating Institution" means \_\_\_\_\_.]

"Original Value" means (a) with respect to any Manufactured Home that was new at the time the related Contract was originated, the purchase price of such Manufactured Home, plus taxes, fees and insurance, (b) with respect to any Manufactured Home that was used at the time the related Contract was originated, the lesser of the total delivered sales price or the Appraised Value of such Manufactured Home, plus taxes, fees and insurance and (c) with respect to Mortgaged Property other than the Manufactured Home, the appraised value thereof used by the originator of the related Land-Home Contract or Land-in-Lieu Contract to underwrite that Contract.

"Outstanding Contract" means, as to any Due Period, a Contract which was not the subject of a Principal Prepayment in Full prior to such Due Period, which did not become a Liquidated Contract prior to such Due Period, which was not purchased prior to such Due Period pursuant to Section 3.05 and the scheduled maturity date (as it existed on the Cut-off Date) of which has not occurred prior to such Due Period.

"Ownership Interest" means with respect to any Certificate, any ownership or security interest in such Certificate, including any interest in such

Certificate as the Holder thereof and any other interest therein, whether direct or indirect, legal or beneficial.

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"Partial Principal Prepayment" means (a) any Principal Prepayment other than a Principal Prepayment in Full and (b) any cash amount deposited in the Certificate Account pursuant to the proviso in Section 3.05(a) or pursuant to Section 3.05(b).

"Paying Agent" has the meaning assigned in Section 8.01(e).

"Percentage Interest" means, as to any Certificate, the percentage interest evidenced thereby in distributions made on the related Class, such percentage interest being equal to, in the case of the Class A Certificates, the percentage (carried to eight places) obtained from dividing the denomination of such Certificate by the aggregate denomination of all Class A Certificates (which equals the Original Class A Principal Balance) [and the aggregate denomination of all Class B Certificates (which equals the Original Class B Principal Balance) in the case of the Class B Certificates] and, in the case of the Class R Certificates, being equal to the percentage specified on the face of such Certificate. The aggregate Percentage Interests for each Class of Certificates shall equal 100%.

"Permitted Transferee" means, as to any Class R Certificateholder or any other prospective transferee of a Class R Certificate, any Person other than (a) the United States, a State or any political subdivision thereof, any possession of the United States, a foreign government, an international organization, or any agency or instrumentality of any of the foregoing, (b) an organization (other than a cooperative described in Section 521 of the Code) which would not be subject to tax under the Code (including the tax on unrelated business taxable income, as defined in Section 512(a)(1) of the Code) on any excess inclusions (as defined in Section 860E(c)(1) of the Code) with respect to any Class R Certificate, or (c) an organization which is engaged in furnishing electrical energy, or providing telephone service, to persons in rural areas (as described in Section 1381(a)(2)(C) of the Code). The terms "United States," "State" and "international organization" shall have the meanings set forth in Code Section 7701 or any successor provision. A corporation will not be treated as an instrumentality of the United States or of any State or political subdivision thereof, if all of the activities are subject to tax, and, with the exception of the Federal Home Loan Mortgage Corporation, a majority of its board of directors is not selected by such governmental unit.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

"Pool Factor" means, at any time, the percentage derived from a fraction, the numerator of which is the aggregate Principal Balance of each Class of Certificates at such time and the denominator of which is the Cut-off Date Pool

Principal Balance.

"Pool Scheduled Principal Balance" means, as to any Remittance Date, the aggregate of the Scheduled Principal Balance of each Contract that was an Outstanding Contract on the last day of the Due Period next preceding such Remittance Date.

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"Precomputed Contract" means any Contract as to which its scheduled monthly payment for each Due Date is, by the terms thereof, applied to interest and principal in accordance with a precomputed allocation, regardless of whether such scheduled monthly payment is paid on such Due Date; provided that a Rule of 78s Contract shall be deemed to be a Precomputed Contract.

"Principal Prepayment" means a payment or other recovery of principal on a Contract (exclusive of Liquidation Proceeds) which is received in advance of its Due Date and applied upon receipt (or, in the case of a Partial Principal Prepayment, upon the next scheduled payment date on such Contract) to reduce the outstanding principal amount due on such Contract prior to the date or dates on which such principal amount is due.

"Principal Prepayment in Full" means any Principal Prepayment of the entire principal balance of a Contract.

"Qualified Bank" means any depository institution whose unsecured long-term debt is rated at least \_\_\_ by Rating Agency.

["Qualified Institutional Buyer" shall have the meaning specified in Rule 144A.]

"Rating Agency" means \_\_\_\_\_ or any successor thereto; provided that if [Rating Agency] no longer has a rating outstanding on any Class of the Certificates, then references herein to [Rating Agency] shall be deemed to refer to the NRSRO then rating any Class of the Certificates (or, if more than one such NRSRO is then rating any Class of the Certificates, to such NRSRO as may be designated by the Servicer), and references herein to ratings by or requirements of [Rating Agency] shall be deemed to have the equivalent meanings with respect to ratings by or requirements of such NRSRO.

"Record Date" means the last Business Day of any calendar month.

"REMIC" means a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code.

"REMIC Certificate Maturity Date" means the "latest maturity date" of the Class A Certificates [and Class B Certificates] as that term is defined in Section 2.06.

"REMIC Change of Law" means any proposed, temporary or final regulation, revenue ruling, revenue procedure or other official announcement or

interpretation relating to the REMIC and the REMIC Provisions issued after the Closing Date.

"REMIC Provisions" means provisions of the federal income tax law and the applicable state and local law relating to REMICs and related provisions, and regulations promulgated thereunder, as the foregoing may be in effect from time to time.

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"Remittance Date" means the \_\_\_\_\_ day of each calendar month during the term of this Agreement, or if such day is not a Business Day, the next succeeding Business Day, commencing \_\_\_\_\_, 199\_.

"REO Disposition" means a disposition of REO Property, as described in Section 5.10.

"REO Property" means any Manufactured Home acquired in a repossession or foreclosure.

"Replaced Contract" has the meaning given in Section 3.05(b).

"Repossession Profits" means, as to any Remittance Date, the excess, if any, of Liquidation Proceeds in respect to each Contract that became a Liquidated Contract during the Due Period next preceding such Remittance Date over the sum (a) of the unpaid principal balance of the related Liquidated Contract plus (b) accrued and unpaid interest at the related Contract Rate on the unpaid principal balance thereof from the Due Date to which interest was last paid by the Obligor to the Due Date for such Contract in the month in which such Contract became a Liquidated Contract plus (c) Liquidation Expenses plus (d) amounts required to be paid to the Obligor or any party with an interest in the related Manufactured Home that is senior to the interest of the Trust.

"Repurchase Event" shall mean (a) any Contract being subject to any right of rescission, setoff, counterclaim or defense, including the defense of usury, (b) the operation of any of the terms of any Contract or the exercise of any right thereunder (i) rendering such Contract unenforceable in whole or in part or (ii) subjecting such Contract to any right of rescission, setoff, counterclaim or defense, including the defense of usury; and in each case such condition materially adversely affects the Trust's interest in such Contract.

"Repurchase Price" means, with respect to a Contract to be repurchased hereunder, an amount equal to the remaining principal amount outstanding on such Contract on the date of repurchase plus accrued and unpaid interest thereon at its Contract Rate up to the Due Date in the month of such repurchase.

"Responsible Officer" means, with respect to the Trustee, the chairman and any vice chairman of the board of directors, the president, the chairman and vice chairman of any executive committee of the board of directors, every vice president, assistant vice president, the secretary, every assistant secretary, cashier or any assistant cashier, controller or assistant controller, the

treasurer, every assistant treasurer, every trust officer, assistant trust officer and every other officer or assistant officer of the Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, or to whom a corporate trust matter is referred because of knowledge of, familiarity with, and authority to act with respect to a particular matter.

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"Rule of 78s Contract" means a Contract, under the terms of which the earned finance charge is computed on the basis of the Rule of 78s method of computing earned finance charges.

["Rule 144A" shall mean Rule 144A under the Securities Act, as such Rule may be amended from time to time.]

"Sale and Purchase Agreement" means the Sale and Purchase Agreement, dated as of \_\_\_\_\_, 199\_ between CITSF and the Company, providing for the sale of the Contracts from CITSF to the Company.

"Scheduled Principal Balance" means (a) as to any Contract which as a Precomputed Contract and any Remittance Date or the Cut-off Date, the principal balance of such Contract as of the Due Date in the Due Period next preceding such Remittance Date or as of the Due Date next preceding the Cut-off Date, as specified in the amortization schedule at the time relating thereto (before any adjustment to such amortization schedule by reason of any bankruptcy of an obligor or similar proceeding or any moratorium or similar waiver or grace period), after giving effect to any previous Partial Principal Prepayments and to the payment of principal due on such Due Date and irrespective of any delinquency in payment by, or extension granted to, the related Obligor, and (b) as to any Contract which is a simple interest Contract and any Remittance Date or the Cut-off Date, the unpaid principal balance thereof.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Service Transfer" has the meaning assigned in Section 7.02.

"Servicer" means CITSF until any Service Transfer hereunder, and thereafter means the new servicer appointed pursuant to Article VII.

"Servicing Fee" means, as to any Remittance Date, the sum of (a) the Monthly Servicing Fee for such Remittance Date, (b) any Late Payment Fees paid during the preceding calendar month, (c) any Extension Fees paid during the preceding calendar month, (d) any Assumption Fees paid during the preceding calendar month, and (e) any net investment earnings due to the Servicer as of such Remittance Date.

"Servicing Officer" means any officer of the Servicer involved in, or responsible for, the administration and servicing of Contracts whose name appears on a list of servicing officers appearing in an Officers' Certificate furnished to the Trustee by the Servicer, as the same may be amended from time

to time.

"simple interest Contract" means a Contract as to which interest is calculated each day on the basis of the actual principal balance outstanding on such day.

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["Standard & Poor's" means Standard & Poor's Corporation or any successor thereto.]

"Transfer" means any direct or indirect transfer or sale of any Ownership Interest in a Certificate.

"Transferee" means any Person who is acquiring by Transfer any Ownership Interest in a Certificate.

"Treasury Regulations" means any proposed, temporary or final regulation promulgated under the Code.

"Trust" means the trust created by this Agreement, the corpus of which consists of (a) all the rights, benefits, and obligations arising from and in connection with each Contract and any related Mortgage, (b) all rights under any Hazard Insurance Policy relating to a Manufactured Home securing a Contract for the benefit of the creditor of such Contract and proceeds from any Contract Holders' Errors and Omissions Protection Policy and any blanket hazard policy to the extent such proceeds relate to any Manufactured Home, (c) all rights under any FHA/VA Regulations pertaining to any FHA/VA Contract, (d) all remittances, deposits and payments made into the Certificate Account and amounts in the Certificate Account, (e) all proceeds in any way derived from any of the foregoing items and (f) all documents contained in the Contract Files and the Land-Home Contract Files [and (g) [description of credit enhancement, if any]].

"Trustee's Fee" means the fees and expenses of the Trustee as described in Section 11.05.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction.

"Unpaid Class A Interest Shortfall" means, as to any Remittance Date, the amount, if any, of the Class A Interest Shortfall for the prior Remittance Date, plus accrued interest (to the extent payment thereof is legally permissible) at the Class A Remittance Rate on the amount thereof from such prior Remittance Date to such current Remittance Date.

["Unpaid Class B Interest Shortfall" means, as to any Remittance Date, the amount, if any, of the Class B Interest Shortfall for the prior Remittance Date, plus accrued interest (to the extent payment thereof is legally permissible) at the Class B Remittance Rate on the amount thereof from such prior Remittance Date to such current Remittance Date.]

ARTICLE II

ESTABLISHMENT OF TRUST; TRANSFER OF CONTRACTS

SECTION 2.01. Closing.

(a) There is hereby created, by the Company as settlor, a separate trust which shall be known as Manufactured Housing Contract Pass-Through Certificate Trust 199\_. [By the execution and delivery of this Agreement, the Company has agreed that it will elect, or cause an election to be made, to treat the pool of assets comprising the Trust as a REMIC.] The Trust shall be administered pursuant to the provisions of this Agreement for the benefit of Certificateholders.

(b) On the Closing Date, the Company shall sell, transfer, assign, set over and otherwise convey to the Trust by execution of an assignment substantially in the form of Exhibit D hereto (i) all the right, title and interest of the Company in and to the Contracts, including, without limitation, the security interest created thereby and any related Mortgages and all interest and principal received by the Company on or with respect to the Contracts (other than principal and interest due on the Contracts before the Cut-off Date or the date of origination, if later), (ii) all rights under any Hazard Insurance Policy relating to a Manufactured Home securing a Contract for the benefit of the creditor of such Contract, (iii) [all rights under all FHA/VA Regulations pertaining to any FHA/VA Contract, (iv)] the proceeds from any Contract Holders' Errors and Omissions Protection Policy and all rights under any blanket hazard insurance policy to the extent they relate to the Manufactured Homes, (v) all documents contained in the Contract Files or the Land-Home Contract Files, and (vi) all proceeds in any way derived from any of the foregoing. The parties intend that the conveyance of the Company's right, title and interest in and to the Contracts pursuant to this Agreement shall constitute an absolute sale.

SECTION 2.02. Conditions of the Closing.

On or before the Closing Date, the Servicer shall deliver the following documents to the Trustee:

(a) The List of Contracts.

(b) A certificate of officers of CITSF, substantially in the form of Exhibit E hereto.

(c) Opinions of counsel for CITSF, substantially in the form of Exhibit F hereto.



(d) A letter from \_\_\_\_\_, or another nationally recognized accounting firm that is Independent with respect to CITSF, stating that such firm has reviewed the Contracts on a statistical sampling basis [and, based on

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such sampling, concluding that the Contracts conform in all material respects to the List of Contracts, generally to a confidence level of \_\_\_\_\_%, with an error rate of \_\_\_\_\_%, specifying those Contracts which do not so conform].

(e) Copies of resolutions of the board of directors of CITSF approving the execution, delivery and performance of this Agreement and the transactions contemplated hereunder.

(f) Officially certified recent evidence of due organization and good standing of CITSF.

(g) Evidence of filing with the appropriate office in the following jurisdictions of the following UCC-1 financing statements, each listing the Contracts: (i) UCC-1 financing statement executed by CITSF as debtor, naming the Company as secured party and filed in [New Jersey and Oklahoma] to perfect the sale from CITSF to the Company; (ii) UCC-1 financing statement executed by the Company as debtor, naming the Trustee as secured party and filed in [New Jersey and Oklahoma] to perfect the sale from the Company to the Trustee and (iii) such other filings under the UCC as may be appropriate.

(h) A blanket assignment of the Contracts for each of the transfers specified in Section 2.02(g).

(i) An Officers' Certificate listing the Servicer's Servicing Officers.

(j) An Officers' Certificate stating that the Servicer has reviewed each Contract, Contract File and Land-Home Contract File, and confirming that each Contract and Contract File conforms in all material respects to the List of Contracts, that each Contract File and Land-Home Contract File is complete in all material respects, and that each Manufactured Home securing a Contract is covered by a Hazard Insurance Policy as required by Section 3.02(f).

(k) Letter[s] from \_\_\_\_\_ confirming that the Class \_\_\_ Certificates have been assigned a rating of "\_\_\_".

[(l) Letters from [Rating Agency] confirming that the Class \_\_\_ Certificates have been assigned a rating of "\_\_\_".]

(m) Evidence of deposit in the Certificate Account of all funds received with respect to the Contracts from the Cutoff Date to the Closing Date, other than amounts due before the Cutoff Date, together with an Officer's Certificate to the effect that such amount is correct.

(n) Any other documents or certificates that the Trustee may reasonably request.

SECTION 2.03. Acceptance by Trustee. On the Closing Date, if the conditions set forth in Section 2.02 have been satisfied, the Trustee shall deliver a certificate to the Company substantially in the form of Exhibit G hereto acknowledging conveyance of the Contracts, Contract Files and Land-Home Contract Files to the Trustee and declaring that the Trustee, through the Servicer, as custodian, pursuant to Section 4.01 hereof, will hold all Contracts that have been delivered in trust, upon the trusts herein set forth, for the use and benefit of all Certificateholders, and shall issue to or upon the order of the Company Certificates representing ownership of a beneficial interest in 100% of the Trust.

SECTION 2.04. REMIC Designations.

The Closing Date is hereby designated as the "start-up day" of the REMIC within the meaning of Section 860G(a)(9) of the Code. The Company hereby designates each of the Class A Certificates [and the Class B Certificates] as a class of "regular interests", and the Class R Certificates as the single class of "residual interests" in the Trust for purposes of the REMIC Provisions.

SECTION 2.05. REMIC Tax Matters.

The tax year of the Trust shall be the calendar year, and the Trust shall use the accrual method of reporting income and loss.

SECTION 2.06. REMIC Certificate Maturity Date.

Solely for purposes of satisfying Section 1.860G-1(a)(4)(iii) of the Treasury Regulations, and based upon certain assumptions described below, the "latest possible maturity date" of each of the Class A [and Class B] Certificates is no later than \_\_\_\_\_, \_\_\_\_\_. The foregoing date represents the date by which the Certificates would be reduced to zero as determined under a hypothetical scenario which assumes, among other things, that (i) no scheduled interest and principal payments on the Contracts are received after the respective Due Date, (ii) there are no principal prepayments and (iii) the Company and the Servicer will not exercise its option to purchase the Certificates pursuant to Section 8.03 of this Agreement and thereby cause a termination of the Trust pursuant to Section \_\_\_\_\_ of this Agreement.

REPRESENTATIONS AND WARRANTIES

SECTION 3.01. Representations and Warranties Regarding CITSF.

CITSF represents and warrants that:

(a) Organization and Good Standing. CITSF is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the corporate power to own its assets and to transact the business in which it is currently engaged. CITSF is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the character of the business transacted by it or properties owned or leased by it requires such qualification and in which the failure so to qualify would have a material adverse effect on the business, properties, assets, or condition (financial or other) of CITSF.

(b) Authorization; Binding Obligations. CITSF has the power and authority to make, execute, deliver and perform this Agreement and all of the transactions contemplated under this Agreement, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. When executed and delivered, this Agreement will constitute the legal, valid and binding obligation of CITSF enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

(c) No Consent Required. CITSF is not required to obtain the consent of any other party or any consent, license, approval or authorization from, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement the failure of which so to obtain would have a material adverse effect on the business, properties, assets or condition (financial or otherwise) of CITSF.

(d) No Violations. The execution, delivery and performance of this Agreement by CITSF will not violate any provision of any existing law or regulation or any order or decree of any court or the Articles of Incorporation or Bylaws of CITSF, or constitute a material breach of any mortgage, indenture, contract or other agreement to which CITSF is a party or by which CITSF may be bound.

(e) Litigation. No litigation or administrative proceeding of or before any court, tribunal or governmental body is currently pending, or to the knowledge of CITSF threatened, against CITSF or any of its properties or with respect to this Agreement or the Certificates which, if adversely determined, would in the opinion of CITSF have a material adverse effect on the transactions contemplated by this Agreement.

SECTION 3.02. Representations and Warranties Regarding Each Contract.

The Contracts have been sold by CITSF to the Company pursuant to the Sale and Purchase Agreement. In connection with such sale, CITSF made the representations and warranties in Sections 3.02, 3.03 and 3.04 to the Company and assumed the obligations in Section 3.05. As a condition of the purchase by the Company, the Company has required that CITSF make such representations and warranties directly to the Trustee and the Certificateholders so that the Trustee may recover directly against CITSF on such representations and warranties rather than indirectly through claims by the Company against CITSF. Consequently, CITSF represents and warrants to the Trustee and the Certificateholders as to each Contract as of the Closing Date (except as otherwise expressly stated):

(a) List of Contracts. The information set forth in the List of Contracts is true and correct as of its date.

(b) Payments. As of the Cut-off Date, the scheduled payment of principal and interest for its Due Date next preceding the Cut-off Date was made by or on behalf of the obligor (without any advance from CITSF or any Person acting at the request of CITSF) or was not delinquent for more than 60 days.

(c) No Waivers. The terms of the Contract have not been waived, altered or modified in any respect, except by instruments or documents identified in the Contract File or the Land-Home Contract File.

(d) Binding Obligation. The Contract is the legal, valid and binding obligation of the Obligor thereunder and is enforceable in accordance with its terms, except as such enforceability may be limited by laws affecting the enforcement of creditors' rights generally.

(e) No Defenses. No right of rescission, setoff, counterclaim or defense, including the defense of usury, has been asserted with respect to the Contract.

(f) Insurance. The Manufactured Home securing the Contract is or will be covered by a Hazard Insurance Policy in the amount required by Section 5.09. All premiums due as of the Closing Date on such insurance have been paid in full.

(g) Origination. The Contract was [either (i) originated by a manufactured housing dealer acting in the ordinary course of its business and was purchased by CITSF or an Originating Institution in the ordinary course of its business, (ii) originated by an Originating Institution in the ordinary course of its business or (iii)] originated by CITSF in the ordinary course of its business.

(h) Lawful Assignment. The Contract was not originated in and is not subject to the laws of any jurisdiction whose laws would make the transfer of

the Contract to the Company under the Sale and Purchase Agreement, to the Trustee under this Agreement or pursuant to transfers of Certificates, or the ownership of the Contracts by the Trust, unlawful.

(i) Compliance with Law. All requirements of any federal, state or local law, including, without limitation, usury, truth in lending and equal credit opportunity laws, applicable to the Contract have been complied with and such compliance is not affected by the Trust's ownership of the Contracts, and CITSF shall for at least the period of this Agreement, maintain in its possession, available for the Trustee's inspection, and shall deliver to the Trustee upon demand, evidence of compliance with all such requirements.

(j) Contract in Force. The Contract has not been satisfied or subordinated in whole or in part or rescinded, and the Manufactured Home securing the Contract has not been released from the lien of the Contract in whole or in part.

(k) Valid Security Interest. The Contract (other than a Land-Home Contract) creates a valid and enforceable perfected first priority security interest in favor of CITSF [(or, if CITSF is not the Contract Originator, such Contract Originator)] in the Manufactured Home covered thereby as security for payment of the Cut-off Date Principal Balance of such Contract[, which security interest has been validly and effectively assigned to CITSF]. CITSF has assigned all of its right, title and interest in such Contract, including the security interest in the Manufactured Home covered thereby, to the Company, and the Company has assigned all of its right, title and interest in such Contract and related Manufactured Home to the Trustee. Subject to the effect of Section 4.02, the Trustee has and will have a valid and perfected and enforceable first priority security interest in such Manufactured Home. The Trustee, pursuant to the sale in Section 2.01, has and will have a valid and perfected ownership interest in such Contract. Each Mortgage is a valid first lien on real property in favor of CITSF [(or, if CITSF is not the Contract Originator, such Contract Originator)] securing the amount owed by the Obligor under the Contract subject only to (i) the lien of current real property taxes and assessments, (ii) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such Mortgage, such exceptions appearing of record being acceptable to mortgage lending institutions generally in the area wherein the property subject to the Mortgage is located or specifically reflected in the appraisal obtained in connection with the origination of the related Contract obtained by the Originator and (iii) other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by such Mortgage. CITSF has assigned to the Company, and the Company has assigned to the Trustee, all of its right, title and interest in such Mortgage. Subject to the effect of Section 4.02, the Trustee has and will have a valid and perfected and enforceable first priority security interest in such Mortgage. The Trustee, pursuant to the sale in Section 2.01, has and will have a valid and perfected ownership interest in such Mortgage.

(l) Capacity of Parties. All parties to the Contract had legal capacity to execute the Contract.

(m) Good Title. CITSF purchased the Contract for fair value and took possession thereof in the ordinary course of its business, without knowledge that the Contract was subject to a security interest. CITSF has not sold, assigned or pledged the Contract to any person other than the Company and prior to the transfer of the Contract by CITSF to the Company and the Company to the Trust, CITSF had good and marketable title thereto free and clear of any encumbrance, equity, loan, pledge, charge, claim or security interest and was the sole owner thereof with full right to transfer the Contract to the Company. The Company paid fair value to CITSF for the Contract.

(n) No Defaults. As of the Cut-off Date (or the date of origination, if later), there was no default, breach, violation or event permitting acceleration existing under the Contract and no event which, with notice and the expiration of any grace or cure period, would constitute such a default, breach, violation or event permitting acceleration under such Contract (except payment delinquencies permitted by clause (b) above). CITSF has not waived any such default, breach, violation or event permitting acceleration except payment delinquencies permitted by clause (c) above.

(o) No Liens. As of the Closing Date there are, to the best of CITSF's knowledge, no liens or claims which have been filed for work, labor or materials affecting the Manufactured Home or any related Mortgaged Property securing the Contract which are or may be liens prior to, or equal or coordinate with, the lien of the Contract.

(p) Equal Installments. The Contract [has a fixed Contract Rate and provides for level monthly payments which fully amortize the loan over its term].

(q) Enforceability. The Contract contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the collateral of the benefits of the security, except as enforceability of such provisions may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

(r) Loan-to-Value Ratio. At the time of their origination, (i) all [but \_\_\_%] of the Contracts had Loan-to-Value Ratios not greater than \_\_\_% and (ii) each of the Contracts had a Loan-to-Value Ratio not greater than 125%.

(s) Not Real Estate. With respect to each Contract other than a Land-Home Contract, the related Manufactured Home is not considered or classified as part of the real estate on which it is located under the laws of the jurisdiction in which it is located or, if such Manufactured Home is considered or classified as part of the real estate on which it is located under the laws of the jurisdiction in which it is located, no person holds a lien upon the Manufactured Home prior to CITSF's security interest therein because CITSF has failed to take such action to the extent required by applicable law in order to maintain a first priority security interest in such Manufactured Home, including

or deed of trust under the real estate laws of the state in which the Manufactured Home is located.

(t) Notation of Security Interest. With respect to each Contract other than a Land-Home Contract, if the related Manufactured Home is located in a state in which notation of a security interest on the title document is required or permitted to perfect such security interest, the title document shows, or if a new or replacement title document with respect to such Manufactured Home is being applied for such title document will be issued within 180 days and will show [the Contract Originator or] CITSF as the holder of a first priority security interest in such Manufactured Home; if the related Manufactured Home is located in a state in which the filing of a financing statement under the UCC is required to perfect a security interest in manufactured housing, such filings or recordings have been duly made and show [the Contract Originator or] CITSF as secured party. If the related Manufactured Home secures a Land-Home Contract, such Manufactured Home is subject to a Mortgage properly filed in the appropriate public recording office or such Mortgage will be properly filed in the appropriate public recording office within 180 days, naming [the Contract Originator or] CITSF as mortgagee.

(u) Secondary Mortgage Market Enhancement Act. The related Manufactured Home is a "manufactured home" within the meaning of 42 United States Code, Section 5402(6). Each Contract was originated by, (i) a savings and loan association, savings bank, commercial bank, credit union, insurance company, or similar institution which is supervised and examined by a federal or state authority, (ii) a mortgagee approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act, or (iii) a financial institution approved for insurance by the Secretary of Housing and Urban Development pursuant to Section 2 of the National Housing Act.

(v) Qualified Mortgage for REMIC. Each Contract is a "qualified mortgage" under Section 860G(a)(3) of the Code, and the related Manufactured Home is a "single family residence" within the meaning of Section 25(e)(10) of the Code. Each Manufactured Home (i) has a minimum of 400 square feet of living space, (ii) has a minimum width in excess of 102 inches and (iii) is of a kind customarily used at a fixed location. As of the Cut-off Date, no Contract was in repossession nor did CITSF consider acceleration and liquidation of any particular Contract to be reasonably foreseeable.

[(w) FHA/VA Contracts. If the Contract is a FHA/VA Contract, the Contract has been serviced in accordance with the FHA/VA Regulations, the insurance or guarantee of the Contract under FHA/VA Regulations and related laws is in full force and effect, and no event has occurred which, with or without notice or lapse of time or both, would impair such insurance or guarantee.]

SECTION 3.03. Representations and Warranties Regarding the Contracts in the Aggregate.

CITSF represents and warrants to the Trustee and the Certificateholders, that:

(a) Amounts. The aggregate principal amounts payable by Obligors under the Contracts as of the Cut-off Date equal the Cut-off Date Pool Principal Balance.

(b) Characteristics. The Contracts have the following characteristics as of the Cut-off Date: (i) not more than \_\_\_% of the Contracts are located in any one state (except Contracts secured by Manufactured Homes located in \_\_\_\_\_, which represent \_\_\_% of the Cut-off Date Pool Principal Balance); (ii) not more than \_\_\_% of the Contracts by remaining principal balance are secured by Manufactured Homes located in an area with the same zip code; (iii) no Contract has a remaining maturity of less than \_\_\_ months or more than \_\_\_ months; (iv) the final scheduled payment date on the Contract with the latest maturity is in \_\_\_\_\_, \_\_\_\_; (v) no more than \_\_\_% of the Cut-off Date Pool Principal Balance is attributable to loans for purchases of used Manufactured Homes; (vi) no Contract was originated before \_\_\_\_\_, 19\_\_; (vii) the Contract Rate on each Contract is not less than \_\_\_% and not greater than \_\_\_%; (viii) the Scheduled Principal Balance of each Contract is not less than \$\_\_\_\_\_ [; and (ix) not more than \_\_\_% of the Cut-off Date Pool Principal Balance represents Land-Home Contracts or Land-in-Lieu Contracts].

(c) Computer Tape. The Computer Tape made available by the Servicer was complete and accurate as of its date and includes a description of the same Contracts that are described in the List of Contracts.

(d) Marking Records. By the Closing Date, CITSF has caused the portions of the Electronic Ledger relating to the Contracts constituting part of the Trust to be clearly and unambiguously marked to indicate that such Contracts constitute part of the Trust and are owned by the Trust in accordance with the terms of the trust created hereunder.

(e) No Adverse Selection. Except for the effect of the representations and warranties made in Section 3.02 and 3.03 hereof, no adverse selection procedures have been employed in selecting the Contracts.

SECTION 3.04. Representations and Warranties Regarding the Contract Files.

CITSF represents and warrants to the Trustee and the Certificateholders that:

(a) Possession. Immediately prior to the Closing Date, CITSF will have possession of each original Contract and the related Contract File or Land-Home



Contract File, and there are and there will be no custodial agreements in effect materially and adversely affecting the right of CITSF to make, or to cause to be made, any delivery required in connection with the conveyance of the Contracts to the Company.

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(b) Bulk Transfer Laws. The transfer, assignment and conveyance of the Contracts and the Contract Files or the Land-Home Contract Files to the Company are not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

SECTION 3.05. Repurchase of Contracts or Substitution of Contracts for Breach of Representations and Warranties.

(a) Subject to Section 3.05(b), CITSF shall repurchase a Contract, at its Repurchase Price, not later than 85 days after CITSF receives written notice from the Trustee or the Servicer, or not later than 90 days after CITSF otherwise becomes aware, of (i) a breach of any representation or warranty of CITSF set forth in Section 3.02 or 3.03 of this Agreement that materially adversely affects the Trust's interest in such Contract and which breach has not been cured or (ii) the occurrence of a Repurchase Event which has not been cured. CITSF shall effect such repurchase by paying to the Servicer for deposit in the Certificate Account on the Business Day immediately preceding the Remittance Date in the month following the month in which the loan was repurchased the aggregate of the Repurchase Price of all Contracts that are required to be repurchased pursuant to the preceding sentence. With respect to any Contract incorrectly described on the List of Contracts only with respect to remaining unpaid principal balance, which CITSF would otherwise be required to repurchase pursuant to this Section 3.05, CITSF may, in lieu of repurchasing such Contract, deposit in the Certificate Account, not later than one Business Day after the first Determination Date which is more than 90 days after CITSF becomes aware or receives written notice from the Trustee or the Servicer of such incorrect description, cash in an amount sufficient to cure such deficiency or discrepancy. CITSF shall send written notice of any such cash deposit to [Rating Agency] as promptly as possible following such deposit. Notwithstanding any other provision of the Agreement, the obligation of CITSF under this Section shall not terminate upon a Service Transfer pursuant to Article VII.

Notwithstanding the provisions of the preceding paragraph, but subject to Section 3.05(b), CITSF will not be required to repurchase a Contract (or deposit cash in the Certificate Account as provided in the preceding paragraph) as a result of a breach of a representation or warranty or the occurrence of a Repurchase Event unless the Trustee has received an Opinion of Counsel that such repurchase (or deposit of cash) will not cause the Trust to fail to qualify as a REMIC at any time under the then applicable REMIC Provisions. The Servicer shall attempt to obtain such Opinion of Counsel. CITSF shall, subject to Section 3.05(b), repurchase such Contract (or deposit cash in the Certificate Account as provided in the preceding paragraph) and shall guarantee the payment of any tax imposed under the REMIC Provisions as a result of such repurchase or deposit by paying to the Trustee the amount of such tax not later than five Business Days

before such tax shall be due and payable to the extent that amounts previously paid over to and then held by the Trustee pursuant to Section 5.10 hereof are insufficient to pay such tax and all other taxes chargeable under Section 5.10. Pursuant to Section 5.10, the Servicer is hereby directed to withhold, and shall withhold and pay over to the Trustee, an amount sufficient to pay such tax and any other taxes imposed on "prohibited transactions" under Section 860F(a)(i) of the Code or imposed on "contributions after start up date" under Section 860G(d)

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of the Code from amounts otherwise distributable to Class R Certificateholders. The Servicer shall give notice to the Trustee at the time of such repurchase (or deposit) of the amounts due from CITSF pursuant to the guarantee of CITSF and notice as to who should receive such payment.

The Trustee shall have no obligation to pay any such amounts pursuant to this Section other than from moneys provided to it by CITSF or from moneys held in the funds and accounts created under this Agreement. The Trustee shall be deemed conclusively to have complied with this Section if it follows the directions of CITSF.

In the event any tax that is guaranteed by CITSF is refunded to the Trust or otherwise is determined not to be payable, CITSF shall be repaid the amount of such refund or that portion of any guarantee payment made by CITSF that is not applied to the payment of such tax.

(b) On or prior to the date that is the second anniversary of the Closing Date, CITSF, at its election, may substitute an Eligible Substitute Contract for a Contract that it is obligated to repurchase pursuant to Section 3.05(a) (such Contract being referred to as the "Replaced Contract") upon satisfaction of the following conditions:

(i) CITSF shall have conveyed to the Trustee the Contract to be substituted for the Replaced Contract and the Contract File related to such Contract and CITSF shall have marked the Electronic Ledger indicating that such Contract constitutes part of the Trust;

(ii) the Contract to be substituted for the Replaced Contract is an Eligible Substitute Contract and CITSF delivers an Officers' Certificate, substantially in the form of Exhibit I-2 hereto, to the Trustee certifying that such Contract is an Eligible Substitute Contract;

(iii) CITSF shall have delivered to the Trustee evidence of filing of a UCC-1 financing statement executed by CITSF naming the Trustee as secured party and filed in \_\_\_\_\_, listing such Contract;

(iv) CITSF shall have delivered to the Trustee an Opinion of Counsel to the effect that the substitution of such Contract for such Replaced Contract will not cause the Trust to fail to qualify as a REMIC at any time under then applicable REMIC Provisions or cause any "prohibited transaction" that will result in the imposition of a tax under such REMIC

Provision; and

(v) if the Scheduled Principal Balance of such Replaced Contract is greater than the Scheduled Principal Balance of the Contract being substituted, CITSF shall have deposited in the Certificate Account the amount of such excess and shall have included in the Officers' Certificate required by clause (ii) above a certification that such deposit has been made.

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Upon satisfaction of such conditions, the Trustee shall add such Contract to, and delete such Replaced Contract from, the List of Contracts. Such substitution shall be effected prior to the expiration of the period in which CITSF is otherwise obligated to repurchase such Replaced Contract pursuant to Section 3.05(a). Promptly after any substitution of Contract, CITSF shall give written notice of such substitution to [Rating Agency].

(c) Promptly after the repurchase referred to in Section 3.05(a) or the substitution referred to in Section 3.05(b), the Trustee shall execute such documents as are presented to it by CITSF and are reasonably necessary to reconvey the repurchased Contract or Replaced Contract, as the case may be, to CITSF.

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#### ARTICLE IV

##### PERFECTION OF TRANSFER AND PROTECTION OF SECURITY INTERESTS

###### SECTION 4.01. Custody of Contracts.

(a) Subject to the terms and conditions of this Section 4.01, the Servicer shall act as custodian of the Contract Files and the Land-Home Contract Files for the benefit of the Certificateholders and the Trustee.

(b) The Servicer agrees to maintain the related Contract Files at its offices in the State of New Jersey, or at such of its offices of the Servicer in the State of Oklahoma as shall from time to time be identified to the Trustee by written notice. The Servicer may temporarily move individual Contract Files or any portion thereof without notice as necessary to conduct collection and other servicing activities in accordance with its customary practices and procedures.

(c) As custodian, the Servicer shall have and perform the following powers and duties:

(i) hold the Contract Files and Land-Home Contract Files on behalf of the Certificateholders and the Trustee, maintain accurate records pertaining to each Contract to enable it to comply with the terms and conditions of this Agreement, maintain a current inventory thereof, conduct annual physical inspections of Contract Files and Land-Home Contract Files held by it under this Agreement and certify to the Trustee annually that it continues to maintain possession of such Contract Files and such Land-Home Contract Files;

(ii) implement policies and procedures in writing and signed by a Servicing Officer, with respect to persons authorized to have access to the Contract Files and Land-Home Contract Files on the Servicers' premises and the receipting for Contract Files and Land-Home Contract Files taken from their storage area by an employee of the Servicer for purposes of servicing or any other purposes; and

(iii) attend to all details in connection with maintaining custody of the Contract Files and the Land-Home Contracts Files on behalf of the Certificateholders and the Trustee.

(d) In performing its duties under this Section 4.01, the Servicer agrees to act with reasonable care, consistent with the same degree of skill and care that it exercises with respect to similar contracts serviced by it for its own account. The Servicer shall promptly report to the Trustee any failure by it to hold the Contract Files as herein provided and shall promptly take appropriate action to remedy any such failure. In acting as custodian of the Contract Files, the Servicer agrees further not to assert any beneficial ownership interests in

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the Contracts or the Contract Files. The Servicer agrees to indemnify the Certificateholders and the Trustee for any and all liabilities, obligations, losses, damages, payments, costs, or expense of any kind whatsoever which may be imposed on, incurred or asserted against the Certificateholders and the Trustee as the result of any act or omission by the Servicer relating to the maintenance and custody of the Contract Files; provided, however, that the Servicer will not be liable for any portion of any such amount resulting from the negligence or willful misconduct of any Certificateholder or the Trustee.

#### SECTION 4.02. Filings.

On or prior to the Closing Date, the Servicer shall cause the UCC-1 financing statements referred to in Section 2.02(g) to be filed. The Servicer shall cause to be filed all necessary continuation statements of the UCC-1 financing statement referred to in Section 2.02(g) on which it is the debtor, and the Company shall cause to be filed all necessary continuation statements of the UCC-1 financing statement referred to in Section 2.02(g) on which it is the debtor. From time to time the Servicer shall, subject to the following sentence, take and cause to be taken such actions and execute such documents as are necessary to perfect and protect the Certificateholders' interests in the Contracts and their proceeds and the Manufactured Homes against all other

persons, including, without limitation, the filing of financing statements, amendments thereto and continuation statements, the execution of transfer instruments and the making of notations on or taking possession of all records or documents of title.

The Servicer will maintain the Trustee's perfected first priority security interest in each Manufactured Home and a first lien on each Mortgaged Property so long as the related Contract is the property of the Trust; provided, however, that because of the expense and administrative inconvenience involved, the Servicer will not amend the certificate of title relating to any Manufactured Home to name CITSF as the lienholder where CITSF is not the Contract Originator, the Servicer will not amend any certificate of title to name the Company or the Trustee as the lienholder, and neither the Servicer nor the Company will deliver any certificate of title to the Trustee or note thereon the Trustee's interest; and further provided, however, that because of the expense and administrative inconvenience involved, the Servicer will not record the successive assignments of the first lien on any Mortgaged Property from the related Contract Originator to CITSF, from CITSF to the Company and from the Company to the Trustee.

#### Section 4.03. Name Change or Relocation.

(a) During the term of this Agreement, neither the Company nor CITSF shall change its name, identity or structure or relocate its chief executive office without first giving notice thereof to the Trustee and the Servicer. In addition, following any such change in the name, identity, structure or location of the chief executive office of the Company or CITSF, the Company or CITSF, as appropriate, shall give written notice thereof to [Rating Agency].

(b) If any change in the Company's, the Servicer's or CITSF's name, identity or structure or the relocation of its chief executive office would make

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any financing or continuation statement or notice of lien filed under this Agreement seriously misleading within the meaning of applicable provisions of the UCC or any title statute or would cause any such financing or continuation statement or notice of lien to become unperfected (whether immediately or with lapse of time), the Servicer no later than five days after the effective date of such change, shall file, or cause to be filed, such amendments or financing statements as may be required to preserve, perfect and protect the Certificateholders' interests in the Contracts and proceeds thereof and in the Manufactured Homes.

#### SECTION 4.04. Chief Executive Office.

During the term of this Agreement, the Company and CITSF will maintain their respective chief executive offices in one of the States of the United States.

#### SECTION 4.05. Costs and Expenses.

The Servicer agrees to pay all reasonable costs and disbursements in connection with the perfection and the maintenance of perfection, as against all third parties, of the Certificateholders' right, title and interest in and to the Contracts (including, without limitation, the security interest in the Manufactured Homes granted thereby).

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## ARTICLE V

### SERVICING OF CONTRACTS

#### SECTION 5.01. Responsibility for Contract Administration.

The Servicer shall manage, administer, service and make collections on the Contracts and perform or cause to be performed all contractual and customary undertakings of the holder of the Contracts to the Obligor. The Trustee, at the request of a Servicing Officer, shall furnish the Servicer with any reasonable documents or take any action reasonably requested, necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder. CITSF is hereby appointed the Servicer until such time as any Service Transfer shall be effected under Article VII.

#### SECTION 5.02. Standard of Care.

In managing, administering, servicing and making collections on the Contracts pursuant to this Agreement, the Servicer will exercise that degree of skill and care consistent with the same degree of skill and care that the Servicer exercises with respect to similar contracts serviced by the Servicer for its own account; provided, however, that (i) such degree of skill and care shall be at least as favorable as the degree of skill and care generally applied by servicers of manufactured housing installment sales contracts for institutional investors and (ii) notwithstanding the foregoing, the Servicer shall not, other than in connection with a default or an imminent default on a Contract, release or waive the right to collect the unpaid balance on such Contract, unless the Servicer obtains an Opinion of Counsel to the effect that such action will not cause the Trust to fail to qualify as a REMIC under the Code and under the relevant state and local law or result in the imposition of taxes on the Trust under the REMIC Provisions. [The Servicer shall comply with FHA/VA Regulations in servicing any FHA/VA Contracts (and will pay any required premiums) so that the related insurance of the Federal Housing Administration or partial guarantee of the Veterans Administration remains in full force and effect, except for good faith disputes relating to FHA/VA Regulations that will not cause the termination or reduction of such insurance or guarantee.]

#### SECTION 5.03. Records.

The Servicer shall during the period it is Servicer hereunder, maintain such books of account and other records as will enable the Trustee to determine the status of each Contract.

SECTION 5.04. Inspection; Computer Tape.

(a) At all times during the term hereof, the Servicer shall afford the Trustee and its authorized agents reasonable access during normal business hours to the Servicer's records relating to the Contracts and will cause its personnel to assist in any examination of such records by the Trustee or its authorized agents. The examination referred to in this Section 5.04 will be conducted in a

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manner which does not unreasonably interfere with the Servicer's normal operations or customer or employee relations. Without otherwise limiting the scope of the examination the Trustee may make, the Trustee or its authorized agents may, using generally accepted audit procedures, verify the status of each Contract and review the Electronic Ledger and records relating thereto for conformity to Monthly Reports prepared pursuant to Article VI and compliance with the standards represented to exist as to each Contract in this Agreement.

(b) At all times during the term hereof, the Servicer shall keep available a copy of the List of Contracts at its principal executive office for inspection by Certificateholders.

SECTION 5.05. Certificate Account.

(a) On or before the Closing Date, the Trustee shall establish the Certificate Account on behalf of the Trust with an Eligible Institution. The Certificate Account shall be entitled "\_\_\_\_\_ as trustee for the benefit of Holders of Manufactured Housing Contract Pass-Through Certificates, Series \_\_\_\_\_ (The CIT Group/Sales Financing, Inc., Servicer)." The Servicer shall, subject to the second following sentence, deposit in the Certificate Account, no later than two Business Days after the Closing Date, any amounts representing (i) scheduled payments of principal and interest due on Precomputed Contracts on or after the Cut-off Date (but not including payments received after the Cut-off Date but due before the Cut-off Date) regardless of when the Servicer received such payments and (ii) payments received on the simple interest Contracts on or after the Cut-off Date, regardless of when due. The Servicer shall, subject to the following sentence, pay into the Certificate Account as promptly as practicable (not later than the second Business Day) following the receipt thereof by the Servicer, all amounts received in respect of the Contracts (other than in respect of principal of and interest on the Precomputed Contracts due before the Cut-off Date), including all loan payments from Obligors, Liquidation Proceeds (net of Liquidation Expenses) and any Repurchase Price (or cash deposit) paid pursuant to Section 3.05. Notwithstanding anything in this Agreement to the contrary, for so long as, and only so long as, CITSF shall remain the Servicer hereunder, if (i) The CIT Group Holdings, Inc. shall have and maintain a short-term debt rating of at least \_\_\_

by [Rating Agency] and (ii) the Trustee shall have received an Opinion of Counsel that any action taken pursuant to this sentence shall not adversely affect the status of the Trust as a REMIC or result in the imposition of a tax upon the Trust, the Servicer may make the deposits to the Certificate Account specified in the two preceding sentences on a monthly basis, but not later than the Business Day immediately preceding the Remittance Date following the last day of the Due Period within which such payments were processed by the Servicer, in an amount equal to the net amount of such deposits and payments which would have been made to the Certificate Account during such Due Period but for the provisions of this paragraph. All amounts paid into the Certificate Account under this Agreement shall be held in trust for the Certificateholders until payment of any such amounts is authorized under this Agreement.

(b) The Eligible Institution maintaining the Certificate Account shall, in the name of the Trustee, as trustee, invest the amounts in the Certificate Account solely in Eligible Investments that mature not later than one Business Day prior to the next succeeding Remittance Date, in accordance with

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instructions provided to the Trustee by the Servicer in writing. Once such funds are invested, such Eligible Institution shall not change the investment of such funds. All net income and gain from such investments shall be deposited in the Certificate Account. All income and gain realized from any such investments shall be for the benefit of the Servicer and may be withdrawn by the Servicer on each Remittance Date pursuant to subsection 8.02(g). An amount equal to any net loss on such investments shall be deposited in the Certificate Account by the [Servicer/ Class R Certificateholders] out of its own funds, without right to reimbursement, immediately as realized. "Eligible Investments" are any of the following:

(i) direct obligations of, and obligations fully guaranteed by, the United States of America, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or any agency or instrumentality of the United States of America the obligations of which are backed by the full faith and credit of the United States of America and which are non-callable;

(ii) [A] demand and time deposits in, certificates of deposit of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Trustee or any Affiliate of the Trustee, acting in its commercial capacity) incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal and/or state authorities, so long as, at the time of such investment or contractual commitment providing for such investment, the commercial paper or other short-term debt obligations of such depository institution or trust company have been rated [P-1 by Moody's/A-1 or higher by Standard & Poor's] [and (B) any other demand or time deposit or certificate of deposit which is fully insured by the Federal Deposit Insurance Corporation];



(iii) repurchase obligations with respect to any security described in either clause (i) or (ii) above and entered into with any institution whose commercial paper is rated at least [P-1 from Moody's/A-1 from Standard & Poor's];

(iv) securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States of America or any State thereof which have a credit rating of at least [Aa from Moody's/AA from Standard & Poor's] at the time of such investment;

(v) commercial paper having a rating of at least [P-1 from Moody's/A-1 from Standard & Poor's] at the time of such investment; and

(vi) [shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and have the highest credit rating then available from Moody's or money market funds rated AAAM or AAAM-G by Standard & Poor's.]

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The Trustee may trade with itself or with an Affiliate on an arm's length basis in the purchase or sale of such Eligible Investments.

#### SECTION 5.06. Enforcement.

(a) The Servicer will, consistent with customary servicing procedures and the terms of this Agreement, act with respect to the Contracts in such manner as will maximize the receipt of principal and interest on the Contracts and Liquidation Proceeds in respect of Defaulted Contracts.

(b) The Servicer may sue to enforce or collect upon Contracts, including foreclosure of any security interest or Mortgaged Property, in its own name, if possible, or as agent for the Trustee. If the Servicer elects to commence a legal proceeding to enforce a Contract, the act of commencement shall be deemed to be an automatic assignment of the Contract to the Servicer for purposes of collection only. If, however, in any enforcement suit or legal proceeding it is held that the Servicer may not enforce a Contract on the ground that it is not a real party in interest or a holder entitled to enforce the Contract, the Trustee on behalf of the Trust shall, at the Servicer's expense, take such steps as the Servicer deems necessary to enforce the Contract, including bringing suit in its name or the names of the Certificateholders.

(c) The Servicer shall exercise any rights of recourse against third persons that exist with respect to any Contract in accordance with Servicer's usual practice. In exercising recourse rights, the Servicer is authorized on the Trustee's behalf to reassign the Contract or to resell the related Manufactured Home to the person against whom recourse exists at the price set forth in the document creating the recourse.

(d) Prior to a Service Transfer the Servicer may grant to the Obligor on any Contract any rebate, refund or adjustment out of the Certificate Account

that the Servicer in good faith believes is required because of prepayment in full of the Contract. The Servicer will not permit any rescission or cancellation of any Contract.

(e) Prior to a Service Transfer, the Servicer may, consistent with its customary servicing procedures and consistent with Section 5.02, grant to the Obligor on any contract an extension of payments due under such Contract, provided that such extension does not result in any payments coming due on or after \_\_\_\_\_, \_\_\_\_\_, and provided further that Obligors may not be solicited for extensions and no more than one extension of payments under a Contract may be granted in any twelve-month period.

(f) The Servicer may enforce any due-on-sale clause in a Contract if such enforcement is called for under its then current servicing policies for obligations similar to the Contracts, provided that such enforcement is permitted by applicable law and will not adversely affect any applicable insurance policy. If an assumption of a Contract is permitted by the Servicer

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upon the conveyance of the related Manufactured Home, the Servicer shall use its best efforts to obtain an assumption agreement in connection therewith and deliver such assumption agreement to the Trustee for addition to the related Contract File or Land-Home Contract File.

(g) In the event that applicable state law requires that the sale of any Mortgaged Property to which the Trustee has acquired title, through foreclosure or otherwise, be conducted through a licensed real estate broker, the Servicer shall retain such broker, and the fees payable to such broker in connection with any such sale shall constitute Liquidation Expenses.

#### SECTION 5.07. Trustee to Cooperate.

Upon payment in full on any Contract, the Servicer will notify the Trustee by certification of a Servicing Officer (which certification shall include a statement to the effect that all amounts received in connection with such payments which are required to be deposited in the Certificate Account pursuant to Section 5.05 have been so deposited). The Servicer is authorized to execute an instrument in satisfaction of such Contract and to do such other acts and execute such other documents as the Servicer deems necessary to discharge the Obligor thereunder and eliminate the security interest in the Manufactured Home related thereto. The Servicer shall determine when a Contract has been paid in full. To the extent that insufficient payments are received on a Contract credited by the Servicer as prepaid or paid in full and satisfied, the shortfall shall be paid by the Servicer out of its own funds.

#### SECTION 5.08. Costs and Expenses.

All costs and expenses incurred by the Servicer in carrying out its duties hereunder, including all fees and expenses incurred in connection with the enforcement of Contracts (including enforcement of Defaulted Contracts and

repossessions of Manufactured Homes securing such Contracts), shall be paid by the Servicer and the Servicer shall not be entitled to reimbursement hereunder, except that the Servicer shall be reimbursed out of the Liquidation Proceeds of a Defaulted Contract for customary Liquidation Expenses incurred by it directly in connection with realizing upon the related Manufactured Home. To the extent that nonpayment of any taxes or charges would result in the creation of a lien upon any Manufactured Home having a priority equal or senior to the lien of the related Contract, the Servicer shall pay any such delinquent tax or charge and be reimbursed by the related Obligor or from Liquidation Proceeds in respect of such Contract.

#### SECTION 5.09. Maintenance of Insurance.

(a) Except as otherwise provided in subsection (b) of this Section 5.09, the Servicer shall cause to be maintained with respect to each Contract and each Manufactured Home that has been repossessed in connection with a Defaulted Contract one or more Hazard Insurance Policies which provide, at a minimum, the same coverage as a standard form fire and extended coverage insurance policy that is customary for manufactured housing, issued by a company authorized to issue such policies in the state in which the related Manufactured Home is

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located, and in an amount which is not less than the maximum insurable value of such Manufactured Home or the principal balance due from the Obligor on the related Contract, whichever is less; provided, however, that the amount of coverage provided by each Hazard Insurance Policy shall be sufficient to avoid the application of any co-insurance clause contained therein; and provided, further, that such Hazard Insurance Policies may provide for customary deductible amounts. When a Manufactured Home's location was, at the time of origination of the related Contract, and continues to be, within a federally designated special flood hazard area, the Servicer shall also cause such flood insurance to be maintained, which coverage shall be at least equal to the minimum amount specified in the preceding sentence or such lesser amount as may be available under the federal flood insurance program. Each Hazard Insurance Policy caused to be maintained by the Servicer shall contain a standard loss payee clause in favor of the Servicer and its successors and assigns. If any Obligor is in default in the payment of premiums on its Hazard Insurance Policy or Policies, the Servicer shall pay such premiums out of its own funds, and may separately add such premium to the Obligor's obligation as provided by the Contract, but shall not add such premium to the remaining principal balance of the Contract.

(b) The Servicer may, in lieu of causing individual Hazard Insurance Policies to be maintained with respect to each Manufactured Home pursuant to subsection (a) of this Section 5.09, and shall, to the extent that the related Contract does not require the Obligor to maintain a Hazard Insurance Policy with respect to the related Manufactured Home, maintain one or more blanket insurance policies covering losses on the Obligor's interest in the Contracts resulting from the absence or insufficiency of individual Hazard Insurance Policies. Any such blanket policy shall be substantially in the form and in the amount carried

by the Servicer as of the date of this Agreement. The Servicer shall pay the premium for such policy on the basis described therein. The Servicer shall not, however, be required to deposit any deductible amount with respect to (a) claims under individual Hazard Insurance Policies maintained pursuant to subsection (a) of this Section 5.09, or (b) claims under any blanket insurance policy. If the insurer under such blanket insurance policy shall cease to be acceptable to the Servicer, the Servicer shall exercise its best reasonable efforts to obtain from another insurer a replacement policy comparable to such policy.

(c) The Servicer shall keep in force throughout the term of this Agreement (i) at such time as the long-term debt of its parent is rated less than [A by Standard & Poor's], a policy or policies of insurance covering errors and omissions for failure to maintain insurance as required by this Agreement, and (ii) a fidelity bond. Such policy or policies and such fidelity bond shall be in such form and amount as is generally customary among Persons which service a portfolio of manufactured housing installment sales contracts and installment loan agreements having an aggregate principal amount of \$100,000,000 or more and which are generally regarded as servicers acceptable to institutional investors.

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#### SECTION 5.10. REMIC Compliance.

The parties intend that the Trust formed hereunder shall constitute, and that the affairs of the Trust shall be conducted so as to qualify it as, a "real estate mortgage investment conduit" as defined in and in accordance with the REMIC Provisions. In furtherance of such intention, the Trustee covenants and agrees that it shall, to the extent permitted by applicable law, act as agent (and the Trustee is hereby appointed to act as agent) on behalf of the Trust and that in such capacity it shall: (a) cause to be prepared by a nationally recognized firm of public accountants designated by the Company and filed, all required federal tax returns for the Trust including, but not limited to, Form 1066 (which must be signed by the Trustee) and Schedule Q, using a calendar year as the taxable year for the Trust when and as required by the REMIC Provisions and other applicable federal income tax laws; (b) cause an election to be made, on behalf of the Trust, to be treated as a REMIC on the federal information tax return of the Trust for its first taxable year, in accordance with the REMIC Provisions; (c) prepare and forward or cause to be prepared and forwarded, to the Certificateholders all information reports as and when required to be provided to them in accordance with the REMIC Provisions; (d) conduct the affairs of the Trust at all times that any Class A [or Class B] Certificate is outstanding so as to maintain the status thereof as a REMIC under the REMIC Provisions; and (e) not knowingly or intentionally take any action or omit to take any action that would cause the termination of the REMIC status of the Trust. The Servicer covenants and agrees that it shall, to the extent permitted by law, act as agent (and the Servicer is hereby appointed to act as agent) on behalf of the Trust and in such capacity it shall: (a) pay the amount of any federal income tax (to the extent that funds distributable to the Class R Certificateholders are not available), including prohibited transaction penalty taxes (exclusive of any such tax charged to CITSF (if CITSF is not the Servicer) pursuant to Section 3.05), imposed on the Trust when and as the same shall be

due and payable (but such obligation shall not prevent the Servicer or any other appropriate Person from contesting any such tax in appropriate proceedings and shall not prevent the Servicer from withholding payment of such tax, if permitted by law, pending the outcome of such proceedings); (b) conduct the affairs of the Trust at all times that any Class A [or Class B] Certificate is outstanding so as to maintain the status thereof as a REMIC under the REMIC Provisions; and (c) not knowingly or intentionally take any action or omit to take any action that would cause the termination of the REMIC status of the Trust.

In the event that any tax is imposed on "prohibited transactions" of the Trust as defined in Section 860F(a)(2) of the Code or on "contributions after startup date" as defined in Section 860G(d) of the Code, such tax shall be charged against amounts otherwise distributable to the holders of the Class R Certificates in accordance with their Percentage Interests to the extent hereinafter provided. Notwithstanding anything to the contrary contained herein, the Servicer shall retain from amounts otherwise distributable to the holders of the Class R Certificates on any Remittance Date sufficient funds for the payment of such tax, including without limitation any tax payable pursuant to Section 3.05, and shall pay such amount to the Trustee or, if the Servicer (other than as a Class R Certificateholder) has paid such tax, reimburse the Servicer therefor (to the extent that the Servicer has not been previously reimbursed or indemnified therefor). The Servicer agrees first to seek indemnification for any

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such tax payment from any indemnifying parties before reimbursing itself from amounts otherwise distributable to the holders of the Class R Certificates.

In the event that any Manufactured Home is acquired in a repossession, foreclosure or other realization procedure (an "REO Property"), the Servicer shall sell such REO Property within two years of its acquisition by the Trust, unless, at the request of the Servicer, the Trustee seeks, and subsequently receives, an Opinion of Counsel, addressed to the Trustee and the Servicer, to the effect that the holding by the Trust of such REO Property subsequent to two years after its acquisition will not result in the imposition of taxes on "prohibited transactions" of the Trust as defined in Section 860F of the Code or cause the Trust to fail to qualify as a REMIC at any time that any Certificates are outstanding. The Servicer shall manage, conserve, protect and operate each REO Property such that it will qualify as "foreclosure property" within the meaning of Section 860G(a)(8) and will not result in the receipt by the REMIC of any "income from nonpermitted assets" within the meaning of Section 860F(a)(2)(B) or the Code. Pursuant to its efforts to sell such REO Property, the Servicer shall either itself or through an agent selected by the Servicer protect and conserve such REO Property in the same manner and to such extent as it is customary in the locality where such REO Property is located and may, incident to its conservation and protection of the interests of the Certificateholders, rent the same, or any part thereof, as the Servicer deems to be in the best interest of the Servicer and the Certificateholders for the period prior to the sale of such REO Property.

The Servicer shall deposit all Liquidation Proceeds (net of Liquidation Expenses) in the Certificate Account in accordance with Section 5.05(a). The Servicer shall include with its Monthly Report to the Trustee a separate report specifying, with respect to each Contract that becomes a Liquidated Contract during the prior Due Period, the unpaid principal balance and the Liquidation Proceeds (net of Liquidation Expenses) for such Contract.

#### SECTION 5.11. Repossession.

Notwithstanding the standard of care specified in Section 5.02, the Servicer shall commence procedures for the repossession of any Manufactured Home or the foreclosure upon any Mortgaged Property or take such other steps that in the Servicer's reasonable judgment will maximize the receipt of principal and interest or Liquidation Proceeds with respect to the Contract secured by such Manufactured Home, subject to the requirements of the applicable state and federal law, no later than five Business Days after the time when such Contract becomes a Defaulted Contract, provided that if the Servicer has actual knowledge that a Mortgaged Property is affected by hazardous waste, then the Servicer shall not cause the Trustee to acquire title to such Mortgaged Property in a foreclosure or similar proceeding. For purposes of the last proviso in the preceding sentence, the Servicer shall not be deemed to have actual knowledge that a Mortgaged Property is affected by hazardous waste unless it shall have received written notice that hazardous waste is present on such property and such written notice has been made a part of the Land-Home Contract File with respect to the related Contract. In connection with such foreclosure or other conversion, the Servicer shall follow such practices and procedures as it shall deem necessary or advisable and as shall be consistent with Section 5.02. In the

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event that title to any Mortgaged Property is acquired in foreclosure or by deed in lieu of foreclosure, the deed or certificate of sale shall be issued to the Trustee, as Trustee, or, at its election, to its nominee on behalf of the Trustee, as Trustee.

#### SECTION 5.12. Retitling.

(a) If, at any time, a Service Transfer has occurred and CITSF is no longer the Servicer, and the new Servicer is unable to foreclose upon a Manufactured Home because the title document for such Manufactured Home does not show such Servicer or the Trustee as the holder of the first priority security interest in the Manufactured Home, such Servicer shall take all necessary steps to apply for a replacement title document showing it or the Trustee as the secured party.

(b) In order to facilitate the Servicer's actions, as described in subsection (a) of this Section 5.12, CITSF will provide the Servicer with any necessary power of attorney permitting it to retitle the Manufactured Home.

(c) If the Servicer is still unable to retitle the Manufactured Home, CITSF will take all actions necessary to act with the Servicer to foreclose upon the Manufactured Home, including, as appropriate, the filing of any UCC-1 or UCC-2

financing statements necessary to perfect the security interest in any Manufactured Home that constitutes a fixture under the laws of the jurisdiction in which it is located and all actions necessary to perfect the security interest in any Manufactured Home that is considered or classified as part of the real estate on which it is located under the laws of the jurisdictions in which it is located.

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## ARTICLE VI

### REPORTS

#### SECTION 6.01. Monthly Reports to the Trustee.

On the third Business Day next preceding each Remittance Date, the Servicer shall furnish a report (the "Monthly Report") to the Trustee, any Paying Agent and (if CITSF is not the Servicer) CITSF. The determination by the Servicer of the amount of the distributions to be made to the Class A[, the Class B] and the Class R Certificateholders shall, in the absence of obvious error, be presumptively deemed to be correct for all purposes hereunder, and the Trustee shall be protected in relying upon the same without any independent check or verification.

#### SECTION 6.02. Certificate of Servicing Officer.-

Each Monthly Report pursuant to Section 6.01 shall be accompanied by a certificate of a Servicing Officer substantially in the form of Exhibit H, certifying the accuracy of the Monthly Report and that no Event of Termination or event that with notice or lapse of time or both would become an Event of Termination has occurred, or if such event has occurred and is continuing, specifying the event and its status.

#### SECTION 6.03. Other Data.

In addition, the Servicer shall, on request of the Trustee, furnish the Trustee such underlying data as can be generated by the Servicer's existing data processing system without undue modification or expense.

#### SECTION 6.04. Annual Report of Accountants.

On or before \_\_\_\_\_ of each year, commencing \_\_\_\_\_, the Servicer, at its expense, shall cause a firm of independent public accountants which is a member of the American Institute of Certified Public Accountants to furnish a statement to the Trustee to the effect that such firm

has examined certain documents and records relating to the servicing of manufactured housing conditional sales contracts under pooling and servicing agreements similar to and including this Agreement one to another (such statement to have attached thereto a schedule setting forth the pooling and servicing agreements covered thereby, including this Agreement) and that, on the basis of such examination conducted substantially in compliance with generally accepted auditing standards, such servicing has been conducted in compliance with such pooling and servicing agreements except for such significant exception or errors in records that, in the opinion of such firm, generally accepted auditing standards requires it to report. Copies of the annual statement of accountants shall also be provided to [Rating Agency].

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#### SECTION 6.05. Statements to Certificateholders.

Concurrently with each distribution charged to the Certificate Account, the Trustee, so long as it has received the Monthly Report from the Servicer, shall forward or cause to be forwarded by mail to each Certificateholder, the Monthly Report in the form attached as Exhibit L hereto.

The Trustee and the Servicer shall inform any Certificateholder inquiring by telephone of the information contained in the most recent Monthly Report.

Within a reasonable period of time after the end of each calendar year, the Trustee shall furnish or cause to be furnished to each Person who at any time during the calendar year was a Certificateholder a statement containing the information with respect to interest accrued and principal paid on its Certificates during such calendar year. Such obligation of the Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Trustee pursuant to any requirements of the Code as from time to time in force.

Copies of all reports provided to the Trustee for the Certificateholders shall also be provided to [Rating Agency].

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### ARTICLE VII

#### SERVICE TRANSFER



SECTION 7.01. Event of Termination.

"Event of Termination" means the occurrence of any of the following:

(a) Any failure by the Servicer to make any deposit into an account required to be made hereunder and the continuance of such failure for a period of five Business Days after the Servicer has become aware that such deposit was required;

(b) Failure on the Servicer's part to observe or perform in any material respect any covenant or agreement in this Agreement, which failure continues unremedied for 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee or the Company or to the Servicer and the Trustee by Holders of Class A Certificates [and Class B Certificates] evidencing, as to such Class, Percentage Interests aggregating not less than 25%;

(c) Any assignment by the Servicer of its duties or rights hereunder except as specifically permitted hereunder, or any attempt to make such an assignment;

(d) A court or other governmental authority having jurisdiction in the premises shall have entered a decree or order for relief in respect of the Servicer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Servicer, as the case may be, or for any substantial liquidation of its affairs, and such order remains undischarged and unstayed for at least 60 days;

(e) The Servicer shall have commenced a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall have consented to the entry of an order for relief in an involuntary case under any such law, or shall have consented to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Servicer or for any substantial part of its property, or shall have made any general assignment for the benefit of its creditors, or shall have failed to, or admitted in writing its inability to, pay its debts as they become due, or shall have taken any corporate action in furtherance of the foregoing; or

(f) The failure of the Servicer to be an Eligible Servicer.

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SECTION 7.02. Transfer.

If an Event of Termination has occurred and is continuing, the Trustee may [or at the written direction of Certificateholders with aggregate Percentage Interests representing \_\_\_% or more of the Trust shall], unless prohibited by applicable law, terminate all (but not less than all) of the Servicer's management, administrative, servicing and collection functions (such termination being herein called a "Service Transfer"). On receipt of such notice (or, if

later, on a date designated therein), all authority and power of the Servicer under this Agreement, whether with respect to the Contracts, the Contract Files, the Land-Home Contract Files or otherwise (except with respect to the Certificate Account, the transfer of which shall be governed by Section 7.06), shall pass to and be vested in the Trustee pursuant to and under this Section 7.02; and, without limitation, the Trustee is authorized and empowered to execute and deliver on behalf of the Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments (including, without limitation, documents required to make the Trustee or a successor servicer the sole lienholder or legal title holder of record of each Manufactured Home), and to do any and all acts or things necessary or appropriate to effect the purposes of such notice of termination. Each of CITSF and the Servicer agrees to cooperate with the Trustee in effecting the termination of the responsibilities and rights of the Servicer hereunder, including, without limitation, the transfer to the Trustee for administration by it of all cash amounts which shall at the time be held by the Servicer for deposit, or have been deposited by the Servicer, in the Certificate Account, or for its own account in connection with its services hereafter or thereafter received with respect to the Contracts and the execution of any documents required to make the Trustee or a successor servicer the sole lienholder or legal title holder of record in respect of each Manufactured Home. The Servicer shall be entitled to receive any other amounts which are payable to the Servicer under this Agreement, at the time of the termination of its activities as Servicer. The Servicer shall transfer to the new Servicer (i) the Servicer's records relating to the Contracts in such electronic form as the new Servicer may reasonably request and (ii) the Contracts, the Contract Files and any Land-Home Contract Files in the Servicer's possession.

#### SECTION 7.03. Trustee to Act; Appointment of Successor.

On and after the time the Servicer receives a notice of termination pursuant to Section 7.02, the Trustee shall be the successor in all respects to the Servicer in its capacity as Servicer under this Agreement and the transactions set forth or provided for herein and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and the Servicer shall be relieved of such responsibilities, duties and liabilities arising after such Service Transfer; provided, however, that (i) the Trustee will not assume any obligations of CITSF pursuant to Section 3.05 and (ii) the Trustee shall not be liable for any acts or omissions of the Servicer occurring prior to such Service Transfer or for any breach by CITSF of any of its representations and warranties contained herein or in any related document or agreement. As compensation therefor, the Trustee shall, except as provided in Section 7.02 and in this

Section 7.03, be entitled to such compensation as the Servicer would have been entitled to hereunder if no such notice of termination had been given. Notwithstanding the above, the Trustee may, if it shall be unwilling so to act, or shall, if it is legally unable so to act, appoint, or petition a court of competent jurisdiction to appoint, an Eligible Servicer as the successor to the Servicer hereunder in the assumption of all or any part of the responsibilities,

duties or liabilities of the Servicer hereunder. Pending appointment of a successor to the Servicer hereunder, unless the Trustee is prohibited by law from so acting, the Trustee shall act in such capacity as hereinabove provided. In connection with such appointment and assumption, the Trustee may make such arrangements for the compensation of such successor out of payments on Contracts as it and such successor shall agree; provided, however, that no such compensation shall, without the written consent of 100% of the Certificateholders, be in excess of the Servicing Fee. The Trustee and such successor shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession.

SECTION 7.04. Notification to Certificateholders and to Rating Agency.

(a) Promptly following the occurrence of any Event of Termination, the Servicer shall give written notice thereof to the Trustee, Certificateholders at their respective addresses appearing on the Certificate Register and to [Rating Agency].

(b) Within 10 days following any termination or appointment of a successor to the Servicer pursuant to this Article VII, the Trustee shall give written notice thereof to Certificateholders at their respective addresses appearing on the Certificate Register.

(c) The Trustee shall give written notice to [Rating Agency] at least 30 days prior to the date upon which any Eligible Servicer (other than the Trustee) is to assume the responsibilities of Servicer pursuant to Section 7.03, naming such Successor Servicer.

SECTION 7.05. Effect of Transfer.

(a) After the Service Transfer, the Trustee or new Servicer may notify the Obligors to make payments directly to the new Servicer that are due under the Contracts after the effective date of the Service Transfer.

(b) After the Service Transfer, the replaced Servicer shall have no further obligations with respect to the management, administration, servicing or collection of the Contracts and the new Servicer shall have all of such obligations, except that the replaced Servicer shall remain liable for any liability of the replaced Servicer hereunder that was already accrued at the time of the Service Transfer and except that the replaced Servicer will transmit or cause to be transmitted directly to the new Servicer for its own account, promptly on receipt and in the same form in which received, any amounts (properly endorsed where required for the new Servicer to collect them) received as payments upon or otherwise in connection with the Contracts.

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(c) A Service Transfer shall not affect the rights and duties of the parties hereunder (including but not limited to the indemnities and other agreements of the Servicer and CITSF pursuant to Article X and Sections 3.05,

11.05 and 11.10(f)) other than those relating to the management, administration, servicing or collection of the Contracts.

#### SECTION 7.06. Transfer of Certificate Account.

Notwithstanding the provisions of Section 7.02, if the Certificate Account shall be maintained with the Servicer and an Event of Termination shall occur and be continuing, the Servicer shall, promptly after receipt of a notice of termination, if any, pursuant to Section 7.02, establish, or cooperate with the Trustee to establish, a new account or accounts in trust for the Certificateholders conforming with the requirements of this Agreement at the trust department of the Trustee or with an Eligible Institution other than the Servicer and promptly transfer, or cooperate with the Trustee to transfer, all funds in the Certificate Account to such new account, which shall thereafter be deemed the Certificate Account for the purposes hereof.

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### ARTICLE VIII

#### DISTRIBUTIONS AND WITHDRAWALS FROM CERTIFICATE ACCOUNT

#### SECTION 8.01. Monthly Distributions.

(a) Distributions on the Certificates shall be made from funds in the Certificate Account (but only to the extent of the Amount Available for the related Remittance Date). Each Certificateholder as of a Record Date shall be paid on the next succeeding Remittance Date by check mailed to such Certificateholder at the address for such Certificateholder appearing on the Certificate Register (or, if a Class A Certificateholder holds Class A Certificates with an aggregate Percentage Interest of Class A Certificates of at least 5%[, a Class B Certificateholder holds Class B Certificates with an aggregate Percentage Interest as to the Class B Certificates of at least 20%] or a Class R Certificateholder holds Class R Certificates with an aggregate Percentage Interest as to the Class R Certificates of at least 20%, and if such Certificateholder so requests, by wire transfer of immediately available funds pursuant to written instructions delivered to the Trustee at least 10 days prior to such Remittance Date, which instructions, until revised, shall remain operative for all Remittance Dates thereafter), such Certificateholder's Percentage Interest of the amount to be distributed to the Class A[, the Class B] or the Class R Certificateholders, as the case may be. Final payment on any Certificate shall be made only upon presentation of such Certificate at the office or agency of the Paying Agent.

(b) Each distribution with respect to a Book-Entry Certificate shall be

paid to the Depository, which shall credit the amount of such distribution to the accounts of its Depository Participants in accordance with its normal procedures. Each Depository Participant shall be responsible for disbursing such distribution to the Certificate Owners that it represents and to each indirect participating brokerage firm (a "brokerage firm" or "indirect participating firm") for which it acts as agent. Each brokerage firm shall be responsible for disbursing funds to the Certificate Owners that it represents. All such credits and disbursements with respect to a Book-Entry Certificate are to be made by the Depository and the Depository Participants in accordance with the provisions of the Book Entry Certificates. Neither the Trustee, the Certificate Registrar, the Seller nor the Servicer shall have any responsibility therefor except as otherwise provided by applicable law. To the extent applicable and not contrary to the rules of the Depository, the Trustee shall comply with the provisions of the forms of the Class A [and Class B] Certificates as set forth in Exhibit[s] A [and B] hereto.

(c) On each Remittance Date, the Amount Available in the Certificate Account will be distributed to Certificateholders in the amounts and in the priorities set forth below:

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[(i) the Class A Interest Distribution Amount to the Class A Certificateholders;

(ii) [the Class B Interest Distribution Amount to the Class B Certificateholders;

(iii) prior to the Cross-over Date, after payment of the amounts specified in clauses (i) and (ii) above, the Formula Principal Distribution Amount to the Class A Certificateholders, provided, however, that the aggregate of all amounts distributed on all Remittance Dates pursuant to this clause (iii) shall not exceed the sum of the Original Class A Principal Balance;

(iv) after payment of the amounts specified in clauses (i) through (iii) above, on and after the Cross-over Date, the Formula Principal Distribution Amount, and, prior to the Cross-over Date, the Class B Principal Loss Liquidation Amount to the Class B Certificateholders, provided that the aggregate of all amounts distributed under this subclause (iv) shall not exceed the Original Class B Principal Balance; and

(v)] the Class R Distribution Amount to the Class R Certificateholders.]

(d) Notwithstanding the preceding paragraph, amounts otherwise distributable to a Certificateholder pursuant to such paragraph which are required to be withheld and remitted to a taxing authority shall be withheld and remitted to such taxing authority, and such amounts shall be treated as actually distributed to such Certificateholder for all purposes of this Agreement.

(e) The Trustee shall appoint an Eligible Institution to be the paying agent (the "Paying Agent") and cause it to make the payments to the Certificateholders required hereunder. The Trustee initially appoints [itself], with its office at \_\_\_\_\_, as such Paying Agent. The Trustee shall require the Paying Agent (if other than the Trustee) to agree in writing that all amounts held by it for payment hereunder will be held in trust for the benefit of the Certificateholders and that it will notify the Trustee of any failure by the Servicer to make funds available to the Paying Agent for the Payment of amounts due on the Certificates. In respect of each Remittance Date, the Trustee shall withdraw from the Certificate Account (to the extent of the related Amount Available) in accordance with this Agreement and deposit in an account established by the Paying Agent for the purpose of this Section funds sufficient to make the distribution to Certificateholders pursuant to this Section. Such funds shall be available to the Paying Agent by \_\_\_\_ A.M. on each Remittance Date.

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SECTION 8.02. Permitted Withdrawals from the Certificate Account.

The Trustee may, from time to time as provided herein, make withdrawals from the Certificate Account of amounts deposited in said account pursuant to Section 5.05 that are attributable to the Contracts for the following purposes:

(a) to make payments to Certificateholders in the amounts and in the manner provided for in Section 8.01;

(b) to pay to CITSF with respect to each Contract or property acquired in respect thereof that has been purchased pursuant to Section 3.05, all amounts received thereon and not required to be distributed to Certificateholders as of the date on which the related Scheduled Principal Balance or Repurchase Price is determined;

(c) to reimburse the Servicer out of Liquidation Proceeds for Liquidation Expenses incurred by it, to the extent such reimbursement is permitted pursuant to Section 5.08;

(d) to reimburse the Servicer for the payment of taxes as permitted by Section 5.10;

(e) to withdraw any amount deposited in the Certificate Account that was not required to be deposited therein;

(f) to pay to the Servicer the Servicing Fee for such Remittance Date and the Servicing Fee from any prior Remittance Date previously unpaid; and

(g) to pay to the Servicer net investment earnings due to the Servicer pursuant to Section 5.05(b).

Since, in connection with withdrawals pursuant to clause (b) of the preceding paragraph, CITSF's entitlement thereto is limited to collections or

other recoveries on the related Contract, the Servicer shall keep and maintain separate accounting, on a Contract by Contract basis, for the purpose of justifying any withdrawal from the Certificate Account pursuant to such clause.

#### SECTION 8.03. Repurchase Option.

(a) The Trust created hereby and the respective obligations and responsibilities of the Company, the Servicer and the Trustee created hereby (other than the responsibility of the Trustee to make any final distributions to Certificateholders as set forth below) shall terminate upon the earlier of (i) the later of the final payment or other liquidation (or any advance with respect thereto) of the last Contract remaining in the Trust or the termination of the Trust pursuant to Section 12.03, or (ii) the purchase by the Company or the

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Servicer pursuant to the following sentence. The Company or the Servicer, at their respective options and subject to Subsection 8.03(b), may purchase all of the Contracts and all property acquired in respect of any Contract remaining in the Trust at any time at which the Pool Scheduled Principal Balance is less than \_\_\_% of the Cut-off Date Pool Principal Balance at a price equal to the greatest of (A) the sum of (1) 100% of the principal balance of each Contract (other than any Contract as to which title to the underlying property has been acquired and whose fair market value is included pursuant to clause (2) below), plus (2) the fair market value of such acquired property (as determined by the Servicer as of the close of business on the third Business Day next preceding the date upon which notice of any such termination is furnished to Certificateholders pursuant to Section 12.03), (B) the aggregate fair market value (as determined by the Servicer as of the close of business on such third Business Day) of all of the assets of the Trust, and (C) the remaining Pool Scheduled Principal Balance as of the close of business on such third Business Day, plus, in each case, any Unpaid Class A Interest Shortfall [and any Unpaid Class B Interest Shortfall] as well as one month's interest at the applicable Contract Rate on the Scheduled Principal Balance of each Contract (including any Contract as to which the related Manufactured Home has been repossessed).

(b) The Servicer or the Company shall not exercise the purchase option in the last sentence of paragraph (a) above unless it shall have delivered to the Trustee an Opinion of Counsel in form and substance satisfactory to the Trustee to the effect that payment of the purchase price to the Certificateholders will not constitute a voidable preference or a fraudulent transfer under the United States Bankruptcy Code.

(c) In the case of any purchase by the Company pursuant to the last sentence of paragraph (a) above, the Servicer shall cooperate fully with the Company in effecting such purchase and the transfer of the Contracts and related Contract Files or Land-Home Contract Files and records to the Contracts. In addition, the Servicer shall provide to the Trustee the certification required by Section 5.07 and the Trustee shall, promptly following payment of the purchase price release to the Company or the Servicer the Contract Files or Land-Home Contract Files pertaining to the Contracts being purchases.

[SECTION 8.04. Credit Enhancement for [Class A] [Class B] Certificates.  
[Text to be provided.]]

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## ARTICLE IX

### THE CERTIFICATES

#### SECTION 9.01. The Certificates.

The Class A[, the Class B] and the Class R Certificates shall be substantially in the forms set forth in Exhibits A[, B] and C, respectively, and shall, on original issue, be executed by manual or facsimile signature of the Company by any one of its President, Vice Presidents, Secretary, Treasurer or other authorized officers and authenticated by the Trustee to or upon the order of the Company upon receipt. The Class A Certificates shall be evidenced by one or more Class A Certificates representing \$\_\_\_\_\_ initial aggregate principal balance, beneficial ownership of such Certificates to be held through Book-Entry Certificates in minimum dollar denominations of \$1,000 and integral dollar multiples of \$1,000 in excess thereof. [The Class B Certificates shall be evidenced by [(i)] one or more Class B Certificates representing \$\_\_\_\_\_ initial aggregate principal balance, beneficial ownership of such Certificate to be held through one or more [Book-Entry] Certificates in minimum dollar denominations of \$1,000/\_\_\_\_\_ and integral dollar multiples of \$1,000 in excess thereof [and (ii) a single certificate representing \$\_\_\_\_\_ in initial principal balance].] The Class R Certificates shall be issuable in Percentage Interests.

The Certificates shall be authenticated by manual signature on behalf of the Trustee by a duly authorized Responsible Officer or authorized signatory. Certificates bearing the signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Certificate or did not hold such offices at the date of such Certificates. No Certificate shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless such Certificate has been authenticated by manual signature in accordance with this Section, and such signature upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication, except for those Certificates authenticated on the Closing Date, which shall be dated the Closing Date.

#### SECTION 9.02. Registration of Transfer and Exchange of Certificates.



(a) The Trustee shall keep at the office or agency to be maintained in accordance with Section 12.02 a "Certificate Register" in which Trustee shall provide for the registration of Certificates and of transfers and exchanges of Certificates as herein provided. The Trustee initially appoints itself to be the "Certificate Registrar" and transfer agent for the purpose of registering Certificates and transfers and exchanges of Certificates as provided herein. Promptly after the Closing Date the Trustee will give the Servicer, in writing, the names of all [Class B and] Class R Certificateholders and the Trustee will

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give the Servicer, prompt written notice of any change in the [Class B and] Class R Certificateholders. The Trustee will give prompt written notice to Certificateholders and the Servicer of any change in the Certificate Registrar.

(b) No transfer of any [Class B or] Class R Certificate or any interest therein shall be made unless such transfer is made pursuant to an effective registration statement under the Securities Act and effective registration or qualification under applicable state securities laws or is made in a transaction that does not require such registration or qualification. Until such time as the [Class B and] Class R Certificates shall be registered pursuant to a registration statement filed under the Securities Act, the [Class B and] Class R Certificates shall bear a legend to the effect set forth in the preceding sentence.

In the event that (i) registration of a transfer of a [Class B or] Class R Certificate is to be made in reliance upon the exemption from registration under the Securities Act contained in Rule 144A, (ii) the transferor delivers an officer's certificate substantially in the form of Exhibit K-1 to each of the Contract Seller and the Trustee, and (iii) the transferee delivers an officer's certificate in the form of Exhibit K-2 to the Contract Seller and the Trustee, the Trustee shall register such transfer.

In the event that registration of a transfer of a [Class B or] Class R Certificate is to be made in reliance upon an exemption from registration under the Securities Act (other than the exemption from registration contained in Rule 144A) and applicable state securities laws in order to assure compliance with the Securities Act, the transferor or the transferee shall, as a condition to the registration of such transfer, deliver to the Trustee and the Seller either (i) an investment letter from the transferee for such Certificate, in the form of Exhibit J and which is addressed to the Contract Seller, the Servicer and the Trustee or (ii) an Opinion of Counsel (which may be internal counsel) that such transfer may be made pursuant to an exemption from the Securities Act (other than the exemption from registration contained in Section 3(a)(2) thereof).

The Holder of a [Class B or] Class R Certificate desiring to effect a transfer of such Certificate shall, and does hereby agree to, indemnify the Trustee, the Company and the Servicer against any liability that may result if such transfer is not so exempt or is not made in accordance with such federal and state laws.

Neither the Seller nor the Trustee is obligated to register the [Class B or] Class R Certificates under the Securities Act or under any state securities laws.

Prospective transferor of [Class B or] Class R Certificates, and prospective transferees of [Class B or] Class R Certificates that are Qualified Institutional Buyers buying Certificates in reliance upon Rule 144A, may request from the Servicer information regarding the Trust and the Trust Assets. Within 5 Business Days of any such request, the Servicer shall deliver to any such prospective transferor or transferee (i) a copy of each Monthly Report delivered to Certificateholders since the first Remittance Date pursuant to Section 6.05,

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(ii) information relating to the Seller, the Servicer, the Contracts and this Agreement substantially in the form of [private placement memorandum relating to the Class B Certificates] [Prospectus and Prospectus Supplement relating to the Certificates], dated \_\_\_\_\_, \_\_\_\_\_ and (iii) such other information as may be required to comply with Rule 144A and any interpretation thereof. The Contract Seller authorizes the Servicer to so deliver such monthly statements.

(c) [Reserved.]

(d) Each Person who has or who acquires any Ownership Interest in a Class R Certificate shall be deemed by the acceptance or acquisition of such Ownership Interest to have agreed to be bound by the following provisions and to have irrevocably appointed the Servicer as its attorney-in-fact to negotiate the terms of any mandatory sale under clause (vi) below and to execute all instruments of transfer and to do all other things necessary in connection with any such sale, and the rights of each Person acquiring any Ownership Interest in a Class R Certificate are expressly subject to the following provisions:

(i) Each Person holding or acquiring any Ownership Interest in a Class R Certificate shall be a Permitted Transferee and shall promptly notify the Servicer of any change or impending change in its status as a Permitted Transferee.

(ii) No Ownership Interest in a Class R Certificate may be Transferred without the express written consent of the Servicer, and the Trustee shall not register the Transfer of any Class R Certificate without such consent with respect to any proposed Transfer. In connection with any proposed Transfer of any Ownership Interest in a Class R Certificate, the Servicer shall, as a condition to such consent, require delivery to it, form and substance satisfactory to it, and the proposed Transferee shall deliver to the Servicer, the following:

(A) an affidavit (a "Transfer Affidavit") of the proposed Transferee, in the form attached as Exhibit M hereto, that it is not a "disqualified organization" within the meaning of Section 860E(e)(5) of the Code, and that the proposed Transferee is not acquiring its Ownership Interest in the Class R Certificate as a nominee, trustee or

agent for, or for the benefit of, any Person who is not a Permitted Transferee; and

(B) an express agreement by the proposed Transferee to be bound by and to abide by the provisions of this Section and the restrictions noted on the face of the Class R Certificates.

(iii) Notwithstanding the delivery of a Transfer Affidavit by a proposed Transferee under clause (ii) above, if the Servicer has actual knowledge that the Transfer Affidavit is false, no Transfer of an Ownership Interest in a Class R Certificate to such proposed Transferee shall be effected.

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(iv) Each Person holding or acquiring any Ownership Interest in a Class R Certificate shall agree (A) to require a Transfer Affidavit from any other Person to whom such Person attempts to Transfer its Ownership Interest in a Class R Certificate and (B) not to Transfer its Ownership Interest in a Class R Certificate or to cause the Transfer of an Ownership Interest in a Class R Certificate to any other Person if it has actual knowledge that such Transfer Affidavit is false.

(v) Any attempted or purported Transfer of any Ownership Interest in a Class R Certificate in violation of the provisions of this Section shall be absolutely null and void and shall vest no rights in the purported Transferee. If any purported Transferee shall become a Holder of a Class R Certificate in violation of the provisions of this Section, then, upon discovery by or due notification of the Trustee that the registration of Transfer of such Class R Certificate was not in fact permitted by this Section, the last preceding Permitted Transferee shall be restored to all rights as Holder thereof retroactive to the date of registration of Transfer of such Class R Certificate. The Trustee shall be under no liability to any Person for any registration of transfer of a Class R Certificate that is in fact not permitted by this Section or for making any payments due on such Certificate to the Holder thereof or taking any other action with respect to such Holder under the provisions of this Agreement so long as the Transfer was registered with the express prior written consent of the Servicer. The Trustee shall be entitled but not obligated to recover from any Holder of a Class R Certificate that was in fact not a Permitted Transferee at the time it became a Holder or, at such subsequent time as it became other than a Permitted Transferee, all payments made on such Class R Certificate at and after either such time. Any such payments so recovered by the Trustee shall be paid and delivered by the Trustee to the last preceding Permitted Transferee of such Certificate.

(vi) If any purported Transferee shall become a Holder of a Class R Certificate in violation of the restrictions in this Section, then the Servicer shall have the right without notice to the Holder or any prior Holder of such Class R Certificate, to sell such Class R Certificate to a purchaser selected by the Servicer on such terms as the Servicer may

choose. Such purchaser may be the Servicer itself or any Affiliate of the Servicer. The proceeds of such sale, net of commissions (which may include commissions payable to the Servicer or its Affiliates), expenses and taxes due, if any, will be remitted by the Servicer to the last preceding Permitted Transferee of such Class R Certificate, except that in the event that the Servicer determines that the Holder or any prior Holder of such Class R Certificate may be liable for any amount due under this Section or any other provision of this Agreement, the Servicer may withhold a corresponding amount from such remittance as security for such claim. The terms and conditions of any sale under this clause (vi) shall be determined in the sole discretion of the Servicer, and it shall not be liable to any Person having an Ownership Interest in a Class R Certificate as a result of its exercise of such discretion.

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Upon notice to the Servicer that any legal or beneficial interest in any portion of a Class R Certificate has been transferred, either directly or indirectly to any person that is not a Permitted Transferee or an agent (including a broker, nominee, or middleman) of such Transferee in contravention of the foregoing restrictions, the Servicer agrees to furnish to the Internal Revenue Service and to the transferor of such Class R Certificate or such agent such information necessary to the application of Section 860E(e) of the Code as may be required by the Code or any regulations or administrative pronouncements thereunder, including but not limited to the present value of the total anticipated excess inclusions with respect to such Class R Certificate (or portion thereof) for periods after such transfer. At the election of the Servicer, the Servicer may charge a reasonable fee for computing and furnishing such information to the transferor or to such agent referred to above; however, the Servicer shall in no event be excused from furnishing such information to the Internal Revenue Service. The foregoing restrictions on transfer contained in this Section 9.02(d) shall cease to apply to Transfers occurring on or after the date on which there shall have been delivered to the Trustee, the Company and the Servicer, in form and substance satisfactory to the Servicer, an Opinion of Counsel that eliminating such restrictions will not cause the Trust to fail to qualify as a REMIC at any time while the Certificates are outstanding.

(e) At the option of a Certificateholder, Certificates may be exchanged for other Certificates of the same Class of authorized denominations of the same aggregate denomination, upon surrender of the Certificates to be exchanged at such office. Whenever any Certificates are so surrendered for exchange, the Company shall execute and deliver, and the Trustee shall authenticate, the Certificates which the Certificateholder making the exchange is entitled to receive. Every Certificate presented or surrendered for transfer or exchange shall be duly endorsed by, or shall be accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the holder thereof or his or her attorney duly authorized in writing.

(f) Except as provided in paragraph (e) below the Book-Entry Certificates shall at all times remain registered in the name of the Depository or its

nominee and at all times: (i) registration of the Class A [and Class B] Certificates may not be transferred by the Trustee except to another Depository; (ii) the Depository shall maintain book-entry records with respect to the Certificate Owners and with respect to ownership and transfers of such Class A [and Class B] Certificates; (iii) ownership and transfers of registration of the Class A [and Class B] Certificates on the books of the Depository shall be governed by applicable rules established by the Depository; (iv) the Depository may collect its usual and customary fees, charges and expenses from its Depository Participants; (v) the Trustee shall deal with the Depository, Depository Participants and indirect participating firms as representatives of the Certificate Owners of the Class A [and Class B] Certificates for purposes of exercising the rights of Holders under this Agreement, and requests and directions for and votes of such representatives shall not be deemed to be inconsistent if they are made with respect to different Certificate Owners; and (vi) the Trustee may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its Depository

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Participants and furnished by the Depository Participants with respect to indirect participating firms and persons shown on the books of such indirect participating firms as direct or indirect Certificate Owners.

All transfers by Certificate Owners of Book-Entry Certificates shall be made in accordance with the procedures established by the Depository Participant or brokerage firm representing such Certificate Owner. Each Depository Participant shall only transfer Book-Entry Certificates of Certificate Owners it represents or of brokerage firms for which it acts as agent in accordance with the Depository's normal procedures.

(g) If (x) (i) the Company or the Depository advises the Trustee in writing that the Depository is no longer willing or able properly to discharge its responsibilities as Depository, and (ii) the Trustee or the Company is unable to locate a qualified successor, or (y) the Company at its sole option advises the Trustee in writing that it elects to terminate the book-entry system through the Depository, the Trustee shall notify all Certificate Owners, through the Depository, of the occurrence of any such event and of the availability of definitive, fully registered Class A Certificates [or Class B] Certificates (the "Definitive Certificates") to Certificate Owners requesting the same. Upon surrender to the Trustee of the Class A Certificates [or Class B Certificates] by the Depository, accompanied by registration instructions from the Depository for registration, the Trustee shall issue the Definitive Certificates. Neither the Company nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Certificates all references herein to obligations imposed upon or to be performed by the Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Definitive Certificates and the Trustee shall recognize the Holders of the Definitive Certificates as Certificateholders hereunder.

(h) On or prior to the Closing Date, there shall be delivered to the

Depository one Class A Certificate [and one Class B Certificate], each in registered form registered in the name of the Depository's nominee, Cede & Co., the total face amount of which represents 100% of the Original Class A Principal Balance, [and the Original Class B Principal Balance, respectively]. If, however, the aggregate principal amount of [a Class of] Class A Certificates [or the Class B Certificates] exceeds \$\_\_\_\_\_, one Class A Certificate [and/or one Class B Certificate] will be issued with respect to each \$\_\_\_\_\_ of principal amount and an additional Certificate [of such Class or Classes] will be issued with respect to any remaining principal amount. Each such Class A [or Class B] Certificate registered in the name of the Depository's nominee shall bear the following legend:

"Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the Trustee or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized

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representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein."

#### SECTION 9.03. No Charge; Disposition of Void Certificates.

No service charge shall be made to a Certificateholder for any transfer or exchange of Certificates, but the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates. All Certificates surrendered for transfer and exchange shall be disposed of in a manner approved by the Trustee.

#### SECTION 9.04. Mutilated, Destroyed, Lost or Stolen Certificates.

If (a) any mutilated Certificate is surrendered to the Certificate Registrar, or the Certificate Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (b) there is delivered to the Certificate Registrar and the Trustee such security or indemnity as may be required by each to save each of them harmless, then in the absence of notice to the Certificate Registrar or the Trustee that such Certificate has been acquired by a bona fide purchaser, the Trustee shall authenticate, and the Company shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of [the same Class and] same denomination. Upon the issuance of any new Certificate under this Section 9.04, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. Any duplicate Certificate issued pursuant to this Section 9.04 shall constitute complete and indefeasible evidence of ownership of the Percentage Interest evidenced thereby, as if originally issued, whether or not the destroyed, lost or stolen Certificate shall be found at any

time.

#### SECTION 9.05. Persons Deemed Owners.

Prior to due presentation of a Certificate for registration of transfer, the Servicer, the Company, the Trustee, the Paying Agent and the Certificate Registrar may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving remittances pursuant to Section 8.01 and for all other purposes whatsoever, and none of the Servicer, the Company, the Trustee, the Certificate Registrar, the Paying Agent or any agent of the Servicer, the Company, the Trustee, the Paying Agent or the Certificate Registrar shall be affected by notice to the contrary.

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#### SECTION 9.06. Access to List of Certificateholders' Names and Addresses.

The Certificate Registrar will furnish to the Trustee, the Servicer and the Company within five Business Days after receipt by the Certificate Registrar of a request therefor from the Trustee, the Servicer or the Company, in writing, a list, in such form as the Trustee, the Servicer or the Company may reasonably require, of the names and addresses of the Certificateholders as of the most recent Record Date. If Holders of Certificates evidencing, as to any Class, Percentage Interests aggregating 25% or more (hereinafter referred to as "Applicants") 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 is accompanied by a copy of the communication which such Applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, afford such Applicants access during normal business hours to the most recent list of Certificateholders held by the Trustee. If such list is as of a date more than 90 days prior to the date of receipt of such Applicants' request, the Trustee shall promptly request from the Certificate Registrar a current list as provided above, and shall afford such Applicants access to such list promptly upon receipt. Every Certificateholder, by receiving and holding a Certificate, agrees with the Certificate Registrar and the Trustee that none of the Company, the Servicer, the Certificate Registrar or the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Certificateholders hereunder, regardless of the source from which such information was derived.

#### SECTION 9.07. Authenticating Agents.

The Trustee may appoint one or more Authenticating Agents with power to act on its behalf and subject to its direction in the authentication of the Certificates. For all purposes of this Agreement, the authentication of Certificates by the Authenticating Agent pursuant to this Section shall be deemed to be the authentication of Certificates "by the Trustee."

ARTICLE X

INDEMNITIES

SECTION 10.01. Liabilities to Obligors.

No liability to any Obligor under any of the Contracts arising out of any act or omission to act of the Servicer in servicing the Contracts prior to the Closing Date is intended to be assumed by the Company, the Trust or the Certificateholders under or as a result of this Agreement and the transactions contemplated hereby and, to the maximum extent permitted and valid under mandatory provisions of law, the Company, the Trust and the Certificateholders expressly disclaim such assumption.

SECTION 10.02. Tax Indemnification.

CITSF agrees to pay, and to indemnify, defend and hold harmless the Trust, the Trustee, the Certificateholders and the Company from, any taxes which may at any time be asserted with respect to, and as of the date of, the transfer of the Contracts to the Trust, including, without limitation, any sales, gross receipts, personal or real property, privilege or license taxes (but not including any federal, state or other taxes arising out of the creation of the Trust and the issuance of the Certificates or distributions with respect thereto) and costs, expenses and reasonable counsel fees in defending against the same.

SECTION 10.03. Servicer's Indemnities.

The Servicer shall defend and indemnify the Company, the Trust, the Trustee and the Certificateholders against any and all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel and expenses of litigation, in respect of any negligent or wrongful action taken or failed to be taken by the Servicer with respect to any Contract. This indemnity shall survive any Service Transfer (but a Servicer's obligations under this Section 10.03 shall not relate to any actions of any subsequent Servicer after a Service Transfer) and any payment of the amount owing under, or any repurchase by CITSF of, any such Contract.

SECTION 10.04. Operation of Indemnities.

Indemnification under this Article shall include, without limitation, reasonable fees and expenses of counsel and expenses of litigation. If CITSF or the Servicer has made any indemnity payments to the Trustee, the Company or the Certificateholders pursuant to this Article and if either the Trustee, the Company or the Certificateholders thereafter collects any of such amounts from others, the Trustee, the Company or the Trust will repay such amounts collected to CITSF or the Servicer, as the case may be, without interest.



ARTICLE XI

THE TRUSTEE

SECTION 11.01. Duties of Trustee.

The Trustee, prior to the occurrence of an Event of Termination and after the curing of all Events of Termination which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. If an Event of Termination has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform as to form to the requirements of this Agreement.

Subject to Section 11.03, no provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own misconduct; provided, however, that:

(a) Prior to the occurrence of an Event of Termination, and after the curing of all such Events of Termination which may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, no implied covenants or obligations shall be read into this Agreement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement;

(b) The Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) The Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Holders of Class A Certificates [or Class B Certificates] evidencing Percentage Interests aggregating 25% or more relating to the time, method and place of conducting any proceeding for any remedy available to the

Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement; and

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(d) The Trustee shall not be charged with knowledge of any event referred to in Section 7.01 unless a Responsible Officer of the Trustee at the Corporate Trust Office obtains actual knowledge of such event or the Trustee receives written notice of such event from the Servicer or the Holders of Certificates evidencing[, as to any Class,] Percentage Interests aggregating 25% or more.

The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. None of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of CITSF, the Company or the Servicer under this Agreement, except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Servicer in accordance with the terms of this Agreement.

SECTION 11.02. Certain Matters Affecting the Trustee.

Except as otherwise provided in Section 11.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate, certificate of a Servicing Officer, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) The Trustee may consult with counsel and any opinion of any counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such opinion of counsel;

(c) 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 hereunder or in relation hereto, at the request, order or direction of any of the Certificateholders, pursuant to the provisions of this Agreement, unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that nothing contained herein shall relieve the Trustee of the obligations, upon the occurrence of an Event of Termination (which has not been cured), to exercise such of the rights and powers vested in it by this Agreement, and to use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs;

(d) Prior to the occurrence of an Event of Termination and after the curing of all Events of Termination which may have occurred, 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, consent, order, approval, bond or other paper or document, unless requested in writing so to do by Certificateholders with aggregate Percentage Interests representing 25% or more the Trust; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Agreement, the Trustee may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Servicer or, if paid by the Trustee, shall be reimbursed by the Servicer upon demand; and

(e) The Trustee may execute any of the trusts or powers hereunder or perform by duties hereunder either directly or by or through agents or attorneys and shall not be liable for any acts or omissions of such agents or attorneys if appointed by its with due care hereunder.

#### SECTION 11.03. Trustee Not Liable for Certificates or Contracts.

The Trustee assumes no responsibility for the correctness of the recitals contained herein or in the Certificates (other than the Trustee's authentication thereof). The Trustee makes no representations as to the validity or sufficiency of this Agreement or of the Certificates (other than its authentication or execution thereof) or of any Contract, Contract File or related document. The Trustee shall not be accountable for the use or application by the Servicer or CITSF of funds paid to CITSF in consideration of conveyance of the Contracts to the Company by CITSF or deposited in or withdrawn from the Certificate Account by the Servicer.

#### SECTION 11.04. Rights of Certificateholders to Direct Trustee and to Waive-Events of Termination.

Holders of Class A Certificates [and Holders of Class B Certificates] evidencing[, as to each such Class,] Percentage Interests aggregating 25% or more shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that, subject to Section 11.01, the Trustee shall have the right to decline to follow any such direction of the Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Certificateholders not parties to such direction; provided further that nothing in this Agreement shall impair the right of the

inconsistent with such direction by the Certificateholders; and provided further that the Trustee shall instead follow the directions of the Holders of Class A Certificates [and Holders of Class B Certificates] evidencing[, as to each such Class,] Percentage Interests aggregating 51% or more whenever it receives conflicting directions from Class A Certificateholders and Class B Certificateholders. Holders of Class A Certificates [and Holders of Class B Certificates] evidencing[, as to each such Class,] Percentage Interests aggregating 51% or more may on behalf of Certificateholders waive any past Event of Termination hereunder and its consequences, except a default in respect of a covenant or provision hereof which under Section 12.07 cannot be modified or amended without the consent of all Class A Certificateholders, and upon any such waiver, such Event of Termination shall cease to exist and shall be deemed to have been cured for every purpose of this Agreement; but no such waiver shall extend to any subsequent or other Event of Termination or impair any right consequent thereon. [Following the Cross-over Date, if all distributions payable to the Class A Certificateholders have either been made or provided for in accordance with this Agreement, then to the Holders of Class B Certificates may exercise the rights given to the Class R Certificateholders under this Section.]

SECTION 11.05. Servicer to Pay Trustee's Fees and Expenses.

The Servicer agrees:

(a) that the Servicer shall pay to the Trustee reasonable compensation on each Remittance Date for all services rendered by its hereunder (which compensation is set forth in a letter agreement between the Servicer and the Trustee dated the Closing Date and which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, that the Servicer shall reimburse the Trustee on each Remittance Date, to the extent requested by the Trustee, for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provisions of this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the Trust and its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The covenants in this Section 11.05 shall be for the benefit of the Trustee in its capacities as Trustee, Paying Agent and Certificate Registrar hereunder, and shall survive the termination of this Agreement.

SECTION 11.06. Eligibility Requirements for Trustee.

The Trustee hereunder shall at all times be a corporation or a national banking association having its principal office in a state and city acceptable to the Company and organized and doing business under the laws of the United States of America or any State, authorized under such laws to exercise corporate trust powers, and, approved for insurance by the Secretary of Housing and Urban Development pursuant to Section 2 of the National Housing Act, and shall have a combined capital and surplus of at least \$50,000,000 or shall be a member of a bank holding system the aggregate combined capital and surplus of which is \$50,000,000 provided that the Trustee's separate capital and surplus shall at all times be at least the amount required by Section 310(a)(2) of the Trustee Indenture Act of 1939, as amended and the Trustee shall be subject to supervision and examination by a federal or state authority having jurisdiction over depository institutions. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of a supervising or examining authority, then for the purposes of this Section 11.06, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 11.06, the Trustee shall resign immediately in the manner and with the effect specified in Section 11.07.

SECTION 11.07. Resignation or Removal of Trustee.

The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Servicer, the Company and [Rating Agency]. Upon receiving such notice of resignation, the Company shall promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to each of the Servicer and the Company and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and shall have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If, at any time, the Trustee shall cease to be eligible in accordance with the provisions of Section 11.06 and shall fail to resign after written request therefor by the Company, or if at any time the Trustees shall be legally unable to act, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Company may remove the Trustee. If the Company shall have removed the Trustee under the authority of the immediately preceding sentence, the Company shall promptly appoint a successor Trustee by written instrument, in duplicate, one

copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee. Upon appointment of any successor Trustee, the Trustee being replaced shall change the name of the Certificate Account to the name of such successor Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 11.07 shall not become effective until acceptance of appointment by the successor Trustee as provided in Section 11.08.

#### SECTION 11.08. Successor Trustee.

Any successor Trustee appointed as provided in Section 11.07 shall execute, acknowledge and deliver to the Servicer, the Company and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee. [The predecessor Trustee shall deliver or cause to be delivered to the successor Trustee the Contracts, Contract Files and Land-Home Contract Files and any related documents and statements held by it hereunder.] The Servicer, the Company and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Trustee all such rights, powers, duties and obligations.

No successor Trustee shall accept appointment as provided in this Section 11.08 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 11.06.

Upon acceptance of appointment by a successor Trustee as provided in this Section 11.08, the Servicer shall cause notice of the succession of such Trustee hereunder to be mailed to each Certificateholder at their addresses as shown in the Certificate Register. If the Servicer fails to mail such notice within ten days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Servicer.

#### SECTION 11.09. Merger or Consolidation of Trustee.

Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to the corporate trustee business of the Trustee, shall be the successor of the Trustee hereunder, provided such Person shall be eligible under the provisions of Section 11.06, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 11.10. Obligor Claims.

In connection with any offset defenses, or affirmative claims for recovery, asserted in legal actions brought by Obligors under one or more Contracts based upon provisions therein or upon other rights or remedies arising from, any legal requirements applicable to the Contracts, including, without limitation, the Federal Trade Commission's Trade Regulation Rule Concerning Preservation of Consumers' Claims and Defenses (16 C.F.R. ss. 433) as amended from time to time:

(a) The Trustee is not, and shall not be deemed to be, either in any individual capacity, as trustee hereunder or otherwise, a creditor, or a joint venturer with or an Affiliate of, or acting in concert or cooperation with, any seller of Manufactured Homes, in the arrangement, origination or making of Contracts. The Trustee is the holder of the Contracts only as trustee on behalf of the Certificateholders, and not as a principal or in any individual or personal capacity.

(b) The Trustee shall not be personally liable for or obligated to pay Obligors, any affirmative claims asserted thereby, or responsible to Certificateholders for any offset defense amounts applied against Contract payments, pursuant to such legal actions.

(c) The Trustee will pay, solely from available Trust money, affirmative claims for recovery by Obligors only pursuant to final judicial orders or judgments, or judicially-approved settlement agreements, resulting from such legal actions.

(d) The Trustee will comply with judicial orders and judgments which require its actions or cooperation in connection with Obligors' legal actions to recover affirmative claims against Certificateholders.

(e) The Trustee will cooperate with and assist Certificateholders in their defense of legal actions by Obligors to recover affirmative claims if such cooperation and assistance is not contrary to the interests of the Trustee as a party such legal actions and if the Trustee is satisfactorily indemnified for all liability, costs and expenses arising therefrom.

(f) CITSF hereby agrees to indemnify, hold harmless and defend the Company, the Trustee and Certificateholders from and against any and all liability, loss, costs and expenses of the Company, the Trustee and Certificateholders resulting from any affirmative claims for recovery asserted or collected by Obligors under the Contracts. Notwithstanding any other provision of this Agreement, the obligation of CITSF under this Section 11.10(f) shall not terminate upon a Service Transfer pursuant to Article VII; provided, however, that CITSF is not obligated under this Section on account of any claims arising due to the actions of any successor Servicer.

SECTION 11.11. Separate Trustees and Co-Trustees.

The Company shall have the power from time to time to appoint one or more persons or corporations to act either as co-trustees jointly with the Trustee, or as separate trustees, or as custodians, for the purpose of conforming to any legal requirement, restriction or condition (i) with respect to the holding of the Contracts, the Contract Files and the Land-Home Contract Files or (ii) with respect to the enforcement of a Contract in any state in which a Manufactured Home is located or in any state in which any portion of the Trust is located. The separate trustees, co-trustees, or custodians so appointed shall be trustees or custodians for the benefit of all Certificateholders and shall, subject to the provisions of the following paragraph, have such power, rights and remedies as shall be specified in the instrument of appointment; provided, however, that no such appointment shall, or shall be deemed to, constitute the appointee an agent of the Trustee.

Every separate trustee, co-trustee and custodian shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(a) all powers, duties, obligations and rights conferred upon the Trustee in respect of the receipt, custody and payment of moneys shall be exercised solely by the Trustee;

(b) all other rights, powers, duties and obligations conferred or imposed upon the Trustee, to the extent also imposed upon such separate trustees, co-trustees or custodians, shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee, co-trustee, or custodian jointly, 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 holding of the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed by such separate trustee, co-trustee, or custodian;

(c) no separate trustee, co-trustee or custodian hereunder shall be personally liable by reason of any act or omission or any other separate trustee, co-trustee or custodian hereunder; and

(d) the Company may at any time accept the resignation of or remove any separate trustee, co-trustee or custodian, so appointed by it.

If any separate trustee, co-trustee or custodian 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 or custodian. The reasonable fees and expenses of any such separate trustee, co-trustee or custodian shall be treated as additional fees and



expenses of the Trustee subject to Section 11.05 and payable by the Servicer if

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and only to the extent the Servicer shall have consented in writing to his or its appointment, which consent shall not be unnecessarily withheld.

SECTION 11.12. Trustee May Own Certificates.

The Trustee in its individual or other capacity may become the owner or pledgee of Certificates representing less than all the beneficial interest in the Trust with the same rights as it would have if it were not Trustee.

SECTION 11.13. Agents of Trustee.

To the extent not prohibited by law and not inconsistent with the terms of this Agreement (including, without limitation, Section 11.11), the Trustee may, with the prior consent of the Company, appoint one or more agents to carry out ministerial matters on behalf of the Trustee under this Agreement.

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ARTICLE XII

MISCELLANEOUS

SECTION 12.01. Servicer Not To Resign.

The Servicer shall not resign from the obligations and duties hereby imposed on it except upon determination that the performance of its duties hereunder is no longer permissible under applicable law. Any such determination permitting the resignation of the Servicer shall be evidenced by an Opinion of Counsel for the Servicer to such effect delivered to the Trustee. No such resignation shall become effective until the Trustee or a successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 7.03.

SECTION 12.02. Maintenance of Officer or Agency.

The Trustee will maintain an office in \_\_\_\_\_. Such offices are currently located at the addresses set forth in Section 12.09. The Trustee will give prompt written notice to Certificateholders of any change in the location of the Certificate Register or any such office or agency.

SECTION 12.03. Termination.

(a) Subject to the other provisions of this Section, the respective obligations and responsibilities of the Company, the Servicer and the Trustee created hereby (other than the obligation of the Trustee to make certain payments after the Final Remittance Date to Certificateholders and the obligation of the Servicer to send certain notices as hereinafter set forth) shall terminate upon the last action required to be taken by the Trustee on the Remittance Date pursuant to this Section 12.03 following the earlier of: (i) the purchase by the Company or the Servicer on any Remittance Date of all Contracts and all property acquired in respect of any Contract remaining in the Trust pursuant to Section 8.03 or (ii) the final payment or other liquidation (or any advance with respect thereto) of the last Contract remaining in the Trust or the disposition of all property acquired upon repossession of any Manufactured Home; provided, however, that in no event shall the trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States to the Court of St. James, living on the date hereof.

(b) Notice of any termination, specifying the Final Remittance Date (which shall be a date that would otherwise be a Remittance Date) upon which the Certificateholders may surrender their Certificates to the Trustee for payment of the final distribution and cancellation, shall be given promptly by the Servicer (if the Company or the Servicer is exercising its right to purchase the assets of the Trust) or by the Trustee (in any other case) by letter to Certificateholders mailed out not earlier than the 15th day and not later than

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the 25th day of the month (or, in the case of final payment of liquidation of the last contract remaining in the Trust, as promptly as practicable after receipt of such final payment or liquidation) next preceding the month of such final distribution specifying (i) the Final Remittance Date upon which final payment of the Certificates will be made upon presentation and surrender of the Certificates at the office or agency of the Trustee therein designated, (ii) the amount of any such final payment and (iii) that the Record Date otherwise applicable to such Remittance Date is not applicable, payments being made only upon presentation and surrender of the Certificates at the office or agency of the Trustee herein specified. [Such notice shall provide that, in addition to any other office or agency of the Trustee designated therein, the presentation and surrender of Certificates as aforesaid may occur at an office or agency of the Trustee in New York City specified therein.] If the Servicer is obligated to give notice to Certificateholders as aforesaid, it shall give such notice to the Trustee, the Certificate Registrar and to [Rating Agency] at the time such notice is given to Certificateholders. In the event such notice is given by the Servicer, the Company or the Servicer shall deposit in the Certificate Account on or before the Final Remittance Date in immediately available funds an amount equal to the purchase price for the assets of the Trust computed as above provided.

(c) Upon presentation and surrender of the Certificates, the Trustee shall cause to be distributed to Certificateholders on the Final Remittance Date in proportion to their respective Percentage Interests an amount equal to (i) as to

Class A Certificates, the Class A Principal Balance, together with any Unpaid Class A Interest Shortfall and one month's interest at the Class A Remittance Rate on the Class A Principal Balance[, (ii) as to Class B Certificates, the Class B Principal Balance together with any Unpaid Class B Interest Shortfall and one month's interest at the Class B Remittance Rate on the Class B Principal Balance] and (iii) as to Class R Certificates, the amount which remains on deposit in the Certificate Account (other than amounts retained to meet claims) after application pursuant to clauses (i)[, (ii)] and (iii) above. The distribution on the Final Remittance Date shall be in lieu of the distribution otherwise required to be made on such Remittance Date in respect of each Class of Certificates.

(d) In the event that all of the Certificateholders shall not surrender their Certificates for final payment and cancellation on or before the Final Remittance Date, the Trustee shall on such date cause all funds in the Certificate Account not distributed in final distribution to Certificateholders to be withdrawn therefrom and credited to the remaining Certificateholders by depositing such funds in a separate escrow account for the benefit of such Certificateholders, and the Servicer (if the Company or the Servicer exercised its right to purchase the assets of the Trust) or the Trustee (in any other case) 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 on deposit in such escrow account.

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(e) Upon any termination pursuant to this Section, the Trust shall be terminated in accordance with the following additional requirements, unless the Trustee has received an Opinion of Counsel to the effect that the failure of the Trust to comply with the requirements of this Section will not (i) result in the imposition of taxes on "prohibited transactions" of the Trust as described in Section 860F of the Code, or (ii) cause the Trust to fail to qualify as a REMIC at any time that any Class A [or Class B] Certificates are outstanding:

(i) Within 90 days prior to the Final Remittance date set forth in the notice given by the Servicer or the Trustee under this Section, the Holders of 100% of the aggregate Percentage Interests evidenced by the Class R Certificates shall adopt a plan of complete liquidation of the Trust; and

(ii) At or after the time of adoption of such a plan of complete liquidation and at or prior to the Final Remittance Date, the Servicer as agent of the Trustee shall sell all of the assets of the Trust to the Company or the Servicer as the case may be, for cash.

By their acceptance of the Class R Certificates, the holders thereof hereby agree to adopt such a plan of complete liquidation upon the written request of

the Servicer or the Company and to take such other action in connection therewith as may be reasonably requested by CITSF.

#### SECTION 12.04. Acts of Certificateholders.

(a) Except as otherwise specifically provided herein, whenever Certificateholder approval, authorization, direction, notice, consent, waiver, or other action is required hereunder, such approval, authorization, direction, notice, consent, waiver or other action shall be deemed to have been given or taken on behalf of, and shall be binding upon, all Certificateholders if agreed to by Holders of Certificates of the specified Class or Classes evidencing, as to each such Class, Percentage Interests aggregating 51% or more.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Certificateholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Certificateholders in person or by agent duly appointed in writing; and except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where required, to the Servicer. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Agreement and (subject to Section 11.01) conclusive in favor of the Trustee, the Servicer and the Company if made in the manner provided in this Section.

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(c) The fact and date of the execution by any Certificateholder of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient.

(d) The ownership of Certificates shall be proved by the Certificate Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other act by a Certificateholder shall bind every holder of every Certificate issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, or omitted to be done by the Trustee, the Servicer or the Company in reliance thereon, whether or not notation of such action is made upon such security.

(f) The Trustee may require such additional proof of any matter referred to in this Section as it shall deem necessary.

#### SECTION 12.05. Calculations.

Except as otherwise provided in this Agreement, all interest rate and basis point calculations under this Agreement will be made on the basis of a 360-day year consisting of twelve thirty-day months and will be carried out to at least three decimal places.

SECTION 12.06. Assignment or Delegation by the Servicer; Merger or Consolidation of the Company, CITSF or the Servicer.

Except as specifically authorized hereunder, and except for its obligations as Servicer, in respect of which a transfer thereof is dealt with under Article VII, the Servicer may not assign or delegate any of its rights or obligations hereunder, except its right to receive any fees pursuant to this Agreement, absent the prior written consent of Holders of Certificates of each Class evidencing, as to each such Class, Percentage Interests aggregating 66-1/2% or more, and any attempt to do so without such consent shall be void. Notwithstanding the foregoing, CITSF may not delegate its obligation to repurchase contracts under Section 3.05.

Notwithstanding the foregoing, any person into which the Company, CITSF or the Servicer may be merged or consolidated, or any corporation resulting from any merger or consolidation to which the Company, CITSF or the Servicer shall be a party, or any Person succeeding to the business of the Company, CITSF or the Servicer, shall be the successor of the Company, CITSF or the Servicer hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that the successor or surviving Person to the Servicer shall satisfy the criteria set forth in the definition of an

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Eligible Servicer. Each of CITSF, the Company and the Servicer shall promptly notify [Rating Agency] of any such merger to which it is a party.

Neither the Servicer nor the Company, nor any of the directors, officers, employees or agents of the Servicer or the Company, shall be under any liability to the Trustee or the Certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment; provided, however, that this provision shall not protect the Servicer, the Company or any such person against any breach of warranties or representations made herein, or failure to perform its or his obligations in compliance with any standard of care set forth in this Agreement, or any liability which otherwise would be imposed by reason of any breach of the terms and conditions of this Agreement. The Servicer, the Company and any director, officer, employee or agent of the Company may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. Neither the Servicer nor the Company shall be under any obligation to appear in, prosecute or defend any legal action, which arises under this Agreement and which in its opinion may involve it in any expenses or liability; provided, however, that the Servicer or the Company may in its discretion undertake any such action which it may deem necessary or desirable to in respect of this Agreement and the rights and duties of the parties hereto. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs and liabilities payable from the Certificate Account and the Servicer and the Company shall be entitled to be reimbursed therefor out of the Certificate Account.

SECTION 12.07. Amendment.

(a) This Agreement may be amended from time to time by the Company, the Servicer and the Trustee, without the consent of any of the Certificateholders, (i) to correct manifest error, to cure any ambiguity, to correct or supplement any provisions herein or therein which may be inconsistent with any other provisions herein or therein, as the case may be, (ii) to add any other provisions with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement, (iii) to add or amend any provisions as required by [Rating Agency] or another NRSRO in order to maintain any rating of the Class A [or Class B] Certificates (it being understood that, after the rating required by Section 2.02 hereof has been obtained, neither the Trustee, the Company nor CITSF is obligated to maintain or improve such rating); provided, however, that such action shall not, as evidenced by an Opinion of Counsel for the Servicer or the Company, adversely affect in any material respect the interests of any Certificateholder (including, without limitation, the maintenance of the status of the Trust as a REMIC under the Code and under relevant state and local law).

(b) This Agreement may also be amended from time to time by the Company, the Servicer and the Trustee, with the consent of Holders of Certificates of each Class affected thereby evidencing, as to each such Class, Percentage Interests aggregating 51% or more, for the purpose of adding any of the

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provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Certificateholders; provided, however, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, collections of payments on the Contracts or distributions which are required to be made on any Certificate without the consent of the holder of each Certificate affected thereby, (ii) reduce the aforesaid percentage required to consent to any such amendment, without the consent of the holders of all Certificates then outstanding, (iii) result in the disqualification of the Trust as a REMIC under the Code, (iv) adversely affect the status of the Trust as a REMIC or the status of the Certificates as "regular interests" therein, (v) cause any tax (other than any tax imposed on "net income from foreclosure property" under Section 860G(c)(1) of the Code that would be imposed without regard to such amendment) to be imposed on the Trust, including, without limitation, any tax imposed on "prohibited transactions" under Section 860G(d)(1) of the Code, or (vi) adversely affect in any material respect the interest of the Class R Certificateholders without the unanimous consent of the Class R Certificateholders.

(c) This Agreement may also be amended from time to time, without the consent of any of the Certificateholders, by the Company, the Servicer and the Trustee to modify, eliminate or add to the provisions of this Agreement to such extent as shall be necessary to (i) maintain the qualification of the Trust as a REMIC under the Code and under relevant state and local law or avoid, or reduce

the risk of, the imposition of any tax on the Trust under the Code that would be a claim against the Trust assets, provided that (A) there shall have been delivered an Opinion of Counsel addressed to the Trustee to the effect that such action is necessary to maintain such qualification or avoid any such tax or reduce the risk of its imposition and (B) such amendment shall not have any of the effects described in the proviso to Section 12.07(a), or (ii) prevent the Trust from entering into any "prohibited transaction" as defined in Section 860F of the Code, provided that such amendment shall not, as evidenced by an Opinion of Counsel, adversely affect in any material respect the interests of any Certificateholder (including, without limitation, the maintenance of the Trust as a REMIC under the Code and under relevant state and local law).

(d) This Agreement shall not be amended under this section without the consent of any of the Certificateholders if such amendment would result in the disqualification of the Trust as a REMIC under the Code or relevant state and local law.

(e) Promptly after the execution of any amendment or consent pursuant to this Section, the Trustee shall furnish written notification of the substance of such amendment to each Certificateholder (but only if such amendment is pursuant to Section 12.07(b) and affects the Class of Certificates held by such Certificateholder) and to [Rating Agency], which notification will be prepared by the Servicer and delivered to the Trustee.

(f) It shall not be necessary for the consent of Certificateholders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the

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execution thereof by Certificateholders shall be subject to such reasonable requirements as the Trustee may prescribe.

(g) The Trustee may, but shall not be obligated to, enter into any such amendment which affects the Trustee's own rights, duties or immunities under this Agreement or otherwise.

(h) In connection with any amendment pursuant to this Section, the Trustee shall be entitled to receive an Opinion of Counsel to the Servicer to the effect that such amendment is authorized or permitted by the Agreement.

(i) Upon the execution of any amendment or consent pursuant to this Section, this Agreement shall be modified in accordance therewith, and such amendment or consent shall form a part of this Agreement for all purposes, and every Holder of Certificates theretofore or thereafter issued hereunder shall be bound thereby.

#### SECTION 12.08. Contribution of Assets.

Following the Closing Date, the Trustee shall not accept any contribution

of additional assets to the Trust unless the Trustee has received an Opinion of Counsel addressed to the Trustee to the effect that (i) the contribution of such assets into the Trust will not cause the Trust to fail to qualify as a REMIC under the Code and under the relevant state and local law and (ii) such contribution will not cause the imposition of a tax on "prohibited transactions" (as defined in Section 860F of the Code or under similar provisions under the relevant state and local law) or on contributions to the Trust after the "start-up day" (as defined in Section 860G of the Code or under similar provisions under the relevant state and local law) with respect thereto.

SECTION 12.09. Notices.

All communications and notices pursuant hereto to the Company, the Servicer and the Trustee and [Rating Agency] shall be in writing and delivered or mailed to it at the appropriate following address:

If to the Company:

The CIT Group Securitization Corporation II  
650 CIT Drive  
Livingston, New Jersey 07039  
Attention: President

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If to the Servicer:

The CIT Group/Sales Financing, Inc.  
650 CIT Drive  
Livingston, New Jersey 07039  
Attention: President

If to the Trustee:

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If to the Paying Agent:

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If to [Rating Agency]:



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or at such other address as the party may designate by notice to the other parties hereto, which notice shall be effective when received.

All communications and notices pursuant hereto to a Certificateholder shall be in writing and delivered or mailed at the address shown in the Certificate Register.

SECTION 12.10. Merger and Integration.

Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. This Agreement may not be modified, amended, waived, or supplemented except as provided herein.

SECTION 12.11. Headings.

The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 12.12. Governing Law.

This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of New York, without regard to its conflict-of-laws provisions.

SECTION 12.13. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the 1st day of \_\_\_\_\_, 199\_.

THE CIT GROUP/SALES FINANCING, INC.

By: \_\_\_\_\_  
Name:  
Title:

THE CIT GROUP SECURITIZATION CORPORATION II

By: \_\_\_\_\_  
Name:  
Title:

[TRUSTEE]  
not in its individual  
capacity but solely as  
Trustee

By: \_\_\_\_\_  
Name:  
Title:

EXHIBITS TO POOLING AND SERVICING AGREEMENT

Exhibit A

[FORM OF CLASS A CERTIFICATE]

[SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT" AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE.]

Class A (Senior)

No. \_\_\_\_\_

Date of Pooling and Servicing  
Agreement: As of \_\_\_\_\_, 199\_

Remittance Rate: \_\_\_\_\_%

Cut-off Date: \_\_\_\_\_, 199\_

Denomination: \$ \_\_\_\_\_

Aggregate Denomination of  
all Class A Certificates:  
\$ \_\_\_\_\_

First Remittance Date:  
\_\_\_\_\_, 199\_

Final Remittance Date:  
\_\_\_\_\_, \_\_\_\_\_

Servicer: The CIT Group/Sales  
Financing, Inc.

CUSIP: \_\_\_\_\_

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MANUFACTURED HOUSING CONTRACT  
SENIOR/SUBORDINATE PASS-THROUGH CERTIFICATES,  
SERIES 199\_, CLASS A (SENIOR)

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR AN INTEREST IN THE

CIT GROUP SECURITIZATION CORPORATION II, THE CIT GROUP/SALES FINANCING, INC. OR ANY AFFILIATE THEREOF, EXCEPT TO THE EXTENT SET FORTH IN THE AGREEMENT.

This certifies that \_\_\_\_\_ is the registered owner of the undivided Percentage Interest represented by the denomination specified above in certain monthly distributions with respect to a Trust consisting of a pool of manufactured housing installment sales contracts and installment loan agreements (including, without limitation, all related security interests and any and all rights to receive payments which are due pursuant thereto on or after \_\_\_\_\_, 199\_) formed and sold by The CIT Group Securitization Corporation II (the "Company"). The Trust has been created pursuant to a Pooling and Servicing Agreement (the "Agreement"), dated as of \_\_\_\_\_, 199\_, among the Company, as Seller, The CIT Group/Sales Financing, Inc., as Servicer, and \_\_\_\_\_, as trustee of the Trust (the "Trustee"). This Certificate is one of the Certificates described in the Agreement and is issued pursuant and subject to the Agreement. By acceptance of this Certificate, the holder assents to and becomes bound by the Agreement. To the extent not defined herein, all capitalized terms have the meanings assigned to such terms in the Agreement.

The Agreement contemplates, subject to its terms, payment on the \_\_\_\_\_ day (or if such day is not a Business Day, the next succeeding Business Day) (the "Remittance Date") of each calendar month commencing \_\_\_\_\_, 199\_ so long as the Agreement has not been terminated, by check (or, if such Certificateholder holds a Class of Class A Certificates with an aggregate Percentage Interest of at least 5% and so desires, by wire transfer pursuant to instructions delivered to the Trustee at least 10 days prior to such Remittance Date) to the registered Certificateholder at the address appearing on the Certificate Register as of the last Business Day of the immediately preceding calendar month, in an amount equal to the Certificateholder's Percentage Interest of the portion of the [Class A Distribution Amount] to be distributed to such Class of Class A Certificates. The final scheduled Remittance Date of this Certificate is \_\_\_\_\_, \_\_\_\_\_ or the next succeeding Business Day if such date is not a Business Day.

The Certificateholder, by its acceptance of this Certificate, agrees that it will look solely to the funds in the Certificate Account to the extent available for distribution to the Certificateholder as provided in the Agreement for payment hereunder and that the Trustee in its individual capacity is not personally liable to the Certificateholder for any amounts payable under this Certificate or the Agreement or, except as expressly provided in the Agreement,

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subject to any liability under the Agreement. By acceptance of this Certificate, the Certificateholder agrees to disclosure of his, her or its name and address to other Certificateholders under the conditions specified in the Agreement.

This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and immunities of the Trustee. Copies of the Agreement and all Amendments thereto will be provided to any Certificateholder free of charge upon a written

request to the Trustee.

As provided in the Agreement and subject to the limitations set forth therein, the transfer of this Certificate is registrable in the Certificate Register of the Certificate Registrar upon surrender of this Certificate for registration of transfer at the office or agency maintained by the Trustee in \_\_\_\_\_, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the holder thereof or his or her attorney duly authorized in writing, and thereupon one or more new Certificates evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

[Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the Trustee or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

The Company, the Servicer, the Trustee, the Paying Agent and the Certificate Registrar and any agent of the Company, the Servicer, the Trustee, the Paying Agent or the Certificate Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Company, the Servicer, the Trustee, the Paying Agent, the Certificate Registrar nor any such agent shall be affected by any notice to the contrary.

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Unless this Certificate has been authenticated by the Trustee or its Authenticating Agent, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Company has caused this Certificate to be duly executed.

Dated:

THE CIT GROUP SECURITIZATION CORPORATION

By: \_\_\_\_\_  
Authorized Officer

[Form of Certificate of Authentication]  
This is one of the Certificates referred to in the within-mentioned Agreement.

\_\_\_\_\_, or  
Authenticating Agent

[TRUSTEE]

By: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Signatory

[Signature page to Class A Certificate,  
Manufactured Housing Contract Senior/  
Subordinate Pass-Through Certificate,  
Series \_\_\_\_\_]

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FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Manufactured Housing Contract Senior/Subordinate Pass-Through Certificate and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said certificate on the Certificate Register maintained by the Trustee, with full power of substitution in the premises.

Dated:

By \_\_\_\_\_

Signature

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Exhibit B

[Form of Class B Certificate]

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A CERTIFICATES TO THE EXTENT SET FORTH IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS

IN RELIANCE UPON EXEMPTIONS PROVIDED BY SUCH ACTS. NO TRANSFER OF THIS CERTIFICATE SHALL BE MADE UNLESS SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IS MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT, INCLUDING A TRANSFER MADE IN ACCORDANCE WITH THE EXEMPTION PROVIDED IN RULE 144A OF THE SECURITIES ACT, AND APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, AND UNLESS SUCH TRANSFER IS MADE IN ACCORDANCE WITH SECTION 9.02 OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.]

[SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT" AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE.]

Class B (Subordinate)

No. \_\_\_\_\_

Date of Pooling and Servicing Agreement: As of \_\_\_\_\_, 199\_

Remittance Rate: \_\_\_\_\_%

Denomination: \$ \_\_\_\_\_

Cut-off Date: \_\_\_\_\_, 199\_

Aggregate Denomination of all Class B Certificates: \$ \_\_\_\_\_

First Remittance Date: \_\_\_\_\_, 199\_

Final Remittance Date: \_\_\_\_\_, \_\_\_\_\_

Servicer: The CIT Group/Sales Financing, Inc.

CUSIP: \_\_\_\_\_

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MANUFACTURED HOUSING CONTRACT  
SENIOR/SUBORDINATE PASS-THROUGH CERTIFICATES,  
SERIES 199\_, CLASS B (SUBORDINATE)

THIS CERTIFICATE DOES NOT REPRESENT AN OBLIGATION OF OR AN INTEREST IN THE CIT GROUP SECURITIZATION CORPORATION II, THE CIT GROUP/SALES FINANCING, INC. OR ANY AFFILIATE THEREOF, EXCEPT TO THE EXTENT SET FORTH IN THE AGREEMENT.

This certifies that \_\_\_\_\_ is the registered owner of the undivided Percentage Interest represented by the denomination specified above in certain monthly distributions with respect to a Trust consisting of a pool of manufactured housing installment sales contracts and installment loan agreements (including, without limitation, all related security interests and any and all rights to receive payments which are due pursuant thereto on or after \_\_\_\_\_, 199\_) formed and sold by The CIT Group Securitization Corporation II (the

"Company"). The Trust has been created pursuant to a Pooling and Servicing Agreement (the "Agreement"), dated as of \_\_\_\_\_, 199\_, among the Company, as Seller, The CIT Group/Sales Financing, Inc., as Servicer, and \_\_\_\_\_, as trustee of the Trust (the "Trustee"). This Certificate is one of the Certificates described in the Agreement and is issued pursuant and subject to the Agreement. By acceptance of this Certificate the holder assents to and becomes bound by the Agreement. To the extent not defined herein, all capitalized terms have the meanings assigned to such terms in the Agreement.

The Agreement contemplates, subject to its terms, payment on the \_\_\_\_\_ day (or if such day is not a Business Day, the next succeeding Business Day) (the "Remittance Date") of each calendar month commencing \_\_\_\_\_, 199\_ so long as the Agreement has not been terminated, by check (or, if such Certificateholder holds Class B Certificates with an aggregate Percentage Interest of at least 20% and so desires, by wire transfer pursuant to instructions delivered to the Trustee at least 10 days prior to such Remittance Date) to the registered Certificateholder at the address appearing on the Certificate Register as of the last Business Day of the immediately preceding calendar month, in an amount equal to the Certificateholder's Percentage Interest of the [Class B Distribution Amount]. The final scheduled Remittance Date of this Certificate is \_\_\_\_\_, \_\_\_\_\_ or the next succeeding Business Day if such date is not a Business Day.

The Certificateholder, by its acceptance of this Certificate, agrees that it will look solely to the funds in the Certificate Account [and the Available Credit Enhancement Amount], to the extent available for distribution to the Certificateholder as provided in the Agreement, for payment hereunder and that the Trustee in its individual capacity is not personally liable to the Certificateholder for any amounts payable under this Certificate or the Agreement or, except as expressly provided in the Agreement, subject to any liability under the Agreement. By acceptance of this Certificate, the

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Certificateholder agrees to disclosure of his, her or its name and address to other Certificateholders under the conditions specified in the Agreement.

This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and immunities of the Trustee. Copies of the Agreement and all Amendments thereto will be provided to any Certificateholder free of charge upon a written request to the Trustee.

As provided in the Agreement and subject to the limitations set forth therein, the transfer of this Certificate is registrable in the Certificate Register of the Certificate Registrar upon surrender of this Certificate for registration of transfer at the office or agency maintained by the Trustee in \_\_\_\_\_, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the holder thereof or his or her attorney duly authorized in writing, and thereupon



one or more new Certificates evidencing the same aggregate Percentage Interest will be issued to the designated transferee or transferees.

[Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the Trustee or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

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[This Certificate has not been registered or qualified under the Securities Act or any state securities law.]

[No transfer, sale, pledge or other disposition of any Certificate or any interest therein shall be made unless such transfer is made pursuant to an effective registration statement under the Securities Act and effective registration or qualification under applicable state securities laws or is made in a transaction that does not require such registration or qualification.]

[In the event that (i) registration of a transfer of this Certificate is to be made in reliance upon the exemption from registration under the Securities Act contained in Rule 144A, (ii) the Holder of this Certificate delivers an officer's certificate substantially in the form of Exhibit K-1 to the Pooling and Servicing Agreement to each of the Seller and the Trustee, and (iii) the transferee of this Certificate delivers an officer's certificate in the form of Exhibit K-2 to the Agreement to the Seller and the Trustee, the Trustee shall register such transfer.]

[In the event that registration of a transfer is to be made in reliance upon an exemption from registration under the Securities Act (other than the exemption from registration contained in Rule 144A) and applicable state securities laws, the Company shall require, in order to assure compliance with the Securities Act, the transferee or the transferor of this Certificate to deliver to the Company and the Trustee either (i) an investment letter from such transferee in the form of Exhibit J to the Agreement, or (ii) an Opinion of Counsel that such transfer may be made pursuant to an exemption from the Securities Act (other than the exemption from registration contained in Section 3(a)(2) thereof).]

[Neither the Company nor the Trustee is obligated to register this Certificate under the Securities Act or under any state securities laws.]

[No service charge will be made for any such registration of transfer of exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.]

The Company, the Servicer, the Trustee, the Paying Agent and the Certificate Registrar and any agent of the Company, the Servicer, the Trustee, the Paying Agent or the Certificate Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Company, the Servicer, the Trustee, the Paying Agent, the Certificate Registrar nor any such agent shall be affected by any notice to the contrary.

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Unless this Certificate has been authenticated by the Trustee or its Authenticating Agent, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Company has caused this Certificate to be duly executed.

Dated:

THE CIT GROUP SECURITIZATION CORPORATION

By: \_\_\_\_\_  
Authorized Officer

[Form of Certificate of Authentication]  
This is one of the Certificates referred to in the within mentioned Agreement.

\_\_\_\_\_, or  
Authenticating Agent

[TRUSTEE]

By: \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_  
Authorized Signatory

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FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers

unto \_\_\_\_\_ the within Manufactured Housing Contract Senior/Subordinate Pass-Through Certificate and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said certificate on the Certificate Register maintained by the Trustee, with full power of substitution in the premises.

Dated:

By \_\_\_\_\_  
Signature

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Exhibit C

[FORM OF CLASS R CERTIFICATE]

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A CERTIFICATES AND THE CLASS B CERTIFICATES TO THE EXTENT SET FORTH IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS IN RELIANCE UPON EXEMPTIONS PROVIDED BY SUCH ACTS. NO TRANSFER OF THIS CERTIFICATE SHALL BE MADE UNLESS SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IS MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT, INCLUDING A TRANSFER MADE IN ACCORDANCE WITH THE EXEMPTION PROVIDED IN RULE 144A OF THE SECURITIES ACT, AND APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, AND UNLESS SUCH TRANSFER IS MADE IN ACCORDANCE WITH SECTION 9.02 OF THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN.

[SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "RESIDUAL INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT" AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE. THIS CERTIFICATE MAY ONLY BE TRANSFERRED TO A PERMITTED TRANSFEREE (AS DEFINED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN); ANY SUCH TRANSFER MUST ALSO SATISFY THE OTHER REQUIREMENTS OF SECTION 9.02 OF SUCH POOLING AND SERVICING AGREEMENT.]

Class R (Subordinate)

No. \_\_\_\_

Date of Pooling and Servicing Agreement: As of \_\_\_\_\_, 199\_\_

Percentage Interest: \_\_\_\_\_%

Cut-off Date: \_\_\_\_\_, 199\_\_

First Remittance Date:

\_\_\_\_\_, 199\_

Servicer: The CIT Group/Sales  
Financing, Inc.

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MANUFACTURED HOUSING CONTRACT SENIOR/SUBORDINATE  
PASS-THROUGH CERTIFICATES, SERIES 199\_

Initial Principal Amount of the Trust: \$ \_\_\_\_\_

This certifies that \_\_\_\_\_ is the registered owner of the undivided Percentage Interest stated above in the Residual Interest in the Trust referred to herein, and entitled to certain distributions with respect to such Trust, which Trust consists of a pool of manufactured housing installment sales contracts and installment loan agreements, including, without limitation, all related security interests and any and all rights to receive payments which are due pursuant thereto on or after \_\_\_\_\_, 199\_ (the "Contracts") formed and sold by The CIT Group Securitization Corporation II (the "Company"). The Trust has been created pursuant to a Pooling and Servicing Agreement (the "Agreement"), dated as of \_\_\_\_\_, 199\_, between the Company, as Seller, and The CIT Group/Sales Financing, Inc., as Servicer, and National Association, as Trustee of the Trust (the "Trustee"). This Class R Certificate is one of the Class R Certificates described in the Agreement and is issued pursuant and subject to the Agreement. By acceptance of this Class R Certificate the holder assents to and becomes bound by the Agreement. To the extent not defined herein, all capitalized terms have the meanings assigned to such terms in the Agreement.

The Agreement contemplates, subject to its terms, payment on the \_\_\_\_\_ day (or if such is not a Business Day, the next succeeding Business Day) (the "Remittance Date") of each calendar month commencing \_\_\_\_\_, 199\_, so long as the Agreement has not been terminated, by check (or, if such Class R Certificateholder holds Class R Certificates with an aggregate Percentage Interest of at least 20% and so desires, by wire transfer pursuant to instructions delivered to the Trustee at least ten days prior to such Remittance Date) to the registered Class R Certificateholder at the address appearing on the Certificate Register as of the last Business Day of the immediately preceding calendar month (each such month during the term of this Agreement

constituting a "Due Period"), in an amount equal to [the difference between (A) the Amount Available, and (B) the sum of (i) [the Class A Distribution Amount], (ii) [the Class B Distribution Amount], (iii) the Monthly Servicing Fee, (iv) amounts to reimburse the Class R Certificateholder for expenses incurred by and reimbursable to it, [and (v) the Credit Enhancement Fee]]. The final scheduled Remittance Date of this Class C Certificate is \_\_\_\_\_, \_\_\_\_\_ or the next succeeding Business Day if such date is not a Business Day.

The Class R Certificateholder, by its acceptance of this Certificate, agrees that it will look solely to the funds in the Certificate Account to the extent available for distribution to the Class R Certificateholder as provided in the Agreement for payment hereunder and that the Trustee in its individual capacity is not personally liable to the Class R Certificateholder for any amounts payable under this Certificate or the Agreement or, except as expressly provided in the Agreement, subject to any liability under the Agreement. By acceptance of this Certificate, the Certificateholder agrees to disclosure of his, her or its name and address to other Certificateholders under the conditions specified in the Agreement.

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This Class R Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and immunities of the Trustee. Copies of the Agreement and all amendments thereto will be provided to any Class R Certificateholder free of charge upon a written request to the Trustee.

As provided in the Agreement and subject to the limitations set forth therein, the transfer of this Class R Certificate is registrable in the Certificate Register of the Certificate Registrar upon surrender of this Class R Certificate for registration of transfer at the office or agency maintained by the Trustee in \_\_\_\_\_, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the holder thereof or his or her attorney duly authorized in writing, and thereupon one or more new Class R Certificates evidencing the same aggregate amount of Class R Certificates will be issued to the designated transferee or transferees.

As provided in the Agreement and subject to certain limitations therein set forth, this Class R Certificate is exchangeable for new Class R Certificates of authorized denominations evidencing the same aggregate Percentage Interest as requested by the holder surrendering the same.

No transfer of a Class R Certificate will be made unless such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities laws or is made in accordance with said Act and laws. The Trustee, the Company or CITSF may require an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee, the Company and CITSF that such transfer is exempt (describing the applicable exemption and the basis therefor) from or is being made pursuant to the

registration requirements of the Securities Act of 1933, as amended, and of any applicable statute of any state, and the transferee shall execute an investment letter in the form described by the Agreement. The Holder hereof desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Servicer and the Company against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

Neither this Certificate nor any beneficial interest herein may be directly or indirectly, assigned, sold, pledged, hypothecated or otherwise transferred except upon satisfaction of the conditions set forth in Section 9.02(d) of the Agreement pursuant to which this Certificate was issued. Any attempted transfer in violation of such restrictions shall be null and void and shall vest no rights in any purported transferee, and shall subject the Holder hereof to liability for any tax imposed (and related expenses, if any) with respect to such attempted transfer.

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No service charge will be made for any such registration of transfer of exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Servicer, the Trustee and the Certificate Registrar and any agent of the Company, the Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Company, the Servicer, the Trustee, the Certificate Registrar nor any such agent shall be affected by notice to the contrary.

[The holder of this Class R Certificate, by acceptance hereof, agrees that, in accordance with the requirements of Section 860D(b)(1) of the Code, the federal tax return of the Trust for its first taxable year shall provide that the Trust elects to be treated as a "real estate mortgage investment conduit" (a "REMIC") under the Code for such taxable year and all subsequent taxable years. The Certificates shall be "regular interests" in the REMIC and the Class R Certificates shall be the "residual interest" in the REMIC.]

Unless this Certificate has been authenticated by the Trustee or its Authenticating Agent, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purposes.

IN WITNESS WHEREOF, the Company has caused this Certificate to be duly executed.

Dated:

THE CIT GROUP SECURITIZATION  
CORPORATION

By: \_\_\_\_\_  
Authorized Officer

[Form of Certificate of Authentication]  
This is one of the Certificates referred to in the within mentioned Agreement.

\_\_\_\_\_, or  
Authenticating Agent

[TRUSTEE]

By \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_  
Authorized Signatory

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FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Manufactured Housing Contract Senior/Subordinate Pass-Through Certificate, and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney to transfer the said certificate on the Certificate Register maintained by the Trustee, with full power of substitution in the premises.

Dated:

By \_\_\_\_\_  
Signature

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Exhibit D

[FORM OF ASSIGNMENT]

In accordance with the Pooling and Servicing Agreement (the "Agreement") dated as of \_\_\_\_\_, 199\_, among The CIT Group/Sales Financing Inc. ("CITSF"), The CIT Group Securitization Corporation II (the "Company"), and \_\_\_\_\_ Chicago, as trustee (the "Trustee"), the Company does hereby sell, transfer, assign, set over and otherwise convey to the Trust created by the Agreement, to be held in trust as provided in the Agreement, (i) all right, title and interest in the manufactured housing installment sales contracts and installment loan agreements described in the List of Contracts (collectively, the "Contracts") and the proceeds thereof (including, without limitation, all security interests created thereby and any and all rights to receive payments which are due pursuant thereto from and after \_\_\_\_\_, 199\_, but excluding any rights to receive payments which were due pursuant thereto prior to \_\_\_\_\_, 199\_) identified in the List of Contracts delivered pursuant to Section 2.02(a) of the Agreement, which List of Contracts is also attached as an Exhibit to the Agreement, (ii) all rights under any Hazard Insurance Policy relating to a Manufactured Home securing a Contract for the benefit of the creditor of such Contract and all rights under any blanket hazard insurance policy and the proceeds from any Contract Holders' Errors and Omissions Protection Policy, to the extent they relate to the Manufactured Homes, (iii) [all rights under all FHA/VA Regulations pertaining to any FHA/VA Contract,] (iv) all documents contained in the Contract Files and the Land-Home Contract Files and (v) all proceeds in any way derived from any of the foregoing. All capitalized terms used herein without definition have the meanings ascribed to such terms in the Agreement.

This Assignment is made pursuant to and upon the representation and warranties on the part of the undersigned contained in Article III of the Agreement and no others.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed this \_\_\_ day of \_\_\_\_\_, 199\_.

THE CIT GROUP SECURITIZATION CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

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Exhibit E

THE CIT GROUP/SALES FINANCING, INC.

CERTIFICATE OF OFFICERS



The undersigned certify that they are the [title] and [title], respectively of The CIT Group/Sales Financing, Inc., a corporation organized under the laws of Delaware ("CITSF"), and that as such they are duly authorized to execute and deliver this certificate on behalf of CITSF in connection with the Pooling and Servicing Agreement, dated as of \_\_\_\_\_, 199\_ (the "Agreement"), among CITSF, The CIT Group Securitization Corporation II and \_\_\_\_\_, as Trustee (all capitalized terms used herein without definition having the respective meanings specified in the Agreement), and further certify that:

(i) attached hereto as Exhibit I is a true and correct copy of the Articles of Incorporation of CITSF, together with all amendments thereto as in effect on the date hereof;

(ii) attached hereto as Exhibit II is a true and correct copy of the By-laws of CITSF, as amended, as in effect on the date hereof;

(iii) the representations and warranties of CITSF contained in Sections 3.01 and 3.04 of the Agreement are true and correct on and as of the date hereof and, to the best of their knowledge, the representations and warranties of CITSF contained in Sections 3.02 and 3.03 of the Agreement are true and correct on and as of the date hereof;

(iv) no event with respect to CITSF has occurred and is continuing which would constitute an Event of Termination or an event that, with notice or lapse of time or both, would become an Event of Termination under the Agreement; and

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(v) each of the agreements and conditions of CITSF to be performed on or before the date hereof pursuant to the Agreement have been performed in all material respects.

IN WITNESS WHEREOF, we have affixed hereunto our signatures this \_\_\_\_\_ day of \_\_\_\_\_, 199\_.

\_\_\_\_\_  
[Name]  
[Title]

\_\_\_\_\_  
[Name]  
[Title]

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[FORM OF OPINION OF COUNSEL FOR THE CIT GROUP/  
SALES FINANCING, INC.]

F-1

FORM OF TRUSTEE'S ACKNOWLEDGMENT AND CERTIFICATION

\_\_\_\_\_, a National Banking Association organized under the laws of the United States, acting as trustee (the "Trustee") of the trust created pursuant to the Pooling and Servicing Agreement dated as of \_\_\_\_\_, 199\_ among The CIT Group Securitization Corporation II, The CIT Group/Sales Financing, Inc. and the Trustee (the "Agreement"), acknowledges, pursuant to Section 2.03 of the Agreement, that the Trustee has received, and holds in trust thereunder the following: (i) all right, title and interest in the manufactured housing installments sales contracts and installment loan agreements (including, without limitation, all security interests and any and all rights to receive payments which are due pursuant thereto from and after \_\_\_\_\_, 199\_, but excluding any rights to receive payments which were due pursuant thereto prior to \_\_\_\_\_, 199\_), identified in the List of Contracts delivered pursuant to Section 2.02(a) of the Agreement, which list of Contracts is also attached as an Exhibit to the Agreement, (ii) all rights under any Hazard Insurance Policy relating to a Manufactured Home securing a Contract for the benefit of the creditor of such Contract and all rights under any blanket hazard insurance policy and the proceeds from any Contract Holders' Errors and Omissions Protection Policy, to the extent they relate to the Manufactured Homes, (iii)

[all rights under all FHA/VA Regulations pertaining to any FHA/VA Contract,]  
(iv) all documents contained in the Contract Files and the Land-Home Contract Files, provided that the Contract Files will be held by the Servicer, as custodian, for the benefit of the Certificateholders and the Trustee, and (v) all proceeds in any way derived from any of the foregoing. The Trustee shall issue to, or upon the order of, the Company Certificates representing ownership of a beneficial interest in 100% of the Trust. Capitalized terms used herein have the meanings given them in the Agreement.

IN WITNESS WHEREOF, \_\_\_\_\_, as Trustee, has caused this acknowledgment to be executed by its duly authorized officer as of this \_\_\_ day of \_\_\_\_\_, 199\_.

[TRUSTEE], as Trustee

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

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Exhibit H

THE CIT GROUP/SALES FINANCING, INC.

CERTIFICATE OF SERVICING OFFICERS

The undersigned certify that they are the [title] and [title], respectively

of The CIT Group/Sales Financing, Inc., a corporation organized under the laws of Delaware ("CITSF"), and that as such they are duly authorized to execute and deliver this certificate on behalf of CITSF pursuant to Section 6.02 of the Pooling and Servicing Agreement, dated as of \_\_\_\_\_, 199\_ (the "Agreement"), among CITSF, The CIT Group Securitization Corporation II and \_\_\_\_\_, as Trustee (all capitalized terms used herein without definition having the respective meanings specified in the Agreement), and further certify that:

1. The Monthly Report for the period from \_\_\_\_\_ to \_\_\_\_\_ attached to this certificate is complete and accurate in accordance with the requirements of Sections 6.01 and 6.02 of the Agreement; and

2. As of the date hereof, no Event of Termination or event that with notice or lapse of time or both would become an Event of Termination has occurred.

IN WITNESS WHEREOF, we have affixed hereunto our signatures this \_\_\_\_ day of \_\_\_\_\_, 199\_.

THE CIT GROUP/SALES FINANCING, INC.

By \_\_\_\_\_  
[Name]  
[Title]

By \_\_\_\_\_  
[Name]  
[Title]

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Exhibit I-1

THE CIT GROUP/SALES FINANCING, INC.

CERTIFICATE REGARDING REPURCHASED CONTRACTS

The undersigned certify that they are [title] and [title], respectively of The CIT Group/Sales Financing, Inc., a corporation organized under the laws of Delaware ("CITSF"), and that as such they are duly authorized to execute and deliver this certificate on behalf of CITSF pursuant to Section 3.05(a) of the Pooling and Servicing Agreement, dated as of \_\_\_\_\_, 199\_ (the "Agreement"), among CITSF, The CIT Group Securitization Corporation II and \_\_\_\_\_, as Trustee (all capitalized terms used herein without definition having the respective meanings specified in the Agreement),

and further certify that:

1. The Contracts on the attached schedule are to be repurchased on the date hereof pursuant to Section 3.05 of the Agreement.

2. Upon deposit of the Repurchase Price for such Contracts, such Contracts may be assigned by the Trustee to CITSF.

IN WITNESS WHEREOF, we have affixed hereunto our signatures this \_\_\_\_ day of \_\_\_\_\_, 199\_.

THE CIT GROUP/SALES FINANCING, INC.

By: \_\_\_\_\_  
[Name]  
[Title]

By: \_\_\_\_\_  
[Name]  
[Title]

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Exhibit I-2

THE CIT GROUP/SALES FINANCING, INC.

CERTIFICATE REGARDING SUBSTITUTED CONTRACTS

The undersigned certify that they are [title] and [title], respectively of The CIT Group/Sales Financing, Inc., a corporation organized under the laws of Delaware ("CITSF"), and that as such they are duly authorized to execute and deliver this certificate on behalf of CITSF pursuant to Section 3.05(b) of the Pooling and Servicing Agreement, dated as of \_\_\_\_\_, 199\_ (the "Agreement"), among CITSF, The CIT Group Securitization Corporation II and \_\_\_\_\_, as Trustee (all capitalized terms used herein without definition having the respective meanings specified in the Agreement), and further certify that:

1. The Contract and Contract File for each such Eligible Substitute

Contract [are being held by CITSF, as Servicer] [have been delivered to \_\_\_\_\_, the successor Servicer].

2. The Contracts on the attached schedule are to be substituted on the date hereof pursuant to Section 3.05(b) of the Agreement and each such Contract is an Eligible Substitute Contract [description, as to each Contract, as to how it satisfies the definition of "Eligible Substitute Contract"].

3. The UCC-1 financing statements in respect of the Contracts to be substituted, in the form required by Section 3.05(b)(iii) of the Agreement, has been filed with the appropriate offices.

[4. There has been deposited in the Certificate Account the amounts listed on the schedule attached hereto as the amount by which the Scheduled Principal Balance of each Replaced Contract exceeds the Scheduled Principal Balance of each Contract being substituted therefor.]

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IN WITNESS WHEREOF, we have affixed hereunto our signatures this \_\_\_\_ day of \_\_\_\_\_, 199\_.

THE CIT GROUP/SALES FINANCING, INC.

By: \_\_\_\_\_  
[Name]  
[Title]

By: \_\_\_\_\_  
[Name]  
[Title]

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Exhibit J

FORM OF INVESTMENT LETTER

[Date]

The CIT Group Securitization Corporation II  
650 CIT Drive  
Livingston, New Jersey 07039  
Attention: President

The CIT Group/Sales Financing, Inc.  
650 CIT Drive  
Livingston, New Jersey 07039  
Attention: President

[ ]

Re: Purchase of \$\_\_\_\_\_ Principal Amount of The CIT Group  
Securitization Corporation II Manufactured Housing Contract  
Senior/Subordinate Pass-Through Certificates Series 199\_ -  
Class [B] [R] Certificates

Dear Sirs:

In connection with our purchase of the above referenced Certificates (the "Certificates"), the undersigned (the "Purchaser") hereby certifies and agrees on behalf of the Purchaser:

1. The Purchaser is an accredited investor and is acquiring the Certificates for its own account or accounts for which it exercises sole investment discretion and not with a view to, or for sale in connection with, any distribution thereof, subject nevertheless to any requirement of law that the disposition of the Purchaser's property shall at all times be and remain within its control.

2 . The Purchaser has received (a) a copy of the \_\_\_\_\_ dated \_\_\_\_\_, \_\_\_\_\_, relating to the Certificates, (b) a copy of the Pooling and Servicing Agreement dated as of \_\_\_\_\_, 199\_ (the "Pooling and Servicing Agreement"), among The CIT Group Securitization Corporation II, the CIT Group/Sales Financing, Inc. and \_\_\_\_\_, as Trustee, and

(c) other information concerning the Certificates and the Contracts (as defined in the Pooling and Servicing Agreement) requested by the Purchaser and relevant to the Purchaser's decision to purchase the Certificates.

3. The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Certificates and the Purchaser is able to bear the economic risks of such an investment.

4. The Purchaser will comply with all applicable federal and state

securities laws in connection with any subsequent resale of the Certificates by the Purchaser.

5. The Purchaser understands that the Certificates have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), that neither the Company, the Seller nor the Trust (as such terms are defined in the Pooling and Servicing Agreement) is required to so register the Certificates, and that the Certificates may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration thereunder is available.

6. If the Purchaser sells any of the Certificates, the Purchaser, at its option, will either (a) obtain from any accredited investor that purchases any Certificate from it a certificate containing the same representations, warranties and agreements contained in the foregoing paragraphs 1, 2(b), 3 through 5 and this paragraph 6, (b) deliver an opinion of counsel to such institutional investor, addressed to the Seller, the Servicer and the Trustee (as such terms are defined in the Pooling and Servicing Agreement), to the effect that such sale is in compliance with all applicable federal and state securities laws, or (c) comply with the requirements of paragraph Second of Section 9.02(b) of the Pooling and Servicing Agreement.

Very truly yours,

---

(Name of Purchaser)

By:

(Authorized Officer)

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Exhibit K-1

[FORM OF TRANSFEROR'S CERTIFICATE]

THE CIT GROUP SECURITIZATION CORPORATION II  
MANUFACTURED HOUSING CONTRACT  
SENIOR/SUBORDINATE PASS-THROUGH CERTIFICATES  
SERIES 199\_

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The undersigned, a duly authorized representative of \_\_\_\_\_ (the "Transferor"), pursuant to the Pooling and Servicing Agreement dated as of \_\_\_\_\_, 199\_ (the "Pooling and Servicing Agreement"), among The CIT Group Securitization Corporation II (the "Company"), The CIT Group/Sales Financing, Inc. and \_\_\_\_\_, as trustee (the "Trustee"), does hereby certify to the Company and the Trustee that:

1. The undersigned is duly authorized to execute and deliver this Certificate to the Trustee and to the Company.

2. This Certificate is delivered pursuant to Section 9.02(b) of the Pooling and Servicing Agreement.

3. In connection with the transfer (the "Transfer") of Investor Certificate No. [B-] [R-] from the Transferor to \_\_\_\_\_ (the "Transferee"):

(a) the Transferor reasonably believes the Transferee to be a Qualified Institutional Buyer as defined in Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended; and

(b) registration of the Transfer is to be made in reliance upon the exemption from transfer contained in Rule 144A.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name:  
Title:

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Exhibit K-2

[FORM OF TRANSFEREE'S CERTIFICATE]

THE CIT GROUP SECURITIZATION CORPORATION II  
MANUFACTURED HOUSING CONTRACT  
SENIOR/SUBORDINATE PASS-THROUGH CERTIFICATES  
SERIES 199\_

-----

The undersigned, a duly authorized representative of \_\_\_\_\_ (the "Transferee"), pursuant to the Pooling and Servicing Agreement dated as of \_\_\_\_\_, 199\_ (the "Pooling and Servicing Agreement"), among The CIT Group Securitization Corporation II (the "Company"), The CIT Group/Sales Financing, Inc. and \_\_\_\_\_, as trustee (the "Trustee"), does hereby certify to the Company and the Trustee that:

1. The undersigned is duly authorized to execute and deliver this Certificate to the Trustee and to the Company.

2. This Certificate is delivered pursuant to Section 9.02(b) of the Pooling and Servicing Agreement.

3. In connection with the transfer (the "Transfer") of Investor Certificate No. [B-] [R-] from \_\_\_\_\_ (the "Transferor") to the Transferee:

(a) the Transferee is a Qualified Institutional Buyer as defined in Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended (the "Securities Act");

(b) the Transferee acknowledges that the Transferor, the Company and the Trustee are relying upon the Transferee's representations set forth herein in order to claim the exemption from registration contained in Rule 144A;

[(c) the Transferee requested information from the Servicer concerning the assets of the Trust, and received from the Servicer a copy of the monthly statements relating to the Trust for the period through \_\_\_\_\_, \_\_\_\_\_ [,] [and] the disclosure document annexed hereto as Annex 1 [and \_\_\_\_\_].]

OR

K-2-1

[(c) the Transferee did not request information from the Servicer and the Trust Assets.]

The Transferee acknowledges that the Certificate referred to above has not been registered under the Securities Act or under any state securities or "Blue Sky" laws, in reliance upon exemptions provided by such Acts.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name:  
Title:

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Exhibit L

THE CIT GROUP SECURITIZATION CORPORATION II  
MANUFACTURED HOUSING CONTRACT SENIOR/SUBORDINATE  
CERTIFICATES, SERIES 199\_  
MONTHLY REPORT

REMITTANCE DATE: \_\_\_\_\_

CLASS A CERTIFICATES

Distribution Amounts  
\_\_\_\_\_

1. Aggregate Class A Distribution	\$ _____
2. Aggregate Class B Distribution	\$ _____
3. Aggregate Class R Distribution	\$ _____

Interest  
\_\_\_\_\_

1. Aggregate Class A Interest	\$ _____
2. Amount applied to Unpaid Class A Interest Shortfall	\$ _____
3. Remaining Unpaid Class A Interest Shortfall	\$ _____

Principal  
\_\_\_\_\_

4. Formula Principal Distribution Amount	\$	_____
(a) Scheduled Principal	\$	_____
(b) Principal Prepayments	\$	_____
(c) Liquidated Contracts	\$	_____
(d) Repurchases	\$	_____
5. Pool Scheduled Principal Balance	\$	_____
[6. Class A Scheduled Principal Deficiency		_____

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Amount (if any) following prior Remittance Date	\$	_____ ]
7. Class A Principal Distribution Amount	\$	_____
8. Class A Principal Balance	\$	_____
9. Class B Principal Balance	\$	_____
[10. Class A Scheduled Principal Deficiency Amount (if any) following current Remittance Date	\$	_____ ]
11. Class A Pool Factor (Pool Scheduled Principal Balance divided by Cut-off Date Principal Balance)	\$	_____

Delinquency Information

	Number	Aggregate Principal Balance
	_____	_____
12. Delinquent Contracts		
(a) 31-59 days		\$ _____
(b) 60 days or more	_____	\$ _____
13. Repossessed Contracts	_____	\$ _____
14. Repossessed Contracts Remaining in Inventory	_____	\$ _____

CLASS B/CLASS R CERTIFICATES

Amount Available	\$
[Available Credit Enhancement Amount]	\$
Class B Certificates	
Interest	

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1. Aggregate Class B Interest	\$
2. Amount applied to Unpaid Class B Interest Shortfall	\$
3. Remaining Unpaid Class B Interest Shortfall	\$
Principal	
4. Aggregate Principal (until Class A Principal Balance reaches zero, Aggregate Principal equals Class B Principal Loss Liquidation Amount)	\$
5. Principal Prepayments	\$
6. Class B Principal Loss Liquidation Amount	\$
7. Amount, if any, by which the [Class B Distribution Amount] for such Remittance Date exceeds the Amount Available in the Certificate Account available for distributions on Class B Certificates on such Remittance Date.	\$
[8. Class B Enhancement Payment	\$ ]

9. Class B Principal Balance \$ \_\_\_\_\_

Class R Certificates

10. Class R Residual Payment \$ \_\_\_\_\_

a. The amount (if any) by which the Amount Available exceeds the [Class A Distribution Amount] and the Class B Distribution Amount]. \$ \_\_\_\_\_

b. Aggregate Repossession Profits less amount retained by \_\_\_\_\_

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Servicer to reimburse itself for taxes paid. \$ \_\_\_\_\_

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EXHIBIT M

FORM OF TRANSFER AFFIDAVIT

DATE OF )
: ss.:
COUNTY OF )

The undersigned, being first duly sworn, deposes and says as follows:

1. The undersigned is an officer of \_\_\_\_\_, the proposed Transferee of an Ownership Interest in the Class R Certificate of the Manufactured Housing Contract Senior/Subordinate Pass-Through Certificates Series \_\_\_\_\_, issued pursuant to the Pooling and Servicing Agreement, dated as of \_\_\_\_\_, 199\_ (the "Agreement"), among The CIT Group Securitization Corporation II, The CIT Group/Sales Financing, Inc. and \_\_\_\_\_, as trustee. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement. The Transferee has authorized the undersigned to take this affidavit on behalf of the Transferee.

2. The Transferee is, as of the date hereof, and will be, as of the date of the Transfer, a Permitted Transferee. The Transferee is acquiring its Ownership Interest in the Class R Certificate either (i) for its own account or (ii) as nominee, trustee or agent for another person and has attached hereto an Affidavit from such person in substantially the same form as this Affidavit. The Transferee has no knowledge that any such Affidavit is false.

3. The Transferee has been advised and understands that (i) a tax shall be imposed on Transfers of Ownership Interests in the Class R Certificate to persons that are not permitted Transferees; (ii) such tax would be imposed on the transferor, or, if such Transfer is through an agent (which includes a broker, nominee or middleman) for a person that is not a permitted Transferee, on such agent; and (iii) the person otherwise liable for the tax shall be relieved of liability for the tax if the subsequent Transferee furnishes to such person an affidavit that such subsequent Transferee is a Permitted transferee and, at the time of Transfer, such person does not have actual knowledge that the affidavit is false.

4. The Transferee has been advised and understands that a tax shall be imposed on a "pass-through entity" holding Ownership Interest in the Class R Certificate if at any time during the taxable year of the pass-through entity a person that is not a Permitted Transferee is the record holder of an interest in such entity. The Transferee understands that no tax will be imposed for any period for which the record holder furnishes to the pass-through entity an affidavit stating that the record holder is a Permitted Transferee and the pass-through entity does not have actual knowledge that such affidavit is false. (For this purpose, a "pass-through entity" includes a regulated investment company, a real estate investment trust or common trust fund, a partnership, trust or estate, and certain cooperatives and, except as may be provided in

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Treasury Regulations, persons holding interests in pass-through entities as a nominee for another Person.)

5. The Transferee has reviewed the provisions of Section 9.02 of the Agreement (attached hereto as Exhibit 1 and incorporated herein by reference) and understands the legal consequences of the acquisition of an Ownership Interest in the Class R Certificate including, without limitation, the restrictions on subsequent Transfers and the provisions regarding voiding the Transfers and mandatory sales. The Transferee expressly agrees to be bound by and abide by the provisions of Section 9.02 of the Agreement and the restrictions noted on the face of the Class R Certificate. The Transferee understands and agrees that any breach of any of the representations included herein shall render the attempted Transfer null and void.

6. The Transferee agrees to require a Transfer Affidavit from any person to whom the Transferee attempts to Transfer its Ownership Interest in the Class R Certificate, and in connection with any Transfer by a person for whom the Transferee is acting as nominee, trustee or agent. The Transferee agrees to not

Transfer its Ownership Interest or cause any Ownership Interest to be Transferred to any person that the Transferee knows is not a Permitted Transferee.

7. The Transferee represents and warrants that (i) no purpose of its purchase of an Ownership Interest in the Class R Certificates is or will be to impede the assessment or collection of any tax, and (ii) it has no present knowledge or expectation that it will become insolvent or subject to a bankruptcy proceeding for so long as it holds the Class R Certificate.

8. The Transferee's taxpayer identification number is \_\_\_\_\_.

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IN WITNESS WHEREOF, the Transferee has caused this instrument to be executed on its behalf, pursuant to authority of its Board of Directors, by its duly authorized officer this \_\_\_ day of \_\_\_\_\_.

[NAME OF TRANSFEREE]

By: \_\_\_\_\_  
Name:  
Title:

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EXHIBIT N

LIST OF CONTRACTS





Exhibit 4.2

Form of Limited Guarantee

LIMITED GUARANTEE, dated as of \_\_\_\_\_, 199\_, made by The CIT Group Holdings, Inc. ("Holdings") pursuant to Section \_\_\_\_\_ of the Pooling and Servicing Agreement dated as of \_\_\_\_\_, 199\_ among The CIT Group Securitization Corporation II, The CIT Group/Sales Financing, Inc. and [Trustee], not in its individual capacity but solely as Trustee (the "Agreement").

Capitalized Terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

To induce the parties to the Agreement to enter into the Agreement and perform their respective obligations thereunder, Holdings hereby unconditionally agrees to the following:

1. Not later than the third Business Day prior to each Remittance Date, the Servicer shall notify Holdings of the amount of the Guarantee Payment, if any, for such Remittance Date. Not later than the Business Day preceding each Remittance Date, Holdings shall deposit the Guarantee Payment, if any, for such Remittance Date into the Certificate Account.

2. The obligations of Holdings under this Limited Guarantee shall not terminate upon or otherwise be affected by a Service Transfer pursuant to Article VII of the Agreement.

3. The obligations of Holdings under this Limited Guarantee shall terminate on the Final Remittance Date.

4. The obligation of Holdings to make the Guarantee Payments described in subsection 1 above shall be unconditional and irrevocable.

5. If Holdings fails to make a Guarantee Payment in whole or in part, Holdings shall promptly notify the Trustee, and the Trustee shall promptly notify Moody's.

[For purposes of this Agreement, "Guarantee Payment" means, (i) with respect to any Remittance Date prior to the Cross-over Date, the amount, if any, by which the sum of (A) the Class [B] Interest Distribution Amount for such

Remittance Date and (B) the Class [B] Principal Liquidation Loss Amount, if any exceeds (C) the amount of principal and interest distributions to be made to the Class [B] Certificateholders on such Remittance Date pursuant to the Agreement, and (ii) with respect to any Remittance Date after the Cross-Over Date, the amount, if any, by which the amount of principal and interest distributions to the Class [B] Certificateholders on such Remittance Date pursuant to the Agreement exceeds the Amount Available for such Remittance Date; provided, however, in each case the aggregate Guarantee Payments made by Holdings hereunder shall in no event exceed the Guarantee Amount. The Guarantee Amount shall be \_\_\_\_\_.]

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All payments by Holdings under this Limited Guarantee will be made free and clear of and without deduction for any present or future income, stamp or other taxes, levies, imposts, deductions, charges, fees, withholdings, liabilities, restrictions or conditions of any nature whatsoever now or hereafter imposed, levied, collected, assessed or withheld by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities ("Taxes"); provided, however, that Holdings shall not be obligated to pay any amount allocable to Taxes which the Trust was required to withhold.

This Limited Guarantee is not secured by a security interest in, pledge of or lien on any assets of Holdings or any of its subsidiaries.

No amendment of any provision of this Limited Guarantee shall be effective unless it is in writing and signed by Holdings and each party to the Agreement.

This Limited Guarantee shall be construed in accordance with and governed by the internal laws of the State of New York applicable to contracts made and to be performed thereon without regard to conflicts of law principles.

IN WITNESS WHEREOF, The CIT Group Holdings, Inc. has duly executed this Limited Guarantee as of the day and year first written above.

THE CIT GROUP HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

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Exhibit 5.1

Opinion and Consent of Schulte Roth & Zabel

December 21, 1994

The CIT Group Securitization Corporation II  
The CIT Group Holdings, Inc.  
650 CIT Drive  
Livingston, New Jersey 07039

Dear Sirs:

We have acted as special counsel to you (the "Corporations") in connection with the Registration Statement combined on Form S-11 and Form S-3 (the "Registration Statement"), filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), registering the manufactured housing contract pass-through certificates (the "Certificates") issued by The CIT Group Securitization Corporation II ("CIT II") and the limited guarantees (the "Guarantees") of certain of the Certificates by The CIT Group Holdings, Inc. ("Holdings"), each described in the prospectus and prospectus supplement which form a part of the Registration Statement (the "Prospectus" and "Prospectus Supplement"). Each series of Certificates and the related Guarantees will be issued pursuant to a pooling and servicing agreement (the "Agreement") substantially in the form filed as Exhibit 4.1 to the Registration Statement.

In connection with this opinion, we have examined signed copies of the Registration Statement and originals, copies certified or otherwise identified to our satisfaction, of such records of the Corporations and such agreements, certificates of public officials, certificates of officers or representatives of the Corporations and others, and such other documents, certificates and corporate or other records as we have deemed necessary or appropriate as a basis for this opinion.

The CIT Group Securitization Corporation II

The CIT Group Holdings, Inc.

December 21, 1994

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As to all matters of fact, we have relied upon and assumed the accuracy of statements and representations of officers and other representatives of the Corporations and others.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons signing or delivering any instrument, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

We have also assumed, with respect to the Agreement and the Guarantees, that: (a) the Agreement will be duly executed and delivered by each of the parties thereto prior to the issuance of any Certificate thereunder; (b) at the time of such execution, each such party, other than the Corporations, will be duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and will have all requisite power and authority to execute, deliver and perform its obligations under the Agreement; (c) the execution and delivery of the Agreement and performance of such obligations will have been duly authorized by all necessary actions on the part of each such party, other than the Corporations; (d) at the time of such execution, the Agreement will be the legal, valid and binding obligation of each such party, other than the Corporations, and will be enforceable against each such party, other than the Corporations, in accordance with its terms; (e) the Guarantees will be duly executed and delivered by Holdings; and (f) during the period from the date hereof until the date of such execution and delivery, there will be no change in (i) any relevant authorization, law or regulation, or interpretation thereof, (ii) the terms and conditions of the Agreement or the Guarantees, or (iii) any set of facts or circumstances relating to the Agreement or the Guarantees.

Based upon the foregoing, we are of the opinion that: (a) the Certificates have been duly authorized and, when duly executed by CIT II and authenticated in accordance with the terms of the Agreement and issued and delivered in

accordance with the terms of the Agreement against payment therefor as contemplated by the Prospectus and Prospectus Supplement, will be legally issued, fully paid and nonassessable; and (b) the Guarantees have been duly authorized and, when duly executed by Holdings and issued and delivered in accordance with the terms of the Agreement as contemplated by the Prospectus and Prospectus Supplement, will be valid and binding obligations of CIT II and Holdings, respectively, enforceable against CIT II and Holdings, respectively, in accordance with their terms, except to the extent that the enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, fraudulent

The CIT Group Securitization Corporation II  
The CIT Group Holdings, Inc.  
December 21, 1994  
Page 3

conveyance, reorganization, moratorium or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies, and (ii) general principles of equity, including, without limitation, principles of reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in equity or at law).

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to this firm appearing under the heading "Legal Matters" in the Prospectus. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the General Rules and Regulations of the Commission thereunder.

Very truly yours,

/s/ Schulte Roth & Zabel

Exhibit 8.1

Opinion of Schulte Roth & Zabel as to Tax Matters

December 21, 1994

The CIT Group Securitization Corporation II  
650 CIT Drive  
Livingston, New Jersey 07039

Dear Sirs:

We have acted as special counsel to you (the "Corporation") in connection with the Registration Statement combined on Form S-11 and Form S-3 (the "Registration Statement"), filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), registering the manufactured housing contract pass-through certificates (the "Certificates") described in the prospectus and prospectus supplement which forms a part of the Registration Statement (the "Prospectus" and "Prospectus Supplement"). The Certificates will be issued pursuant to a pooling and servicing agreement (the "Agreement") substantially in the form filed as Exhibit 4.1 to the Registration Statement.

We hereby confirm that the statements set forth in the Prospectus and the Prospectus Supplement under the heading "Certain Federal Income Tax Consequences" accurately describe the material Federal income tax consequences to holders of the Certificates.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the General Rules and Regulations of the Commission thereunder.

Very truly yours,

/s/ Schulte Roth & Zabel



Exhibit 10.1

Form of Sale and Purchase Agreement

SALE AND PURCHASE AGREEMENT

This Sale and Purchase Agreement dated as of \_\_\_\_\_, \_\_\_\_ (the "Agreement"), between THE CIT GROUP SECURITIZATION CORPORATION II, as purchaser (the "Purchaser"), and THE CIT GROUP/SALES FINANCING, INC., as seller (the "Seller").

Subject to the terms hereof, the Seller agrees to sell, and the Purchaser agrees to purchase, the manufactured housing installment sales contracts and installment loan agreements set forth on Exhibit A (collectively, the "Contracts"), having an aggregate outstanding principal balance as of \_\_\_\_\_, 19\_\_ (the "Cut-Off Date") of approximately \$\_\_\_\_\_.

It is the intention of the Seller and the Purchaser that the Purchaser shall sell the Contracts to a trust and shall enter into a Pooling and Servicing Agreement, dated as of the date hereof, with \_\_\_\_\_, as trustee (the "Trustee"), and the Seller, pursuant to which Manufactured Housing Contract [Senior/Subordinate] Pass-Through Certificates, Series \_\_\_\_\_ (the "Certificates"), evidencing ownership interests in the Contracts, will be issued.

The Purchaser and the Seller wish to prescribe the terms and conditions of the purchase by the Purchaser of the Contracts and the servicing and administration of the Contracts.

In consideration of the premises and the mutual agreements hereinafter set forth, the Purchaser and the Seller agree as follows:

ARTICLE I

DEFINITIONS

All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Pooling and Servicing Agreement. The following words and phrases are defined as follows:

CERTIFICATES: The Manufactured Housing Contract [Senior/Subordinated] Pass-Through Certificates, Series \_\_\_\_\_, Class A [and Class B].

CLOSING DATE: \_\_\_\_\_, 19\_\_.

CUT-OFF DATE: \_\_\_\_\_, 19\_\_.

OFFICERS' CERTIFICATE: A certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the President, an Executive Vice President or a Vice President of the Seller, and delivered to the Purchaser as required by this Agreement.

OPINION OF COUNSEL: A written opinion of counsel, who may be counsel for the Seller, reasonably acceptable to the Purchaser.

[PLACEMENT AGENT: \_\_\_\_\_.]

POOLING AND SERVICING AGREEMENT: The agreement to be entered into by and among the Purchaser, the Seller (as Servicer) and the Trustee, to be dated as of the date hereof, pursuant to which Manufactured Housing Contract [Senior/Subordinate] Pass-Through Certificates, Series \_\_\_\_\_, evidencing ownership interests in the Trust created thereby, will be sold. The Pooling and Servicing Agreement shall be in substantially the form attached hereto as Exhibit B.

PROSPECTUS: The prospectus filed as part of the registration statement of The CIT Group Securitization Corporation II, as amended, dated \_\_\_\_\_, 199\_ used in connection with the offering of the Certificates.

PROSPECTUS SUPPLEMENT: The prospectus supplement, dated \_\_\_\_\_, 199\_, used in connection with the offering of the Certificates.

PURCHASER: The owner of the Contracts as indicated in the books and records of the Seller, initially The CIT Group Securitization Corporation II.

SELLER: The CIT Group/Sales Financing, Inc., or its successor in interest.

SERVICER: The CIT Group/Sales Financing, Inc., or its successors or assigns, as servicer pursuant to the Pooling and Servicing Agreement.

TRUSTEE: \_\_\_\_\_, as trustee pursuant to the Pooling and Servicing Agreement.

UNDERWRITERS: \_\_\_\_\_.

## ARTICLE II

### SALE AND CONVEYANCE OF CONTRACTS; CONTRACT FILES

SECTION 2.01. Sale and Conveyance of Contracts. On the Closing Date, subject to the terms and conditions hereof, the Seller shall sell, transfer, assign, set over and convey to the Purchaser, without recourse but subject to the terms of this Agreement, as of the Closing Date, (a) all right, title and interest of the Seller in and to the Contracts listed on the List of Contracts, including, without limitation, the security interest created thereby and any related Mortgages, all interest and principal received by the Seller on or with respect to the Contracts after the Cut-Off Date (other than principal and interest due on the Contracts, on or before the Cut-Off Date) and all principal and interest received by the Seller on or with respect to the Contracts before the Cut-Off Date which was due after the Cut-Off Date, (b) all right under any Hazard Insurance Policies relating to the Manufactured Homes securing the Contracts for the benefit of the creditors of such Contracts, [(c) all rights under all FHA/VA Regulations pertaining to any FHA/VA Contracts,] (d) the proceeds from any Contract Holders' Errors and Omissions Protection Policy and all rights under any blanket hazard insurance policy, to the extent they relate to the Manufactured Homes, (e) all documents contained in the Contract Files or the Land-Home Contract Files, (f) all rights to any rebated portions of Force-Placed Insurance Premiums and (g) all proceeds in any way derived from any of the foregoing. The parties intend that the conveyance of the Seller's right, title and interest in and to the Contracts pursuant to this Agreement shall constitute an absolute sale.

SECTION 2.02. Purchase Price; Payments on the Contracts.

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(a) The purchase price for the Contracts shall be an amount equal to \$\_\_\_\_\_. Such purchase price shall be payable in immediately available funds on the Closing Date.

(b) The Purchaser shall be entitled to all scheduled payments of principal and interest due after the Cut-Off Date and all Principal Prepayments received after the Cut-Off Date. The principal balance of each Contract as of the Cut-Off Date is determined after deduction of payments of principal due on or before the Cut-Off Date whether or not collected. Therefore, Advance Payments received prior to the Cut-Off Date with respect to a Due Date after the Cut-Off Date shall not be deducted from the principal balance as of the Cut-Off Date. Such Advance Payments shall be the property of the Purchaser. All scheduled payments of principal and interest due on or before the Cut-Off Date, and collected on or after the Cut-Off Date, shall belong to the Seller. The Purchaser shall hold in trust for the Seller, and shall promptly remit to the Seller, any payments on the Contracts received by the Purchaser that belong to the Seller under the terms of this Agreement.

SECTION 2.03. Conditions to Sale of Contracts. The Purchaser's obligations hereunder are subject to the following conditions:

A. The Purchaser shall have received (i) the Pooling and Servicing Agreement executed by all the parties thereto, (ii) the documents listed in Section 2.02 of the Pooling and Servicing Agreement and (iii) such other opinions and documents as the Purchaser may reasonably require in connection with the purchase of the Contracts hereunder or the sale of the Certificates;

B. The representations and warranties of the Seller and the Servicer made in the Pooling and Servicing Agreement shall be true and correct in all material respects on the Closing Date;

C. The Purchaser shall have received from counsel to the Seller a letter stating that the Purchaser may rely on such counsel's opinion delivered pursuant to Section 2.02 of the Pooling and Servicing Agreement and such counsel's opinion to [Rating Agency] in respect of the sale of the Contracts to the Purchaser by the Seller, or such opinions may be addressed and delivered to the Purchaser; and

D. The Purchaser shall have received the Officers' Certificate referred to in Section 3.01(a).

SECTION 2.04. Examination of Files. The Seller will make the Contract Files available to the Purchaser or its agent for examination at the Trustee's offices

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or such other location as otherwise shall be agreed upon by the Purchaser and the Seller.

SECTION 2.05. Transfer of Contracts. Pursuant to the Pooling and Servicing Agreement, the Purchaser will assign all of its right, title and interest in and to the Contracts to the Trustee for the benefit of the Certificateholders. The

Purchaser has the right to assign its interest under this Agreement as may be required to effect the purposes of the Pooling and Servicing Agreement, by written notice to the Seller and without the consent of the Seller, and the assignee shall succeed to the rights and obligations hereunder of the Purchaser.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE SELLER; REPURCHASE OF CONTRACTS

##### SECTION 3.01. Representations and Warranties of the Seller.

(a) The representations and warranties of the Seller contained in Article III of the Pooling and Servicing Agreement are incorporated herein, and are made to the Purchaser on the date hereof, as if set forth herein and as if made to the Purchaser on the date hereof. The Seller will make such representations and warranties in the Pooling and Servicing Agreement directly to the Trustee and will become obligated in respect of such representations and warranties pursuant to Section 3.02 of the Pooling and Servicing Agreement. On the Closing Date, the Seller shall deliver to the Purchaser an Officers' Certificate, dated the Closing Date, to the effect that the representations and warranties made in Article III of the Pooling and Servicing Agreement by the Seller are true and correct in all material respects as of the Closing Date.

(b) It is understood and agreed that the representations and warranties incorporated by reference in this Agreement by Section 3.01(a) hereof shall remain operative and in full force and effect, shall survive the transfer and conveyance of the Contracts by the Seller to the Purchaser and by the Purchaser to the Trustee, and shall inure to the benefit of the Purchaser, the Trustee and their successors and permitted assignees.

(c) The Seller shall indemnify the Purchaser and the Servicer and hold the Purchaser and the Servicer harmless against any loss, penalties, fines, forfeitures, legal fees and related costs, judgments and other costs and expenses resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach of the Seller's representations and

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warranties contained or incorporated by reference in this Agreement. It is understood and agreed that the obligation of the Seller set forth in this Section 3.01 to indemnify the Purchaser and the Servicer as provided in this Section 3.01 constitutes the sole remedy of the Purchaser and the Servicer respecting a breach of the foregoing representations and warranties. The Trustee shall also have the remedies provided in the Pooling and Servicing Agreement.

(d) Each indemnified party shall give prompt notice to the Seller of any

action commenced against it with respect to which indemnity may be sought hereunder but failure to so notify an indemnifying party shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement, unless the failure to notify materially prejudices the rights and condition of the Seller. The Seller shall be entitled to participate in any such action, and to assume the defense thereof, and after notice from the Seller to an indemnified party of its election to assume the defense thereof, the Seller will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof.

(e) Any cause of action against the Seller or relating to or arising out of the breach of any representations and warranties made or incorporated by reference in this Section 3.01 shall accrue as to any Contract upon (i) discovery of such breach by the Purchaser or the Servicer or notice thereof by the Seller to the Purchaser and the Servicer, (ii) failure by the Seller to cure such breach and (iii) demand upon the Seller by the Purchaser for all amounts payable in respect of such Contract.

#### ARTICLE IV

#### MISCELLANEOUS PROVISIONS

SECTION 4.01. Amendment. This Agreement may be amended from time to time by the Seller and the Purchaser by written agreement signed by the Seller and the Purchaser.

SECTION 4.02. Counterparts. For the purpose of facilitating the execution of this Agreement as herein provided and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

SECTION 4.03. Termination. The Seller's obligations under this Agreement shall survive the sale of the Contracts to the Purchaser.

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SECTION 4.04. Governing Law. This Agreement shall be construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

SECTION 4.05. Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed by first class mail, postage prepaid, to (i) in the case of the Seller, The CIT

Group/Sales Financing, Inc., 650 CIT Drive, Livingston, New Jersey 07039, Attention: President, or such other address as may hereafter be furnished to Purchaser in writing by the Seller, or (ii) in the case of the Purchaser, The CIT Group Securitization Corporation II, 650 CIT Drive, Livingston, New Jersey 07039, Attention: President, or such other address as may hereafter be furnished to the Seller by the Purchaser.

SECTION 4.06. Severability of Provisions. 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, provisions 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.

SECTION 4.07. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Seller and the Purchaser and their respective successors and assigns, as may be permitted hereunder.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

THE CIT GROUP SECURITIZATION CORPORATION II,  
as Purchaser

By: \_\_\_\_\_  
Name:  
Title:

THE CIT GROUP/SALES FINANCING, INC.,  
as Seller

By: \_\_\_\_\_  
Name:  
Title:

List of Contracts

EXHIBIT B

[Form of Pooling and Servicing Agreement]



Exhibit 10.2

Form of Subsequent Sale and Purchase Agreement

SUBSEQUENT SALE AND PURCHASE AGREEMENT

This Subsequent Sale and Purchase Agreement dated as of \_\_\_\_\_, (the "Agreement"), between THE CIT GROUP SECURITIZATION CORPORATION II, as purchaser (the "Purchaser"), and THE CIT GROUP/SALES FINANCING, INC., as seller (the "Seller").

Reference is hereby made to the Sale and Purchase Agreement dated as of \_\_\_\_\_, 199 between the parties hereto (the "Sale and Purchase Agreement") pursuant to which the Purchaser purchased from the Seller the manufactured housing installment sales contracts and installment loan agreements set forth on Exhibit A thereto (the "Initial Contracts"). The Purchaser sold the Initial Contracts to the trust established pursuant to the Pooling and Servicing Agreement dated as of \_\_\_\_\_, 199 ("Pooling and Servicing Agreement") among the Purchaser, the Seller and \_\_\_\_\_, as trustee (the "Trustee"), pursuant to which Manufactured Housing Contract [Senior/Subordinate] Pass-Through Certificates, Series \_\_\_\_\_ (the "Certificates"), evidencing ownership interests in the Initial Contracts and the Subsequent Contracts (as hereinafter defined), were issued.

Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Sale and Purchase Agreement and the Pooling and Servicing Agreement.

Pursuant to the Pooling and Servicing Agreement, the Purchaser agreed to purchase from the Seller and the Seller agreed to sell to the Purchaser any Subsequent Contracts for a fixed purchase price specified in the Pooling and Servicing Agreement for delivery on the date specified therein, which purchase price will be funded from money on deposit in the Pre-Funding Account during the Pre-Funding Period, evidenced by the execution and delivery of a Subsequent Sale and Purchase Agreement. Accordingly, subject to the terms hereof, the Seller agrees to sell, and the Purchaser agrees to purchase, the manufactured housing installment sales contracts and installment loan agreements set forth on Exhibit A (collectively, the "Subsequent Contracts"), having an aggregate outstanding

principal balance as of \_\_\_\_\_, 19\_\_ (the "Subsequent Cut-Off Date") of approximately \$\_\_\_\_\_.

The Purchaser and the Seller wish to prescribe the terms and conditions of the purchase by the Purchaser of the Subsequent Contracts and the servicing and administration of the Subsequent Contracts.

In consideration of the premises and the mutual agreements hereinafter set forth, the Purchaser and the Seller agree as follows:

## ARTICLE I

### SALE AND CONVEYANCE OF SUBSEQUENT CONTRACTS; CONTRACT FILES

SECTION 1.01. Sale and Conveyance of Subsequent Contracts. On \_\_\_\_\_, 199\_\_ (the "Subsequent Closing Date"), subject to the terms and conditions hereof, the Seller shall sell, transfer, assign, set over and convey to the Purchaser, without recourse but subject to the terms of this Agreement, as of the Subsequent Closing Date, (a) all right, title and interest of the Seller in and to the Subsequent Contracts listed on the List of Contracts, including, without limitation, the security interest created thereby and any related Mortgages, all interest and principal received by the Seller on or with respect to the Subsequent Contracts after the Subsequent Cut-Off Date (other than principal and interest due on the Subsequent Contracts, on or before the Subsequent Cut-Off Date) and all principal and interest received by the Seller on or with respect to the Subsequent Contracts before the Subsequent Cut-Off Date which was due after the Subsequent Cut-Off Date, (b) all right under any Hazard Insurance Policies relating to the Manufactured Homes securing the Subsequent Contracts for the benefit of the creditors of such Subsequent Contracts, [(c) all rights under all FHA/VA Regulations pertaining to any FHA/VA Subsequent Contracts,] (d) the proceeds from any Subsequent Contract Holders' Errors and Omissions Protection Policy and all rights under any blanket hazard insurance policy, to the extent they relate to the Manufactured Homes securing the Subsequent Contracts, (e) all documents contained in the Contract Files or the Land-Home Contract Files relating to the Subsequent Contracts, (f) all rights to any rebated portions of Force-Placed Insurance Premiums relating to the Manufactured Homes securing the Subsequent Contracts and (g) all proceeds in any way derived from any of the foregoing. The parties intend that the conveyance of the Seller's right, title and interest in and to the Subsequent Contracts pursuant to this Agreement shall constitute an absolute sale.

SECTION 1.02. Purchase Price; Payments on the Subsequent Contracts.

(a) The purchase price for the Subsequent Contracts shall be an amount

equal to \$\_\_\_\_\_ and the Seller hereby acknowledges receipt of such amount in respect of the sale of the Subsequent Contracts hereunder. Such purchase price shall be payable in immediately available funds on the Subsequent Closing Date from funds on deposit in the Pre-Funding Account.

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(b) The Purchaser shall be entitled to all scheduled payments of principal and interest with respect to the Subsequent Contracts due after the Subsequent Cut-Off Date and all Principal Prepayments with respect to the Subsequent Contracts received after the Subsequent Cut-Off Date. The principal balance of each Subsequent Contract as of the Subsequent Cut-Off Date is determined after deduction of payments of principal due on or before the Subsequent Cut-Off Date whether or not collected. Therefore, Advance Payments with respect to the Subsequent Contracts received prior to the Subsequent Cut-Off Date with respect to a Due Date after the Subsequent Cut-Off Date shall not be deducted from the principal balance as of the Subsequent Cut-Off Date. Such Advance Payments shall be the property of the Purchaser. All scheduled payments of principal and interest due on or before the Subsequent Cut-Off Date, and collected on or after the Subsequent Cut-Off Date, shall belong to the Seller. The Purchaser shall hold in trust for the Seller, and shall promptly remit to the Seller, any payments on the Subsequent Contracts received by the Purchaser that belong to the Seller under the terms of this Agreement.

SECTION 1.03. Conditions to Sale of Subsequent Contracts. The Purchaser's obligations hereunder are subject to the following conditions:

(a) The Purchaser shall have received (i) the Pooling and Servicing Agreement executed by all the parties thereto, (ii) the documents listed in Section \_\_\_\_ of the Pooling and Servicing Agreement with respect to the Subsequent Contracts (iii) a complete list of the Subsequent Contracts and (iv) such other opinions and documents as the Purchaser may reasonably require in connection with the purchase of the Subsequent Contracts hereunder or the sale of the Certificates;

(b) The representations and warranties of (i) the Seller and the Servicer made in the Pooling and Servicing Agreement and (ii) the Seller made in the Sale and Purchase Agreement and this Agreement shall be true and correct in all material respects on the Subsequent Closing Date;

(c) The Purchaser shall have received the Officers' Certificate referred to in Section \_\_\_\_\_ of the Pooling and Servicing Agreement.

SECTION 1.04. Examination of Files. The Seller will make the Contract Files with respect to the Subsequent Contracts available to the Purchaser or its agent for examination at the Trustee's offices or such other location as otherwise shall be agreed upon by the Purchaser and the Seller.

-3-

SECTION 1.05. Transfer of Subsequent Contracts. Pursuant to the Pooling and Servicing Agreement, the Purchaser will assign all of its right, title and interest in and to the Subsequent Contracts to the Trustee for the benefit of the Certificateholders. The Purchaser has the right to assign its interest under this Agreement as may be required to effect the purposes of the Pooling and Servicing Agreement, by written notice to the Seller and without the consent of the Seller, and the assignee shall succeed to the rights and obligations hereunder of the Purchaser.

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## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE SELLER

#### SECTION 2.01. Representations and Warranties of the Seller.

(a) The representations and warranties of the Seller contained in Article III of the Pooling and Servicing Agreement with respect to the Subsequent Contracts are incorporated herein, and are made to the Purchaser on the date hereof, as if set forth herein and as if made to the Purchaser on the date hereof. The Seller will make such representations and warranties in the Pooling and Servicing Agreement directly to the Trustee and will become obligated in respect of such representations and warranties pursuant to Section [3.02] of the Pooling and Servicing Agreement. On the Subsequent Closing Date, the Seller shall deliver to the Purchaser an Officers' Certificate, dated the Subsequent Closing Date, to the effect that the representations and warranties made in Article III of the Pooling and Servicing Agreement by the Seller with respect to the Subsequent Contracts are true and correct in all material respects as of the Subsequent Closing Date.

(b) It is understood and agreed that the representations and warranties incorporated by reference in this Agreement by Section 2.01(a) hereof shall remain operative and in full force and effect, shall survive the transfer and conveyance of the Subsequent Contracts by the Seller to the Purchaser and by the Purchaser to the Trustee, and shall inure to the benefit of the Purchaser, the Trustee and their successors and permitted assignees.

(c) The Seller shall indemnify the Purchaser and the Servicer and hold the Purchaser and the Servicer harmless against any loss, penalties, fines, forfeitures, legal fees and related costs, judgments and other costs and expenses resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach of the Seller's representations and

warranties contained or incorporated by reference in this Agreement. It is understood and agreed that the obligation of the Seller set forth in this Section 2.01 to indemnify the Purchaser and the Servicer as provided in this Section 2.01 constitutes the sole remedy of the Purchaser and the Servicer respecting a breach of the foregoing representations and warranties. The Trustee shall also have the remedies provided in the Pooling and Servicing Agreement.

(d) Each indemnified party shall give prompt notice to the Seller of any action commenced against it with respect to which indemnity may be sought hereunder but failure to so notify an indemnifying party shall not relieve it

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from any liability which it may have otherwise than on account of this indemnity agreement, unless the failure to notify materially prejudices the rights and condition of the Seller. The Seller shall be entitled to participate in any such action, and to assume the defense thereof, and after notice from the Seller to an indemnified party of its election to assume the defense thereof, the Seller will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof.

(e) Any cause of action against the Seller or relating to or arising out of the breach of any representations and warranties made or incorporated by reference in this Section 2.01 shall accrue as to any Subsequent Contract upon (i) discovery of such breach by the Purchaser or the Servicer or notice thereof by the Seller to the Purchaser and the Servicer, (ii) failure by the Seller to cure such breach and (iii) demand upon the Seller by the Purchaser for all amounts payable in respect of such Subsequent Contract.

### ARTICLE III

#### MISCELLANEOUS PROVISIONS

SECTION 3.01. Opinion of Counsel. The Seller and the Purchaser shall deliver to the Trustee on the Subsequent Closing Date, an opinion of counsel in substantially the form of Exhibit B hereto.

SECTION 3.02. Amendment. This Agreement may be amended from time to time by the Seller and the Purchaser by written agreement signed by the Seller and the Purchaser.

SECTION 3.03. Counterparts. For the purpose of facilitating the execution of this Agreement as herein provided and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

SECTION 3.04. Termination. The Seller's obligations under this Agreement shall survive the sale of the Subsequent Contracts to the Purchaser.

SECTION 3.05. Governing Law. This Agreement shall be construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

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SECTION 3.06. Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed by first class mail, postage prepaid, to (i) in the case of the Seller, The CIT Group/Sales Financing, Inc., 650 CIT Drive, Livingston, New Jersey 07039, Attention: President, or such other address as may hereafter be furnished to Purchaser in writing by the Seller, or (ii) in the case of the Purchaser, The CIT Group Securitization Corporation II, 650 CIT Drive, Livingston, New Jersey 07039, Attention: President, or such other address as may hereafter be furnished to the Seller by the Purchaser.

SECTION 3.07. Severability of Provisions. 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, provisions 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.

SECTION 3.08. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Seller and the Purchaser and their respective successors and assigns, as may be permitted hereunder.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

THE CIT GROUP SECURITIZATION CORPORATION II,  
as Purchaser

By: \_\_\_\_\_  
Name:  
Title:

THE CIT GROUP/SALES FINANCING, INC.,  
as Seller

By: \_\_\_\_\_  
Name:  
Title:

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EXHIBIT A

Characteristics of Subsequent Contracts

EXHIBIT B

Form of Opinion of Counsel

EXHIBIT B

to

Subsequent Sale and Purchase Agreement

[Date]

[Name and Address of Trustee]

Dear Sirs,

I have acted as counsel to The CIT Group/Sales Financing, Inc. ("CITSF") and The CIT Group Securitization Corporation II, a Delaware corporation (the "Company"), in connection with the sale of Manufactured Housing Contract [Senior/Subordinate] Pass-Through Certificates, Series \_\_\_\_\_ representing interests in a trust consisting of a pool of manufactured housing installment sale contracts and installment loan agreements (collectively, the "Contracts") and certain related property. The Company purchased certain of the Contracts from CITSF (the "Initial Contracts") pursuant to a Sale and Purchase Agreement, dated as of \_\_\_\_\_, 199\_, by and between CITSF and the Company. Additional Contracts are being purchased by the Company from CITSF (the "Subsequent Contracts") pursuant to the Subsequent Sale and Purchase Agreement dated as of \_\_\_\_\_, 199\_ (the "Subsequent Sale and Purchase Agreement"). Pursuant to a Pooling and Servicing Agreement, dated as of \_\_\_\_\_, 199\_ (the "Pooling and Servicing Agreement"), among the Company, CITSF and \_\_\_\_\_, as Trustee (the "Trustee"), the Company transferred the Initial Contracts to the Trustee to establish a trust (the "Trust"). The Company will also transfer, pursuant to the Pooling and Servicing Agreement, the Subsequent Contracts to the Trust, the corpus of which will consist of each of the Initial Contracts and the Subsequent Contracts and certain other property transferred by the Company to the Trustee.

All capitalized terms used herein and not defined shall have the meanings assigned to them in the Subsequent Sale and Purchase Agreement.

In rendering the following opinions, I have examined (i) the Subsequent Sale and Purchase Agreement; (ii) the Pooling and Servicing Agreement; (iii) the Certificate of Incorporation of each of CITSF and the Company; (iv) the By-laws of each of CITSF and the Company; [(v) copies of certain unanimous consents adopted by the Board of Directors of the Company authorizing the issuance and

sale of the Certificates and the purchase of the Contracts; and (vi) copies of certain unanimous written consents of the Board of Directors of CITSF]. I have also examined such other documents and made such investigations of law as I have considered necessary and appropriate for the purposes of the opinions expressed herein. I have assumed the authenticity of signatures on original documents and the conformity to the original of all documents submitted to me as certified, conformed or photostatic copies and have relied as to all matters of fact on certificates, representations or statements by officers of the Company or CITSF.



In making my examination of agreements, instruments and other documents and in giving opinions herein, I have assumed that the Trustee has and had the power and capacity to execute and deliver such agreements, instruments and other documents and to perform all of its obligations thereunder and that such agreements, instruments and other documents were duly authorized by all requisite action by or on behalf of the Trustee were duly executed, acknowledged, as necessary, and delivered by or on behalf of and are the legal, valid and binding obligations of, and are enforceable in accordance with their terms against, the Trustee.

Based upon, and subject to, the foregoing I am of the opinion that:

I. The Subsequent Sale and Purchase Agreement constitutes the legal, valid and binding agreement of each of CITSF and the Company, and is enforceable against each of CITSF and the Company in accordance with its terms; the Subsequent Sale and Purchase Agreement is effective to transfer all of CITSF's right, title and interest in and to the Subsequent Contracts and other property described in Section 1.01 of the Subsequent Sale and Purchase Agreement to the Company; the Pooling and Servicing Agreement is effective to transfer all of the Company's right, title and interest in and to such Subsequent Contracts and other property to the Trust subject to no prior liens or encumbrances.

II. No consent, approval, authorization or order of, registration or filing with, or notice to any governmental authority or court is required under federal laws or the laws of the State of \_\_\_\_\_ for the execution, delivery and performance by the Company of the Subsequent Sale and Purchase Agreement or the consummation of any other transaction contemplated thereby by the Company, except for those which have been obtained or except such as may be required under the Securities Act of 1933, as amended or the regulations promulgated thereunder or state securities or Blue Sky laws of any jurisdiction.

III. No consent, approval, authorization or order of, registration or filing with, or notice to, any governmental authority or court is required under

federal laws or the laws of the State of \_\_\_\_\_ for the execution, delivery and performance by CITSF of the Subsequent Sale and Purchase Agreement or the consummation of any other transaction contemplated thereby by CITSF except for those which have been obtained or except such as may be required under the Securities Act of 1933, as amended or the regulations promulgated thereunder or state securities or Blue Sky laws of any jurisdiction.

The foregoing opinion is given on the express understanding that the undersigned is an officer of the Company and CITSF and shall in no event incur any personal liability in connection with the said opinion.

I am furnishing this opinion to you solely for your benefit. This opinion

is not to be used, circulated, quoted or otherwise referred to or relied on by any other person or for any other purpose.

Very truly yours,

EXHIBIT 12.1

Computations of Ratios of Earnings to Fixed Charges

<TABLE>

THE CIT GROUP HOLDINGS, INC. AND SUBSIDIARIES

COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

<CAPTION>

	Year Ended December 31,				
	1993	1992	1991	1990	1989
	(Dollar Amounts in Thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
Net income.....	\$182,308	\$162,300	\$150,128	\$134,122	\$126,156
Provision for income taxes.....	128,489	105,311	100,032	76,995	72,722
Extraordinary item--loss on early extinguishment of debt, net of income tax benefit.....	--	4,241	1,325	5,937	--
Cumulative effect of a change in accounting for income taxes.....	--	--	--	(20,350)	--
Earnings before provision for income taxes and extraordinary item and cumulative effect of a change in accounting for income taxes .....	310,797	271,852	251,485	196,704	198,878
Fixed Charges:					
Interest and debt expenses on indebtedness .	508,006	552,017	709,373	711,645	694,280
Interest factor--one-third of rentals on real and personal properties .....	8,001	8,278	8,368	7,832	6,537
Total fixed charges .....	516,007	560,295	717,741	719,477	700,817
Total earnings before provisions for income taxes, extraordinary item, cumulative effect of a change in accounting for income taxes, and fixed charges .....	\$826,804	\$832,147	\$969,226	\$916,181	\$899,695
Ratio of Earnings to Fixed Charges .....	1.60	1.49	1.35	1.27	1.28

</TABLE>

<TABLE>

<CAPTION>

Nine Months Ended  
September 30,  
-----  
(unaudited)  
1994                      1993

<u>&lt;S&gt;</u>	<u>&lt;C&gt;</u>	<u>&lt;C&gt;</u>
Net income.....	\$ 151,593	\$ 137,584
Provision for income taxes.....	94,609	104,730
	-----	-----
Earnings before provision for income taxes.....	246,202	242,314
	-----	-----
Fixed Charges:		
Interest and debt expense on indebtedness.....	437,444	379,201
Interest factor--one-third of rentals on real and personal properties.	5,857	5,924
	-----	-----
Total fixed charges.....	443,301	385,125
	-----	-----
Total earnings before provision for income taxes and fixed charges.....	\$689,503	\$627,439
	=====	=====
Ratio of earnings to fixed charges.....	1.56	1.63

</TABLE>

Consent of KPMG Peat Marwick LLP

Independent Auditors' Consent

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The Board of Directors  
The CIT Group Holdings, Inc.:

We consent to the use of our reports dated January 18, 1994, relating to the consolidated balance sheets of The CIT Group Holdings, Inc. and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1993, and the related schedule for each of the years in the three-year period ended December 31, 1993, incorporated by reference in Registration Statement No. 33-85224 which includes Amendment No. 1 to combined Form S-11 and Form S-3 of The CIT Group Securitization Corporation II and The CIT Group Holdings, Inc., which reports appear in the December 31, 1993 Annual Report on Form 10-K of The CIT Group Holdings, Inc., and to the reference to our firm under the heading "Experts" in the Registration Statement.

Our report on the consolidated financial statements refers to a change in the method of accounting for postretirement benefits other than pensions in 1993.

/s/ KPMG Peat Marwick LLP  
KPMG Peat Marwick LLP

Short Hills, New Jersey  
December 21, 1994



Exhibit 25.2

Powers of Attorney of The CIT Group Holdings, Inc.

POWER OF ATTORNEY  
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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ ALBERT R. GAMPER, JR.

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Albert R. Gamper, Jr.

POWER OF ATTORNEY  
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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ HISAO KOBAYASHI  
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Hisao Kobayashi



POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ MICHIO MURATA

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Michio Murata

POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ JOSEPH A. POLLICINO

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Joseph A. Pollicino

POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ PAUL N. ROTH

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Paul N. Roth

POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ HIDEO KITAHARA

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Hideo Kitahara

POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ PETER J. TOBIN

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Peter J. Tobin

POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the

provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ TOSHIJI TOKIWA

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Toshiji Tokiwa

POWER OF ATTORNEY  
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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing

Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount, such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ KEIJI TORII

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Keiji Torii

POWER OF ATTORNEY  
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KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE CIT GROUP HOLDINGS, INC., a Delaware corporation, which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Act of 1933, as amended, Amendment No. 1 to Registration Statement No. 33-85224 on Form S-11 and Form S-3 for the registration of limited guarantees of payment on certain Manufactured Housing Contract Pass-Through Certificates, to be issued by its wholly-owned subsidiary The CIT Group Securitization Corporation II, under said Act of up to \$500,000,000 aggregate principal amount, or if issued at an original discount,

such greater principal amount as shall result in an aggregate initial public offering price of up to \$500,000,000, hereby constitutes and appoints ALBERT R. GAMPER, JR., ERNEST D. STEIN, and DONALD J. RAPSON his true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him and in his name, place, and stead, in any and all capacities, to sign such Amendment No. 1 to the Registration Statement and any and all amendments thereto, with power where appropriate to affix the corporate seal of said corporation thereto and to attest to said seal, and to file such Amendment No. 1 to the Registration Statement and each such amendment, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person and hereby ratifies and confirms all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on the 23rd day of November, 1994.

/s/ WILLIAM H. TURNER

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William H. Turner