SECURITIES AND EXCHANGE COMMISSION
WASHINGTON DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) MARCH 8, 2002

CONSUMER PORTFOLIO SERVICES, INC.
(Exact Name of Registrant as Specified in Charter)

CALIFORNIA	001-14116	33-0459135
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

16355 LAGUNA CANYON ROAD, IRVINE, CA 92618
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (949) 753-6800

NOT APPLICABLE
(Former name or former address, if changed since last report)

This Current Report on Form 8-K contains forward-looking statements that involve risks and uncertainties. These statements relate to future events and therefore are inherently uncertain. Actual performance and results may differ materially from those projected or suggested due to certain risks and uncertainties, including acquisition and transition challenges, assimilation issues in the consolidation process, customer reaction to the acquisition, and operational and other risks relating to the combination of separate businesses. Additional information concerning certain other risks and uncertainties that could cause actual results to differ materially from those projected or suggested, is contained in Consumer Portfolio Services, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2000, which has been filed with the Securities and Exchange Commission. The forward-looking statements contained herein represent the judgment of Consumer Portfolio Services, Inc. as of the date of this Current Report on Form 8-K and Consumer Portfolio Services, Inc. cautions against the placement of undue reliance on such statements.

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On March 8, 2002, the registrant Consumer Portfolio Services, Inc. ("CPS") acquired MFN Financial Corporation, a Delaware corporation ("MFN") and its subsidiaries, by the merger (the "Merger") of CPS Mergersub, Inc., a Delaware corporation ("Mergersub") and a direct wholly-owned subsidiary of CPS, with and into MFN. The Merger took place pursuant to an Agreement and Plan of Merger, dated as of November 18, 2001 (the "Merger Agreement"), among CPS, Mergersub and MFN. In the Merger MFN became a wholly-owned subsidiary of CPS. CPS thus acquired the assets of MFN, consisting principally of interests in motor vehicle installment sales finance contracts and the facilities for originating and servicing such contracts.

MFN, through its primary operating subsidiary, Mercury Finance Company, LLC, is in the business of purchasing motor vehicle installment sales finance contracts from automobile dealers, and securitizing and servicing such contracts. CPS intends to continue to use the assets acquired in the Merger in the automobile finance business, but a portion of such assets will be disposed of, and the level of activity may change. In particular, CPS will temporarily cease to use such assets for the purchase of motor vehicle installment sales finance contracts, and may or may not recommence such use. Attached as Exhibits 99.1, 99.2 and 99.3, respectively, are copies of press releases relating to the Merger described in this Current Report on Form 8-K, which press releases are incorporated herein by reference.

At the closing of the Merger, each share of common stock, $.01 par value per share, of MFN, issued and outstanding immediately prior to the closing of the Merger, was cancelled and extinguished and automatically converted into and became a right to receive $10.00 per share in cash, pursuant to the Merger Agreement, upon surrender of the certificates that evidenced such shares. The total merger consideration payable to stockholders of MFN was approximately $99.9 million. The amount of such consideration was agreed to as the result of arms'-length negotiations between CPS and MFN. The recipients of the total merger consideration had no material relationship with CPS, its directors, its

officers or any associates of such directors or officers, to the best of CPS's knowledge. Acquisition financing was provided to CPS by Westdeutsche Landesbank Girozentrale, New York Branch ("West LB"), and Levine Leichtman Capital Partners, Inc. ("LLCP"). CPS obtained acquisition financing from an affiliate of LLCP through its issuance and sale of certain senior secured notes to LLCP in the aggregate principal amount of $35 million. Copies of the principal LLCP financing agreements are filed as Exhibits 4.1 - 4.4 to this Current Report on Form 8-K.

ITEM 5. OTHER EVENTS.

The ordinary business of both CPS and MFN includes purchasing motor vehicle installment sales finance contracts from automobile dealers, servicing such contracts, and disposing of such contracts or interests therein in securitization transactions or otherwise.

On March 8, 2002, CPS (through a subsidiary) sold motor vehicle installment sales finance contracts to CPS Auto Receivables Trust 2002-A in a securitization transaction, retaining a residual interest therein. CPS Auto Receivables Trust 2002-A funded the acquisition by issuance of $45.65 million in notes backed by automotive receivables.

On March 8, 2002, MFN (through a subsidiary) sold motor vehicle installment sales finance contracts to MFN Auto Receivables Trust 2002-A in a securitization transaction, retaining a residual interest therein. MFN Auto Receivables Trust 2002-A funded the acquisition by issuance of approximately $100 million in notes backed by automotive receivables.

On March 7, 2002, CPS entered into a new warehouse credit facility. The new warehouse facility is structured to allow CPS to fund a portion of the purchase price of automotive receivables by drawing against a variable funding note issued by CPS Warehouse Trust, in the maximum amount of $100 million.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of Business Acquired.

The financial statements required by this Item 7(a) of Form 8-K and Rule 3-05(b) of Regulation S-X will be filed by amendment to this initial report no later than 60 days after the date this report is filed.

(b) Pro Forma Financial Information.

The financial statements required by this Item 7(b) of Form 8-K and Rule 3-05(b) of Regulation S-X will be filed by amendment to this initial report no later than 60 days after the date this report is filed.

(c) Exhibits.

NO.	DESCRIPTION
Exhibit 2.1	Agreement and Plan of Merger, dated as of November 18, 2001, by and among the Registrant, CPS Mergersub, Inc. and MFN Financial Corporation. (Incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of MFN Financial Corporation filed on November 19, 2001).
Exhibit 4.1	Second Amended and Restated Securities Purchase Agreement, dated as of March 8, 2002, by and between Levine Leichtman Capital Partners II, L.P. and the Registrant.
Exhibit 4.2	Secured Senior Note due February 28, 2003 issued by the Registrant to Levine Leichtman Capital Partners II, L.P.
Exhibit 4.3	Second Amended and Restated Secured Senior Note due November 30, 2003 issued by the Registrant to Levine Leichtman Capital Partners II, L.P.
Exhibit 4.4	12.00% Secured Senior Note due 2008 issued by the Registrant to Levine Leichtman Capital Partners II, L.P.
Exhibit 4.5	Sale and Servicing Agreement, dated as of March 1, 2002, among the Registrant, CPS Auto Receivables Trust 2002-A, CPS Receivables Corp., Systems & Services Technologies, Inc. and Bank One Trust Company, N.A
Exhibit 4.6	Indenture, dated as of March 1, 2002, between CPS Auto Receivables Trust 2002-A and Bank One Trust Company, N.A.
Exhibit 4.7	Sale and Servicing Agreement among MFN Auto Receivables Trust 2002-A, MFN Securitization LLC, Mercury Finance Company LLC, MFN Financial Corporation, Bank One Trust Company, N.A., and Systems & Services Technologies, Inc., dated as of March 1, 2002 (to be filed by amendment).
Exhibit 4.8	Indenture, dated as of March 1, 2002, between MFN Auto Receivables Trust 2002-A and Bank One Trust Company, N.A.
Exhibit 99.1	Press Release dated November 19, 2001. (incorporated by reference to Exhibit 99.1 to the report on Form 8-K of MFN Financial Corporation dated as of and filed on November 19, 2001.)
Exhibit 99.2	Press Release dated November 19, 2001. (incorporated by reference to Exhibit 99.2 to the report on Form 8-K of MFN Financial Corporation dated as of and filed on November 19, 2001.)
Exhibit 99.3	Press Release dated March 12, 2002.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONSUMER PORTFOLIO SERVICES, INC.

By: /s/ CHARLES E. BRADLEY, JR.
Charles E. Bradley, Jr., President

Dated: March 25, 2002

EXHIBIT INDEX

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EXHIBIT 4.1

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SECOND AMENDED AND RESTATED
SECURITIES PURCHASE AGREEMENT

BY AND BETWEEN

LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.,
A CALIFORNIA LIMITED PARTNERSHIP,

AS PURCHASER,

AND

CONSUMER PORTFOLIO SERVICES, INC.,
A CALIFORNIA CORPORATION,

AS ISSUER

Issuance and Sale of
$35,000,000 Principal Amount
Secured Senior Note Due February 28, 2003
(Bridge Note)

and

$11,241,931 Principal Face Amount
12.00% Secured Senior Note Due 2008
(Term C Note)

Issuance of
$26,000,000 Principal Amount
Second Amended and Restated Secured Senior Note Due November 30, 2003
(Term B Note)

Common Stock and Warrant

Dated as of March 8, 2002

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TABLE OF CONTENTS

LIST OF EXHIBITS

Exhibit A-1 - Form of Term B Note
Exhibit A-2 - Form of Bridge Note
Exhibit A-3 - Form of Term C Note

LIST OF DISCLOSURE SCHEDULES

Schedule 2.5	Specified Defaults
Schedule 3.2	Subsidiaries
Schedule 3.5(b)	No Defaults
Schedule 3.5(d)	Trigger Events and Insurance Agreement Events of Default
Schedule 3.7(a)	Company Capitalization
Schedule 3.7(b)	Subsidiary Capitalization
Schedule 3.7(d)	Repricing of Stock Options
Schedule 3.9	Transactions with Affiliates
Schedule 3.10(a)	Material Adverse Change
Schedule 3.10(d)	Pro Forma Consolidated Balance Sheet
Schedule 3.10(g)	Warehouse Financing Transactions
Schedule 3.11(a)	Existing Indebtedness; Existing Liens, Etc.
Schedule 3.11(c)	Post-Closing Indebtedness
Schedule 3.12	Certain Changes
Schedule 3.13(a)	Material Contracts
Schedule 3.13(d)	Portfolio Performance Reports
Schedule 3.14	Trade Accounts Payable
Schedule 3.15	Officers, Employees and Consultants
Schedule 3.16	Benefit Plans
Schedule 3.17(c)	Taxes
Schedule 3.18	Legal Proceedings
Schedule 3.20	Licenses and Permits
Schedule 3.22	Intellectual Property
Schedule 3.24	Real Property
Schedule 3.26	Insurance
Schedule 3.28	Dealers
Schedule 3.29	Personal Property Leases
Schedule 3.30	Employment Agreements
Schedule 3.34	Depository Accounts
Schedule 3.39	SEC Documents
Schedule 7.22	Balance Sheet Items

CONSUMER PORTFOLIO SERVICES, INC.

SECOND AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT

THIS SECOND AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT is entered into as of the 8th day of March, 2002 (as amended from time to time, this "AGREEMENT"), by and between LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership, as purchaser (the "PURCHASER"), and CONSUMER PORTFOLIO SERVICES, INC., a California corporation, as issuer (the "COMPANY").

R E C I T A L S

A. The Company and the Purchaser are parties to that certain Amended and Restated Securities Purchase Agreement dated as of March 15, 2000, as amended by that certain Consent to Warehouse Financing Transaction and Amendment to Securities Purchase Agreement dated November 16, 2000 (as so amended, the "FIRST AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT"), pursuant to which, among other things, the Company issued and sold the Term A Note to the Purchaser and the Company and the Purchaser amended, restated and combined the Amended November 1998 Primary Note and the April 1999 Note into the First Amended Term B Note. The Company has repaid the outstanding principal balance of, and accrued interest on, the Term A Note, and the outstanding principal balance of the First Amended Term B Note is currently $26,000,000.

B. The Company, CPS Mergersub, Inc., a Delaware corporation and a wholly owned Subsidiary of the Company ("MERGERSUB"), and MFN Financial Corporation, a Delaware corporation ("MFN"), have entered into that certain Agreement and Plan of Merger dated as of November 18, 2001 (the "MFN MERGER AGREEMENT"), pursuant to which, subject to the terms and conditions set forth therein, Mergersub will be merged with and into MFN (the "MFN MERGER") at the Effective Time and, as a result thereof, MFN will continue as the surviving corporation of the MFN Merger and be a wholly owned Subsidiary of the Company. The MFN Merger will be consummated substantially simultaneously with the transactions contemplated hereunder.

C. The consummation of the MFN Merger and the transactions contemplated thereby or related thereto would, among other things, violate certain provisions of the First Amended and Restated Securities Purchase Agreement, including SECTION 8.3 and SECTION 8.10(D), as well as cause an Event of Default to occur. The Company has requested that the Purchaser consent to the consummation of the MFN Merger.

D. In addition, the Company wishes to issue and sell to the Purchaser a Senior Secured Note Due February 28, 2003, in the principal amount of $35,000,000 (as amended from time to time, the "BRIDGE NOTE"). The Bridge Note will be senior in right of payment and rights upon liquidation to all other existing and future indebtedness of the Company and would rank PARI PASSU with the Term B Note and the Term C Note. The proceeds from the sale of the Bridge Note will be used solely to assist the Company to finance the MFN Merger.

E. In addition, the Company wishes to issue and sell to the Purchaser a 12.00% Senior Secured Note Due 2008 in the principal amount of $11,241,931 (as amended from time to time, the "TERM C NOTE"). The Term C Note will be senior in

right of payment and rights upon liquidation to all other existing and future indebtedness of the Company and would rank PARI PASSU with the Term B Note and the Bridge Note. The proceeds from the sale of the Term C Note will be used solely to assist the Company to finance the MFN Merger and to repay the MFN Senior Subordinated Notes.

F. The Purchaser is willing to consent to the MFN Merger and to purchase the Bridge Note, all on the terms and subject to the conditions set forth in this Agreement and the Related Agreements.

A G R E E M E N T

In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, on the terms and subject to the conditions set forth in this Agreement and the Related Agreements, the parties hereby amend and restate the First Amended and Restated Securities Purchase Agreement as follows:

1. DEFINITIONS; DETERMINATIONS.

1.1 DEFINITIONS. For the purpose of this Agreement, the following capitalized terms shall have the meanings set forth below (unless otherwise specified, the plural shall mean the singular and vice versa); PROVIDED, HOWEVER, that certain capitalized terms used in this SECTION 1 and not defined herein shall have the meanings set forth in the First Amended and Restated Securities Purchase Agreement (and any other capitalized terms used in any such capitalized terms shall also have the meanings set forth in the First Amended and Restated Securities Purchase Agreement):

"AFFILIATE" shall mean, when used with reference to any specified Person, (i) any other Person that, directly or indirectly, owns or controls, or has the right to acquire, whether beneficially or of record, or as a trustee, guardian or other fiduciary (other than a commercial bank or trust company), five percent (5%) or more of the Capital Stock of such specified Person having ordinary voting power in the election of directors of such specified Person, (ii) any other Person that, directly or indirectly, controls, is controlled by, is under direct or indirect common control with or is included in the Immediate Family of, such specified Person or any Affiliate of such specified Person, (iii) any executive officer, director, joint venturer, partner or member of such specified Person or any Person included in the Immediate Family of any of the foregoing, (iv) any Dealer, if such Dealer or any Affiliate of such Dealer is included in the Immediate Family of Charles E. Bradley, Sr., Charles E. Bradley, Jr. or any other officer or director of the Company, or (v) any Automobile Contract Debtor, independent contractor, vendor, client or customer of the Company, if such Automobile Contract Debtor, independent contractor, vendor, client or customer, or any Affiliate thereof, is included in the Immediate Family of Charles E. Bradley, Sr., Charles E. Bradley, Jr. or any other officer or director of the Company. For the purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled"

have meanings correlative of the foregoing. Notwithstanding the foregoing, for the purposes of this Agreement and the Related Agreements, neither the Purchaser nor any of its Affiliates, officers, directors, partners or employees shall be deemed to be Affiliates of the Company or of any Affiliate of the Company.

"AGREEMENT" shall have the meaning set forth in the preamble and shall include the Exhibits and Schedules.

"AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT" shall mean a Second Amended and Restated Investor Rights Agreement dated as of the Closing Date, in form and substance satisfactory to the Purchaser, by and among the Company, Charles E. Bradley, Sr., Charles E. Bradley, Jr. and the Purchaser, as amended from time to time.

"AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT" shall mean a Second Amended and Restated Registration Rights Agreement dated as of the Closing Date, in form and substance satisfactory to the Purchaser, by and between the Company and the Purchaser, as amended from time to time.

"AMENDED NOVEMBER 1998 PRIMARY NOTE" shall mean that certain Amended and Restated Senior Subordinated Primary Note dated as of November 17, 1998, as amended April 15, 1999, issued by the Company to the Purchaser in the principal amount of $25,000,000. The Amended November 1998 Primary Note amended and restated that certain Senior Subordinated Primary Note dated November 17, 1998.

"AMOUNT FINANCED" shall mean, with respect to an Automobile Contract, the aggregate amount advanced under such Automobile Contract toward the purchase price of the Financed Vehicle and any related costs, including amounts advanced in respect of accessories, insurance premiums, service and warranty contracts, other items customarily financed as part of retail automobile installment sale contracts or promissory notes, and related costs.

"APPLICABLE LAWS" shall mean (i) the applicable provisions of all constitutions, treaties, statutes, laws, rules, regulations and ordinances of any Governmental Authority, including usury laws, the Federal Truth-In-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, Regulations B and Z of the Federal Reserve Board, the Soldiers' and Sailors' Civil Relief Act of 1940, the Texas Consumer Credit Code, the California Automobile Sales Finance Act and state adaptations of the National Consumer Act and the Uniform Consumer Credit Code, and other consumer credit, equal opportunity, disclosure or repossession laws or regulations, laws relating to the discharge of pollutants into the environment and the storage and handling of Hazardous Materials and laws relating to franchise, building, zoning, health, sanitation, safety or labor relations, (ii) any Consents of any Governmental Authority and (iii) any orders, writs, decisions, rulings, judgments or decrees of any Governmental Authority.

"APRIL 1999 NOTE" shall mean that certain Senior Subordinated Note dated April 15, 1999, issued by the Company to the Purchaser in the principal amount of $5,000,000.

"APRIL 1999 NOTE DOCUMENTS" shall mean, collectively, the April 1999 Securities Purchase Agreement, the April 1999 Note, the April 1999 Warrant, the other Related Agreements (as such term is defined in the April 1999 Securities Purchase Agreement) and any and all other agreements, instruments and other documents contemplated by or relating to the April 1999 Securities Purchase Agreement, as the same may be amended from time to time.

"APRIL 1999 SECURITIES PURCHASE AGREEMENT" shall mean that certain Securities Purchase Agreement dated as of April 15, 1999, by and between the Company and the Purchaser.

"APRIL 1999 WARRANT" shall mean that certain Warrant (Warrant No. LLB-4) dated April 15, 1999, to purchase 1,335,000 shares of Common Stock.

"ARC" shall mean Alton Receivables Corp., a California corporation.

"ASSET SALE" shall mean any sale, lease, transfer, issuance or other disposition (or series of related sales, leases, transfers, issuances or dispositions) by the Company or any of its Subsidiaries of (i) any shares of Capital Stock of the Company's Subsidiaries, or (ii) any other assets or properties of the Company or such Subsidiaries outside of the ordinary course of business; PROVIDED, HOWEVER, that the term "Asset Sale" shall not include (a) any sales made by the Company in the ordinary course of business of Automobile Contracts under the Company's "flow through" program whereby the Company sells Automobile Contracts at a price in excess of the consideration paid by the Company therefor, reduced by principal payments received thereon (it being understood, however, that "whole loan" sales made by the Company, the proceeds of which are used to repay indebtedness incurred in connection with any Warehouse Financing Transaction, shall continue to be deemed to be Asset Sales) or (b) sales of Automobile Contracts in connection with any Securitization Transaction (other than "whole loan" sales as provided in CLAUSE (A) above).

"ASSIGNEE" shall have the meaning set forth in SECTION 11.4.

"ASSIGNMENT" shall mean any assignment or other transfer to one or more Persons of any Note (or any interest therein) pursuant to the terms of such Note.

"AUTOMOBILE CONTRACT" shall mean any installment sale contract for a Financed Vehicle, and all rights and obligations thereunder.

"AUTOMOBILE CONTRACT DEBTOR" shall mean, with respect to any Automobile Contract, any purchaser or co-purchaser of any Financed Vehicle purchased, or any other Person who owes payments under, such Automobile Contract.

"AUTOMOBILE PRINCIPAL BALANCE" shall mean, with respect to any Automobile Contract, as of the close of business on the last day of a Collection Period, the Amount Financed MINUS the sum of the following amounts without duplication: (i) in the case of any "Rule of 78's" Automobile Contract, that portion of all Scheduled Payments actually received on or prior to such day allocable to principal using the actuarial or constant yield method; (ii) in the case of any "Simple Interest Receivable" Automobile Contract, that portion of all Scheduled

Payments actually received on or prior to such day allocable to principal using the "Simple Interest Method"; (iii) any payment of the Purchase Amount with respect to the Automobile Contract allocable to principal; (iv) any Cram Down Losses in respect of such Automobile Contract; and (v) any prepayment in full or any partial prepayment applied to reduce the principal balance of the Automobile Contract.

"AUTOMOBILE SECURITY DOCUMENTS" shall mean all security agreements, chattel mortgages, deeds of trust, mortgages or other security instruments, guaranties, sureties, and all agreements of every type and nature (including a certificate of title) securing the obligations of an Automobile Contract Debtor.

"BANKRUPTCY LAW" shall mean Title 11 of the United States Code (11 U.S.C. Section 101 ET SEQ.) or any similar federal or state law for the relief of debtors, as amended from time to time.

"BENEFIT PLAN" shall have the meaning set forth in SECTION 3.16.

"BOARD OF DIRECTORS" shall mean, with respect to any Person, the board of directors (or similar governing body) of such Person.

"BRIDGE NOTE" shall have the meaning set forth in SECTION 2.1.

"BRIDGE NOTE PURCHASE PRICE" shall have the meaning set forth in SECTION 2.3.

"BUSINESS DAY" shall mean any day except Saturday, Sunday and any day which either is a legal holiday under the laws of the State of California or is a day on which banking institutions located in such state are authorized or obligated to close.

"CAPITAL EXPENDITURES" shall mean, with respect to any period, the aggregate of all expenditures (whether paid in cash or accrued) of the Company and its Subsidiaries made during such period, including all Capital Lease Obligations, for property, plant and equipment (other than repairs), other fixed assets and improvements, or for replacements, substitutions or additions thereto, that are required to be capitalized on the consolidated balance sheet of the Company in accordance with GAAP.

"CAPITAL LEASE OBLIGATIONS" shall mean any obligations of the Company and its Subsidiaries under all leases of real or personal property that are required to be recorded as a capitalized lease on the consolidated balance sheet of the Company and its Subsidiaries in accordance with GAAP.

"CAPITAL STOCK" shall mean, with respect to any Person, (i) if such Person is a corporation, any and all shares of capital stock, participations in profits or other equivalents (however designated) or other equity interests of such Person, (ii) if such Person is a limited liability company, any and all membership units or other interests, or (iii) if such Person is a partnership or other entity, any and all partnership or entity units or other interests.

"CARSUSA" shall mean CARSUSA Inc., a California corporation.

"CHANGE IN CONTROL" shall have the meaning set forth in Section 6 of the Term B Note.

"CLASS B CERTIFICATE" shall mean that certain Class B Asset-Backed Certificate, Number B-1, in the original certificate balance of $14,036,989, issued by CPS Auto Receivables Trust 2001-A and evidencing the beneficial interest of a Certificateholder (as defined in the Amended and Restated Trust Agreement dated as of September 1, 2001 (the "CPS 2001-A TRUST Agreement"), between CPSR, as "Depositor," and Wilmington Trust Company, as "Owner Trustee") in the CPS Auto Receivables Trust 2001-A.

"CLOSING" shall have the meaning specified in SECTION 2.3.

"CLOSING DATE" shall have the meaning specified in SECTION 2.3.

"CLOSING ESCROW AGENT" shall mean West LB, in its capacity as "Escrow Agent" under West LB Escrow Agreement I and West LB Escrow Agreement II.

"COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as set forth in Section 4980B of the Code and Part 6 of Title I of ERISA.

"COLLATERAL" shall mean the collateral under the Collateral Documents, however defined.

"COLLATERAL DOCUMENTS" shall mean, collectively, the Security Agreement, the Pledge Agreement, the Intellectual Property Security Agreement, landlord waivers and consents, control agreements, UCC financing and other statements and all other agreements, instruments and documents executed or delivered from time to time in connection herewith or therewith to secure the Obligations to Purchaser or any other obligations of the Company, any Subsidiaries of the Company or any other obligor under this Agreement, the Notes or any other Related Agreement (including the MFN Collateral Documents), in each case as amended from time to time.

"COLLECTION PERIOD" (or any term with a substantially similar meaning) shall mean, with respect to any Securitization Transaction, (i) (A) with respect to the first Payment Date, the period commencing at the close of business on the Initial Cut-Off Date and ending at the close business on the last day of the then current month, and (B) with respect to each subsequent Payment Date, the preceding calendar month, or (ii) such other period as may be provided for in the Securitization Transaction Documents for such Securitization Transaction. Any amount stated "as of the close of business of the last day of a Collection Period" shall give effect to the following calculations as determined as of the end of the day on such last day: (i) all applications of collections and (ii) all distributions.

"COMMON STOCK" shall mean the common stock, no par value per share, of the Company.

"COMPANY" shall have the meaning set forth in the preamble.

"COMPANY SEC DOCUMENTS" shall mean all registration statements, prospectuses, reports, schedules, forms, statements and other documents (including all exhibits, schedules and other information included or incorporated by reference therein) which are filed or are required to be filed by the Company (or any of its Subsidiaries) with the SEC under the Securities Act, the Exchange Act or the rules and regulations promulgated thereunder, and all applications, filings, reports and other documents which are filed or are required to be filed by the Company with the Nasdaq or the NYSE.

"COMPANY STOCK PLANS" shall mean, collectively, the Company's 1991 Stock Option Plan, as amended, and the Company's 1997 Long-Term Incentive Stock Plan.

"CONSENT" shall mean any consent, approval, authorization, waiver, permit, grant, franchise, license, exemption or order of, any registration, certificate, qualification, declaration or filing with, or any notice to, any Person, including any Governmental Authority.

"CONTINGENT OBLIGATIONS" shall mean, with respect to any Person, any obligation, direct or indirect, contingent or otherwise, of such Person (i) with respect to any indebtedness or other obligation of another Person, including any direct or indirect guarantee of such indebtedness (other than any endorsement for collection or deposit in the ordinary course of business) or any other direct or indirect obligation, by agreement or otherwise, to purchase or repurchase any such indebtedness or obligation or any security therefor, or to provide funds for the payment or discharge of any such Indebtedness or obligation (whether in the form of loans, advances, stock purchases, capital contributions, dividends or otherwise), letters of credit and reimbursement obligations for letters of credit, (ii) to provide funds to maintain the financial condition of any other Person, or (iii) otherwise to indemnify or hold harmless the holders of indebtedness or other obligations of another Person against loss in respect thereof. The amount of any Contingent Obligation under clauses (i) and (ii) above shall be the maximum amount guaranteed or otherwise supported by the Contingent Obligation.

"CONVERTIBLE SECURITIES" shall mean any securities or other obligations issued or issuable by the Company or any other Person that are exercisable or exchangeable for, or convertible into, any Capital Stock of the Company.

"CPS AVERAGE DELINQUENCY RATIO" shall mean the "Average Delinquency Ratio" as defined in the CPS Master Spread Account Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the CPS Master Spread Account Agreement).

"CPS CUMULATIVE DEFAULT RATE" shall mean the "Cumulative Default Rate" as defined in the CPS Master Spread Account Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the CPS Master Spread Account Agreement).

"CPS CUMULATIVE NET LOSS RATE" shall mean the "Cumulative Net Loss Rate" as defined in the CPS Master Spread Account Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the CPS Master Spread Account Agreement).

"CPS DETERMINATION DATE" shall mean the "Determination Date" as defined in the applicable CPS Sale and Servicing Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the applicable CPS Sale and Servicing Agreement).

"CPS MASTER SPREAD ACCOUNT AGREEMENT" shall mean that certain Master Spread Account Agreement, as amended and restated, dated as of December 1, 1998, among CPSR, FSA, and Wells Fargo Bank Minnesota, National Association (f/k/a Norwest Bank Minnesota, National Association), as "Trustee" and as "Collateral Agent," as amended by Amendment No. 1 dated as of September 7, 2001, among CPSR, FSA, Bank One Trust Company, N.A., in its capacity as "Trustee" and as "Collateral Agent" with respect to the "Bank One Collateral," and Wells Fargo Bank Minnesota, National Association (f/k/a Norwest Bank Minnesota, National Association), in its capacity as "Collateral Agent" with respect to the "Wells Fargo Collateral," as supplemented by a Series 2001-A Supplement, dated as of September 7, 2001, among CPSR, FSA and Bank One Trust Company, N.A., as "Trustee" and as "Collateral Agent," as further amended from time to time as permitted herein.

"CPS SALE AND SERVICING AGREEMENT" shall mean, with respect to a particular CPS Securitization Transaction, the sale and servicing agreement or similar agreement applicable to, or entered into in connection with, such CPS Securitization Transaction, including, with respect to the CPS Auto Receivables Trust 2001-A Securitization Transaction, that certain Sale and Servicing Agreement dated as of September 1, 2001 (the "CPS 2001-A SALE AND SERVICING AGREEMENT"), among CPS Auto Receivables Trust 2001-A, as "Issuer," CPSR, as "Seller," the Company, as "Servicer," Systems & Services Technologies, Inc., as "Back-up Servicer," and Bank One Trust, N.A., as "Standby Servicer and Trustee," as amended from time to time as permitted herein.

"CPSL" shall mean CPS Leasing, Inc., a Delaware corporation.

"CPS MARKETING" shall mean CPS Marketing, Inc., a California corporation.

"CPS 123 CORP." shall mean CPS 123 Corp., a Delaware corporation.

"CPSRC" shall mean CPS Receivables Corp., a California corporation.

"CPSRC SHARES" shall mean 1,000 shares of common stock, no par value per share, of CPSRC, represented by stock certificate no. 3 and registered in the name of the Company, which shares represent all of the issued and outstanding Capital Stock of CPSRC.

"CRAM DOWN LOSSES" shall mean, with respect to any Automobile Contract, if a court of appropriate jurisdiction in an insolvency proceeding shall have issued an order reducing the amount owed on an Automobile Contract or otherwise modifying or restructuring Scheduled Payments to be made on an Automobile Contract, an amount equal to such reduction in the principal balance of such Automobile Contract or the

reduction in the net present value (using as the discount rate the lower of the contract rate or the rate of interest specified by the court in such order) of the Scheduled Payments as so modified or restructured. A "Cram Down Loss" shall be deemed to have occurred on the date such order is entered.

"CREDIT ENHANCER" shall mean FSA, XLCA and/or any other Person which is not an Affiliate of the Company that issues any surety bond, financial guaranty insurance policy, letter of credit or other credit enhancement device in connection with any Securitization Transaction in which the Company or any Subsidiary of the Company is the issuer or a party.

"CUSTODIAN" shall mean any receiver, trustee, assignee, liquidation, sequestrator or similar official under any Bankruptcy Law.

"CUT-OFF DATE" shall mean, with respect to any Securitization Transaction, the date upon which (i) money received under Automobile Contracts sold in connection with such Securitization Transaction becomes payable to the trustee or similar Person under the relevant Securitization Transaction Documents (including principal prepayments relating to Scheduled Payments), and (ii) all Net Liquidation Proceeds received with respect to such Automobile Contracts.

"DEALER" shall mean, with respect to an Automobile Contract, any Person that has sold Goods to any Automobile Contract Debtor pursuant to such Automobile Contract.

"DEFAULT" shall mean any event or condition which, with the giving of notice or the lapse of time or both, would become an Event of Default.

"DETERMINATION DATE" shall mean a CPS Determination Date or an MFN Determination Date or both, as the case may be.

"DGCL" shall mean the Delaware General Corporation Law.

"DISCLOSURE SCHEDULES" shall have the meaning specified in the introductory paragraph of SECTION 3.

"EFFECTIVE TIME" shall have the meaning set forth in the MFN Merger Agreement.

"ENVIRONMENTAL LAWS" shall mean all Applicable Laws relating to Hazardous Materials or the protection of human health or the environment, including all requirements pertaining to reporting, permitting, investigating or remediating releases or threatened releases of Hazardous Materials into the environment, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials.

"EQUITY RIGHTS" shall mean any warrants, options or other rights to subscribe for or purchase, or obligations to issue, any Capital Stock of the Company, or any Convertible Securities, or any stock appreciation rights, including any options or similar rights

issued or issuable under any employee stock option plan, pension plan or other employee benefit plan of the Company.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and any successor statute, including the rules and regulations promulgated thereunder, in each case as amended from time to time.

"ERISA AFFILIATE" shall mean, at any time, (i) MFN and its Subsidiaries and (ii) any other Person that is or was a member of the controlled group of corporations or trades or businesses (as defined in Sections (b), (c), (m) or (o) of Section 414 of the IRC) of which the Company or any of its Subsidiaries is or was a member within the six (6) year period immediately prior to such time.

"ESCROW ACCOUNT I" shall mean the "Escrow Account" defined in West LB Escrow Agreement I.

"EVENT OF DEFAULT" shall have the meaning specified in SECTION 10.1.

"EXCESS CASH" shall mean, in any period, all cash released to the Company or any of its Subsidiaries, by way of dividend, payment, distribution or otherwise, during such period in connection with any CPS Securitization Transaction.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same shall be in effect at the time.

"EXISTING INDEBTEDNESS" shall have the meaning set forth in SECTION 3.11(c).

"EXISTING LIENS" shall have the meaning set forth in SCHEDULE 3.11(a).

"FINANCED VEHICLE" shall mean a new or used automobile, light truck, van or minivan, together with all accessions thereto, securing any Automobile Contract Debtor's indebtedness under an Automobile Contract.

"FINANCIAL STATEMENTS" shall have the meaning specified in SECTION 3.10(a).

"FIRST AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT" shall have the meaning set forth in the recitals.

"FISCAL QUARTER" shall mean any quarter of a Fiscal Year.

"FISCAL YEAR" shall mean the fiscal year of the Company, which shall be the twelve (12) month period ending on December 31 in each calendar year, or such other period as the Company may designate in writing and the Purchaser may approve in writing.

"FSA" shall mean Financial Security Assurance Inc., a New York stock insurance company.

"FSA STOCK PLEDGE AGREEMENT" shall mean the Stock Pledge Agreement dated as of June 10, 1994, among the Company, FSA and the Trustee, as collateral agent on behalf of FSA.

"FSA WARRANT" shall mean the Warrant Agreement dated as of November 30, 1998, between the Company and FSA Portfolio Management Inc., as purchaser, together with Warrant Certificate No. 1 dated as of December 4, 1998, which is part of a duly authorized issue of warrants issued pursuant to such Warrant Agreement.

"FULLY DILUTED BASIS" shall mean, at any time, a basis that includes all shares of Capital Stock of the Company issued and outstanding at such time and all additional shares of Capital Stock of the Company which would be issued upon the conversion or exercise of all Equity Rights of the Company outstanding at such time.

"FUNDCO" shall mean CPS Funding Corp., a California corporation.

"FUTURE SERVICING CASH FLOWS" shall mean, as of any date of determination, the present value on such date of the difference between (i) the cash collected from obligors on Automobile Contracts in each Securitization Transaction and (ii) the sum of (A) principal and interest passed-through on certificates, or paid on notes, issued to investors in such Securitization Transaction, (B) Servicing Fees and (C) other expenses, including trustee fees and expenses, collateral agent fees, rating agency fees and expenses, standby servicing fees, surety bond premiums and the underwriter's discount.

"GAAP" shall mean generally accepted accounting principles and practices in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, all as in effect on the Closing Date, applied on a basis consistent with prior periods.

"GCM" shall mean Greenwich Capital Markets, Inc.

"GOODS" shall mean any new or used automobile, light truck, van or minivan, including equipment sold or financed in connection therewith, or any other item of personal property, each being intended principally for personal or family use by consumers, sold, leased or otherwise encumbered under any Automobile Contract.

"GOVERNMENTAL AUTHORITY" shall mean any nation or government, and any state or political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any self-regulatory organization.

"GUARANTEE" shall mean, with respect to any Person, (i) any guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, of any indebtedness or other obligation of any other Person and (ii) any agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of any indebtedness

or other obligation of such other Person, including any indemnity agreement, any warranty or any agreement to pay amounts drawn down by letters of credit. The amount of a Guarantee shall be deemed to be the maximum amount of the obligation guaranteed for which the guarantor could be held liable under such Guarantee.

"HAZARDOUS MATERIALS" shall mean any substance (i) the presence of which requires investigation or remediation under any Applicable Laws; (ii) that is defined or becomes defined as a "hazardous waste" or "hazardous substance" under any Applicable Laws, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (iii) that is toxic, explosive, corrosive, inflammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any Governmental Authority; (iv) the presence of which on any real property causes or threatens to cause a nuisance upon the real property or to adjacent properties or poses or threatens to pose a hazard to any real property or to the health or safety of Persons on or about any real property; or (v) without limitation, that contains gasoline or other petroleum hydrocarbons, polychlorinated biphenyls or asbestos.

"HOLDER" shall mean any Person (including the Purchaser) in whose name any Note is registered in the register maintained by the Company pursuant to SECTION 11 of the Notes, respectively.

"IMMEDIATE FAMILY" of a Person includes such Person's spouse, and the parents, children and siblings of such Person or his or her spouse and their spouses and other Persons related to the foregoing by blood, adoption or marriage within the second degree of kinship.

"INDEBTEDNESS" shall mean, with respect to the Company and its Subsidiaries, without duplication, (i) any indebtedness or obligations, contingent or otherwise, for borrowed money (including any Indebtedness for Money Borrowed (as such term is defined in the RISRS Indenture or the PENS Indenture)); (ii) all obligations evidenced by bonds, notes, debentures or similar instruments; (iii) all obligations to pay the deferred purchase price of property or services (excluding trade payables incurred in the ordinary course of business that are not overdue by more than sixty (60) days from its due date and that are not being contested in good faith); (iv) all Capital Lease Obligations; (v) all obligations secured by a Lien to which any property or assets owned by the Company or any of its Subsidiaries is subject, whether or not the obligations secured thereby have been assumed by the Company or any such Subsidiaries; (vi) all Contingent Obligations of the Company and its Subsidiaries, whether for letters of credit or bankers' acceptances or otherwise; (vii) all obligations under facilities for the discount or sale of receivables; (viii) the maximum fixed repurchase price of any redeemable stock of the Company and its Subsidiaries; and (ix) all Guarantees of items which would be included within this definition (regardless of whether such items would appear upon such balance sheet).

"INDEMNIFIED PARTIES" shall have the meaning specified in SECTION 9.2.

"INDEMNITY SIDE LETTER" shall have the meaning specified in SECTION 5.9(j).

"INITIAL CUT-OFF DATE" shall mean the first Cut-Off Date with respect to any Securitization Transaction.

"INSURANCE AGREEMENT EVENT OF DEFAULT" shall mean an event of default as defined in each of the Insurance and Indemnity Agreements to which the Company or any of its Subsidiaries is a party entered into in connection with a Securitization Transaction, or any other event or condition, however defined, which has a substantially similar meaning to such defined term.

"INTELLECTUAL PROPERTY" shall mean all intellectual property, including (i) patents, patent registrations, patent applications, patent disclosures and any related continuation, continuation-in-part, divisional, reissue, reexamination, utility, model and certificate of invention; (ii) trademarks, service marks, trade dress, logos, trade names, domain names and corporate names, and any registrations and applications for registration thereof; (iii) copyrights and registrations and applications for copyrights, including the Company's proprietary scoring and underwriting model; (iv) computer software, data and documentation; (v) trade secrets, know-how, processes and techniques, research and development, works, financial, marketing and business data, pricing and cost information, business and marketing plans, customer and supplier lists and any other confidential information; (vi) all proprietary rights relating to any of the foregoing; and (vii) copies and tangible embodiments thereof.

"INTELLECTUAL PROPERTY SECURITY AGREEMENT" shall mean an Intellectual Property Security Agreement, in form and substance satisfactory to the Purchaser, duly executed by the Company and the Purchaser, as amended from time to time.

"INVESTMENT AND GUARANTY AGREEMENT" shall mean that certain Investment Agreement and Continuing Guaranty dated as of April 15, 1999, by and among Stanwich, Charles E. Bradley, Sr., Charles E. Bradley, Jr., the Company and the Purchaser, as amended from time to time.

"INVESTMENTS" shall mean, as applied to any Person, (i) any direct or indirect purchase or other acquisition by such Person of any Capital Stock of any other Person, or all or any substantial part of the business or assets of such other Person, and (ii) any direct or indirect loan, advance or capital contribution by such Person to any other Person (including any Affiliate, officer, director or employee of the Company).

"IRC" shall mean the Internal Revenue Code of 1986, as amended, or any successor statute, and the treasury regulations promulgated thereunder.

"LICENSES AND PERMITS" shall mean, with respect to any Person, all licenses, franchises, permits, consents, approvals, registrations, certificates and authorizations of all Governmental Authorities necessary to the conduct of the businesses of such Person, including all licenses issued or issuable under the finance laws in each state in which the activities of such Person would require such licensing, licenses required for the sale or brokerage of insurance products, compliance with all bonding requirements of any Governmental Authority and any licenses, franchises, permits, consents, approvals,

registrations, certificates and authorizations required to be held to comply with or obtain exemptions from the usury laws of any state.

"LIEN" shall mean any lien, pledge, mortgage, security interest, hypothecation, charge or encumbrance of any kind (including the interest of a lessor under a Capital Lease having substantially the same economic effect), any agreement to give or refrain from giving any lien, pledge, mortgage, security interest, hypothecation, charge or other encumbrance of any kind, any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of any financing statement or other similar form of notice under the laws of any jurisdiction.

"LINC" shall mean LINC Acceptance Company, LLC, a Delaware limited liability company, which is involved in the marketing and originating of Automobile Contracts.

"LIQUIDATED CONTRACTS" shall mean any Automobile Contract (i) which has been liquidated by the Servicer through the sale of the Financed Vehicle or (ii) for which the related Financed Vehicle has been repossessed and 90 days have elapsed since the date of such repossession or (iii) as to which an Automobile Contract Debtor has failed to make more than 90% of a Scheduled Payment of more than ten dollars for 120 days or more as of the end of a Collection Period or (iv) with respect to which proceeds have been received which, in the Servicer's judgment, constitute the final amounts recoverable in respect of such Automobile Contract.

"LLCP COMMITMENT LETTER" shall have the meaning set forth in SECTION 11.3.

"LLCP COVERAGE RATIO" shall mean, as of any date, a fraction, expressed as a percentage, the numerator of which shall be (A) the sum of (i) all cash, (ii) all restricted cash, (iii) all servicing fees receivable and (iv) all investment in credit enhancements, in each case as shown on the consolidated balance sheet of the Company and its Subsidiaries as of such date, MINUS (B) the sum of all contributions, whether in the form of debt or equity, by the Company or any Subsidiary in CPS Funding LLC, CPS 123 Corp. or any other Subsidiary used for the purpose of effecting Warehouse Financing Transactions, and the denominator of which shall be equal to all Indebtedness outstanding under the Notes as of such date. For purposes of the LLCP Coverage Ratio, the calculation shall cover the assets and liabilities of the Company and its Subsidiaries other than MFN and its Subsidiaries except for, in the case of clause (A)(i) above, cash held by MFN in an amount not to exceed $2,000,000.

"LLCP REPRESENTATIVE" shall have the meaning set forth in the Amended and Restated Investor Rights Agreement.

"LLCP SHARES" shall mean (i) an aggregate of 4,552,500 shares of Common Stock held by the Purchaser as of the date hereof, (ii) the March 2000 LLCP Shares, (iii) any and all shares of Common Stock issued or issuable upon exercise of the Residual Warrant (including any Warrant Shares or other shares issued as an "anti-dilution" or other adjustment) and (iv) any other shares of Common Stock acquired by the Purchaser from and after the date hereof.

"LLCP WARRANTS" shall mean, collectively, the following Equity Rights: (i) the Bridge Warrant (Warrant No. LL-1) to Purchase 345,000 Shares of Common Stock of the Company, issued November 2, 1998; (ii) the Primary Warrant (Warrant No. LL-2) to Purchase 3,450,000 Shares of Common Stock, issued November 17, 1998; (iii) the Amended and Restated Primary Warrant (Warrant No. LLA-1) to Purchase 3,115,000 Shares of Common Stock, issued April 15, 1999; (iv) the Warrant (Warrant No. LLB 4) to Purchase 1,335,000 Shares of Common Stock, issued April 15, 1999; and (v) the Residual Warrant.

"LOSSES" shall have the meaning specified in SECTION 9.2.

"MARCH 2000 LLCP SHARES" shall mean the 103,500 shares of Common Stock issued to the Purchaser as provided in the Waiver Agreement.

"MARGIN REGULATIONS" shall mean Regulations T, U and X of the Board of Governors of the Federal Reserve System, or any successor thereto (the "Federal Reserve Board"), as amended from time to time.

"MARGIN STOCK" shall mean "margin stock" as defined in the Margin Regulations.

"MATERIAL ADVERSE EFFECT" or "MATERIAL ADVERSE CHANGE" shall mean a material adverse effect on or adverse change in, as the case may be, (i) the business, assets, condition (financial or otherwise), properties, results of operations, projections or prospects of the Company, individually, or the Company and its Subsidiaries (other than LINC or Samco) taken as a whole, (ii) the business, assets, condition (financial or otherwise), properties, results of operations, projections or prospects of MFN, individually, or MFN and its Subsidiaries taken as a whole, or (iii) the ability of the Company, individually, or the Company and its Subsidiaries (other than LINC or Samco) taken as a whole, to perform its or their obligations under this Agreement or any Related Agreements.

"MATERIAL CONTRACTS" shall have the meaning set forth in SECTION 3.13.

"MERGER CONSIDERATION" shall mean the "Merger Consideration" as defined in the MFN Merger Agreement.

"MERCURY FINANCE COMPANY" shall mean Mercury Finance Company LLC, a Delaware limited liability company.

"MERGERSUB" shall have the meaning set forth in the recitals.

"MERGERSUB CONSENT LETTER" shall mean that certain consent letter dated November 16, 2001, under which the Purchaser consented to the formation of Mergersub in connection with the execution and delivery of the MFN Merger Agreement.

"MFN" shall have the meaning set forth in the recitals.

"MFN CERTIFICATE OF MERGER" shall mean a Certificate of Merger, duly executed in accordance with the DGCL and to be filed with the Secretary of State of the State of Delaware effectuating the MFN Merger under the MFN Merger Agreement.

"MFN COLLATERAL DOCUMENTs" shall have the meaning set forth in SECTION 7.23.

"MFN CUMULATIVE GROSS LOSS RATE" shall mean the "Cumulative Gross Loss Rate" as defined in the applicable MFN Sale and Servicing Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the MFN Sales and Servicing Agreement).

"MFN CUMULATIVE NET LOSS RATE" shall mean the "Cumulative Net Loss Rate" as defined in the applicable MFN Sale and Servicing Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the applicable MFN Sales and Servicing Agreement).

"MFN DELINQUENCY RATIO" shall mean the "Delinquency Ratio" as defined in the applicable MFN Sale and Servicing Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the MFN Sales and Servicing Agreement).

"MFN DETERMINATION DATE" shall mean the "Determination Date" as defined in the applicable MFN Sale and Servicing Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the MFN Sales and Servicing Agreement).

"MFN GUARANTY" shall have the meaning set forth in SECTION 7.23.

"MFN LEVEL 1 TRIGGER EVENT" shall mean the "Level 1 Trigger Event" as defined in the applicable MFN Sale and Servicing Agreement (and all capitalized terms used within such definition shall have the meanings ascribed to them in the MFN Sales and Servicing Agreement).

"MFN MASTER SPREAD ACCOUNT AGREEMENT" shall mean that certain Master Spread Account Agreement dated as of June 1, 2001, among MFN Securitization LLC, as "Seller," XLCA, as "Insurer," MFN Auto Receivables Trust 2001-A, as "Issuer," and Wells Fargo Bank Minnesota, National Association, as "Trust Collateral Agent" and "Collateral Agent, as supplemented by a Series 2001-A Supplement dated as of June 1, 2001, as amended from time to time as permitted herein.

"MFN MERGER" shall have the meaning set forth in the recitals.

"MFN MERGER AGREEMENT" shall have the meaning set forth in the recitals.

"MFN RECEIVABLES FINANCING DOCUMENTS" shall mean that certain Receivables Financing Agreement dated as of March 1, 2001, among MFN Funding LLC, Mercury Finance Company, MFN, Deutsche Bank AG, New York Branch, Wells Fargo Bank Minnesota, National Association, and the other parties thereto, and the agreements, instruments and other documents related thereto.

"MFN SALE AND SERVICING AGREEMENT" shall mean, with respect to a particular MFN Securitization Transaction, the sale and servicing agreement or similar agreement applicable to, or entered into in connection with, such MFN Securitization Transaction, including, with respect to the MFN Auto Receivables Trust 2001-A Securitization Transaction, the Sale and Servicing Agreement dated as of June 1, 2001, among MFN Auto Receivables Trust 2001-A, as "Issuer," Mercury Finance Company, as "Servicer," MFN, as "Performance Guarantor," Wells Fargo Bank Minnesota, National Association, as "Back-up Servicer" and "Trust Collateral Agent," and Systems & Services Technologies, Inc., as "Designated Back-up Servicer," as amended from time to time as permitted herein.

"MFN SIGNIFICANT SUBSIDIARIES" shall have the meaning set forth in SECTION 7.23.

"MFN SENIOR SUBORDINATED NOTES" shall mean the $22,500,000 principal amount of 11.0% Senior Subordinated Notes Due 2002 issued by MFN pursuant to the terms of that certain Indenture dated as of March 23, 1999, and related First Supplement to Trust Indenture dated as of March 23, 1999.

"MULTIEMPLOYER PLAN" shall have the meaning set forth in Section 4001(a)(3) of ERISA.

"NAB" shall mean NAB Asset Corporation, a Texas corporation.

"NASDAQ" shall mean The Nasdaq National Market System or any successor reporting system.

"NET AVAILABLE CASH" shall mean, with respect to any Asset Sale, all cash payments received from such Asset Sale (including cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding any other consideration received in the form of assumption by the Company or any of its Subsidiaries of Indebtedness relating to the property that is the subject of such Asset Sale or received in any other non-cash form), in each case net of (i) all legal, title and recording Tax expenses, commissions and other fees and expenses incurred, and all federal, state and local Taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Sale, and (ii) all payments made on any Indebtedness which is secured by any property subject to such Asset Sale, in accordance with the terms of any Lien upon such property, or which must by its terms or in order to obtain a necessary Consent to such Asset Sale, or under Applicable Laws, be repaid out of the proceeds from such Asset Sale.

"NET INTEREST RECEIVABLE" shall mean, at any date of determination, the net present value as of such date of Future Servicing Cash Flows available to be distributed to the Company by any Subsidiary of the Company in connection with any Securitization Transaction as determined in accordance with Statement of Financial Accounting Standards No. 140. Future Servicing Cash Flows represents the difference between the coupon rate on the Automobile Contracts and the pass-through rate on the certificates or notes issued to the investors in the securitized pool in excess of a base Servicing Fee of two percent (2%) and any other continuing costs such as trustee or

surety bond premiums. To determine the Net Interest Receivable, the Future Servicing Cash Flows are first estimated using an assumed rate of prepayment that is intended to be conservative relative to historical experience and then discounted as a market rate commensurate with the risk associated with this type of investment. The Net Interest Receivable is then reduced by a credit loss provision based upon historical experience and deemed adequate to cover net losses over the life of the trust. The Net Interest Receivable is subsequently amortized against servicing income on a level-yield basis.

"NET LIQUIDATION PROCEEDS" shall mean, as to any Liquidated Contract, all amounts realized with respect to such Automobile Contract net of (i) reasonable expenses incurred by the Servicer in connection with the collection of such Automobile Contract and the repossession and disposition of the Financed Vehicle and (ii) amounts that are required to be refunded to the Automobile Contract Debtor on such Automobile Contract; PROVIDED, HOWEVER, that "Net Liquidation Proceeds" with respect to any Automobile Contract shall in no event be less than zero.

"NYSE" shall mean The New York Stock Exchange, Inc.

"NOTES" shall mean, collectively, the Term B Note, the Bridge Note and the Term C Note, as amended from time to time, and shall also include, where applicable, any additional note or notes issued by the Company in connection with any Assignments thereof. The term "Note" shall refer to the Term B Note, the Bridge Note or the Term C Note, as applicable.

"OBLIGATIONS" or "OBLIGATIONS TO PURCHASER" shall mean any and all Indebtedness, claims, liabilities or obligations of the Company and any of its Subsidiaries owing from time to time to the Purchaser or any Affiliate of the Purchaser (or any successor, assignee or transferee of the Purchaser or such Affiliate) of whatever nature, type or description, arising under or with respect to the Prior LLCP Documents, this Agreement, the Notes (including the Term B Note, the Bridge Note and the Term C Note), the Amended and Restated Registration Rights Agreement, the Amended and Restated Investor Rights Agreement, the Subsidiary Guaranty, the Collateral Documents, the Option Agreement, the Indemnity Side Letter and the other Related Agreements, and any and all agreements, instruments or other documents heretofore or hereafter executed or delivered in connection with any of the foregoing, of whatever nature, character or description, including any claims for rescission or other damages under applicable federal and state securities laws, in each case whether due or not due, direct or indirect, joint and/or several, absolute or contingent, voluntary or involuntary, liquidated or unliquidated, determined or undetermined, now or hereafter existing, amended, renewed, extended, exchanged, restated, refinanced, refunded or restructured, whether or not from time to time decreased or extinguished and later increased, created or incurred, whether for principal, interest, premiums, fees, costs, expenses (including attorneys' fees) or other amounts incurred for administration, collection, enforcement or otherwise, whether or not arising after the commencement of any proceeding under the Bankruptcy Laws (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding, and whether or not recovery of any such obligation or liability may be barred by any statute of limitations or such Indebtedness, claim, liability or obligation may otherwise be unenforceable.

"OPTION AGREEMENT" shall mean an Option Agreement dated as of the Closing Date, in form and substance satisfactory to the Purchaser, duly executed by the Company and the Purchaser, as amended from time to time.

"PAYMENT DATE" shall mean, with respect to each Collection Period in any Securitization Transaction, the 15th day of the following calendar month or, if such day is not a Business Day, the immediately following Business Day, or such other day as provided for with respect to such Securitization Transaction. A Payment Date may also be referred to as a "Distribution Date," or an other term or definition which has a substantially similar meaning, with respect to any Securitization Transaction.

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"PENS" shall mean the "10.50% Participating Equity Notes" due April 15, 2004, issued by the Company in the original principal amount of $20,000,000 pursuant to a First Supplemental Indenture dated as of April 15, 1997, between the Company and Bankers Trust Company, as trustee thereunder, as in effect on the date hereof or as amended pursuant to SECTION 8.11(A). The PENS is the first series of unsecured subordinated debentures, notes or other evidences of indebtedness to be issued under the PENS Indenture.

"PENS INDENTURE" shall mean an Indenture, dated as of April 15, 1997, as supplemented by the First Supplemental Indenture, dated as of April 15, 1997, between the Company and Bankers Trust Company, as trustee thereunder, as in effect on the date hereof or as amended pursuant to SECTION 8.11(A).

"PERMITTED INVESTMENTS" shall mean any one or more of the following:

(i) any direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, all of which mature within three (3) months from the date of acquisition thereof; or

(ii) any interest-bearing demand or time deposits or certificates of deposit that mature no more than thirty (30) days from the date of creation thereof and that are either (a) insured by the Federal Deposit Insurance Corporation or (b) held in any United States commercial bank having general obligations rated at least "AA" or equivalent by Standard & Poor's Rating Group Corporation or Moody's Investors Service, Inc. and having capital and surplus of at least $500,000,000 or the equivalent.

"PERMITTED LIENS" shall mean:

(i) judgment and attachment Liens in connection with (a) judgments that do not constitute an Event of Default so long as the judgment creditor has not succeeded in the foreclosure thereof and reserves have been established to the extent required by GAAP as in effect at such time and (b) litigation and legal proceedings that are being contested in good faith by appropriate proceedings (or as to which the Company or any of its Subsidiaries, as the case may be, is preparing to promptly initiate in appropriate proceedings) so long as adequate reserves have been established in accordance with GAAP and so long as such Liens do not encumber assets in an aggregate amount (together with the amount of any unstayed judgments against the Company or any of its Subsidiaries) in excess of $1,000,000;

(ii) Liens for Taxes, assessments or other governmental charges or levies on property of the Company or any of its Subsidiaries if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith by appropriate proceedings, and Liens for personal property Taxes so long as such Liens do not secure an amount in excess of $20,000;

(iii) pledges or deposits by the Company or any of its Subsidiaries under worker's compensation laws, unemployment insurance laws or similar legislation;

(iv) Liens on the property of the Company or any of its Subsidiaries incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance or return-of-money bonds, surety or indemnity bonds or other obligations of like nature and incurred in a manner consistent with industry practice, in each case which are not incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property (provided that the Company may incur Liens to secure surety or indemnity bonds or other obligations of like nature outside of the ordinary course of business so long as such Liens do not encumber assets in excess of $350,000 in the aggregate);

(v) Liens imposed by operation of law, such as carriers', warehousemen's and mechanics' Liens, on property of the Company or any of its Subsidiaries arising in the ordinary course of business and securing payment of obligations which are not more than sixty (60) days past due or are being contested in good faith by appropriate proceedings and, if required by GAAP, are appropriately reserved for on the books of the Company or such Subsidiary, as the case may be; and

(vi) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;

PROVIDED, HOWEVER, that each of the Liens described in the foregoing clauses (i) through (vi) inclusive shall only constitute a Permitted Lien so long as such Liens do not materially interfere with the conduct of the business of the Company and its Subsidiaries, individually or taken as a whole, or result in a Material Adverse Change.

"PERSON" shall mean any individual, trustee, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, limited liability partnership, other business entity or Governmental Authority.

"PLEDGE AGREEMENT" shall mean a Stock Pledge and Control Agreement dated as of the Closing Date, in form and substance satisfactory to the Purchaser, by and between the Company and the Purchaser, as amended from time to time.

"PLEDGED STANWICH NOTES" shall have the meaning set forth in the Stanwich Amended Subordination Agreement.

"POOLE" shall mean John G. Poole, an individual and a former Affiliate of Stanwich.

"POOLE REPLACEMENT NOTE" shall mean the Convertible Subordinated 12.5% Note dated November 16, 1998, in the principal amount of $1,000,000, made payable by the Company in favor of Poole.

"PREVIOUSLY PLEDGED STANWICH NOTES" shall have the meaning set forth in the Stanwich Amended Subordination Agreement.

"PRIOR LLCP DOCUMENTS" shall mean, collectively, any and all agreements, instruments, amendments, certificates and other documents entered into or delivered by the Purchaser, the Company or Stanwich or any of the Company's other Affiliates from November 2, 1998, through the date immediately preceding the Closing Date, related to, or in connection with, the purchase by the Purchaser of any debt or equity securities of the Company, including the Bridge Loan Documents, the November 1998 Transaction Documents and the April 1999 Note Documents and the Waiver Agreement.

"PRO FORMA CLOSING BALANCE SHEET" shall have the meaning set forth in SECTION 3.10(e).

"PURCHASE PRICE" shall have the meaning specified in SECTION 2.2.

"PURCHASED CONTRACT" shall mean an Automobile Contract purchased as of the close of business on the last day of a Collection Period by the Servicer.

"PURCHASER" shall have the meaning set forth in the preamble.

"REAL PROPERTY" shall mean any real property or "facility" (as defined in the Resource Conversation and Recovery Act (RCRA), 42 U.S.C. Section 6901 ET SEQ.) currently or formerly owned, operated, leased or occupied by the Company and its Subsidiaries.

"RELATED AGREEMENTS" shall mean, collectively, the Prior LLCP Documents, the Notes, the Option Agreement, the Amended and Restated Registration Rights Agreement, the Amended and Restated Investor Rights Agreement, the Subsidiary Guaranty, the Collateral Documents, the Stanwich-Related Agreements, the Indemnity Side Letter, the Mergersub Consent Letter, the consent letter dated March 7, 2002, between the Company and the Purchaser with respect to the CPS Auto Receivables Trust 2002-A Securitization Transaction, the consent letter dated March 7, 2002, between the Company and the Purchaser with respect to the CPS Warehouse Trust Securitization Transaction, the side letter dated as of the date hereof with respect to the Pardee Matter (as defined therein), and any and all agreements, instruments, certificates, letters and other documents executed or delivered in connection herewith or therewith or contemplated hereby and thereby (including the MFN Guaranty and the MFN Collateral Documents), as the same may be amended from time to time.

"RESIDUAL INTEREST IN SECURITIZATIONS" shall mean, at any date of determination, the present value as of such date of the aggregate (without duplication) of the Company's or any Subsidiaries' interest in (i) the Net Interest Receivable relating to all Securitization Transactions, (ii) all spread accounts, collection accounts, reserve accounts and all other deposit accounts and securities accounts relating to all Securitization Transactions and (iii) any over-collateralized accounts.

"RESIDUAL WARRANT" shall mean that certain Warrant (No. LLB 5) issued April 15, 1999, and restated upon exercise in part as of May 26, 1999, to Purchase 1,000 Shares of Common Stock, as amended from time to time.

"RESIDUAL WARRANT SHARES" shall mean any and all shares of Common Stock issued or issuable upon exercise of the Residual Warrant.

"RESTRICTED PAYMENT" shall mean, with respect to any Person, any one or more of the following:

(i) any dividend or other distribution, direct or indirect, on account of any Capital Stock of such Person now or hereafter outstanding;

(ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any Capital Stock of such Person now or hereafter outstanding; and

(iii) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to any Subordinated Indebtedness (PROVIDED that any sinking fund payments required to be made by the Company under the terms of any Existing Indebtedness shall not constitute a Restricted Payment);

PROVIDED, HOWEVER, that the following shall not constitute a Restricted Payment so long as the Company is Solvent and no Default or Event of Default has occurred and is continuing or would occur as a result thereof: (a) any dividend or other distribution, direct or indirect, on account of any Capital Stock of such Person now or hereafter outstanding which is payable solely in shares of Common Stock; (b) any regularly scheduled payments of principal of and/or interest on any Subordinated Indebtedness made in accordance with the terms and provisions of the Subordinated Agreements; (c) any sales or transfers of Automobile Contracts (or pools thereof) between or among the Company and its Subsidiaries in connection with any Securitization Transaction (including any Warehouse Financing Transaction); (d) any purchases by the Company of its Capital Stock under the Company's Employee Savings (401(k)) Plan; (e) any dividend or other distribution, direct or indirect, on account of any Capital Stock (now or hereafter outstanding) of any of the Company's Subsidiaries to the Company; or (f) the cancellation or acquisition of any Capital Stock of the Company as payment to the Company of the exercise price of any Equity Rights.

"RISRS" shall mean the "Rising Interest Subordinated Redeemable Security Due 2006" issued by the Company in the original principal amount of $20,000,000, pursuant to a First Supplemental

Indenture dated as of December 15, 1995, between the Company and Harris Trust and Savings Bank, as trustee thereunder, as in effect on the date hereof, or as amended pursuant to SECTION 8.11(A). The RISRS is the first series of unsecured subordinated debentures, notes or other evidences of indebtedness to be issued under the RISRS Indenture.

"RISRS INDENTURE" shall mean an Indenture dated as of December 15, 1995, between the Company and Harris Trust and Savings Bank, as trustee, as supplemented by the First Supplemental Indenture, dated as of December 15, 1995, between the Company and Bankers Trust Company, as trustee thereunder, as in effect on the date hereof or as amended pursuant to SECTION 8.11(A).

"SAMCO" shall mean Samco Acceptance Corp., a Delaware corporation.

"SCHEDULED PAYMENT" shall mean, with respect to any Collection Period for any Automobile Contract, the amount set forth in such Automobile Contract as required to be paid by the Automobile Contract Debtor in such Collection Period (without giving effect to deferments of payments or any rescheduling of payments in any insolvency or similar proceedings).

"SEC" shall mean the Securities and Exchange Commission, or any successor agency.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, all as the same shall be in effect at the time.

"SECURITIZATION TRANSACTION DOCUMENTS" shall mean any and all agreements, instruments and other documents now existing or hereafter related to, or entered into in connection with, any Securitization Transaction, including any and all purchase agreements, assignment agreements, sale and servicing agreements, pooling and servicing agreements, servicing agreements, sub-servicing agreements, trust agreements, indentures, note purchase agreements, master spread account agreements, spread account supplements, collection account agreements, lockbox agreements, blocked account agreements, other deposit account control agreements, insurance and indemnity agreements, liquidity facility agreements, financial guaranty insurance policies and other credit enhancement agreements, in each case as amended from time to time as permitted herein.

"SECURITIZATION TRANSACTION" shall mean any and all transactions, whether now existing or hereafter arising or entered into, by the Company or any of its Subsidiaries involving the pooling and sale of Automobile Contracts to a Special Purpose Entity, including the pooling and sale of Automobile Contracts to a Special Purpose Entity in connection with any Warehouse Financing Transaction, including (i) Alton Grantor Trust 1993-1, Alton Grantor Trust 1993-2, Alton Grantor Trust 1993-3, Alton Grantor Trust 1993-4, CPS Auto Grantor Trust 1994-1, CPS Auto Grantor Trust 1994-2, CPS Auto Grantor Trust 1994-3, CPS Auto Grantor Trust 1994-4, CPS Auto Grantor Trust 1995-1, CPS Auto Grantor Trust 1995-2, CPS Auto Grantor Trust 1995-3, CPS Auto Grantor Trust 1995-4, CPS Auto Grantor Trust 1996-1, FASCO Auto Grantor Trust 1996-2, CPS Auto Grantor Trust 1996-2A, CPS Auto

Grantor Trust 1996-3, CPS Auto Grantor Trust 1997-1, CPS Auto Grantor Trust 1997-2, CPS Auto Receivables Trust 1997-3, CPS Auto Receivables Trust 1997-4, CPS Auto Receivables Trust 1997-5, CPS Grantor Trust 1998-1, CPS Auto Receivables Trust 1998-2, CPS Auto Receivables Trust 1998-3, CPS Auto Receivables Trust 1998-4, CPS Auto Receivables Trust 2001-A (the "CPS 2001-A SECURITIZATION TRANSACTION") and CPS Auto Receivables Trust 2002-A, and any such future securitization transactions involving the Company or any of its Subsidiaries (other than MFN and its Subsidiaries covered by clause (B) below) (collectively, the "CPS SECURITIZATION Transactions"), or (B) MFN Auto Receivables Trust 2001-A, MFN Auto Receivables Trust 2002-A and any such future securitization transactions involving MFN or any of its Subsidiaries (collectively, the "MFN SECURITIZATION TRANSACTIONS").

"SECURITY AGREEMENT" shall mean an Amended and Restated Security Agreement dated as of the Closing Date, in form and substance satisfactory to the Purchaser, by and between the Company and the Purchaser, as amended from time to time.

"SENIOR INDEBTEDNESS" shall mean the principal amount of, premium, if any, and interest on (i) any Indebtedness of the Company, whether now outstanding or hereafter created, incurred, assumed or guaranteed, unless in the instrument creating or evidencing such Indebtedness or pursuant to which such Indebtedness is outstanding it is provided that such Indebtedness is subordinate in right of payment or rights upon liquidation to any other Indebtedness of the Company, and (ii) refundings, renewals, extensions, modifications, restatements, and increases of any such Indebtedness. The term "Senior Indebtedness" shall include any and all Indebtedness and other amounts owing under the Notes.

"SENIOR SUBORDINATED INDEBTEDNESS" shall mean, collectively, the RISRS, the PENS, the Stanwich Indebtedness, the Poole Replacement Note and any other Indebtedness of the Company which ranks PARI PASSU with the RISRS, the PENS and the Stanwich Indebtedness and the Poole Replacement Note; PROVIDED, HOWEVER, that such other Indebtedness is evidenced or governed by provisions that are reasonably satisfactory to the Purchaser, in each case as amended from time to time in accordance with SECTION 8.11(A).

"SERVICER" shall mean the Company, as the servicer of Automobile Contracts, and each successor servicer of the Company.

"SERVICING FEES" shall mean any and all servicing fees (including, as applicable, reimbursements and returns) paid or payable to the Company in connection with and under the terms of the applicable indenture, pooling or sale and servicing agreements or other agreements or documents executed in connection with any Warehouse Financing Transaction or other Securitization Transaction.

"SOLVENT" shall mean, with respect to any Person on the date of determination, that: (i) the present fair saleable value of the assets of such Person is greater than the amount required to be paid with respect to the probable liability on the existing debts and other liabilities (whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent) of such Person as they become absolute and matured; (ii) the sum of the debts (whether matured or unmatured,

liquidated or unliquidated, absolute, fixed or contingent) of such Person will not exceed all of the property of such Person at a fair valuation (including the value of all intangible property); (iii) such Person's assets do not constitute unreasonably small capital for such Person to carry on its business as now conducted and as proposed to be conducted; and (iv) such Person does not intend to, and does not believe it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature (taking into account the timing and amounts of cash to be received by such Person and of amounts to be payable on or with respect to debt of such Person). For purposes of this definition, the amount of Contingent Obligations outstanding at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that is reasonably expected to become an actual or matured liability.

"SPECIAL PURPOSE ENTITY" shall mean any direct or indirect wholly owned Subsidiary of the Company that is formed or created as a "bankruptcy remote special purpose" entity solely for the purposes of effectuating any Securitization Transaction.

"SPECIFIED DEFAULTS" shall have the meaning set forth in SECTION 2.5.

"STANWICH" shall mean Stanwich Financial Services Corp., a Rhode Island corporation or Stanwich Partners, Inc., a Delaware corporation, as applicable.

"STANWICH AMENDED REGISTRATION RIGHTS AGREEMENT" or "AMENDED STANWICH REGISTRATION RIGHTS AGREEMENT" shall mean the Consolidated Registration Rights Agreement dated as of November 17, 1998 (the "STANWICH REGISTRATION RIGHTS AGREEMENT"), between the Company, Stanwich and Poole, as amended by the First Amendment to Consolidated Registration Rights Agreement dated as of March 15, 2000, as further amended from time to time.

"STANWICH AMENDED SUBORDINATION AGREEMENT" or "AMENDED STANWICH SUBORDINATION AGREEMENT" shall mean the Subordination Agreement dated as of November 17, 1998 (the "ORIGINAL STANWICH SUBORDINATION AGREEMENT"), among Stanwich, Poole, the Purchaser and the Company, as amended by the Amendment to Subordination Agreement dated as of April 15, 1999, among Stanwich, the Purchaser and the Company (it being understood that such amendment was not intended in any way to affect Poole's obligations under the Original Stanwich Subordination Agreement insofar as they related to Poole), and as further amended by the Second Amendment to Subordination Agreement dated as of March 15, 2000, among Stanwich, Poole, the Purchaser and the Company, as further amended from time to time.

"STANWICH CASE" shall mean IN RE STRUCTURED SETTLEMENT LITIGATION, Nos. BC 244111, 244271 and 243787 (Cal. Super. Ct. filed May 9, 2001), including any and all claims, counterclaims and cross-claims related thereto.

"STANWICH COMMITMENT NOTE" shall mean the Subordinated Promissory Note dated September 30, 1999, made by the Company to Stanwich in the principal amount of $1,500,000.

"STANWICH DEBT DOCUMENTS" shall mean, collectively, all agreements, instruments and other documents, whether now existing or hereafter entered into, evidencing or governing any Stanwich Indebtedness, including (i) the 1997 Stanwich Notes, (ii) the Poole Replacement Note, (iii) the Stanwich Debt Restructure Agreement, (iv) the Stanwich Amended Subordination Agreement and (v) the Stanwich Commitment Note, as the same may be amended from time to time in accordance with SECTION 8.11(A).

"STANWICH DEBT RESTRUCTURE AGREEMENT" shall mean the Debt Restructure Agreement dated as of November 17, 1998, among the Company, Stanwich and Poole.

"STANWICH INDEBTEDNESS" shall mean, collectively, any and all outstanding Indebtedness of the Company or its Subsidiaries or both owing to Stanwich or any of Stanwich's shareholders, officers, directors, employees or Affiliates (including Poole, but excluding the Company and its Subsidiaries), including Indebtedness owing under the following:

(i) the seven (7) "Partially Convertible Subordinated 9% Notes" dated June 12, 1997, including two (2) in the principal amount of $5,000,000 and five (5) in the principal amount of $1,000,000 (collectively, the "1997 STANWICH NOTES"), issued by the Company to Stanwich in the aggregate principal amount of $15,000,000;

(ii) the Poole Replacement Note; and

(iii) the Stanwich Commitment Note;

in each of clauses (i) through (iii) above as amended from time to time in accordance with SECTION 8.11(a).

"STANWICH-RELATED AGREEMENTS" shall mean the Stanwich Debt Documents, the Stanwich Amended Registration Rights Agreement, the Stanwich Amended Subordination Agreement, the Stanwich Termination and Settlement Agreement and any and all agreements, instruments and documents executed and delivered in connection therewith or from time to time with respect to any Stanwich Indebtedness.

"STANWICH REPLACEMENT NOTE" shall mean the Convertible Subordinated 12.5% Note dated November 16, 1998, in the principal amount of $4,000,000, made payable by the Company in favor of Stanwich.

"STANWICH TERMINATION AND SETTLEMENT AGREEMENT" shall mean the Termination and Settlement Agreement With Respect To Investment Agreement and Continuing Guaranty dated as of March 15, 2000, by and among the Purchaser, the Company, Stanwich, Charles E. Bradley, Sr. and Charles E. Bradley, Jr.

"SUBORDINATED AGREEMENTS" shall mean, collectively, the RISRS Indenture, the PENS Indenture, the Stanwich Debt Documents and all other agreements, instruments and other documents evidencing or governing any Indebtedness of the Company or any of its Subsidiaries, whether now existing or hereafter entered into, that expressly provides that such Indebtedness is subordinate in right of payment or rights upon liquidation to any other Indebtedness of the Company, together with any and all related agreements, instruments and other documents

between or among the Company, any of its Subsidiaries and/or the Subordinated Lenders, in each case as amended, supplemented or otherwise modified from time to time in accordance with SECTION 8.11(a).

"SUBORDINATED INDEBTEDNESS" shall mean Indebtedness that is not Senior Indebtedness, as such Indebtedness may be refinanced, renewed, replaced, restructured or exchanged from time to time in accordance with SECTION 8.11(A).

"SUBORDINATED LENDERS" shall mean the lenders of Subordinated Indebtedness (including Stanwich and Poole).

"SUBSIDIARY" and "SUBSIDIARIES" shall mean, with respect to any Person, any other Person of which more than fifty percent (50%) of the total voting power of Capital Stock entitled to vote (without regard to the occurrence of any contingency) in the election of directors (or other Persons performing similar functions) are at the time directly or indirectly owned by such first Person. Unless otherwise indicated, the term "SUBSIDIARY" refers to a Subsidiary of the Company and includes, at any time after the consummation of the MFN Merger (and, without limiting the generality of this sentence for purposes of ARTICLES 7 and 8), MFN and its direct and indirect Subsidiaries; PROVIDED, HOWEVER, that, unless otherwise indicated, when used in ARTICLE 3, the term "Subsidiary" means any Subsidiary of the Company immediately prior to the MFN Merger.

"SUBSIDIARY GUARANTORS" shall mean CPSL, CPS Marketing and any other direct or indirect Subsidiary that is or becomes a "Guarantor" under the Subsidiary Guaranty.

"SUBSIDIARY GUARANTY" shall mean an Amended and Restated Joint and Several General and Continuing Guaranty dated as of the Closing Date, in form and substance satisfactory to the Purchaser, duly executed by the Subsidiary Guarantors in favor of the Purchaser, as amended from time to time.

"TAX" or "TAXES" shall mean any present and future income, excise, sales, use, stamp or franchise taxes and any other taxes, fees, duties, levies, withholdings or other charges of any nature whatsoever imposed by any taxing authority, whether federal, state, local or foreign, together with any interest and penalties and additions to tax.

"TERM A NOTE" shall mean that certain Secured Senior Note Due 2001 dated March 15, 2000, issued by the Company in favor of the Purchaser in the principal amount of $16,000,000.

"TERM B NOTE" shall mean a Second Amended and Restated Secured Senior Note Due November 30, 2003, as amended and restated as of the Closing Date, in the principal amount of $26,000,000, in substantially the form of EXHIBIT A-1, which amends and restates that certain Amended and Restated Secured Senior Note Due 2003 dated as of March 15, 2000 (the "FIRST AMENDED TERM B NOTE"), issued by the Company in favor of the Purchaser in the original principal amount of $30,000,000, as amended from time to time. (The Term B Note evidences the aggregate Indebtedness and all other amounts owing under the Amended November 1998 Primary Note and the April 1999 Note.)

"TERM C NOTE" shall have the meaning set forth in SECTION 2.1.

"TERM C NOTE PURCHASE PRICE" shall have the meaning set forth in SECTION 2.3.

"TERMINATION EVENT" shall mean (i) the Company, any ERISA Affiliate, and Benefit Plan or any fiduciary (within the meaning of Section 3(21) of ERISA) of a Benefit Plan being named as a defendant in a lawsuit filed under ERISA; (ii) the Internal Revenue Service giving notice that it intends to revoke the tax-qualified status of any Benefit Plan; (iii) the occurrence of a "Reportable Event" described in Section 4043 of ERISA with respect to a Benefit Plan, regardless of whether the PBGC has waived the notice requirements with respect to such event in its regulations; (iv) the imposition of liability (whether absolute or contingent) as a result of a complete or partial withdrawal from a Multiemployer Plan, if any; (v) the filing of a notice to terminate a Benefit Plan in a distress termination under Section 4041(c) of ERISA; (vi) the institution of proceedings by the PBGC to terminate a Benefit Plan or to appoint a trustee pursuant to Section 4042 of ERISA, or the occurrence of any event or set of circumstances that might reasonably constitute grounds for the PBGC to do either; (vii) the restoration of a plan by the PBGC pursuant to Section 4047 of ERISA; or (viii) the Company's or any ERISA Affiliate's withdrawal from a single-employer plan during the plan year in which it is a substantial employer pursuant to Section 4063 of ERISA.

"THIRD PARTY INTELLECTUAL PROPERTY RIGHTS" shall have the meaning specified in SECTION 3.22(A).

"TRIGGER EVENT" shall mean a "Trigger Event," a "Level 1 Trigger Event," a "Level 2 Trigger Event," a "Level 3 Trigger Event" or any other term or definition having a substantially similar meaning, as defined or used in any Securitization Transaction Document or other agreement executed in connection with any Securitization Transaction, including the CPS Master Spread Account Agreement and the MFN Master Spread Account Agreement.

"UCC" shall mean the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of California; PROVIDED that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of the Purchaser's Liens on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of California, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions hereof relating to such attachment, perfection, or priority and for purposes of definitions related to such provisions.

"USAP AUDIT" shall mean an audit conducted according to the requirements and standards set forth in the Uniform Single Attestation Program promulgated by the Mortgage Bankers Association of America.

"WAIVER AGREEMENT" shall mean that certain Waiver Agreement dated as of March 15, 2000, by and between the Company and the Purchaser, as amended from time to time.

"WARECO" shall mean CPS Warehouse Corp., a Delaware corporation.

"WAREHOUSE FINANCING TRANSACTION" shall mean any transaction entered into in the ordinary course of the Company's business, in each case consistent with the Company's past practices, pursuant to which (i) the Company or one or more of its Subsidiaries sells Automobile Contracts to any entity which is established by the Company for the limited purpose of buying and reselling such Automobile Contracts, and (ii) such entity purchases such Automobile Contracts from the Company or such selling Subsidiary from time to time for cash or other consideration equal to the fair market value of such Automobile Contracts and finances the purchase of such Automobile Contracts through borrowings under a "warehouse financing" facility established with a third party financing party and under which such entity is the sole borrower (with no recourse to either the Company or any other Subsidiary other than for breaches of customary representations and warranties in connection with sales of Automobile Contracts).

"WARRANT SHARES" shall mean any and all shares of Common Stock issued or issuable upon exercise of, or otherwise under, any LLCP Warrants.

"WEST LB" shall mean Westdeutsche Landesbank Girozentrale, New York Branch.

"WEST LB COMMITMENT LETTER" shall mean that certain Project Chicago-Commitment Letter dated November 16, 2001, between West LB and the Company.

"WEST LB ESCROW AGREEMENT I" shall have the meaning set forth in SECTION 5.9(h)(i).

"WEST LB ESCROW AGREEMENT II" shall have the meaning set forth in SECTION 5.9(h)(ii).

"WEST LB ESCROW AGREEMENTS" shall mean, collectively, West LB Escrow Agreement I and West LB Escrow Agreement II.

"XLCA" shall mean XL Capital Assurance Inc., a New York monoline financial guaranty insurance company.

1.2 ACCOUNTING TERMS AND COMPUTATIONS. For purposes of this Agreement and any Related Agreement, (a) all accounting terms used that are not expressly defined herein or therein have the meanings given to them under GAAP, (b) all computations made pursuant to this Agreement or any Related Agreement shall be made in accordance with GAAP and (c) all financial statements and other financial information required to be delivered by the Company or any Guarantor under this Agreement or under any Related Agreement shall, except as otherwise expressly provided in this Agreement, be prepared in accordance with GAAP in the ordinary course of business consistent with past practices, except that any such financial statements or other financial information which are unaudited may be subject to year-end audit adjustments and may omit footnotes.

1.3 INDEPENDENCE OF COVENANTS. All covenants in this Agreement or any Related Agreement shall each be given independent effect so that if a particular action or condition is not permitted by any such covenant, the fact that it would be permitted by another covenant, by an exception thereto, or be otherwise

within the limitations thereof, shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

1.4 HEADINGS; CONSTRUCTION AND INTERPRETATION. The headings in this Agreement and any Related Agreement are for convenience of reference only, do not constitute a part of this Agreement or such Related Agreement and are not to be considered in construing or interpreting this Agreement or Related Agreement. All section, preamble, recital, exhibit, schedule, disclosure schedule, annex, clause and party references contained in this Agreement or any Related Agreement are to this Agreement or such Related Agreement, as the case may be, unless otherwise stated. Unless the context of this Agreement or any Related Agreement clearly requires otherwise, the use of the word "including" is not limiting and the use of the word "or" has the inclusive meaning represented by the phrase "and/or." Reference in this Agreement or any Related Agreement to any agreement, other document or law "as amended" or "as amended from time to time," or amendments of any document or law, shall include any amendments, restatements, supplements, replacements, renewals, refinancings, refunds, waivers or other modifications. This Agreement and each Related Agreement has been negotiated by, and entered into between or among, persons that are sophisticated and knowledgeable in business matters. Accordingly, any rule of law or legal decision that would require interpretation of this Agreement or any Related Agreement against the party that drafted it shall not be applicable and is irrevocably and unconditionally waived. All provisions of this Agreement and each Related Agreement shall be construed in accordance with their fair meaning, and not strictly for or against any party.

1.5 DETERMINATIONS. Any determination or calculation contemplated by this Agreement or any Related Agreement that is made by the Purchaser shall be final and conclusive and binding upon the Company in the absence of manifest error.

1.6 KNOWLEDGE OF THE COMPANY. Whenever the term "KNOWLEDGE OF THE COMPANY" or "BEST KNOWLEDGE OF THE COMPANY PARTIES" or words of similar import are used in this Agreement or any other Investment Document with respect to the existence or absence of any fact, it shall mean that any one or more of the following Persons knows or should have known, based upon the reasonable inquiry of such Person, of the existence or absence of such fact: Charles E. Bradley, Jr., David Kenneally and Mark A. Creatura, Esq.

2. PURCHASE AND SALE OF NOTES; CLOSING; LIMITED WAIVER.

2.1 AUTHORIZATION. The Company has authorized, among other things, (a) the amendment and restatement of the First Amended and Restated Securities Purchase Agreement, on the terms and subject to the conditions set forth herein, (b) the amendment and restatement of the First Amended Term B Note, on the terms and subject to the conditions set forth in the Term B Note, (c) the issuance, sale and delivery to the Purchaser of a Secured Senior Note Due February 28, 2003, in the principal amount of $35,000,000, in substantially the form of EXHIBIT A-2 (as amended from time to time, the "BRIDGE NOTE") and (d) the issuance, sale and delivery to the Purchaser of a 12.00% Secured Senior Note Due 2008 in the principal face amount of $11,241,931, in substantially the form of EXHIBIT A-3 (as amended from time to time, the "TERM C NOTE"). The Indebtedness evidenced by the Bridge Note and the Term C Note, including the payment of

principal thereof and premium, if any, and interest thereon, shall constitute Senior Indebtedness and shall rank PARI PASSU in right of payment and rights upon liquidation to all Indebtedness evidenced by the Term B Note.

2.2 PURCHASE OF NOTES. Subject to the terms and conditions contained herein, and in reliance upon the representations, warranties, covenants and agreements contained herein, at the Closing, the Company shall issue, sell and deliver to the Purchaser, and the Purchaser shall purchase from the Company, the Bridge Note and the Term C Note. The aggregate purchase price to be paid by the Purchaser for the Bridge Note shall be $35,000,000 (the "BRIDGE NOTE PURCHASE PRICE") and the aggregate purchase price to be paid by the Purchaser for the Term C Note shall be $8,500,000 (the "TERM C NOTE PURCHASE PRICE"), in each case which will be paid in accordance with SECTION 2.3.

2.3 CLOSING. The closing (the "CLOSING") of the issuance, sale and delivery of the Bridge Note and the Term C Note and the other transactions contemplated by this Agreement shall take place at the offices of Irell & Manella LLP, 1800 Avenue of the Stars, Suite 900, Los Angeles, California 90067, on the date hereof or as soon as practicable thereafter immediately following the satisfaction or waiver of the conditions precedent set forth in SECTION 5 and SECTION 6 (such date being the "CLOSING DATE"). At the Closing, the Company shall deliver to the Purchaser the Term C Note, duly executed by the Company, against delivery by the Purchaser of the Term C Note Purchase Price (net of amounts permitted to be withheld pursuant to SECTION 11.8) by wire transfer in immediately available funds to such bank as the Company may request in writing (which request shall be made in writing at least one (1) Business Day prior to the Closing Date) for credit to an account designated by the Company in such request. Pursuant to the terms of West LB Escrow Agreement I and as expressly instructed by the Company, immediately prior to the Closing, the Purchaser shall deposit into Escrow Account I the Bridge Note Purchase Price (net of amounts permitted to be withheld pursuant to SECTION 11.8) in accordance with the wire transfer instructions contained in the West LB Escrow Agreement I. Concurrently with the release by the Closing Escrow Agent of the funds deposited by the Purchaser and others into Escrow Account I as provided in West LB Escrow Agreement I, the Company shall be deemed to have received the Bridge Note Purchase Price, and the Company shall deliver to the Purchaser the Bridge Note, duly executed by the Company.

2.4 USE OF PROCEEDS. The proceeds to be received by the Company from the issuance and sale of the Bridge Note hereunder shall be used solely to fund a portion of the Merger Consideration under the MFN Merger Agreement and to pay costs, fees and expenses associated with the MFN Merger and the transactions contemplated by this Agreement and the Related Agreements. The proceeds to be received by the Company from the issuance and sale of the Term C Note hereunder shall be used solely to fund a portion of the Merger Consideration under the MFN Merger Agreement, to repay the MFN Senior Subordinated Notes and to pay costs, fees and expenses associated with the MFN Merger and the transactions contemplated by this Agreement and the Related Agreements.

2.5 LIMITED WAIVER OF SPECIFIED DEFAULTS. The Company has advised the Purchaser that the Events of Default under the First Amended and Restated Securities Purchase Agreement listed on SCHEDULE 2.5 (the "SPECIFIED DEFAULTS") have occurred and are continuing as of the date hereof. Effective at and as of the Closing, pursuant to Section 10.4 of the First Amended and Restated Securities Purchase Agreement and in consideration for the payment being made to the Purchaser pursuant to SECTION 5.3, the Purchaser waives the Specified

Defaults. Except for the waiver of the Specified Defaults as expressly provided for in this SECTION 2.5, nothing contained in this Agreement or any Related Agreement is intended to or shall be construed as a waiver of any breaches, violations, Defaults or Events of Default, whether past, present or future, under the Securities Purchase Agreement or any Related Agreement, or a forbearance by the Purchaser of any of its rights, remedies or powers against the Company, any of its Subsidiaries or the Collateral, and the Purchaser hereby expressly reserves all of its rights, powers and remedies under or in connection with the Securities Purchase Agreement and the Related Agreements, whether at law or in equity.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to the Purchaser that, except as set forth in the disclosure schedules attached to this Agreement (the "DISCLOSURE SCHEDULES"), the following statements are true and correct:

3.1 ORGANIZATION AND GOOD STANDING. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California. The Company has all power and authority, including all Licenses and Permits, necessary to own or lease and operate its properties and assets and to carry on its business as now being conducted and as proposed to be conducted. The Company is duly qualified or licensed and in good standing as a "foreign corporation" duly authorized to do business in each jurisdiction in which the character of the properties owned or the nature of the activities conducted makes such qualification or licensing necessary. The Company has the requisite power and authority to enter into this Agreement and each Related Agreement to which it is a party, to amend and restate the First Amended and Restated Securities Purchase Agreement, to issue, sell and deliver the Bridge Note to be issued by it hereunder and to consummate the other transactions contemplated hereby and by the Related Agreements.

3.2 SUBSIDIARIES.

(a) SCHEDULE 3.2 sets forth a true, correct and complete list of all direct and indirect Subsidiaries of the Company as of the date hereof and a list of all direct and indirect Subsidiaries of the Company immediately following the MFN Merger, in each case setting forth, as to each such Subsidiary, its name, the jurisdiction of its organization, the address of its principal executive offices, the number of outstanding shares of its Capital Stock and the number of such outstanding shares or other interests owned, directly or indirectly, by the Company. Each such Subsidiary is an entity duly organized, validly existing and, if applicable, in good standing (other than LINC) under the laws of the jurisdiction of its incorporation, and has all power and authority, including all Licenses and Permits, necessary to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. Since March 15, 2000, each of LINC and Samco has not conducted any business whatsoever and is inactive. ARC owns or holds no assets, does not, and will not, conduct any business and is inactive. No Subsidiary of MFN is material to the business, condition (financial or otherwise) or operations of MFN other than Mercury Finance Company and the "bankruptcy remote special purpose" entities created by MFN for purposes of the MFN Securitization Transactions completed through the date hereof.

(b) All of the outstanding Capital Stock of each Subsidiary listed on SCHEDULE 3.2 has been duly authorized and is validly issued, fully paid and non-assessable. The Company owns all of the outstanding Capital Stock

of each Person that is a Subsidiary of the Company as of the date hereof free and clear of any Liens and of any other restrictions (including any restrictions on the right to vote, sell or otherwise dispose of such Capital Stock) except for Liens in favor of the Purchaser and as set forth in SCHEDULE 3.2, and, immediately after the Closing, the Company will own all of the outstanding Capital Stock of each Person that will be a Subsidiary of the Company immediately after the Closing (including MFN) free and clear of any Liens and of any other restrictions (including any restrictions on the right to vote, sell or otherwise dispose of such Capital Stock), except for Liens in favor of the Purchaser and as set forth in SCHEDULE 3.2.

3.3 QUALIFICATION. The Company and each of its Subsidiaries (other than LINC) is duly qualified or licensed and in good standing as a "foreign corporation" duly authorized to do business in each jurisdiction in which the character of the properties owned or the nature of the activities conducted makes such qualification or licensing necessary, except where the failure to be so qualified or licensed could not have a Material Adverse Effect.

3.4 AUTHORIZATION; BINDING OBLIGATIONS. The execution, delivery and performance by the Company of this Agreement and each of the Related Agreements to which it or any Subsidiary is a party, the amendment and restatement of the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, the issuance, sale and delivery of the Bridge Note and the Term C Note, the grant of Liens in favor of the Purchaser pursuant to the Collateral Documents, the consummation of the MFN Merger and the transactions referenced in SECTION 5.16 and the consummation of the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company, MFN and their Subsidiaries, as applicable. This Agreement has been duly executed and delivered by the Company and, at the Closing, each of the Bridge Note, the Term C Note and the other Related Agreements will be duly executed and delivered by the Company or its Subsidiaries that is a party thereto. This Agreement is, and the Bridge Note, the Term C Note and each other Related Agreement will at the time of the Closing be, a legal, valid and binding obligation of the Company or its Subsidiaries that is a party thereto, enforceable against such Person in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or conveyance or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability and except as rights of indemnity or contribution may be limited by federal or state securities or other laws or the public policy underlying such laws.

3.5 NO VIOLATION; EXISTING DEFAULTS; SENIOR INDEBTEDNESS.

(a) The execution, delivery and performance by the Company of this Agreement and each of the Related Agreements to which it or any Subsidiary is a party, the amendment and restatement of the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, the issuance, sale and delivery of the Bridge Note and the Term C Note, the grant of Liens in favor of the Purchaser pursuant to the Collateral Documents and the consummation of the MFN Merger, and the transactions referenced in SECTION 5.16 and the other transactions contemplated hereby and thereby do not and will not violate or conflict with, or cause a default under, or give rise to a right of termination under, (i) the charter or bylaws of the Company, MFN or any of their respective Subsidiaries, as in effect on the date hereof; (ii) any Applicable Laws; or (iii) any term of any Material Contract (including any Securitization

Transaction Document and any Stanwich-Related Agreement), indenture, note, mortgage, instrument or other agreement to which the Company, MFN or any of their respective Subsidiaries is a party or by which any of its or their properties or assets are bound.

(b) Except as disclosed in SCHEDULE 3.5(B), neither the Company, MFN nor any of their respective Subsidiaries is in default, breach or violation of (i) its charter or bylaws, as in effect on the date hereof, (ii) any term of any Material Contract (including any Securitization Transaction Document or any Stanwich-Related Agreement), indenture, note, mortgage, instrument or other agreement to which the Company, MFN or any of their respective Subsidiaries is a party or by which any of its or their properties or assets are bound or (iii) to the best knowledge of the Company, any Applicable Laws. Without limiting the generality of the foregoing, except as set forth in SCHEDULE 3.5(B), no "default" or "event of default" has occurred and is continuing under any agreement, instrument or other document to which the Company, MFN or any of their respective Subsidiaries is a party which evidences or governs any Indebtedness of the Company, MFN or their respective Subsidiaries, as the case may be (other than such "defaults" or "events of default" as have been duly waived by the appropriate Person pursuant to waivers which are in effect as of the date hereof and are disclosed in SCHEDULE 3.5(B)).

(c) The outstanding principal balance of the First Amended Term B Note is equal to $26,000,000. The First Amended Term B Note remains in full force and effect. The Indebtedness evidenced by the Term B Note constitutes "Senior Indebtedness" (as such term is defined in the RISRS Indenture, the PENS Indenture and the Stanwich Debt Documents). Immediately following the Closing, the Indebtedness evidenced by the Bridge Note and the Term C Note will also constitute "Senior Indebtedness" (as such term is defined in the RISRS Indenture, the PENS Indenture and the Stanwich Debt Documents), and there will be no agreement, indenture, instrument or other document to which the Company or any of its Subsidiaries is a party or by which it or they are bound that requires the subordination in right of payment or rights upon liquidation of any Obligations to Purchaser to the repayment of any other Indebtedness of the Company or any of its Subsidiaries.

(d) Except as set forth on SCHEDULE 3.5(d), no Trigger Event or Insurance Agreement Event of Default has occurred and is continuing.

(e) There are no contractual or other restrictions or limitations which (i) prohibit the amendment and restatement of the First Amended and Restated Securities Purchase Agreement or the First Amended Term B Note, the issuance, sale and delivery of the Bridge Note and the Term C Note or any other transaction contemplated hereby, (ii) prohibit or restrict any merger, sale of assets or other event which could cause a Change in Control or (iii) otherwise prohibit any other financings by the Company, including any public or private debt or equity financings.

3.6 GOVERNMENTAL AND OTHER THIRD PARTY CONSENTS. Neither the Company nor any of its Subsidiaries or other Affiliates is required to obtain any Consent in connection with execution, delivery or performance of this Agreement or any Related Agreement, the amendment and restatement of the First Amended Term B Note, the issuance, sale and delivery of the Bridge Note or the Term C Note or the grant of the Liens in favor of the Purchaser, or for the purpose of maintaining in full force and effect any Licenses and Permits of the Company or

any of its Subsidiaries, from (a) any Governmental Authority, (b) any trustee, Credit Enhancer, rating agency or other party to any Securitization Transaction in connection with the execution and delivery of this Agreement or any Related Agreement or (c) any other Person, except where the failure to obtain such consent or maintain any such License or Permit, as the case may be, could not have a Material Adverse Effect.

3.7 CAPITALIZATION.

(a) SCHEDULE 3.7(a) sets forth a true, correct and complete description of the authorized capital stock of the Company and the number of shares of each class or series of Capital Stock that is issued and outstanding as of the date hereof. As of the date hereof, (i) 6,100,000 shares of Common Stock were reserved for issuance under the Company Stock Plans, of which options to purchase 642,531 shares are available for future grants, options to purchase 1,890,500 shares have been exercised and options to purchase 3,566,969 shares are outstanding (of which options to purchase 1,966,371 shares are exercisable); (ii) an aggregate of 2,412,228 shares of Common Stock were reserved for issuance upon conversion of the PENS and the Stanwich Indebtedness; and (iii) 1,000 shares of Common Stock were reserved for issuance upon exercise of the Residual Warrant. All of the issued and outstanding shares of Capital Stock of the Company have been duly authorized and are validly issued, fully paid and non-assessable, and are free and clear of any Liens and other restrictions (including any restrictions on the right to vote, sell or otherwise dispose of such Capital Stock but excluding any such restrictions under the Amended and Restated Investor Rights Agreement) and of any preemptive or other similar rights to subscribe for or to purchase any such Capital Stock. Except as set forth on SCHEDULE 3.7(A) (which Schedule sets forth a true, correct and complete description of, with respect to each security, title, name of the holder or Person, as applicable, the number of shares of Capital Stock underlying such security, exercise price, expiration date and percentage of shares of such Capital Stock on a Fully Diluted Basis), as of the date hereof, there are: (i) no outstanding Equity Rights; (ii) to the best knowledge of the Company, no voting trusts or other agreements or undertakings with respect to the voting of the Capital Stock of the Company; (iii) no obligations or rights (whether fixed or contingent) on the part of the Company, any of its directors or officers or, to the best knowledge of the Company, any other Person to purchase, repurchase, redeem or "put" any outstanding shares of the Capital Stock of the Company or Equity Rights; and (iv) no agreements to which the Company, any of its directors or officers or, to the best knowledge of the Company, any other Person is a party granting any other Person any rights of first offer or first refusal, registration rights or "drag-along," "tag-along" or similar rights with respect to any transfer of any Capital Stock of the Company or Equity Rights. All shares of Capital Stock of the Company and Equity Rights that have been issued by the Company have been offered, issued and sold in compliance with all applicable federal and state securities laws.

(b) SCHEDULE 3.7(b) sets forth a true, correct and complete description of the authorized capital stock of each Subsidiary of the Company on the date hereof and of the authorized capital stock of each Subsidiary of the Company immediately after the Closing and the number of shares of each class of Capital Stock that is issued and outstanding as of the date hereof. There are no options, warrants or similar rights to purchase or otherwise acquire any shares of Capital Stock of any Subsidiary. All shares of Capital Stock of each Subsidiary that have been issued have been offered, issued and sold in compliance with all applicable federal and state securities laws.

(c) No shares of Capital Stock of the Company will become issuable to any Person (including FSA) pursuant to any "anti-dilution" or other provisions contained in any issued and outstanding Equity Rights on account of the exercise of the Residual Warrant or the application of the "anti-dilution" provisions contained in any LLCP Warrant.

(d) Except as set forth on SCHEDULE 3.7(d), the Company has not incurred, and should not incur, any charges to its statement of operations in connection with any repricing of stock options issued under the Company Stock Plans.

(e) Pursuant to the FSA Stock Pledge Agreement, the Company pledged to FSA, and FSA continues to have a valid first priority security interest in, all of the Company's right, title and interest in and to the CPSRC Shares as security for the full and complete performance of all Obligations (as such term is defined therein). The FSA Stock Pledge Agreement has not been amended, supplemented or otherwise modified.

3.8 VALIDITY AND ISSUANCE OF RESIDUAL WARRANT SHARES. The Residual Warrant Shares have been duly authorized and, when issued, delivered and paid for pursuant to the terms of the Residual Warrant, will be duly and validly issued, fully paid and nonassessable.

3.9 TRANSACTIONS WITH AFFILIATES.

(a) SCHEDULE 3.9 contains a true, complete and accurate list and description of each agreement, transaction, financial or other arrangement, obligation or commitment between the Company or any of its Subsidiaries, on the one hand, and any former or present officer, director or Affiliate of the Company or any of its Subsidiaries, or any member of the Immediate Family of such Person, on the other hand, other than the payment of compensation to such Persons in the ordinary course of business. Neither the Company nor any Subsidiary has loaned or advanced funds to any officer, director, employee or minority shareholder except as disclosed on SCHEDULE 3.9.

(b) Except as set forth in SCHEDULE 3.9, since January 1, 1999, no shareholder, employee, officer, director or Affiliate of the Company or any of its Subsidiaries or, to the best knowledge of the Company, Affiliate of any such Person, and no member of the Immediate Family of any such Person, has engaged in any transaction or relationship with the Company or any of its Subsidiaries (other than the payment of compensation to such Persons in the ordinary course of business).

(c) This SECTION 3.9 does not apply to transactions or relationships involving (i) sales or transfers of Automobile Contracts (or interests therein) between or among the Company and its Subsidiaries in connection with any Securitization Transaction (including any Warehouse Financing Transaction), (ii) any Investments disclosed on SCHEDULE 3.11(a) or (iii) any purchases by the Company of Automobile Contracts from CARSUSA, so long as the terms of such purchases are no less favorable to the Company than those otherwise attainable from unrelated franchised dealers in an arm's length transaction.

(d) Charles E. Bradley, Sr. resigned as Chairman of the Board of the Company on July 5, 2001.

3.10 FINANCIAL STATEMENTS; DISCLOSURE.

(a) The Company has delivered to the Purchaser copies of:

(i) Audited consolidated balance sheets of the Company and its Subsidiaries as of December 31, 1998, 1999 and 2000, and audited consolidated statements of operations, shareholders' equity and changes in financial position or cash flows for each of the three (3) years then ended, together with a report and an unqualified opinion of KPMG LLP, the Company's independent public accountants;

(ii) Unaudited consolidated balance sheets of the Company and its Subsidiaries as of December 31, 2001, and unaudited consolidated statements of operations, shareholders' equity and changes in financial position or cash flows for the twelve (12) month period then ended, together with notes related thereto;

(iii) An unaudited consolidated balance sheet of the Company and its Subsidiaries as of January 31, 2002, and an unaudited consolidated statement of operations for the twelve (12) month period then ended;

(iv) Audited consolidated balance sheets of MFN and its Subsidiaries as of December 31, 1998, 1999 and 2000, and audited consolidated statements of operations, shareholders' equity and changes in financial position or cash flows for each of the three (3) years then ended, together with a report and an unqualified opinion of from MFN's independent auditors;

(v) Unaudited consolidated balance sheets of MFN and its Subsidiaries as of December 31, 2001, and unaudited consolidated statements of operations, shareholders' equity and changes in financial position or cash flows for the twelve (12) month period then ended, together with notes related thereto; and

(vi) The "monthly board packages" furnished to the Board of Directors since January 1, 2001, including the unaudited financial information contained therein (the financial statements and information referred to in clauses (i) through (vi) being collectively referred to as the "FINANCIAL Statements").

(b) The Financial Statements have been prepared in accordance with GAAP (except that, with respect to the monthly board packages, the Dealer acquisition fees reflected in the financial statements included therein have not been accounted for in accordance with GAAP) and fairly present the consolidated and consolidating financial position and results of operations of the Company and its Subsidiaries as of the dates and for the periods indicated therein. Except as set forth in SCHEDULE 3.10(A), since December 31, 2000, there has not been any Material Adverse Change.

(c) All financial statements and other financial information not included in the Financial Statements and previously furnished by or on behalf of the Company, its Subsidiaries or any of their representatives or agents to the Purchaser in connection with this Agreement and the transactions contemplated hereby adequately reflect the financial position and results of operations of the Company and its Subsidiaries, as applicable, as of the dates

and for the period indicated therein, and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein or therein contained not misleading.

(d) Neither the Company nor any of its Subsidiaries, nor any of its or their officers, directors or other Affiliates (i) is contemplating the filing of a petition under the Bankruptcy Laws, or the liquidation of all or any major portion of its or their assets or properties, or (ii) is aware of any Person contemplating the filing of any petition against the Company or any of its Subsidiaries under the Bankruptcy Laws. Neither the Company nor any of its Subsidiaries is contemplating changing its business, as such business is being conducted on the date hereof.

(e) SCHEDULE 3.10(d) sets forth a true, correct and complete copy of a consolidated balance sheet of the Company and its Subsidiaries as of February 28, 2002, as adjusted to give PRO FORMA effect to the consummation of the transactions contemplated by this Agreement as if such transactions had occurred on such date (the "PRO FORMA CLOSING BALANCE SHEET"), together with footnotes describing the pro forma adjustments and the assumptions underlying the PRO FORMA Closing Balance Sheet. The PRO FORMA Closing Balance Sheet presents fully and fairly in all material respects the PRO FORMA consolidated financial position of the Company and its Subsidiaries as of February 28, 2002, and properly gives effect to the application of the PRO FORMA adjustments described therein and contemplated herein. All assumptions underlying the PRO FORMA Closing Balance Sheet were made in good faith and are reasonable under the circumstances.

(f) Neither the Company nor any of its directors or officers is aware of any fact or circumstance that would cause KPMG LLP, the Company's independent public accountants, to render a qualified opinion with respect to the consolidated financial statements of the Company and its Subsidiaries for the fiscal year ended December 31, 2001.

(g) SCHEDULE 3.10(g) sets forth a true, correct and complete description of each Warehouse Financing Transaction entered into by the Company, MFN or any of their respective Subsidiaries and existing on the date hereof.

3.11 INDEBTEDNESS; LIENS; INVESTMENTS; ETC.

(a) SCHEDULE 3.11(a) sets forth a true and correct list, and describes, as of the date or dates indicated therein, as applicable:

(i) all Indebtedness of the Company, MFN or their respective Subsidiaries, whether accrued, absolute, contingent or otherwise (and whether incurred individually or in the aggregate), outstanding immediately prior to the Closing Date, which Schedule shows, as to each item of material Indebtedness, the payee thereof and the total amount outstanding (by principal, interest and other amounts, if applicable);

(ii) All UCC, Tax and judgment Liens granted by or imposed against the Company, MFN or their respective Subsidiaries or their respective assets and properties existing immediately prior to the Closing ("EXISTING LIENS"), including all UCC financing statements filed naming the Company, MFN or any such Subsidiary as a debtor and all material pledges and other material Liens on the assets of the

Company, MFN or any such Subsidiary for which no UCC financing statement has been filed, in each case immediately prior to the Closing Date;

(iii) all Investments (other than Investments made in auto receivables in trusts with respect to any Securitization Transactions) of the Company, MFN or their respective Subsidiaries immediately prior to the Closing Date; and

(iv) all Guarantees (including indemnification agreements) of the Company, MFN or their respective Subsidiaries existing immediately prior to the Closing Date.

(b) The Stanwich Replacement Note has been prepaid in cash in full on or about January 31, 2001, and no principal, interest or other amounts are owed thereunder.

(c) Immediately following the Closing, the Company and its Subsidiaries will not have any Indebtedness, whether accrued, absolute, contingent or otherwise (whether individually or in the aggregate), except for the Indebtedness described in SCHEDULE 3.11(C) (collectively, "EXISTING INDEBTEDNESS"), which Schedule sets forth, as to each item of material Indebtedness, the payee thereof and the total amount outstanding (by principal, interest and other amounts, if applicable).

(d) There are no outstanding loans, advances, indebtedness or other obligations or commitments owing by NAB to the Company or any of its Subsidiaries or other Affiliates or owing by the Company or any of its Subsidiaries to NAB.

3.12 CERTAIN CHANGES. Except as set forth on SCHEDULE 3.12, since December 31, 2000, there has not been:

(a) any damage or destruction to, or loss of, any asset of the Company or any of its Subsidiaries, whether or not covered by insurance, which could have a Material Adverse Effect;

(b) any waiver by the Company or any of its Subsidiaries of a valuable right or of a material debt owed to it, other than those arising in the ordinary course of business in connection with the Company's servicing and collection activities relating to Automobile Contracts;

(c) any satisfaction or discharge of any Lien or payment of any obligation by the Company or any of its Subsidiaries outside of the ordinary course of business;

(d) any material change or amendment to any Automobile Contract, Dealer Agreement or Material Contract by which the Company, any of its Subsidiaries or any of its or their respective properties or assets is bound or subject, other than those arising in the ordinary course of business in connection with the Company's servicing and collection activities relating to Automobile Contracts;

(e) any material adverse change in the assets, liabilities, condition (financial or otherwise) or operations of the Company or any of its Subsidiaries;

(f) any change in the Contingent Obligations of the Company or any of its Subsidiaries, by way of Guarantees or otherwise, outside of the ordinary course of business;

(g) any declaration or payment of any dividend or other distribution of assets of the Company to its shareholders, or the adoption or consideration of any plan or arrangement with respect thereto;

(h) any resignation or termination of the employment of any director, officer or key employee of the Company or any of its Subsidiaries;

(i) any Investment by the Company or any of its Subsidiaries in the Capital Stock of any Person other than Mergersub (PROVIDED that the Company shall not be obligated to include on SCHEDULE 3.12 the employee loans and advances disclosed on SCHEDULE 3.9);

(j) any offer, issuance or sale of any shares of Capital Stock of the Company or any Equity Rights (other than as provided in the First Amended and Restated Securities Purchase Agreement);

(k) any material change in the Company's credit guidelines and policies, charge-off policies or accounting methods, procedures or policies;

(l) any incurrence of any Indebtedness by the Company or any of its Subsidiaries;

(m) any agreement or commitment to do any of the foregoing;

(n) any deterioration in the quality of the portfolio of Automobile Contracts owned by the Company or any of its Subsidiaries; or

(o) any other event or condition of any character which could have a Material Adverse Effect.

3.13 MATERIAL CONTRACTS; AUTOMOBILE CONTRACTS.

(a) SCHEDULE 3.13(a) (which, with respect to MFN and its Subsidiaries only, shall be delivered to the Purchaser within ten (10) calendar days after the Closing, pursuant to SECTION 7.24) sets forth a true and complete list of all material contracts, agreements, commitments or arrangements, whether oral or written, of the Company, MFN and any of their respective Subsidiaries, including all Securitization Transaction Documents, Stanwich-Related Agreements, the MFN Merger Agreement, credit, loan or financing agreements, guaranties, indemnity agreements, underwriting agreements, dealer affiliation agreements, employment and other agreements with management, joint venture agreements, partnership agreements, agreements, instruments and other documents evidencing Indebtedness (including the Subordinated Agreements), leases (whether real or personal property) and other agreements, commitments or arrangements involving, in any instance, any obligation of the Company, MFN or any of their respective Subsidiaries to pay an amount in excess of $100,000, or the breach or termination of which could have a Material Adverse Effect (all of the foregoing contracts, agreements, commitments and arrangements, whether entered into prior to, on or after the Closing Date, being collectively referred to herein as the "MATERIAL CONTRACTS").

(b) Each Material Contract is legal, valid, binding and enforceable against the parties thereto in accordance with its terms and is in full force and effect as of the date hereof. The Company, MFN or their respective Subsidiaries, as applicable, and, to the best knowledge of the Company, all third parties to the Material Contracts are in substantial compliance with the terms thereof, and no default or event of default by the Company, MFN or their respective Subsidiaries or, to the best knowledge of the Company, any third party, exists thereunder which could cause a Material Adverse Effect. Neither the Company, MFN nor their respective Subsidiaries is a party to any contract, commitment, license, agreement, obligation or arrangement that restricts it from carrying on its business or any part thereof, or from competing in any line of business or with any other Person.

(c) [INTENTIONALLY OMITTED.]

(d) SCHEDULE 3.13(d) (which, with respect to MFN and its Subsidiaries only, shall be delivered to the Purchaser within ten (10) calendar days after the Closing pursuant to SECTION 7.24) sets forth true and correct portfolio performance reports for the Company, MFN and their respective Subsidiaries.

3.14 TRADE ACCOUNTS PAYABLE. Except to the extent disputed in good faith by the Company, all trade accounts payable of the Company, MFN and their respective Subsidiaries were incurred in the ordinary course of business and are valid. SCHEDULE 3.14 sets forth a true, correct and complete list of all trade accounts payable of the Company and its Subsidiaries as of a recent date, reflecting agings per trade account payable in categories of thirty (30), sixty (60), ninety (90) and more than ninety (90) days after the date of invoice.

3.15 LABOR AND EMPLOYEES.

(a) Neither the Company, MFN nor any of their respective Subsidiaries is a party to any collective bargaining agreement, there is no unfair labor practice or labor arbitration proceedings pending with respect to the Company, MFN or any of their respective Subsidiaries or, to the best knowledge of the Company, threatened, and there are no facts or circumstances known to the Company or any of its Subsidiaries that could reasonably be expected to give rise to such complaint or claim. To the best knowledge of the Company, there are no organizational efforts presently underway or threatened involving any employees of the Company, MFN or any of their respective Subsidiaries or any of the employees performing work for the Company, MFN or any of their respective Subsidiaries but provided by an outside employment agency, if any. There has been no work stoppage, strike or other concerted action by employees of the Company, MFN or any of their respective Subsidiaries.

(b) All employees of the Company, MFN or any of their respective Subsidiaries are employed at will, except as set forth on SCHEDULE 3.15 and SCHEDULE 3.30. SCHEDULE 3.15 sets forth, individually and by category, the name of each officer, employee and consultant, together with such person's position or function, annual base salary, wage and other monetary compensation with respect to such person or arrangement. Except as described in SCHEDULE 3.15, the completion of the transactions contemplated by this Agreement will not result in any payment or increased payment becoming due from the Company, MFN or any of their respective Subsidiaries to any officer, director, or employee of, or consultant to the Company, MFN or any of their respective Subsidiaries and, to the best of the knowledge of the Company, (i) no employee of the Company or

any of its Subsidiaries has made any threat, or otherwise revealed an intent, to terminate said employee's relationship with the Company or any of its Subsidiaries , for any reason, including because of the consummation of the transactions contemplated by this Agreement, and (ii) no employee of MFN or any of its Subsidiaries has made any threat, or otherwise revealed an intent, to terminate said employee's relationship with MFN or any of its Subsidiaries, for any reason, including because of the consummation of the transaction contemplated by this Agreement, which could cause a Material Adverse Effect. Neither Company, MFN nor any of their respective Subsidiaries is a party to any agreement for the provision of labor from any outside agency, or to any agreement with any consultant or other independent contractor, except as set forth in SCHEDULE 3.15. To the best knowledge of the Company, except as set forth in SCHEDULE 3.15, within the three (3) year period preceding the Closing Date, there have been no claims by employees of such outside agencies, if any, with regard to employees assigned to work for the Company, MFN or any of their respective Subsidiaries , no claims by any governmental agency with regard to such employees and no attempts by any labor organization to organize the employees assigned by any outside agency to work for, at or on behalf of Company, MFN or any of their respective Subsidiaries .

(c) Within the three (3)-year period preceding the Closing Date, there have been no federal or state claims based on the sex, sexual or other harassment, age, disability, race or other discrimination or common law claims, including claims of wrongful termination, by any employees of the Company, MFN or any of their respective Subsidiaries or by any of the employees performing work for the Company, MFN or any of their respective Subsidiaries but provided by an outside employment agency, that would result in a Material Adverse Effect, and there are no facts or circumstances known to the Company, MFN or any of their respective Subsidiaries that could reasonably be expected to give rise to any such complaint or claim. Each of the Company, MFN and their respective Subsidiaries has complied with all laws related to the employment of employees except for such occurrences where non-compliance and liabilities could not, individually or in the aggregate, reasonably expected to have a Material Adverse Effect. Except as set forth on SCHEDULE 3.15, each of the Company, MFN and any of their respective Subsidiaries has not received any notice of any claim within the three (3) years preceding the Closing Date that it has not complied in any material respect with any laws relating to the employment of employees, including any provisions thereof relating to wages, hours, collective bargaining, the payment of Social Security and similar taxes, equal employment opportunity, employment discrimination, the federal Workers Adjustment and Retraining Notification Act, as amended, employee safety, or that it is liable for any arrearages of wages or any taxes or penalties for failure to comply with any of the foregoing.

(d) The Company has no written policies and/or employee handbooks or manuals except as set forth in SCHEDULE 3.15.

3.16 EMPLOYEE BENEFIT PLANS; ERISA. For purposes of this SECTION 3.16, the term "COMPANY" shall include any ERISA Affiliate.

(a) SCHEDULE 3.16 (which, with respect to MFN and its Subsidiaries only, shall be delivered to the Purchaser within ten (10) calendar days after the Closing, pursuant to SECTION 7.24) sets forth a true, correct and complete list of:

(i) Each termination or severance agreement involving the Company or its Subsidiaries, on the one hand, and any of its respective employees whose annual compensation is at a base rate equal to or exceeding $60,000, on the other hand;

(ii) All employee benefit plans, as defined in Section 3(3) of ERISA; and

(iii) All other profit-sharing, bonus, stock option, stock purchase, stock bonus, restricted stock, stock appreciation right, phantom stock, vacation pay, holiday pay, tuition reimbursement, scholarship, severance, dependent care assistance, excess benefit, incentive compensation, salary continuation, supplemental retirement, employee loan or loan guarantee program, split dollar, cafeteria plan, and other compensation arrangements;

in each case maintained or contributed to by the Company for the benefit of its employees (or former employees) and/or their beneficiaries. All of these types of arrangements shall be collectively referred to as "BENEFIT PLANS". An arrangement will not fail to be a Benefit Plan simply because it only covers one individual, or because the Company's obligations under the plan arise by reason of its being a "successor employer" under Applicable Laws. Furthermore, a Voluntary Employees' Beneficiary Association under Section 501(c)(9) of the IRC will be considered a Benefit Plan for this purpose.

(b) All costs of administering and contributions required to be made to each Benefit Plan under the terms of that Benefit Plan, ERISA, the IRC, or any other applicable law have been timely made, and are fully deductible in the year for which they were paid. All other amounts that should be accrued to date as liabilities of the Company under or with respect to each Benefit Plan (including administrative expenses and incurred but not reported claims) for the current plan year of the plan have been recorded on the books of the Company. There will be no liability of the Company (i) with respect to any Benefit Plan that has previously been terminated or (ii) under any insurance policy or similar arrangement procured in connection with any Benefit Plan in the nature of a retroactive rate adjustment, loss sharing arrangement, or other liability arising wholly or partially out of events occurring before the Closing.

(c) Each Benefit Plan has been operated at all times in accordance with its terms, and complies currently, and has complied in the past, both in form and in operation, with all Applicable Laws, including ERISA and the IRC. The Internal Revenue Service has issued a favorable determination letter with respect to each Benefit Plan that is intended to qualify under Section 401(a) or 501(c)(9) of the IRC, and no event has occurred (either before or after the date of the letter) that would disqualify the plan.

(d) The Company does not maintain any plan that provides (or will provide) medical or death benefits to one or more former employees or independent contractors (including retirees) following termination of employment, other than benefits that are required to be provided under COBRA or any state law continuation coverage or conversion rights. The Company has complied in all material respects with the continuation coverage requirements of COBRA.

(e) There are no audits, investigations, proceedings, lawsuits or claims pending or, to the best knowledge of the Company, threatened relating to any Benefit Plan.

(f) The Company does not have any intention or commitment, whether legally binding or not, to create any additional Benefit Plan, or to modify any existing Benefit Plan so as to increase benefits to participants or the cost of maintaining the plan. The benefits under all Benefit Plans are as represented, and have not been, and will not be increased subsequent to the date documents are provided to the Purchaser except in the ordinary course of business and consistent with competitive business standards. No statement, either oral or written, has been made by the Company (or any agent of the Company) to any Person regarding any Benefit Plan that is not in accordance with the Plan that could have adverse economic consequences to the Purchaser.

(g) None of the persons performing services for the Company have been improperly classified as being independent contractors, leased employees, or as being exempt from the payment of wages for overtime, except where the improper classification could not result in a Material Adverse Effect.

(h) None of the Benefit Plans provide any benefits that (i) become payable or become vested solely as a result of the consummation of this transaction or of transactions under the MFN Merger Agreement or (ii) would result in excess parachute payments (within the meaning of Section 280G of the IRC), either (A) solely as a result of the consummation of this transaction or of transactions under the MFN Merger Agreement or (B) as a result of the consummation of this transaction or of transactions under the MFN Merger Agreement and any actions taken by the Purchaser after the Closing Date. Furthermore, the consummation of this transaction will not require the funding (whether formal or informal) of the benefits under any Benefit Plan (E.G., contributions to a "rabbi trust").

(i) None of the assets of any Benefit Plan that is a "pension plan" within the meaning of Section 3(2) of ERISA are invested in a group annuity contract or other insurance contract that is subject to any surrender charge, interest rate adjustment, or other similar expense upon its premature termination.

(j) No Benefit Plan has any interest in any annuity contract or other investment or insurance contract issued by an insurance company that is the subject of bankruptcy, conservatorship, rehabilitation, or similar proceeding.

(k) With respect to each Benefit Plan that is subject to Title IV of ERISA:

(i) No amount is due or owing from the Company to the PBGC, other than a liability for premiums under Section 4007 of ERISA;

(ii) All premiums have been paid to the PBGC on a timely basis;

(iii) The present value of all accrued benefits under any such Benefit Plans shall not, as of the Closing Date, exceed the value of the assets of such Benefit Plans allocated to such accrued benefits, based upon the applicable provisions of the Code and ERISA, and each such Benefit Plan shall be capable of being terminated as of the Closing Date in a "standard termination" under Section 4041(b) of ERISA;

(iv) No amount is due or owing from the Company to the PBGC or to any such Benefit Plan on account of any withdrawal therefrom, and no such Benefit Plan has been terminated other than in accordance with ERISA or at a time when the plan was not sufficiently funded;

(v) The transactions contemplated under this Agreement and by the MFN Merger Agreement shall not result in any such withdrawal or other liability under ERISA;

(vi) There are no liens against the assets of the Company under Section 412(n) of the IRC or Sections 302(f) or 4068 of ERISA;

(vii) No Termination Event has occurred; and

(viii) No reportable events (within the meaning of Section 4043 of ERISA) have occurred.

(l) In the case of each Benefit Plan that is subject to IRC Section 412, there is no, and has never been any, accumulated funding deficiency (within the meaning of IRC Section 4971), whether or not such deficiency has been waived.

(m) The Company does not contribute to, and is not a participant in, and has never contributed to or been a participant in, any Multiemployer Plan.

(n) The Company has delivered to the Purchaser a true and complete copy of the following documents, to the extent that they are applicable:

(i) Each Benefit Plan and any related funding agreements (E.G., trust agreements or insurance contracts), including all amendments (and SCHEDULE 3.16 includes a description of any such amendment that is not in writing);

(ii) The current draft of the Summary Plan Description and all subsequent Summaries of Material Modifications of each Benefit Plan;

(iii) The most recent Internal Revenue Service determination letter for each Benefit Plan that is intended to qualify for favorable income tax treatment under Section 401(a) or 501(c)(9) of the Code, which determination letter reflects all amendments that have been made to the plan (except as set forth in SCHEDULE 3.16); and

(iv) The two (2) most recent Form 5500s (including all applicable Schedules and the opinions of the independent accountants) that were filed on behalf of the Benefit Plan.

3.17 TAXES.

(a) The Company and each of its Subsidiaries has filed within the required time periods all federal, state and other Tax returns required to have been filed by it or them, and such returns are true and correct in all respects. No extensions to file such returns have been requested by the Company or its Subsidiaries. The Company and each of its Subsidiaries has paid all Taxes

which were due and payable by it or them, prior to the date hereof, other than (i) Taxes that are being contested in good faith and for which reserves have been properly established on the PRO FORMA Closing Balance Sheet and the internal consolidated balance sheets of the Company in accordance with GAAP and (ii) personal property Taxes not to exceed $20,000. No Governmental Authority in a jurisdiction where the Company and its Subsidiaries do not file Tax returns has asserted that the Company or any of its Subsidiaries is subject to taxation in that jurisdiction.

(b) The Company and each of its Subsidiaries has withheld and paid over on a timely basis to the appropriate Government Authority all Taxes required to be withheld by it or them in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder or other third party.

(c) Except as set forth on SCHEDULE 3.17(c): (i) Neither the Company nor any of its Subsidiaries has been advised that any Tax returns have been, are being, or will be audited by any Governmental Authority; (ii) there are no agreements, waivers or other arrangements providing for a waiver of any statute of limitations with respect to any Taxes or an extension of time with respect to the assessment of any Taxes or deficiency against the Company or any of its Subsidiaries, and the statute of limitations has run for such assessment by the Internal Revenue Service through the Company's taxable year ended December 31, 1997; (iii) there are no actions, suits, proceedings or claims now pending by or against the Company or any of its Subsidiaries in respect of any Taxes or assessments; and (iv) there is no pending or, to the best knowledge of the Company, threatened audit or investigation of the Company or any of its Subsidiaries by any Governmental Authority relating to any Taxes or assessments, or any claims for additional taxes or assessments asserted by any Governmental Authority.

(d) Neither the Company nor any of its Subsidiaries is a party to or bound by any tax sharing, tax indemnity or tax allocation agreement or other similar arrangement.

(e) Neither the Company nor any of its Subsidiaries is a party to or bound by any agreement, arrangement, or commitment with any Governmental Authority concerning the determination of its Tax liability for current or future periods, such as a closing agreement or advance pricing agreement.

(f) The Company has not made and will not make an election under Section 338 of the IRC to treat the acquisition of MFN or any of its Subsidiaries as an acquisition of assets for federal income Tax purposes.

(g) Neither MFN nor any Subsidiary of MFN has ever been a member of an affiliated group of corporations other than the affiliated group of corporations of which MFN is the common parent, and neither MFN nor any Subsidiary of MFN is liable for the Taxes of any person other than MFN and its Subsidiaries pursuant to Treasury Regulation ss.1.1502-6, as a transferee or successor, by contract or otherwise.

(h) In connection with the consummation of the MFN Merger, none of the Company, the Subsidiaries of the Company, MFN, or the Subsidiaries of MFN will make, or become obligated to make, any payment that would be subject to limitations on the deduction of such payment imposed by Sections 162(m) and 280G of the Code. None of the Company or its Subsidiaries is obligated to

reimburse or indemnify anyone for excise taxes imposed on any "golden parachute payment," and neither the Company nor any of its Subsidiaries (including the companies acquired in the MFN Merger) will agree to such reimbursement or indemnification in the future.

3.18 ACTIONS AND LEGAL PROCEEDINGS. Except as set forth on SCHEDULE 3.18, and except with respect to Automobile Contracts, there are no (a) actions, suits, claims, proceedings or investigations pending or threatened before any Governmental Authority against or affecting the Company, MFN or any of their respective Subsidiaries or Affiliates or (b) orders, decrees, judgments, injunctions or rulings of any Governmental Authority against or affecting the Company, MFN or any of their respective Subsidiaries or Affiliates. Such Schedule sets forth, as to each matter identified therein, the names of the parties thereto, the forum for such matter, a summary of the details of the matter, the settlement or other disposition of the matter (including the monetary value of such settlement or other disposition) or, if such matter is still pending, a statement to that effect. None of the actions, suits, claims, proceedings or investigations against or affecting the Company, MFN or any of their respective Subsidiaries could have a Material Adverse Effect. All claims pending against the Company or any of its Subsidiaries under or with respect to any Automobile Contracts not disclosed on SCHEDULE 3.18 do not exceed $500,000 in the aggregate. There is no action, suit, claim or other proceeding pending or threatened which questions the validity of this Agreement, the Notes, the other Related Agreements or the MFN Merger, or any action taken or to be taken pursuant hereto or thereto, which could, individually or in the aggregate, have a Material Adverse Effect.

3.19 GOVERNMENTAL REGULATION; MARGIN STOCK. Neither the Company, MFN or any of their respective Subsidiaries is subject to the Investment Company Act of 1940, as amended, or to any Applicable Laws limiting its ability to incur Indebtedness or to create Liens on any of its properties or assets to secure such Indebtedness. Neither the Company, MFN or any of their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purposes of purchasing or carrying Margin Stock. The value of all Margin Stock held by the Company, MFN and their respective Subsidiaries constitutes less than 5.0% of the value, as determined in accordance with the Margin Regulations, of all assets of the Company, MFN and their respective Subsidiaries.

3.20 COMPLIANCE WITH LAWS; LICENSES AND PERMITS. Each of the Company, MFN and their respective Subsidiaries is in compliance with all Applicable Laws, except to the extent that non-compliance could not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, each of the Company, MFN and their respective Subsidiaries, and its or their employees, agents and other representatives is in compliance with the Foreign Corrupt Practices Act of 1977, as amended (15 U.S.C. ss.78dd-2 ET SEQ.), and each Automobile Contract, the sale of Financed Vehicles and the other Goods complied at the time it was originated or made, and at the execution of this Agreement complies, in all material respects with all Applicable Laws. SCHEDULE 3.20 sets forth a true, correct and complete list of all material Licenses and Permits held by the Company, MFN and their respective Subsidiaries in connection with the ownership of its or their assets or the conduct of its or their businesses (which Schedules shall set forth, with respect to each License and Permit, its name, the issuing Person, the date it was issued and the date of expiration), and such Licenses and Permits constitute all of the Licenses and Permits required under Applicable Laws to own their respective assets or conduct their respective businesses as now conducted and as proposed to be conducted.

All of the Licenses and Permits are validly issued and in full force and effect, and the Company, MFN and their respective Subsidiaries have fulfilled and performed in all material respects their obligations with respect thereto and have full power and authority to operate thereunder.

3.21 TITLE TO PROPERTIES AND ASSETS; LIENS. Each of the Company and its Subsidiaries has good and marketable title to all of its properties and assets (including all shares of Capital Stock owned or held by it), and none of such properties or assets is subject to any Liens except for the Existing Liens and the Permitted Liens. Each of the Company and its Subsidiaries enjoys quiet possession under all leases to which they are parties as lessees, and all of such leases are valid, subsisting and in full force and effect. None of such leases contains any provision restricting the incurrence of indebtedness by the lessee or any unusual or burdensome provision materially adversely affecting the current and proposed operations of the Company and its Subsidiaries. Neither LINC nor Samco has any material assets, properties or operations.

3.22 INTELLECTUAL PROPERTY.

(a) Each of the Company and its Subsidiaries owns, or is licensed or otherwise possesses legally enforceable rights to use, all Intellectual Property that is used in the conduct of its business as currently conducted and as proposed to be conducted, except where the failure to own, license or possess the same could not have a Material Adverse Effect. SCHEDULE 3.22 lists (i) all patents, patent applications, trademarks, servicemarks, trademark and servicemark applications, copyrights, trade names and domain names owned or held by the Company or any of its Subsidiaries and used in the conduct of its or their businesses, including the jurisdictions in which each such Intellectual Property right has been issued or registered or in which any such application for such issuance or registration has been filed; (ii) all material written licenses, sublicenses and other agreements to which the Company or any of its Subsidiaries is a party and pursuant to which any Person (other than employees of the Company in the course of their employment) is authorized to use any such Intellectual Property rights; and (iii) all material written licenses, sublicenses and other agreements to which the Company or any of its Subsidiaries is a party and pursuant to which the Company or any of its Subsidiaries is authorized to use any third party patents, trademarks or copyrights, including computer software which are used in the businesses of the Company or the Subsidiaries or which form a part of any product or service of the Company or its Subsidiaries ("THIRD PARTY INTELLECTUAL PROPERTY RIGHTS"), all of which are in full force and effect. The Company has made available to the Purchaser correct and complete copies of all such patents, registrations, applications, licenses and agreements and related documentation, all as amended to date. Neither the Company nor any of its Subsidiaries has agreed to indemnify any Person for or against any infringement, misappropriation or other conflict with respect to any item of Intellectual Property that the Company owns or uses. Neither the Company nor any of its Subsidiaries is a party to any oral license, sublicense or agreement which, if reduced to written form, would be required to be listed in SCHEDULE 3.22 under the terms of this SECTION 3.22.

(b) Neither the Company nor any of its Subsidiaries will be, as a result of the execution and delivery of this Agreement or the performance of the Company's obligations under this Agreement, in breach of any license, sublicense or other agreement relating to the Intellectual Property or Third Party Intellectual Property Rights.

(c) Neither the Company nor any of its Subsidiaries has been named in any suit, action or other proceeding which involves a claim of infringement of any Intellectual Property rights of any third party. Except as disclosed in SCHEDULE 3.22, the performance of the services offered by the Company and its Subsidiaries do not infringe on any Intellectual Property right of any other Person, and to the best knowledge of the Company, the Intellectual Property rights of the Company and its Subsidiaries are not being infringed by activities, products or services of any third party.

3.23 BROKERS; CERTAIN EXPENSES. Neither the Company, MFN nor any of their respective Subsidiaries has paid or is obligated to pay any fee, commission or other payment to any broker, finder, investment banker or other intermediary in connection with this Agreement, any Related Agreement or any of the transactions contemplated hereby or thereby (including the MFN Merger) other than, in the case of MFN, Keefe Bruyette & Woods, Inc. Neither the Company, MFN nor any of their respective Subsidiaries is bound by any agreement or commitment for the provision of investment banking or financial advisory services with respect to any proposed recapitalization, issuance of debt or equity securities or other transactions involving the Company, MFN or any of their respective Subsidiaries or the provision of any other investment banking or financial advisory services to the Company or any of its Subsidiaries other than certain agreements with GCM and West LB with respect to Securitization Transactions.

3.24 REAL PROPERTY LEASES. SCHEDULE 3.24 sets forth a true and complete list of all real property leases, subleases and licenses pursuant to which the Company or any of its Subsidiaries is a lessor, lessee, sublessor, sublessee, licensor or licensee of real property, including the term thereof, any extension and renewal options, and the rent payable thereunder. The Company has delivered to the Purchaser correct and complete copies of the same (as amended to date). With respect to each such lease, sublease and license, except as set forth on SCHEDULE 3.24:

(a) Such lease, sublease and license is legal, valid, binding and enforceable against the parties thereto;

(b) No party thereto is in breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification, or acceleration thereunder;

(c) There are no disputes, oral agreements or forbearance programs in effect;

(d) Neither the Company nor any of its Subsidiaries, as the case may be, has assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered any interest therein; and

(e) All parking lots located on any real property subject thereto are in compliance with Applicable Laws, including zoning requirements.

3.25 POWERS OF ATTORNEY. There are no outstanding powers of attorney granted by or on behalf of the Company or any of its Subsidiaries, other than powers of attorney granted to (a) purchasers of Automobile Contracts from the Company in order to assign or transfer such Contracts to third parties and (b) Persons who repossess Financed Vehicles in order to convey title thereto to third parties.

3.26 INSURANCE. SCHEDULE 3.26 sets forth a true and complete list of all liability and other insurance policies insuring the Company and its Subsidiaries against losses arising out of or related to the businesses of the Company and its Subsidiaries (and accurately describes the coverage carried and expiration dates of such policies) and all key man life insurance policies owned or maintained by the Company (including the directors and officers liability insurance and key man life insurance policy on the life of Charles E. Bradley, Jr. required to be maintained under SECTION 7.6). Each of the Company and its Subsidiaries is covered by insurance in scope and amount customary and reasonable for the businesses in which it is engaged and will be so covered after consummation of the transactions contemplated hereby. The insurance policies listed on SCHEDULE 3.26 constitute insurance protection against all liability, claims and risks occurring in the ordinary course of business customarily included within comprehensive liability coverage and at amounts and levels customarily maintained for a business of this type. All such policies are in full force and effect.

3.27 BOOKS AND RECORDS. The minute books and other similar records of the Company and its Subsidiaries contain true and complete records of all actions taken at any meetings of the Board of Directors of the Company or any committees thereof and shareholders of the Company and its Subsidiaries and of all written consents executed in lieu of the holding of any such meetings. The books and records of the Company accurately reflect in all respects the assets, liabilities, business, financial condition and results of operations of the Company and have been maintained in accordance with good business, accounting and bookkeeping practices.

3.28 DEALERS. SCHEDULE 3.28 sets forth a true and complete list of all Dealers as of the date hereof. No Dealer accounts for more than five percent (5.0%) of the aggregate Amount Financed under Automobile Contracts purchased by the Company during the calendar year ended December 31, 2001.

3.29 PERSONAL PROPERTY LEASES. SCHEDULE 3.29 sets forth a true and complete list and description of all agreements (or group of related agreements) for the lease of personal property requiring payments by the Company, MFN or any of their respective Subsidiaries over the remaining life of the lease of $10,000 or more. Neither the Company, MFN nor any of their respective Subsidiaries has breached any agreement pertaining to, is in default with respect to, or is overdue in payment of, any amounts owing under any agreement for the lease of real property, except where any such breach (or breaches) or default (or defaults), individually or in the aggregate, could not have a Material Adverse Effect. No such lease agreement contains any provisions which restrict or prohibit (a) the amendment and restatement of the First Amended and Restated Securities Purchase Agreement or the First Amended Term B Note, (b) the issuance and sale of the Bridge Note or the Term C Note, (c) any other financings by the Company, MFN or any of their respective Subsidiaries, including any public or private debt or equity financings or (d) other than ordinary restrictions on assignment, any merger, sale of assets or other event which could cause a Change in Control.

3.30 EMPLOYMENT AND AGENCY AGREEMENTS. SCHEDULE 3.30 sets forth a true and complete list of all employment, agency, independent contractor or sales representative agreements, compensation agreements, golden parachute agreements and non-competition or non-solicitation agreements to which the Company, MFN or any of their respective Subsidiaries is a party, true and complete copies of which have been provided to the Purchaser. Each such agreement is in writing, is a valid and binding agreement enforceable in accordance with its terms, and no

party to any such agreement is in breach of, or in default with respect to, its obligations under such agreement nor is the Company or any of its Subsidiaries aware of any facts or circumstances which might give rise to a breach or default thereunder.

3.31 SOLVENCY. Each of the Company and its Subsidiaries (other than LINC and Samco) is, and immediately following the consummation of the transactions contemplated by this Agreement each of the Company and its Subsidiaries (including MFN and its Subsidiaries but excluding LINC and Samco) will be, Solvent. Neither the Company, MFN nor any of their respective Subsidiaries will, by virtue of the consummation of the transactions contemplated hereby and by the Related Agreements, incur debts that will be beyond its ability to pay as they mature. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement and the Related Agreements with the intent to hinder, delay or defraud either present or future creditors of the Company, MFN or any of their respective Subsidiaries.

3.32 ENVIRONMENTAL MATTERS. Neither the Company nor any of its Subsidiaries has ever caused or permitted any Hazardous Materials to be disposed of on or under any Real Property, and no Real Property has ever been used (by the Company and/or any Subsidiary or, to the best knowledge of the Company, by any other Person) as (a) a disposal site or permanent storage site for any Hazardous Materials or (b) a temporary storage site for any Hazardous Materials. Each of the Company or its Subsidiaries has been issued and is in compliance with all material Licenses and Permits relating to environmental matters and necessary or desirable for its business, and has filed all notifications and reports relating to chemical substances, air emissions, underground storage tanks, effluent discharges and Hazardous Materials waste storage, treatment and disposal required in connection with the operation of its businesses, the failure to have or comply with which, individually or in the aggregate, has had or could have a Material Adverse Effect. All Hazardous Materials used or generated by the Company or any of its Subsidiaries or any business merged into or otherwise acquired by the Company or any of its Subsidiaries have been generated, accumulated, stored, transported, treated, recycled and disposed of in compliance with all Environmental Laws, the violation of which has any reasonable likelihood of having a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has any liabilities with respect to Hazardous Materials, and to the best knowledge of the Company, no facts or circumstances exist which could give rise to liabilities with respect to the violation (whether by the Company or any other Person) of any Environmental Laws and/or Hazardous Materials which could have any Material Adverse Effect.

3.33 PUBLIC HOLDING COMPANY; INVESTMENT COMPANY. Neither the Company nor any of its Subsidiaries is a "holding company" or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," as such terms are defined in the Public Utility Holding Company Act of 1935, as amended. The Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

3.34 DEPOSITORY AND OTHER ACCOUNTS. SCHEDULE 3.34 sets forth a true and complete list of all banks and other financial institutions and depositories at which the Company or any of its Subsidiaries maintains (or has caused to be maintained) deposit accounts, spread accounts, yield supplement reserve accounts, operating accounts, trust accounts, trust receivable accounts or other accounts of any kind or nature into which funds of the Company or any of its

Subsidiaries (including funds in which the Company maintain a contingent or residual interest) is deposited from time to time. Such SCHEDULE 3.34 correctly identifies the name and address of each depository, the name in which each account is held, the purpose of the account, the account number, the contact person at such depository and his or her telephone number. The Company will from time to time notify the Purchaser and supplement SCHEDULE 3.34 as new accounts are established within two (2) Business Days thereof.

3.35 TAX STATUS OF SECURITIZATION TRANSACTIONS. None of the trusts formed or created in connection with any Securitization Transaction is, or will be, classified as an association taxable as a corporation under the IRC or is, or will be, otherwise taxable as a separate entity for federal income tax purposes.

3.36 BURDENSOME OBLIGATIONS; FUTURE EXPENDITURES. Neither the Company nor any of its Subsidiaries is a party to or bound by any agreement or contract (including the Material Contracts listed on Schedule 3.13(a)), instrument, deed or lease or is subject to any charter, bylaw or other restriction, commitment or requirement which, in the opinion of its management, is so unusual or burdensome that in the foreseeable future it could have, or cause or create a material risk of having or causing, a Material Adverse Effect. Neither the Company nor any of its Subsidiaries anticipates that the future expenditures, if any, by the Company and its Subsidiaries needed to meet the provisions of any Applicable Laws will be so burdensome as to have or cause, or create a material risk of having or causing, a Material Adverse Effect.

3.37 CREDIT ENHANCER INDEBTEDNESS AND LIABILITIES. None of the Company, any of its Subsidiaries or any trust maintained in connection with any Securitization Transaction occurring prior to the Closing Date has any Indebtedness owing to any Credit Enhancer (or any Affiliate of any Credit Enhancer) pursuant to any agreement, commitment or arrangement to which the Credit Enhancer (or any such Affiliate) is a party, other than Indebtedness incurred in connection with such Securitization Transaction of the type which the Company believes is reasonably and customarily incurred in connection with similar securitization transactions insured by similarly situated Credit Enhancers, the assets of which consist solely of Automobile Contracts.

3.38 [INTENTIONALLY OMITTED.]

3.39 COMPANY SEC DOCUMENTS.

(a) The Company has timely filed all Company SEC Documents which were required to be filed by it with the SEC and the Nasdaq and the NYSE since December 31, 1998. SCHEDULE 3.39 sets forth a true, complete and correct list of all Company SEC Documents required to be filed by the Company since December 31, 1999, the respective dates on which they were filed and a notation to the effect, if true, that such filing was late.

(b) As of their respective dates, the Company SEC Documents complied with the requirements of the Securities Act or the Exchange Act, as the case may be, and none of the Company SEC Documents, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Company SEC Documents complied as to form, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and the published

rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP (except, in the case of unaudited statements, as permitted by Form 10-Q and the SEC) applied on a consistent basis during the periods involved and fairly present the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Such financial statements reflect appropriate reserves established for all Automobile Contracts and general ledger accounts in accordance with GAAP.

3.40 LISTING OF COMMON STOCK. The Common Stock is listed for trading solely on the Nasdaq. Except for the RISRS and the PENS which are listed for trading on the NYSE, no Capital Stock or other securities of the Company or any of its Subsidiaries are listed for trading on any other securities exchange or on Nasdaq.

3.41 MFN-RELATED MATTERS. Each of the representations and warranties made by MFN in the MFN Merger Agreement that is qualified by materiality was true and correct in all respects on and as of the date when made, and will be true and correct in all respects as of the Closing Date, with the same effect as if made on and as of the Closing Date; each of the representations and warranties made by MFN in the MFN Merger Agreement that is not qualified by materiality was true and correct in all material respects on and as of the date when made and shall be true and correct in all material respects on and as of the Closing Date, with the same effect as if made on and as of the Closing Date; and each of the conditions precedent to the consummation of the MFN Merger, including those set forth in Article 6 of the MFN Merger Agreement, has been satisfied or will be satisfied on or prior to the Closing.

3.42 STANWICH-RELATED MATTERS.

(a) Other than the March 2000 Stanwich Shares (as defined in the Waiver Agreement), since November 17, 1998, the Company has not issued to Stanwich (or any of its Affiliates) any shares of Common Stock or any Equity Rights.

(b) Other than the Stanwich Indebtedness, no Indebtedness or other amounts are due or payable by the Company or any of its Subsidiaries to Stanwich or any of Stanwich's shareholders, officers, directors, employees or other Affiliates (including Charles E. Bradley, Sr. or Charles E. Bradley, Jr.). The definition of Stanwich Debt Documents lists all presently existing agreements, instruments or other documents, and all amendments or supplements thereto, representing or evidencing any obligation of the Company or any of its Subsidiaries to pay to Stanwich or any of its Affiliates any Indebtedness or other amounts.

3.43 CLASS B CERTIFICATE. The Company is the beneficial owner and owner of record of the Class B Certificate, free and clear of all security interests and Liens except those in favor of the Purchaser. The principal balance of the Class B Certificate outstanding as of the date hereof is $11,241,931.00 Other than the Company, no Person has any right or interest in the Class B Certificate.

3.44 DISCLOSURE. After due inquiry of the directors, executive officers and employees of the Company and its Subsidiaries having knowledge of the matters represented, warranted or stated herein, no representation, warranty, statement or information (whether regarding the Company, MFN, any of their

respective Subsidiaries or otherwise) made or furnished to the Purchaser by or on behalf of the Company, its Subsidiaries or its or their respective representatives and agents, whether written or oral, whether included in any materials or documents furnished to the Purchaser prior to the date hereof or included in this Agreement or any Related Agreement or in any Exhibit or Schedule, is untrue with respect to any material fact or omits to state a material fact necessary in order to make the statement made herein or therein, in light of the circumstances in which such statement was made, not misleading.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER. The Purchaser hereby represents and warrants to the Company that the following statements are true and correct as of the date hereof:

4.1 ORGANIZATION AND GOOD STANDING. The Purchaser is a limited partnership formed and validly existing under the laws of the State of California, and has all requisite power and authority to enter into this Agreement and each Related Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby.

4.2 AUTHORIZATION. The execution, delivery and performance of this Agreement and of each of the Related Agreements to which the Purchaser is a party, and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Purchaser.

4.3 DUE EXECUTION AND DELIVERY; BINDING OBLIGATIONS. This Agreement has been duly executed and delivered by the Purchaser. This Agreement is, and at the time of the Closing each Related Agreement to which the Purchaser is a party will be, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or conveyance or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability and except as rights of indemnity or contribution may be limited by federal or state securities or other laws or the public policy underlying such laws.

4.4 NO VIOLATION. The execution, delivery and performance by the Purchaser of this Agreement and each Related Agreement to which the Purchaser is a party, and the consummation of the transactions contemplated hereby, do not violate (a) the limited partnership agreement of the Purchaser as in effect on the date hereof, (b) any law, statute, rule or regulation applicable to the Purchaser, (c) any order, ruling, judgment or decree of any Governmental Authority binding on the Purchaser or (d) any term of any material indenture, mortgage, lease, agreement or instrument to which the Purchaser is a party.

4.5 INVESTMENT INTENT. The Purchaser is acquiring the Term B Note, the Bridge Note, the Term C Note and its interest in the Class B Certificate under the Option Agreement for its own account, for investment purposes, and not with a view to or for sale in connection with any distribution thereof. The Purchaser understands that none of the Notes nor the Class B Certificate has been registered under the Securities Act or registered or qualified under any state securities law in reliance upon specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of the Purchaser's investment intent as expressed herein.

4.6 ACCREDITED INVESTOR STATUS. The Purchaser is an "accredited investor" (as such term is defined in Rule 501 of Regulation D under the Securities Act). By reason of its business and financial experience, the Purchaser has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the investment in the Term B Note, the Bridge Note, the Term C Note and its interest in the Class B Certificate under the Option Agreement, has the capacity to protect its own interests and is able to bear the economic risk of such investment. The Purchaser has had an opportunity to review the books and records of the Company and all documents, information and agreements furnished to the Purchaser by the Company relating to the Class B Certificate, and to ask questions of representatives of the Company concerning the terms and conditions of the transactions contemplated by this Agreement.

4.7 PURCHASER CONSENTS. The execution and delivery by the Purchaser of this Agreement and each of the Related Agreements to which it is a party, and the consummation by the Purchaser of the transactions contemplated hereby, do not and will not require the Consent of any Governmental Authority or any other Person, other than Consents that have already been obtained or made.

4.8 BROKERS. Neither the Purchaser nor any of its Affiliates has paid or is obligated to pay any fee or commission to any broker, finder, investment banker or other intermediary in connection with this Agreement, any Related Agreement or any of the transactions contemplated hereby or thereby.

5. CONDITIONS TO THE OBLIGATIONS OF THE PURCHASER. The obligation of the Purchaser to consummate the transactions contemplated hereby, including the purchase of the Bridge Note and the Term C Note, is subject to the satisfaction, prior to or at the Closing, of the condition that the Closing shall occur on or prior to the date hereof and of the other conditions set forth below in this SECTION 5; PROVIDED, HOWEVER, that any or all of such conditions may be waived, in whole or in part, by the Purchaser in its sole and absolute discretion:

5.1 REPRESENTATIONS AND WARRANTIES; NO DEFAULT. The Company shall have delivered to the Purchaser an Officers' Certificate, duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, dated as of the Closing Date, to the effect that (a) each of the representations and warranties of the Company contained in this Agreement that is qualified by materiality was true and correct in all respects on and as of the date hereof and shall be true and correct in all respects on and as of the Closing Date, with the same effect as if made on and as of the Closing Date; (b) each of the representations and warranties of the Company contained in this Agreement that is not qualified by materiality was true and correct in all material respects on and as of the date hereof and shall be true and correct in all material respects on and as of the Closing Date, with the same effect as if made on and as of the Closing Date; (c) each of the covenants, agreements and obligations of the Company required to be performed or satisfied under this Agreement on or prior to the Closing Date shall have been performed or satisfied on or before the Closing Date; (d) no Default or Event of Default shall have occurred and be continuing on the Closing Date or would result from the transactions contemplated by or related to this Agreement, including the execution and delivery of this Agreement or the Term B Note, the issuance, sale and delivery of the Bridge Note or the Term C Note, the consummation of the MFN Merger, the incurrence of any other Indebtedness in connection with the MFN Merger (including Indebtedness owing to West LB), the consummation of the

Securitization Transactions or the Warehouse Financing Transaction being established on or prior to the Closing Date or the consummation of the other transactions contemplated by or related to this Agreement or any Related Agreement; and (e) each of the other conditions set forth in this SECTION 5 has been satisfied and fulfilled.

5.2 FEES. The Company shall have paid to the Purchaser at or before the Closing, by wire transfer in immediately available funds to a bank account designated by the Purchaser, aggregate fees of $2,400,000, consisting of $1,400,000, which represents the unpaid portion of the non-refundable, non-accountable closing fee of $1,750,000, and a non-refundable investment banking fee of $1,000,000 (which aggregate fees may be withheld by the Purchaser from the proceeds of the Bridge Note and/or the Term C Note).

5.3 DEFAULT INTEREST; DEFERRED FEES. The Company shall have paid to the Purchaser the aggregate amount of $426,181.00 representing accrued interest at the Default Rate on the First Amended Term B Note with respect to the Specified Defaults and deferred fees.

5.4 REIMBURSEMENT OF FEES AND EXPENSES. The Company shall have paid directly to the Purchaser's attorneys, by wire transfer in immediately available funds to a bank account designated by its attorneys, all attorneys' fees and expenses incurred by or on behalf of the Purchaser in connection with the diligence, preparation, negotiation, execution and delivery of this Agreement and the Related Agreements and the administration, exercise and enforcement of the Purchaser's rights, remedies and powers against the Company through the Closing Date.

5.5 PURCHASE PERMITTED BY APPLICABLE LAWS. The consummation of the transactions contemplated by this Agreement shall not be prohibited by or violate any Applicable Laws and shall not subject any party to any Tax, penalty or liability, under or pursuant to any Applicable Laws. Without limiting the generality of the foregoing, the consummation of the transactions contemplated hereby shall otherwise comply with all applicable requirements of federal securities and state securities or "blue sky" laws.

5.6 NO MATERIAL ADVERSE CHANGES. Since December 31, 2000, there shall not have occurred any Material Adverse Change.

5.7 NO INJUNCTION OR ORDER. There shall not have been issued any injunction, order, decree or ruling that prohibits or limits any of the transactions contemplated by this Agreement or the Related Agreements, and there shall not be any action, suit, proceeding or investigation pending or, to the best knowledge of the Company, threatened against the Company that (a) draws into question the validity, legality or enforceability of the MFN Merger Agreement, this Agreement or the Related Agreements or the consummation of the transactions contemplated hereby or thereby or (b) might result, in the judgment of the Purchaser, in the imposition of a penalty if the Term B Note, the Bridge Note or the Term C Note were delivered as contemplated hereunder or in any Material Adverse Change.

5.8 LEGAL OPINIONS. The Purchaser shall have received the following: (a) an opinion letter of Bingham Dana LLP, special counsel to the Company, dated the Closing Date and addressed to the Purchaser, in form and substance satisfactory to the Purchaser and its legal counsel, (b) an opinion letter of Andrews & Kurth LLP, special counsel to the Company, dated the Closing Date and addressed to the Purchaser, in form and substance satisfactory to the Purchaser

and its legal counsel and (c) an opinion letter of Mark A. Creatura, Esq., General Counsel to the Company, dated the Closing Date and addressed to the Purchaser, in form and substance satisfactory to the Purchaser and its counsel.

5.9 DELIVERY OF CERTAIN CLOSING DOCUMENTS. The Company shall have delivered to the Purchaser the following closing documents, each dated as of the Closing Date:

(a) This Agreement, duly executed by the Company, together with the Exhibits and the Disclosure Schedules;

(b) The Bridge Note, duly executed by the Company;

(c) The Term C Note, duly executed by the Company;

(d) The Term B Note, executed by the Company;

(e) The Amended and Restated Registration Rights Agreement, duly executed by the Company;

(f) The Amended and Restated Investor Rights Agreement, duly executed by the Company;

(g) The Subsidiary Guaranty, duly executed by the Subsidiary Guarantors;

(h) (i) An escrow agreement, in form and substance satisfactory to the Purchaser, among the Company, West LB, the Purchaser and the Closing Escrow Agent, duly executed by the Company, West LB and the Closing Escrow Agent ("WEST LB ESCROW AGREEMENT I"), and (ii) an escrow agreement, in form and substance satisfactory to the Purchaser, among Mergersub, West LB and the Closing Escrow Agent, duly executed by Mergersub, West LB and the Closing Escrow Agent ("WEST LB ESCROW AGREEMENT II");

(i) The Option Agreement, duly executed by the Company;

(j) A side letter, in form and substance satisfactory to the Purchaser, duly executed by the Company (the "INDEMNITY SIDE LETTER"); and

(k) Such other documents as the Purchaser may request, including a side letter, in form and substance satisfactory to the Purchaser, executed by the Company regarding the Pardee Matter (as defined therein).

5.10 COLLATERAL DOCUMENTS. The Company shall have delivered to the Purchaser at or prior to the Closing the following collateral documents, each dated as of the Closing Date (except as provided below):

(a) The Amended and Restated Security Agreement, duly executed by the Company, together with the exhibits and schedules thereto;

(b) The Pledge Agreement, duly executed by the Company, together with the exhibits and schedules thereto;

(c) Original certificates representing or evidencing the Pledged Stock (as such term is defined in the Pledge Agreement) that are not currently being held by the Purchaser as collateral security for the payment and performance of the Obligations to Purchaser, together with stock powers duly executed by the Company in blank;

(d) The Intellectual Property Security Agreement, duly executed by the Company, together with exhibits and schedules thereto;

(e) Amended and restated UCC-1 financing statements naming the Company as debtor, as requested by, and in form and substance satisfactory to, the Purchaser;

(f) [Intentionally Omitted];

(g) The original Class B Certificate, registered in the name of the Purchaser, together with written evidence that CPS Auto Receivables Trust 2001-A has registered the Class B Certificate in the name of the Purchaser;

(h) File-stamped copies of UCC termination statements, naming the Company, MFN or their respective Subsidiaries as debtors, terminating the UCC-1 financing statements identified by the Purchaser; and

(i) Such other documents relating to the Collateral as the Purchaser may request.

5.11 MFN MERGER-RELATED MATTERS.

(a) The Purchaser shall have received a Secretary's Certificate, in form and substance satisfactory to the Purchaser, duly executed by the Secretary of the Company, certifying as to the resolutions of the Board of Directors of MFN and the shareholders of MFN adopting and approving the MFN Merger Agreement, the MFN Merger and the other transactions contemplated by the MFN Merger Agreement.

(b) The Purchaser shall have received an Officers' Certificate, duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, certifying that (i) attached thereto is a true, correct and complete copy of the proxy statement distributed to the stockholders of MFN soliciting their vote or consent to the approval and adoption of the MFN Merger Agreement; (ii) attached thereto are true, correct and complete copies of the MFN Merger Agreement and all exhibits, schedules and amendments thereto; and (iii) the MFN Merger has become effective.

(c) The Purchaser shall have received a copy of the MFN Certificate of Merger, certified by the Secretary of State of the State of Delaware.

(d) The Tax Sharing Agreement dated as of March 23, 1999, among MFN and its Subsidiaries shall have been terminated in writing effective as of the Closing Date, and the Purchaser shall have received a copy of such termination agreement.

5.12 STANWICH-RELATED MATTERS.

(a) Stanwich shall have delivered to the Purchaser at or prior to the Closing the following closing documents:

(i) An Agreement and Confirmation Regarding Subordination dated as of the Closing Date, in form and substance satisfactory to the Purchaser, duly executed by Stanwich and the Company; and

(ii) An Agreement and Confirmation Regarding Subordination dated as of the Closing Date, in form and substance satisfactory to the Purchaser, duly executed by Poole and the Company.

5.13 DELIVERY OF COMPANY CORPORATE DOCUMENTS. The Company shall have delivered to the Purchaser at or prior to the Closing the following corporate documents with respect to the Company, in each case certified by the Secretary of the Company:

(a) Certified copies of its charter or similar organizational documents as amended through the Closing Date, certified by its Secretary as being in full force and effect as of the Closing Date;

(b) Copies of its bylaws or similar governing document as amended through the Closing Date, certified by its Secretary as being in full force and effect as of the Closing Date;

(c) A good standing certificate and, if available, a good standing tax certificate, issued by the Secretary of State of the State of California and the Franchise Tax Board, in each case dated as of a recent practicable date prior to the Closing Date;

(d) Foreign good standing certificates from each jurisdiction in which it is required to be qualified to transact business as a foreign corporation or other entity, in each case dated as of a recent practicable date prior to the Closing Date;

(e) Resolutions of its Board of Directors approving and authorizing, as applicable, the execution, delivery and performance of this Agreement, the Term B Note, the Bridge Note, the Term C Note, the Collateral Agreements and the other Related Agreements to which it is a party and the consummation of the transactions contemplated thereby, including the issuance and sale of the Bridge Note and the Term C Note, certified by its Secretary as being in full force and effect as of the Closing Date;

(f) Incumbency certificates of its officers who are authorized to execute, deliver and perform this Agreement, the Related Agreements and any other agreements, instruments, certificate or other documents required to be executed by it in connection herewith; and

(g) Such other documents as the Purchaser may request.

5.14 DELIVERY OF SUBSIDIARY CORPORATE DOCUMENTS.

(a) The Company shall have delivered to the Purchaser at or prior to the Closing the following corporate documents with respect to each Subsidiary of the Company immediately prior to the Closing, MFN and Mercury Finance Company:

(i) Certified copies of its charter or similar organizational documents as amended through the Closing Date, certified by its Secretary as being in full force and effect as of the Closing Date;

(ii) A good standing certificate and, if available, a good standing tax certificate, issued by the Secretary of State of its jurisdiction of incorporation and the state taxing authority of such jurisdiction, in each case dated as of a recent practicable date prior to the Closing Date;

(iii) Foreign good standing certificates from each jurisdiction in which it is required to be qualified to transact business as a foreign corporation or other entity, in each case dated as of a recent practicable date prior to the Closing Date;

(iv) Copies of its bylaws or similar governing document as amended through the Closing Date, certified by its Secretary as being in full force and effect as of the Closing Date;

(v) If applicable, resolutions of its Board of Directors approving and authorizing the execution, delivery and performance of the Related Agreements to which it is a party and the consummation of the transactions contemplated thereby, certified by its Secretary as being in full force and effect as of the Closing Date and the date of delivery; and

(vi) Such other documents as the Purchaser may request.

(b) The Company shall have delivered to the Purchaser at or prior to the Closing the good standing certificates described in SECTION 5.14(a)(ii) for each MFN Subsidiary (other than Mercury Finance Company).

5.15 REPAYMENT OF INDEBTEDNESS. Prior to or simultaneously with the Closing, MFN shall have paid in full all Indebtedness, liabilities and other obligations owed by it and its Subsidiaries under the MFN Receivables Financing Documents, and the Company shall have delivered to the Purchaser true and correct copies of all documentation relating thereto, including payoff letters, UCC termination statements and other lien releases.

5.16 NEW SECURITIZATION TRANSACTIONS; NEW RECEIVABLES FACILITY.

(a) The Purchaser shall have received executed copies of all Securitization Transaction Documents relating to the MFN Auto Receivables Trust 2002-A Securitization Transaction, all of which shall be in form and substance satisfactory to the Purchaser and certified by the Secretary of the Company.

(b) The Purchaser shall have received executed copies of all agreements, instruments and other documents relating to the Warehouse Financing Transaction being financed by West LB on or prior to the Closing Date, all of which shall be in form and substance satisfactory to the Purchaser and certified by the Secretary of the Company.

(c) The Purchaser shall have received executed copies of all Securitization Transaction Documents relating to the CPS Auto Receivables Trust 2002-A Securitization Transaction, all of which shall be in form and substance satisfactory to the Purchaser and certified by the Secretary of the Company.

5.17 INSURANCE. The Company shall deliver to the Purchaser original certificates of insurance with respect to the insurance policies required to be maintained by the Company and its Subsidiaries as of the Closing Date pursuant to Section 7.6 (including the directors and officers liability insurance and the key man life insurance policy on the life of Charles E. Bradley, Jr.), together with additional insured and lender's loss payable endorsements in favor of the Purchaser, all in form and substance satisfactory to the Purchaser.

5.18 THIRD PARTY CONSENTS. The Company and each of its Subsidiaries shall have obtained all Consents required to be obtained in connection with the execution, delivery and performance of this Agreement, the amendment and restatement of the First Amended Term B Note, the issuance, sale and delivery of the Bridge Note and the Term C Note and the consummation of the other transactions contemplated by this Agreement (including the MFN Merger).

5.19 COMPLIANCE CERTIFICATE. The Company shall have delivered to the Purchaser a Compliance Certificate, in form and substance satisfactory to the Purchaser, duly executed by the Chief Financial Officer of the Company, certifying as to the Company's compliance with the financial covenants set forth in Section 8.15 of the Securities Purchase Agreement.

5.20 FINANCIAL PROJECTIONS. The Company shall have delivered to the Purchaser an Officers' Certificate, in form and substance satisfactory to the Purchaser, duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, certifying as to the projected annual balance sheets, income statements and statements of cash flows of the Company and its Subsidiaries, on a consolidated basis, for the four (4) year period ending December 31, 2005, and a list of the key assumptions underlying such projections. Such Officers' Certificate shall state that (a) the projections, which shall be attached thereto, have been prepared by management of the Company and are the responsibility of management, (b) the projections have been prepared on a reasonable basis and in good faith by management and are believed by management to be reasonable, (c) all assumptions underlying such projections were made in good faith and are reasonable under the circumstances and (d) neither the Company nor any of its directors or officers is aware of any fact or other information that would lead the Company to believe that the Financial Projections are incorrect or misleading in any material respect.

5.21 SOLVENCY CERTIFICATE. The Purchaser shall have received a Solvency Certificate, in form and substance satisfactory to the Purchaser, duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, certifying as to the matters described therein.

5.22 DOCUMENTS IN SATISFACTORY FORM. All proceedings taken prior to or at the Closing in connection with the amendment and restatement of the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, the issuance and sale of the Bridge Note and the Term C Note and the consummation of the other transactions contemplated hereby (including the MFN Merger), and all papers and other documents relating thereto, shall be in form and substance satisfactory to the Purchaser and its legal counsel, and the Purchaser shall have received copies of such documents and papers, all in form and substance satisfactory to the Purchaser and its counsel, all such documents, where appropriate, to be counterpart originals and/or certified by proper authorities, corporate officials and other Persons. Without limiting the generality of the foregoing, the Company shall have made such arrangements as may be requested by the Purchaser (a) to ensure that the proceeds from the issuance and sale of the Bridge Note and the Term C Note will be applied in the manner set forth in SECTION 2.4 and (b) for the direct payment to the Purchaser's third party service providers of the costs and expenses incurred by the Purchaser, as provided in SECTION 11.8.

6. CONDITIONS TO THE OBLIGATIONS OF THE COMPANY. The obligation of the Company to consummate the transactions contemplated hereby is subject to the satisfaction, at or prior to the Closing, of the conditions set forth in this SECTION 6; PROVIDED, HOWEVER, that any or all of such conditions may be waived, in whole or in part, by the Company in its sole and absolute discretion:

6.1 REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date after giving effect to the transactions contemplated by this Agreement, as if made on and as of such date, and the Purchaser shall have performed or satisfied all of its covenants and agreements hereunder to be performed or satisfied on or prior to the Closing Date.

6.2 PURCHASE PERMITTED BY APPLICABLE LAWS. The consummation of the transactions contemplated by this Agreement shall not be prohibited by or violate any Applicable Laws and shall not subject any party to any Tax, penalty or liability, under or pursuant to any Applicable Laws, and shall not be enjoined (temporarily or permanently) under, or prohibited by or contrary to, any injunction, order or decree. Without limiting the generality of the foregoing, the consummation of the transactions contemplated hereby shall otherwise comply with all applicable requirements of federal and state securities laws.

6.3 NO MATERIAL JUDGMENT OR ORDER. There shall not have been issued any judgment, injunction, order, decree or ruling that prohibits or limits any of the transactions contemplated by this Agreement or the Related Agreements, and there shall not be any action, suit, proceeding or investigation pending or, to the best knowledge of the Company, threatened against the Company that (a) draws into question the validity, legality or enforceability of the MFN Merger Agreement, this Agreement or the Related Agreements or the consummation of the transactions contemplated hereby or thereby, (b) prohibits the amendment and restatement of the Securities Purchase Agreement or the First Amended Term B Note or the issuance, sale or delivery of the Bridge Note or the Term C or (c) might result, in the judgment of the Purchaser, in the imposition of a penalty if the Bridge Note or the Term C Note were delivered, or the Term B Note were amended and restated, as contemplated hereunder or in any Material Adverse Change.

6.4 PAYMENT FOR NOTES. The Purchaser shall have delivered to the Company the Bridge Note Purchase Price and the Term C Purchase Price, MINUS the fees, costs and expenses to be reimbursed by the Company under SECTION 11.8.

7. AFFIRMATIVE COVENANTS. The Company covenants and agrees that, until all Indebtedness (including all principal of, premium, if any, and interest) and other amounts owing under the Notes shall have been indefeasibly paid in full, the Company shall perform, comply with and observe the covenants set forth in this SECTION 7, PROVIDED that the covenants contained in SECTION 7.4 (Legal Existence; Compliance with Laws), SECTION 7.13 (Nasdaq Listing) and SECTION 7.15 (Securities and Exchange Act Compliance) shall survive the payment of all such Indebtedness and other amounts.

7.1 PAYMENTS WITH RESPECT TO NOTES. The Company shall pay all principal of, premium, if any, interest and other amounts due pursuant to the terms of the Notes on the dates and in the manner provided for therein, including all mandatory prepayments of principal of and interest on the Notes as specifically required under the terms of the Notes.

7.2 INFORMATION COVENANTS. The Company shall furnish to the Purchaser:

(a) Within ninety (90) days after the end of each fiscal year of the Company, (i) the audited consolidated and consolidating balance sheets of the Company and its Subsidiaries at the end of such year, and (ii) the related audited consolidated and consolidating statements of income, shareholders' equity and cash flows for such fiscal year, setting forth in comparative form with respect to such financial statements figures for the previous fiscal year, all in reasonable detail, together with the opinion thereon of independent public accountants selected by the Company and reasonably satisfactory to the Purchaser (it being understood that the current accountants of the Company are satisfactory to the Purchaser), which opinion shall be unqualified and shall state that such financial statements have been prepared in accordance with GAAP applied on a basis consistent with that of the preceding fiscal year (except for changes, if any, which shall be specified and approved by the Purchaser in advance of the delivery of such opinion) and that the audit by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards; PROVIDED, HOWEVER, that such accountants' certification may be limited to the consolidated financial statements, in which case the consolidating financial statements shall be certified by the Chief Financial Officer of the Company; PROVIDED FURTHER, HOWEVER, that the Company shall not be required to furnish to the Purchaser the information set forth in this clause (a) if the Company is required to file with the SEC, at the time such information is required to be furnished to the Purchaser under this clause (a), the information, documents and other reports required to be filed with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act;

(b) Within forty-five (45) days after the end of each of the first three (3) quarterly accounting periods in each fiscal year of the Company, (i) the unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries as at the end of such period, and (ii) the related unaudited consolidated and consolidating statements of income and cash flows for such period and for the period from the beginning of the current fiscal year to the end of such period, all in reasonable detail and signed by the Chief Financial Officer of the Company; PROVIDED, HOWEVER, that the Company shall not be required to furnish to the Purchaser the information set forth in this clause (b) if the Company is required to file with the SEC, at the time such

information is required to be furnished to the Purchaser under this clause (b), the information, documents and other reports required to be filed with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act;

(c) [Intentionally Omitted]

(d) Promptly (but not later than three (3) Business Days) after it becoming available, a copy of the Company's annual USAP Audit;

(e) Promptly (but not later than three (3) Business Days) after their becoming available, copies of all filings by the Company or any of its Subsidiaries, or by any party in connection with any Securitization Transaction, with the SEC, or any periodic or special reports filed with any other Governmental Authority, and copies of any material notices and other material communications from the SEC or from any other Governmental Authority which specifically relate to the Company or any of its Subsidiaries;

(f) Promptly upon (but not later than three (3) Business Days after) receipt thereof, copies of all audit reports and management letters, if any, submitted to the Company or any of its Subsidiaries by independent public accountants in connection with each interim or special audit of the books of the Company or any of its Subsidiaries made by such accountants and copies of all financial statements, reports, notices and proxy statements, if any, sent by the Company to its shareholders;

(g) Immediately, notice of: (i) the institution or commencement of any action, suit, proceeding or investigation by or against or affecting the Company, any of its Subsidiaries or any of its or their respective assets, including any action, suit, proceeding or investigation involving the SEC, the Nasdaq or the NYSE; (ii) any litigation or proceeding instituted by or against the Company or any of its Subsidiaries, or any judgment, award, decree, order or determination relating to any litigation or proceeding involving the Company or any of its Subsidiaries; (iii) the imposition or creation of any Lien (other than a Permitted Lien securing not more than $1,000) against any asset of the Company or any of its Subsidiaries; (iv) any reportable event under ERISA, together with a statement of the Chief Executive Officer, Chief Financial Officer and/or Controller of the Company as to the details thereof and a copy of its notice thereof to the PBGC; (v) any known release or threat of release of Hazardous Materials on or onto any Real Property or the incurrence of any expense or loss in connection therewith or upon the Company's obtaining knowledge of any investigation, action or the incurrence of any expense or loss by any Governmental Authority in connection with the containment or removal of any Hazardous Materials for which expense or loss the Company may be liable or potentially responsible (all such notices shall describe the nature of any lawsuit); PROVIDED, HOWEVER, that no notice shall be required to be given under this clause (g) to disclose (A) the replevin of any Financed Vehicle; (B) the enforcement of the Company's rights under any Automobile Contract; or (C) the commencement of any consumer bankruptcy proceeding with respect to a Financed Vehicle;

(h) Immediately upon receipt or issuance by the Company or any of its Subsidiaries, (i) copies of all covenant compliance certificates, budgets, projections, requests for waivers, notices of default, requests for amendments or other material documents relating to any agreements, instruments or other documents evidencing or governing any Subordinated Indebtedness, (ii)

to the extent not inconsistent with any confidentiality provisions, copies of any agreements or other documents to which the Company (or any of its Subsidiaries) and any Credit Enhancer (including FSA or any Affiliate of FSA) are parties and (iii) any agreements, instruments and other material documents relating to any Indebtedness or any Securitization Transactions;

(i) Together with the information package for each calendar month required to be delivered under clause (j) below (but not later than the twenty fifth day after the end of such calendar month), a certificate of the Chief Financial Officer of the Company, in form and substance satisfactory to the Purchaser (a "COMPLIANCE CERTIFICATE"), setting forth, among other things, the calculations required to establish compliance with the financial covenants set forth in SECTION 8.15 with respect to such calendar month;

(j) Simultaneously with its delivery to the members of the Board of Directors of the Company, all reports, budgets, materials and other information furnished to such Board members with respect to the Company and its Subsidiaries, including copies of the monthly information package delivered to such Board members, which package shall consist of (i) monthly financial statements; (ii) financial ratio analysis and departmental cost accounting information; (iii) an executive summary with respect to monthly performance; (iv) year-to-date origination information; (v) twelve-month historical origination information; (vi) portfolio performance data; (vii) asset recovery/dealer compliance information; and (viii) stock price performance; and (ix) such additional information as may be included therein; PROVIDED, HOWEVER, that if the information package for any month or the annual operating budget for any fiscal year is not delivered to the Board members with respect to any particular month or fiscal year, as the case may be, the Company shall nonetheless deliver the same to LLCP within thirty (30) days after the end of such month or not later than thirty (30) days prior to the commencement of such fiscal year, as the case may be;

(k) Simultaneously with its delivery to the trustee with respect to any Securitization Transactions, copies of all servicer certificates delivered with respect thereto;

(l) Immediately, a written notice to the Purchaser if any "back-up servicer," "sub-servicer" or similar servicer resigns or is terminated or replaced with respect to any Securitization Transaction;

(m) Within ten (10) days after the end of each calendar month, a certificate, in form and substance satisfactory to the Purchaser, signed by the Chief Financial Officer of the Company and certifying to the Purchaser that no payments or other amounts have been paid by the Company during such calendar month to Charles E. Bradley, Sr., Poole or any former or present director of the Company, or any of their Affiliates, and that any payments or other amounts so paid were in compliance with the terms of this Agreement; and

(n) Promptly (but not later than five (5) Business Days) after its request, such other information concerning the business, affairs and condition of the Company and its Subsidiaries as the Purchaser may from time to time reasonably request.

7.3 PERFORMANCE OF RELATED AGREEMENTS. The Company shall perform, comply with and observe all of its obligations under the Notes and each other Related Agreement in accordance with their respective terms.

7.4 LEGAL EXISTENCE; COMPLIANCE WITH LAWS. The Company shall, and shall cause its Subsidiaries to, (a) maintain its corporate existence and business; (b) maintain all properties which are reasonably necessary for the conduct of such business, now or hereafter owned, in good repair, working order and condition; (c) take all actions necessary to maintain and keep in full force and effect all of its Licenses and Permits; and (d) comply in all material respects with all Applicable Laws in respect of the conduct of its business and the ownership of its properties in the states in which it conducts its business; PROVIDED, HOWEVER, that nothing in this SECTION 7.4 shall be interpreted to restrict or in any manner affect the Company's or any of its Subsidiaries' ability to elect to discontinue any line of business or to discontinue doing business in any state if the Board of Directors of the Company or of such Subsidiary, as the case may be, deems such discontinuance to be in its or their best interests.

7.5 BOOKS, RECORDS AND INSPECTIONS. The Company shall, and shall cause each of its Subsidiaries to, keep proper books of record and account in which full, true and complete entries in conformity with GAAP and all requirements of Applicable Laws shall be made of all dealings and transactions in relation to its business and activities. If at any time an LLCP Representative is not a duly elected and current member of the Board of Directors of the Company, the Company shall, and shall cause each of its Subsidiaries to, permit officers and designated representatives and/or agents of the Purchaser to visit and inspect any of the properties of the Company or such Subsidiaries, to examine the books of account of the Company or such Subsidiaries and to discuss the affairs, finances and accounts of the Company or such Subsidiaries with, and be advised as to the same by, its officers and independent accountants, all at such reasonable times and intervals and to such reasonable extent as the Purchaser may then request.

7.6 INSURANCE.

(a) The Company shall maintain with financially sound and reputable insurers policies of insurance, coverage amounts and related terms and conditions for the Company and its Subsidiaries normally maintained by companies engaged in the same or similar business as the Company against loss or damage and such other policies of insurance and coverage amount as may be reasonably requested by the Purchaser. Such insurance shall include, without limitation, comprehensive general liability, fire and extended coverage, product liability and recall, property damage, workers' compensation, flood insurance (if customarily maintained in locations in which the Company or any of its Subsidiaries is located), earthquake loss insurance, environmental liability insurance, business interruption insurance (either for loss of revenues or for additional expenses) and directors and officers liability insurance as provided in the Amended and Restated Investor Rights Agreement. All insurance covering liability shall irrevocably name the Purchaser as an additional insured, and all insurance covering property shall irrevocably name the Purchaser as a loss payee with respect to any casualty or loss.

(b) In addition, as soon as practicable but not later than the six (6) months anniversary of the Closing Date, the Company shall increase the existing insurance coverage under the key man life insurance policy on the life of Charles E. Bradley, Jr., the President and Chief Executive Officer of the

Company, from $10,000,000 to $20,000,000 and shall maintain such increased coverage until the Obligations to Purchaser have been indefeasibly paid in full. Such key man life insurance policy shall continue to name the Company as the owner and name the Purchaser as the irrevocable beneficiary thereunder. Each of the insurance policies required to be maintained under this SECTION 7.6 shall provide for at least thirty (30) days' prior written notice to the Purchaser of the cancellation or substantial modification thereof.

7.7 TAXES.

(a) The Company shall, and shall cause each of its Subsidiaries to, file within the required time periods all federal, state and other Tax returns required to be filed by it or them, and such returns will be true and correct in all respects. The Company shall, and shall cause each of its Subsidiaries to, pay all Taxes which are due and payable by it or them, other than Taxes that are being contested in good faith and by appropriate proceedings if adequate reserves (in the good faith judgment of the management of the Company) have been established with respect thereto.

(b) The Company shall, and shall cause each of its Subsidiaries to, withhold and pay over on a timely basis to the appropriate Government Authority all Taxes required to be withheld by it or them in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder or other third party.

7.8 ERISA MATTERS.

(a) The Company shall, and shall cause each of its ERISA Affiliates to, cause each Benefit Plan to be operated in compliance with the terms of such Benefit Plan and Applicable Law and shall pay and discharge promptly any liability imposed upon it or them pursuant to the provisions of such Benefit Plan and Applicable Law; PROVIDED, HOWEVER, that the Company and its ERISA Affiliates shall not be required to pay any such liability if (i) the amount, applicability, or validity thereof shall be diligently contested in good faith by appropriate proceedings and (ii) such Person shall have set aside on its books reserves which, in the opinion of its independent certified public accountants, are adequate with respect thereto.

(b) The Company shall, and shall cause each of its ERISA Affiliates to, deliver to the Purchaser promptly, but in no event more than five (5) Business Days after any officer of the Company obtains knowledge of, (i) the intention of the Internal Revenue Service to (A) revoke the tax-qualified status of any Benefit Plan that is a tax-qualified retirement plan, (B) impose an excise tax upon the occurrence of a "prohibited transaction" as such term is defined in Section 4975 of the IRC, or (C) disallow a deduction (in whole or in part) for a contribution to a Benefit Plan, (ii) the institution of a lawsuit against a Benefit Plan (or a Fiduciary of such plan), (iii) any event which might reasonably result in a withdrawal from any Benefit Plan subject to the provisions of Title IV of ERISA (including a Multiemployer Plan), (iv) the termination of, or any "reportable event," as such term is defined in Section 4043(b) of ERISA, with respect to, any of such Benefit Plans, (v) the occurrence of any Termination Event, (vi) any strike, slowdown, work stoppage, or material charge of unfair labor practice, labor dispute, grievance, complaint, or arbitration proceeding, (vii) any attempt by a labor union or employee organization to represent any employees of the Company or any of its ERISA Affiliates not represented as of the Closing Date, (viii) any notice by any

labor union or employee organization that it desires to renegotiate any collective bargaining agreement, or (ix) the imposition of a lien of the assets of the Company or any of its ERISA Affiliates under Section 412(n) of the IRC or Sections 302(f) or 4068 of ERISA; (x) the Company or any of its ERISA Affiliates being obligated to contribute to or participate in any Multiemployer Plan; or (xi) the intention of the United Stated Department of Labor's imposition of a penalty under Section 502 of ERISA relating to a Benefit Plan, a written notice specifying the nature of such action, what action has been taken, is being taken, or is proposed to be taken with respect thereto, and a copy of any correspondence or other documentation relating to the matter.

7.9 PERFORMANCE OF SERVICING DUTIES; CLEAN-UP CALLS. The Company shall, and shall cause its Subsidiaries to, comply with the terms of any and all Securitization Transaction Documents to which it is a party, including performing its duties and obligations as a "servicer" in compliance with the applicable terms thereof. The Company may make (or cause to make) "clean up" calls under, or in connection with, any Securitization Transaction at any time or from time to time when the Company has the right to do so.

7.10 COMMUNICATION WITH ACCOUNTANTS. So long as no Default or Event of Default shall have occurred and be continuing, the Purchaser shall not communicate directly with the Company's independent certified public accountants without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld. If any Default or Event of Default shall have occurred and be continuing, the Company hereby authorizes its independent certified public accountants to (a) furnish to the Purchaser any and all financial statements and other supporting financial documents, work papers and schedules as the Purchaser may request and (b) discuss with the Purchaser, as often as the Purchaser may reasonably request, the accounts, financial condition, business and affairs of the Company and its Subsidiaries, in each case without the consent of the Company.

7.11 FURTHER ASSURANCES. From time to time after the date hereof, the Company will execute and deliver, and will cause any of its Subsidiaries and any other Persons to execute and deliver, such additional instruments, certificates and documents, and will take all such actions, as the Purchaser may reasonably request, for the purposes of implementing or effectuating the provisions of this Agreement, the Notes or any other Related Agreement or to establish, maintain, perfect or continue the Purchaser's security interests in the Collateral. Upon exercise by the Purchaser of any power, right, privilege or remedy pursuant to this Agreement or any Related Agreement which requires any Consent, the Company will execute and deliver, and will cause any of its Subsidiaries and any other Persons to execute and deliver, all applications, certifications, instruments and other documents and papers that may be required to be obtained for such Consent.

7.12 FUTURE INFORMATION. All data, certificates, reports, statements, documents and other information furnished by or on behalf of the Company, any of its Subsidiaries or any of its or their respective representatives or agents to the Purchaser in connection with this Agreement, the Related Agreements or the transactions contemplated hereby and thereby, at the time the information is so furnished, shall not contain any untrue statement of a material fact, shall be complete and correct in all material respects to the extent necessary to give the Purchaser sufficient and accurate knowledge of the subject matter thereof, and shall not omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such information is furnished.

7.13 NASDAQ LISTING. The Company shall do or cause to be done all things necessary to maintain the listing of its Common Stock on the Nasdaq (or, if the Company so elects, maintain a listing of its Common Stock for trading on the NYSE).

7.14 CARSUSA FLOORING LINE. The Company shall not permit, and shall cause its Subsidiaries not to permit, the outstanding balance of the CARSUSA flooring line to exceed $339,000 at any time. In addition, the Company shall use its best efforts to reduce the outstanding balance of the CARSUSA flooring line to zero as soon as practicable.

7.15 SECURITIES AND EXCHANGE ACT COMPLIANCE.

(a) The Company shall timely file with the SEC, and provide to the Purchaser concurrently therewith, all Company SEC Documents as are specified in the Exchange Act as being required to be filed by U.S. corporations that are subject to reporting requirements of the Exchange Act. In addition, the Company shall timely file with the Nasdaq and the NYSE and provide to the Purchaser concurrently therewith, all Company SEC Documents required to be filed therewith. Each Company SEC Document to be filed by the Company, when filed with the SEC or the Nasdaq, as the case may be, will comply with all applicable requirements of the Securities Act, the Exchange Act, the Nasdaq rules and the NYSE rules, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company and its Subsidiaries to be included in each Company SEC Document to be filed by the Company will comply as to form, as of the date of its filing with the SEC, with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, will be prepared in accordance with GAAP (except, in the case of unaudited statements, as permitted by the SEC) and will fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments consistent with past practices and consistently applied). Notwithstanding anything to the contrary contained in this SECTION 7.15, the Company shall not be deemed to be in default of this SECTION 7.15 if the Company is late in filing any Company SEC Document, PROVIDED that (a) such Company SEC Document is filed with the SEC within ten (10) Business Days after the filing was due, shall notify the Purchaser in writing of the late filing and (b) such late filing shall not in any manner adversely affect the Purchaser's right to avail itself of the benefits under Rule 144 promulgated under the Securities Act with respect to the Warrant Shares, and PROVIDED FURTHER that the Company shall not rely on the grace period in this sentence on more than two (2) occasions during the term of this Agreement.

(b) If the exercise, sale or other disposition of the Residual Warrant pursuant to or in connection with any sale, reorganization, merger or other business combination involving the Company would be subject to the provisions of Section 16(b) of the Exchange Act, then the Company shall pay to Purchaser, prior to or upon the consummation of any such sale, reorganization, merger or other business combination, in lieu of such exercise, sale or disposition and in satisfaction of the Residual Warrant and to the extent of the number of Residual Warrant Shares set forth in clause (ii) below, an amount in cash equal to the product of (i) the difference between the fair value of the consideration to be received for each share of Common Stock pursuant to such sale, reorganization, merger or other business combination and the Warrant

Purchase Price (as defined in the Residual Warrant) then in effect, MULTIPLIED BY (ii) the number of Residual Warrant Shares, the sale or other disposition of which would be subject to the provisions of Section 16(b) of the Exchange Act.

7.16 ADDITIONAL SUBSIDIARY GUARANTORS. The Company shall take all such action, and will cause each of its Subsidiaries to take all such action, from time to time as shall be necessary to ensure that all Subsidiaries of the Company (other than Special Purpose Entities) are Subsidiary Guarantors under the Subsidiary Guaranty. Without limiting the generality of the foregoing, if, subject to SECTION 8.5, the Company or any of its Subsidiaries shall form or acquire any new Subsidiary after the date hereof (or any Subsidiary ceases to be a Special Purpose Entity), the Company or such Subsidiary will cause such new Subsidiary (a) to execute and deliver a joinder agreement to the Subsidiary Guaranty, in form and substance satisfactory to the Purchaser, pursuant to which such Subsidiary would become a Subsidiary Guarantor, (b) to execute and deliver such collateral security agreements, instrument and other documents, including security agreements, stock pledge and control agreements and intellectual property security agreements, in form and substance satisfactory to the Purchaser, under which such Subsidiary would grant a valid first priority security interest and lien on all of its assets, properties and rights to secure the payment and performance of all obligations of such Subsidiary under the Subsidiary Guaranty; (c) if such Subsidiary has any Subsidiaries, to execute and deliver pledge agreements, together with (i) certificates representing all of the Capital Stock of any Person owned by such Subsidiary and (ii) undated stock powers executed in blank, (d) to execute and deliver such other agreements, instruments, approvals or other documents as may be requested by the Purchaser in order to create, perfect, establish, and maintain the first priority of any Lien in favor of the Purchaser or to effect the intent that such Subsidiary shall become bound by all of the terms, covenants and agreements contained in the Related Agreements to which Subsidiary Guarantors are parties, and (e) to deliver opinions of counsel to the Company or such Subsidiary as to such matters as the Purchaser may request. In addition, the Company shall grant to the Purchaser a valid first priority perfected security interest in the Capital Stock of any Subsidiary to secure the Obligations to Purchaser, subject to SECTION 7.17.

7.17 CPSRC SHARES. The Company covenants and agrees that, if the security interest granted by the Company to FSA in and to the CPSRC Shares terminates or is released pursuant to Section 18 of the FSA Pledge Agreement or otherwise, it shall (a) immediately notify the Purchaser of such event in writing and (b) within three (3) Business Days following the effective date of termination, (i) grant to the Purchaser a valid, perfected first priority pledge and security interest in and to the CPSRC Shares, free and clear of any Liens of any other Person, on terms and conditions substantially similar to those contained in the Security Agreement, and (ii) deliver to the Purchaser the original certificate or certificates evidencing or representing the CPSRC Shares, together with stock powers duly executed in blank. In addition to, and notwithstanding, the foregoing provisions of this SECTION 7.17, the Company shall use its reasonable best efforts to obtain from FSA, at such time or times prior to the termination of FSA's security interest in the CPSRC Shares as the Company reasonably believes it has an opportunity to do so, FSA's consent to the grant by the Company to the Purchaser of a valid pledge and security interest in and to the CPSRC Shares, subject only to the security interest of FSA.

7.18 LANDLORD CONSENTS AND WAIVERS. The Company shall use its best efforts to deliver (or cause to be delivered) to the Purchaser, as soon as practicable but not later than one hundred and twenty (120) days following the Closing Date, landlord consents and waivers, in form and substance satisfactory

to the Purchaser, executed by the Company's real property lessors or landlords with respect to the business locations that are leased by the Company.

7.19 [INTENTIONALLY OMITTED.]

7.20 PAYMENT OF CERTAIN INDEBTEDNESS. Not later than March 16, 2002, the Company shall cause MFN to pay in full all principal of, accrued and unpaid interest on and other amounts owing with respect to the MFN Senior Subordinated Notes.

7.21 CORPORATE SEPARATENESS.

(a) All customary formalities regarding the corporate existence of the Company and its Subsidiaries (including MFN) will be observed at all times.

(b) The Company will not commingle its assets with those of any of its Subsidiaries, any of its other Affiliates or any other Person. The Company will accurately maintain its own bank accounts and separate books of account.

(c) The Company will pay its own liabilities from its own separate assets, and each Subsidiary will pay its own liabilities from its own separate assets.

(d) The Company will properly and adequately disclose, and will cause each of its Subsidiaries so to disclose, all Securitization Transactions, indicating the transfer of ownership of the Automobile Contracts subject thereto, by footnotes to its financial statements or otherwise. The Company will not, and will not permit any Subsidiary to, hold out any assets transferred in Securitization Transactions, or any assets of any Affiliate of such Person, as applicable, as available to creditors of, or other interest holders in, such Person.

7.22 BALANCE SHEET ITEMS; DISSOLUTION OF CERTAIN SUBSIDIARIES. The Company shall use its reasonable best efforts to (a) perform each of the matters described in SCHEDULE 7.22 and (b) liquidate, wind up and dissolve each of LINC, Samco, Alton Receivables Corp., WareCo and FundCo in accordance with Applicable Laws, in each case not later than June 30, 2002. The Company shall deliver to the Purchaser documentation evidencing the liquidation, winding up and dissolution of each such entity not later than July 15, 2002.

7.23 ADDITIONAL MFN COLLATERAL SECURITY FOR OBLIGATIONS. The Company covenants and agrees that, not later than March 16, 2002, the Company shall (a) cause MFN and each Subsidiary of MFN (other than a Special Purpose Entity) identified by the Purchaser (each an "MFN SIGNIFICANT SUBSIDIARY") to (i) execute and deliver a joint and several general and continuing guaranty, in form and substance satisfactory to the Purchaser (the "MFN GUARANTY"), pursuant to which MFN and such MFN Subsidiaries would jointly and severally guaranty as and when due any and all Obligations to Purchaser from time to time owing by the Company to the Purchaser and (ii) execute and deliver such collateral security agreements, instrument and other documents, including security agreements, stock pledge and control agreements and intellectual property security agreements, in form and substance satisfactory to the Purchaser, under which MFN and the MFN Significant Subsidiaries would grant in favor of the Purchaser valid first priority security interests and Liens (subject only to Permitted Liens) on all of its or their assets, properties and rights as collateral security to secure the prompt and timely payment and performance of their obligations under the MFN Guaranty (the "MFN COLLATERAL DOCUMENTS"); (b) to the extent that MFN and the

MFN Significant Subsidiaries have any Subsidiaries, cause MFN and the MFN Significant Subsidiaries to deliver to the Purchaser (i) certificates representing all of the Capital Stock of the pledged entities and (ii) undated stock powers executed in blank, (c) cause MFN and the MFN Significant Subsidiaries to execute and deliver such other agreements, instruments, approvals or other documents as may be requested by the Purchaser in order to create, perfect, establish, and maintain the first priority of any security interests and Liens granted by MFN and the MFN Significant Subsidiaries in favor of the Purchaser or to effect the intent that such Subsidiary shall become bound by all of the terms, covenants and agreements contained in the Related Agreements to which they may become parties and (d) deliver such opinions of counsel as to such matters as the Purchaser may request. In addition, MFN and each MFN Significant Subsidiary shall grant to the Purchaser a valid first priority perfected security interest in the Capital Stock of any Subsidiary of MFN to secure the payment and performance of the guarantors under the MFN Guaranty.

7.24 POST-CLOSING DELIVERIES. As soon as practicable, but not later than ten (10) calendar days after the Closing Date, the Purchase shall deliver to the Purchaser the following:

(a) The Company shall deliver the following Disclosure Schedules with respect to MFN and its Subsidiaries only, and each such Schedule shall be true, correct and complete as of the Closing Date and as of the date such Disclosure Schedules are delivered to the Purchaser: SCHEDULE 3.13(A) (Material Contracts), SCHEDULE 3.13(D) (Portfolio Performance Reports) and SCHEDULE 3.16 (Benefit Plans);

(b) The Company shall deliver the following corporate documents with respect to each Subsidiary of MFN other than Mercury Finance Company:

(i) Certified copies of its charter or similar organizational documents as amended through the Closing Date, certified by its Secretary as being in full force and effect as of the Closing Date and the date of delivery;

(ii) Foreign good standing certificates from each jurisdiction in which it is required to be qualified to transact business as a foreign corporation or other entity, in each case dated as of a recent practicable date prior to the date of delivery;

(iii) Copies of its bylaws or similar governing document as amended through the Closing Date, certified by its Secretary as being in full force and effect as of the Closing Date and the date of delivery;

(iv) If applicable, resolutions of its Board of Directors approving and authorizing the execution and delivery of the Related Agreements to which it is a party and the consummation of the transactions contemplated thereby, certified by its Secretary as being in full force and effect as of the Closing Date and the date of delivery; and

(v) Such other documents as the Purchaser may request;

(c) The Company shall deliver control agreements, in form and substance satisfactory to the Purchaser, duly executed by the Company and each of its banks covering the deposit accounts listed on SCHEDULE II to the Security Agreement and deposit accounts and securities accounts as contemplated by the Pledge Agreement (PROVIDED that the control agreements will provide that the

Company will continue to have the right to direct transactions in funds and financial assets in such accounts until the occurrence of a Modified Event of Default (as defined in the Pledge Agreement));

(d) The Company shall cause Andrews & Kurth LLP (or such other counsel as may be acceptable to the Purchaser) to deliver a legal opinion letter, effective as of the Closing Date, with respect to "no conflicts" with the Material Contracts described on SCHEDULE 3.13(a);

(e) The Company shall deliver a financial analysis, in form and substance satisfactory to the Purchaser, reflecting a "break even" analysis of the business operations of CPSL;

(f) The Company shall deliver a list of shareholders of the Company as of a recent practicable date;

(g) The Company shall deliver documentation evidencing the Company's guaranties of certain obligations of CPSL;

(h) The Company shall update and deliver, in form and substance satisfactory to the Purchaser, the financial projections delivered by the Company at the Closing pursuant to SECTION 5.20;

(i) The Company shall update and deliver the following Disclosure Schedule, which Schedule shall be true, correct and complete as of the Closing Date and as of the date such Disclosure Schedule is delivered to the Purchaser: SCHEDULE 3.11(a) (Existing Liens); and

(j) All documents required to be delivered to the Purchaser at the Closing that were not so delivered and for which the Purchaser hereby reserves its rights.

8. NEGATIVE COVENANTS. In addition, the Company covenants and agrees that, until all Indebtedness (including all principal of, premium, if any, and interest) and other amounts owing under the Notes shall have been indefeasibly paid in full, the Company shall perform, comply with and observe the covenants set forth in this ARTICLE 8.

8.1 LIMITATIONS ON INDEBTEDNESS. The Company shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or become or remain liable in respect of any Indebtedness, except for:

(a) Obligations to Purchaser;

(b) Existing Indebtedness (other than as provided in CLAUSE (g) below), including any refinancings, renewals, replacements, restructurings or exchanges thereof, but subject to SECTION 8.11(a);

(c) Unsecured Subordinated Indebtedness that is expressly made subordinate in right of payment and rights upon liquidation to all Senior Indebtedness, including the Indebtedness evidenced by the Notes, PROVIDED that such Indebtedness (i) does not exceed, when taken together with all other Subordinated Indebtedness, the Consolidated Net Worth (as defined in the RISRS Indenture or the PENS Indenture, as the case may be) of the Company at any time

outstanding, (ii) does not mature prior to the one (1) year anniversary of the stated maturity date of the Term B Note; and (iii) is on terms and conditions reasonably satisfactory to the Purchaser;

(d) Indebtedness in the form of Capital Lease Obligations used to finance the acquisition, construction or improvement of assets of the Company or any of its Subsidiaries in an aggregate amount not to exceed $5,000,000;

(e) Indebtedness incurred by any Special Purpose Entity in connection with any Warehouse Financing Transaction, subject to SECTION 8.11(a);

(f) Indebtedness of the type described in clause (v) of the definition of the term "Indebtedness," but only to the extent that such Indebtedness is secured by a Permitted Lien;

(g) The MFN Senior Subordinated Notes, PROVIDED that all principal of, accrued interest on and other amounts owing under the MFN Senior Subordinated Notes is paid not later than March 16, 2002, as provided in SECTION 7.20;

(h) Unsecured Indebtedness owing to West LB, in an amount not greater than $60,000,000, borrowed by the Company on the Closing Date pursuant to the West LB Commitment Letter, PROVIDED, HOWEVER, that all such Indebtedness shall be repaid by the Company prior to the close of business on the Closing Date;

(i) Unsecured indemnification obligations incurred by the Company in favor of Credit Enhancers, private placement agents or underwriters in connection with any Securitization Transaction for the Company's own misconduct or for misstatements of, or omissions to state, a material fact in connection with the consummation of such Securitization Transaction, all on customary terms for similar transactions (PROVIDED that in no event shall the Company guaranty any principal, interest or other amounts with respect to securities issued by any Special Purpose Entity or other Subsidiary);

(j) An unsecured Guarantee dated on or about the date hereof and entered into by the Company in favor of GCM pursuant to which the Company guaranties the payment of all obligations of MFN under the Note Purchase Agreement entered into in connection with the MFN Auto Receivables Trust 2002-A Securitization Transaction; and

(k) An unsecured Guaranty dated on or about the date hereof and entered into by the Company in favor of the Benefited Parties (as defined therein) pursuant to which the Company guaranties the performance of all obligations of MFN under certain agreements entered into in connection with the MFN Auto Receivables Trust 2002-A Securitization Transaction.

8.2 LIMITATIONS ON LIENS. The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist, or agree to create, incur, assume or suffer to exist, or consent to cause or permit in the future the creation, incurrence or existence of, any Lien with respect to any assets, rights or properties (whether real or personal, tangible or intangible, now existing or hereafter acquired), except for:

(a) Liens in favor of the Purchaser;

(b) Permitted Liens;

(c) The Liens reflected on SCHEDULE 3.11(a), other than the Liens being terminated as of the Closing and Liens required by the Purchaser to be terminated;

(d) Liens granted (i) by Special Purpose Entities in favor of any Credit Enhancers, (ii) by the Company in favor of FSA under the FSA Stock Pledge Agreement and (iii) covering Automobile Contracts that are transferred by the Company to any Special Purpose Entity in connection with any Warehouse Financing Transaction; and

(e) Any Lien constituting a renewal, extension or replacement of any of the foregoing Liens, PROVIDED that the principal amount of any Indebtedness or other obligation secured by such renewal, extension or replacement Lien does not exceed the principal amount of the Indebtedness or other obligation renewed, extended or replaced.

8.3 LIMITATIONS ON INVESTMENTS. The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make or own any Investment, except:

(a) Permitted Investments;

(b) The Investments and Guarantees set forth on SCHEDULE 3.11(a);

(c) Automobile Contracts; and

(d) Investments permitted under SECTION 8.14.

8.4 LIMITATION ON RESTRICTED PAYMENTS. The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make any Restricted Payment.

8.5 SUBSIDIARIES; CHANGES IN BUSINESS. The Company shall not, and shall not permit any of its Subsidiaries to, form or create any Subsidiaries other than the Subsidiaries in existence immediately following the Closing (PROVIDED, HOWEVER, that the Company may from time to time form or create Special Purpose Entities for the sole purpose of effectuating any Securitization Transactions). The Company shall not, and shall not permit its Subsidiaries to, engage in any business other than the purchasing, selling and servicing of Automobile Contracts.

8.6 OBSERVANCE OF STANWICH SUBORDINATION PROVISIONS. The Company shall not make, or cause or permit to be made, any payments in respect of any Stanwich Indebtedness in contravention of any of the subordination provisions applicable to any such Stanwich Indebtedness.

8.7 ENVIRONMENTAL LIABILITIES. The Company shall not, and shall not permit any of its Subsidiaries to, violate any material Environmental Laws or other requirement of law, rule or regulation regarding Hazardous Materials. Without limiting the generality of the foregoing, the Company shall not, and shall not permit any of its Subsidiaries to, dispose of any Hazardous Materials into or onto, or from, any Real Property, nor allow any Lien imposed pursuant to any Environmental Laws to be imposed or to remain on such Real Property, except for Liens being contested in good faith by appropriate proceedings and for which

adequate reserves have been established and are being maintained on the books of the Company or its Subsidiaries, as the case may be.

8.8 AMENDMENTS TO SECURITIZATION TRANSACTION DOCUMENTS. The Company shall not, and shall not permit any of its Subsidiaries to, amend, modify or change (or consent to any such amendment, modification or change), in any manner adverse to the interests of the Purchaser, any of the provisions set forth in the Securitization Transaction Documents without the prior written consent of the Purchaser (it being understood that the Purchaser has no interest in any Automobile Contracts transferred in any Securitization Transaction). Without limiting the generality of the foregoing, the Company shall not, and shall not permit any of its Subsidiaries to, consent or agree, without the prior written consent of the Purchaser, to (a) any increase in the amount on deposit in any "spread accounts" so as to maintain the rating of the related Securitization Transaction or (b) alter the priorities for payment from any collection account, distribution account, or spread account in a manner which would reduce the amounts payable to the Company or any of its Subsidiaries.

8.9 LIMITATIONS ON TRANSACTIONS WITH AFFILIATES. The Company shall not, and shall not permit any of its Subsidiaries to, enter into any direct or indirect transaction, agreement or arrangement with any officer, director, employee or Affiliate of the Company at any time on terms that are no less favorable to the Company or such Subsidiary, as the case may be, than those otherwise obtainable in an arm's length transaction at such time from a Person who is not an officer, director, employee or other Affiliate of the Company and, in any event, unless approved in writing by the Purchaser. The Company agrees that any direct or indirect transaction, agreement or arrangement between the Company, on the one hand, and any of its Subsidiaries or other Affiliates, on the other, shall be unanimously approved in advance by all of the members of the Board of Directors of the Company who are not interested in the transaction and approved by the Purchaser; PROVIDED, HOWEVER, that no such Board approval shall be required with respect to sales of Automobile Contracts made by the Company to its Subsidiaries, or by its Subsidiaries to the Company, in the ordinary course of its business so long as such sales are made on terms that are no less favorable to the Company than those that might be obtained in an arm's length transaction with a Person who is not an Affiliate of the Company.

8.10 RESTRICTIONS ON FUNDAMENTAL CHANGES. The Company shall not, and shall not permit any of its Subsidiaries to:

(a) make any change in its business (which shall be the purchase and sale of Automobile Contracts), purposes, corporate name, structure or operations;

(b) amend any of its organizational documents (including its charter, bylaws, certificate of formation, limited liability company agreement, partnership agreement or trust agreement, as applicable);

(c) sell, assign, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or a significant portion of its assets, other than Asset Sales expressly permitted hereby in connection with Securitization Transactions and dispositions of assets in the ordinary course of business consistent with past practice;

(d) merge (other than the MFN Merger), consolidate, reorganize or recapitalize; or

(e) liquidate, wind up or dissolve (except as expressly provided for herein).

8.11 AGREEMENTS AFFECTING CAPITAL STOCK AND INDEBTEDNESS; AMENDMENTS TO MATERIAL CONTRACTS.

(a) The Company shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of the Purchaser, (i) enter into any voting agreement, voting trust, irrevocable proxy or other agreement affecting the voting rights of shares of the Capital Stock of the Company (other than revocable proxies in connection with meetings of shareholders of the Company) or its Subsidiaries, except as contemplated by this Agreement or any Related Agreement; (ii) refinance, renew, replace, restructure or exchange any Existing Indebtedness (other than Existing Indebtedness incurred by a Special Purpose Entity in connection with any Securitization Transaction); or (iii) amend, supplement or otherwise modify, or waive, any term or provision of any agreement, instrument or other document evidencing or governing any Indebtedness of the Company or any of its Subsidiaries (including the RISRS Indenture, the PENS Indenture, any Stanwich Debt Documents or any other Subordinated Agreements).

(b) The Company shall not, and shall not permit any of its Subsidiaries to, cancel or terminate any Material Contract (or consent to or accept any cancellation or termination thereof), amend or otherwise modify any Material Contract or give any consent, waiver or approval thereunder, waive any breach of or default under any Material Contract, or take any action in connection with any Material Contract that would impair the value of the interests or rights of the Company thereunder or that would impair the interest or rights of the Purchaser hereunder or under this Agreement or any Related Agreement.

8.12 INDEBTEDNESS TO CREDIT ENHANCER. The Company shall not, and shall not permit any of its Subsidiaries to, have outstanding at any time Indebtedness for the payment of money of any kind or nature (whether matured or unmatured or contingent or non-contingent) to any Credit Enhancer or any Affiliate of any Credit Enhancer pursuant to any agreement to which such Credit Enhancer is a party, other than Indebtedness (whether matured or unmatured or contingent or non-contingent) in connection with any Securitization Transactions of the type which is consistent with past practice and which the Company reasonably believes is customary in securitization transactions insured by such Credit Enhancer, the assets of which consist solely of Automobile Contracts.

8.13 PAYMENT RESTRICTIONS AFFECTING CERTAIN SUBSIDIARIES. The Company shall not, and shall not permit any of its Subsidiaries (other than a Special Purpose Entity) to, enter into or permit to exist any agreement, instrument or other document which, directly or indirectly, prohibits or restricts in any manner, or would have the effect of prohibiting or restricting in any manner, the ability of any such Subsidiary to (a) pay dividends or make other distributions in respect of its Capital Stock owned by the Company or any other such Subsidiary, (b) pay or repay any Indebtedness owed to the Company or any other such Subsidiary, (c) make loans or advances to the Company or (d) transfer any of its properties or assets to the Company or any other such Subsidiary.

8.14 NO NEW LOANS AND ADVANCES. The Company shall not, and shall not permit any of its Subsidiaries to, make any loans or advances to any directors, officers, Affiliates or employees of the Company or any of its Subsidiaries, or renew, refinance or restructure any of such loans or advances or the terms thereof, without the prior written consent of the Purchaser; PROVIDED, HOWEVER, that the Company and its Subsidiaries may make advances for reasonable and incidental business expenses approved in advance by the Chief Financial Officer of the Company not to exceed $2,500 in any one (1) month to any employee in the ordinary course of business, all of which shall be repaid within thirty (30) days after the date such loan or advance is made. The Company shall ensure that all loans and advances made by the Company, whether made prior to, on or after the date hereof, are evidenced by a promissory note or other written instrument or agreement (copies of which shall be provided to the Purchaser) which provides for the repayment in full in cash of such loans and advances. In addition, on the last Business Day of each calendar month, the Company shall deliver to the Purchaser a certificate, duly signed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, listing all such loans and advances, including the dates made, the names of the obligors and the outstanding principal, interest and other amounts due, and certifying that such list is true, accurate and complete as of the date of such certificate.

8.15 FINANCIAL COVENANTS. The Company shall, and shall cause its Subsidiaries to, comply with the following covenants:

(a) MAXIMUM CAPITAL EXPENDITURES. The Company and its Subsidiaries shall not incur Capital Expenditures during any fiscal year, commencing with the fiscal year ending December 31, 2002, in excess of $2,000,000.

(b) LLCP COVERAGE RATIO. Commencing with the calendar month ending March 31, 2002, and for each calendar month thereafter, the LLCP Coverage Ratio shall not be less than (i) 125% at and as of the end of each such calendar month through May 31, 2002, (ii) 150% at and as of the end of each such calendar month through August 31, 2002, (iii) 175% at and as of the end of each such calendar month through November 30, 2002 and (iv) 200% at and as of the end of each such calendar month thereafter.

8.16 CPS LEASING. The Company shall not permit CPSL to conduct any business other than collecting receivables owing to CPSL.

8.17 LINC AND SAMCO. The Company shall not, and shall not permit its Subsidiaries to, transfer any assets or properties to LINC, unless the Company or any such Subsidiary is compelled to do so by a non-appealable written order of a court of competent jurisdiction (and, in such event, the Company will deliver a copy of such order to the Purchaser), and LINC shall continue to conduct no business and remain inactive. In addition, the Company shall not, and shall not permit its Subsidiaries to, transfer any assets or properties to Samco.

9. INDEMNIFICATION.

9.1 TRANSFER TAXES. The Company shall pay all stamp, transfer and other similar Taxes (together in each case with interest and penalties, if any) payable or determined to be payable in connection with the execution and delivery of this Agreement or the issuance and sale of the Notes and shall hold

harmless the Purchaser from and against any and all liabilities with respect to or resulting from any delay in paying, or omission to pay, such Taxes.

9.2 LOSSES.

(a) Whether or not the transactions contemplated by this Agreement are consummated, the Company shall indemnify and hold harmless the Purchaser, its successors and assigns, and its Affiliates, employees, partners, officers, directors, representatives, agents, attorneys, successors and assigns (the "INDEMNIFIED PARTIES"), from and against any and all losses, claims, damages, liabilities, judgments, expenses and costs, including attorneys' fees and other fees and expenses incurred in, and the costs of preparing for, investigating or defending any matter (collectively, "LOSSES"), incurred by such Indemnified Party in connection with or arising from:

(i) Any breach of any warranty or the inaccuracy of any representation made by the Company or any of its Subsidiaries in this Agreement or any Related Agreement;

(ii) The failure of the Company or any of its Subsidiaries to fulfill any of its covenants, agreements or undertakings under this Agreement or any Related Agreement (or any other document or instrument executed herewith or pursuant hereto);

(iii) Any breach, violation, Default or Event of Default under any Prior Investment Document, this Agreement or any Related Agreement, which is based on (A) the failure of the Company or any of its Subsidiaries to pay to the Purchaser or any of its Affiliates any principal, interest, premium, fees, costs, expenses or other amounts due or owing at any time prior to the Effective Date or (B) fraud (including intentional misrepresentation and misappropriation of funds) occurring at any time prior to the Closing Date; and

(iv) Any third party actions, suits, proceedings or claims brought against any Indemnified Party in connection with, arising out of or with respect to (A) any other matters arising out of or in connection with the transactions contemplated by any Prior Investment Document, this Agreement, the Notes or any other Related Agreement (including the Indemnity Side Letter), (B) the Stanwich Case, (C) the MFN Merger, (D) the West LB Escrow Agreements or (D) the business, operations or affairs of the Company or any of its Subsidiaries (including any litigation in which any Company or any Subsidiary is involved).

(b) The Company shall either pay directly all Losses which it is required to pay hereunder or reimburse any Indemnified Party within ten (10) calendar days after any request for such payment. The obligations of the Company to the Indemnified Parties under this SECTION 9 shall be separate obligations to each Indemnified Party, and the liability of the Company to such Indemnified Parties hereunder shall not be extinguished solely because any Indemnified Party is not entitled to indemnity hereunder.

(c) The obligations of the Company to the Indemnified Parties under this SECTION 9 shall survive (i) the repayment of the Notes (whether at maturity, by prepayment or acceleration or otherwise), (ii) any transfer of the Notes or any interest therein, (iii) the termination of this Agreement or any

Related Agreement and (iv) the issuance, exercise, assignment and/or sale of any LLCP Warrants (or any interest therein) or the sale of any Warrant Shares.

9.3 INDEMNIFICATION PROCEDURES. Any Person entitled to indemnification under this SECTION 9 shall (a) give prompt written notice to the Company of any claim with respect to which it seeks indemnification and (b) permit the Company to assume the defense of such claim with counsel selected by the Company and reasonably acceptable to such Person; PROVIDED, HOWEVER, that any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person, unless (i) the Company has agreed to pay such fees or expenses; (ii) the Company has failed to notify such Person in writing within ten (10) calendar days of its receipt of such written notice of claim that it will assume the defense of such claim and employ counsel reasonably satisfactory to such Person; or (iii) in the judgment of any such Person, based upon the written advice of counsel, a conflict of interest may exist between such Person and the Company with respect to such claims (in which case, if the Person notifies the Company in writing that such Person elects to employ separate counsel at the expense of the Company, the Company shall not have the right to assume the defense of such claim on behalf of such Person). The Company will not be subject to any liability for any settlement made without its consent (but such consent may not be unreasonably withheld). No Indemnified Party may, without the consent (which consent will not be unreasonably withheld) of the Company, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Company of a release from all liability in respect of such claim or litigation.

9.4 CONTRIBUTION. If the indemnification provided for in this SECTION 9 is unavailable to the Purchaser or any other Indemnified Party in respect of any Losses, then the Company, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by the Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Company, on the one hand, and such Indemnified Party on the other hand, in connection with the actions, statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and such Indemnified Party on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been taken by, or relates to information supplied by, either the Company or such Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission. The parties agree that it would not be just and equitable if contribution pursuant to this SECTION 9.4 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. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

9.5 COSTS OF COLLECTION. The Company agrees to pay all fees, costs and expenses, including the fees and expenses of any attorneys, accountants and other experts retained by the Holder, which are expended or incurred by the Holder in connection with (a) the administration and enforcement of the Notes and the other Obligations or the collection of any sums due thereunder, whether

or not any action, suit or other proceeding is commenced; (b) any actions for declaratory relief in any way related to the Notes or any other Obligations; (c) the protection or preservation of any rights of the Holder under this Agreement, the Notes or any other Related Agreement; (d) any actions taken by the Holder in negotiating any amendment, waiver, consent or release of or under this Agreement, the Notes or any other Related Agreement; (e) any actions taken in reviewing the Company's or any of its Subsidiaries' financial affairs if an Event of Default has occurred or the Holder has determined in good faith that an Event of Default may likely occur, including the following actions: (i) inspect the facilities of the Company and any of its Subsidiaries or conduct audits or appraisals of the financial condition of the Company and any of its Subsidiaries; (ii) have an accounting firm chosen by the Holder review the books and records of the Company and any of its Subsidiaries and perform a thorough and complete examination thereof; (iii) interview the Company's and each of its Subsidiaries' employees, accountants, customers and any other individuals related to the Company or its Subsidiaries which the Holder believes may have relevant information concerning the financial condition of the Company and any of its Subsidiaries; and (iv) undertake any other action which the Holder believes is necessary to assess accurately the financial condition and prospects of the Company and any of its Subsidiaries; (f) the Holder's participation in any refinancing, restructuring, bankruptcy or insolvency proceeding involving the Company, any of its Subsidiaries or any other Affiliate of the Company; (g) verifying, maintaining, or perfecting any security interest or other Lien granted to the Holder in any collateral; (h) any effort by the Holder to protect, assemble, complete, collect, sell, liquidate or otherwise dispose of any Collateral, including in connection with any case under Bankruptcy Law; or (i) any refinancing or restructuring of this Agreement, the Notes or any other Related Agreement, including any restructuring in the nature of a "work out" or in any insolvency or bankruptcy proceeding.

10. DEFAULTS AND REMEDIES.

10.1 EVENTS OF DEFAULT. An "Event of Default" occurs if:

(a) The Company shall (i) fail to pay as and when due (whether at stated maturity, upon acceleration or required prepayment or otherwise) any principal on any Note, or (ii) fail to pay any interest, premium, if any, fees, costs, expenses or other amounts payable under this Agreement, any Note or any other Related Agreement within one (1) Business Day after the date due thereunder; or

(b) (i) The Company shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it under SECTION 7.1 (Payments with Respect to Notes), CLAUSES (a), (b), (i), (j) or (k) of SECTION 7.2 (Information Covenants), SECTION 7.9 (Performance of Servicing Duties; Clean-Up Calls), SECTION 7.14 (CARSUSA Flooring Line), SECTION 7.15 (Securities and Exchange Act Compliance), SECTION 7.20 (Payment of Certain Indebtedness), SECTION 8.1 (Limitations on Indebtedness), SECTION 8.2 (Limitations on Liens), SECTION 8.6 (Observance of Stanwich Subordination Provisions), SECTION 8.8 (Amendments to Securitization Transaction Documents), SECTION 8.9 (Limitations on Transactions with Affiliates) SECTION 8.10 (Restrictions on Fundamental Changes) and SECTION 8.15 (Financial Covenants);

(ii) The Company shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it under Section 7.2 (Information Covenants) (other than

clauses (a), (b), (i), (j) or (k)), and such breach or failure shall not have been remedied within three (3) Business Days after written notice thereof by the Purchaser to the Company; or

(c) The Company or any of its Subsidiaries shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it under this Agreement or any Related Agreement (other than the agreements, covenants or obligations expressly covered by SECTIONS 11.1(A) and (b)) and such breach or failure shall not have been remedied within thirty (30) days after written notice thereof by the Purchaser to the Company; or

(d) Any representation or warranty made by the Company or any of its Subsidiaries under, relating to or in connection with this Agreement or any Related Agreement shall be false or misleading when made (or deemed made); or

(e) The Company or any of its Subsidiaries (other than LINC or Samco) shall:

(i) default in the payment (whether at stated maturity, upon acceleration or required prepayment or otherwise), beyond any period of grace provided therefor, of any principal of or interest on any other Indebtedness with a principal amount in excess of $100,000; or

(ii) commit any breach of or default under (other than as provided in Section 10.1(e)(i) above) any term of any agreement, indenture or instrument evidencing or governing any other Indebtedness (other than Capital Lease Obligations) in excess of $50,000 individually or $250,000 in the aggregate, if the effect of such breach or default is to cause, or to permit the holder or holders of such other Indebtedness to cause (upon the giving of notice or the passage of time or both), such other Indebtedness to become or be declared due and payable, or required to be prepaid, redeemed, purchased or defeased (or an offer of prepayment, redemption, purchase or defeasance is made) prior to its stated maturity, unless such breach or default has been waived within ten (10) calendar days following such breach or default by the Person or Persons entitled to give such waiver; or

(iii) be in default of any of its lease obligations (whether Capital Lease Obligations or otherwise) in excess of $500,000 at any time outstanding and the lessor under any defaulted capital lease to which the Company or any of its Subsidiaries is a party shall retake possession of the property leased thereunder or shall initial legal proceedings to repossess (or recover possession of) such leased property; or

(iv) default (which default may or may not be an Insurance Agreement Event of Default) under any of its insurance and/or indemnity agreements with FSA or any other Credit Enhancer and, as a result thereof, (A) FSA or such other Credit Enhancer (I) forecloses on any of its collateral, (II) does not release to the Company, or withholds, funds which are otherwise to be released or distributed to the Company and such funds are not released for a period of thirty-one (31) consecutive days, or (III) otherwise exercises any of its other rights, powers or remedies against the Company or any such Subsidiary with respect thereto, or (B) a default or event of default occurs, beyond

any period of grace provided therefor (and which has not been waived in writing during such grace period, if any), under any other Securitization Transaction Document or other agreement, instrument or other document to which the Company or any such Subsidiary is a party; or

(f) This Agreement or any Related Agreement, or any material provision thereof, shall cease to be of full force and effect for any reason other than in accordance with its terms, or the Company or any of its Subsidiaries or other Affiliates shall repudiate or disavow any of its obligations under or the validity or enforceability of this Agreement or any Related Agreement, or any material provision thereof, including by operation of law or otherwise; or

(g) There shall be commenced against the Company or any of its Subsidiaries an involuntary case seeking the liquidation or reorganization of such Person under the Bankruptcy Code or any similar proceeding under any other Applicable Law or an involuntary case or proceeding seeking the appointment of a Custodian or to take possession of all or a substantial portion of its properties or to operate all or a substantial portion of its business, and any of the following events occur: (i) any such Person consents to the institution of the involuntary case or proceeding; (ii) the petition commencing the involuntary case or proceeding is not timely controverted; (iii) the petition commencing the involuntary case or proceeding remains undismissed and unstayed for a period of sixty (60) days; or (iv) an order for relief shall have been issued or entered therein; or

(h) The Company or any of its Subsidiaries shall institute a voluntary case seeking liquidation or reorganization under the Bankruptcy Code or any similar proceeding under any other Applicable Law, or shall consent thereto; or shall consent to the conversion of an involuntary case to a voluntary case; or shall file a petition, answer a complaint or otherwise institute any proceeding seeking, or shall consent or acquiesce to the appointment of, a Custodian or to take possession of all or a substantial portion of its property or to operate all or a substantial portion of its business; or shall make a general assignment for the benefit of creditors; or shall generally not pay its debts as they become due; or the Board of Directors of any such Person (or any committee thereof) adopts any resolution or otherwise authorizes action to approve any of the foregoing; or

(i) The Company or any of its Subsidiaries shall suffer any money judgments, writs, warrants of attachment or other orders that involve an amount or value in excess of $100,000, and such judgments, writs, warrants or other orders shall continue unsatisfied and unstayed for a period of thirty (30) days; or

(j) As a result of the current bankruptcy proceeding involving LINC or the insolvency of Samco, as the case may be, a default or event of default occurs under any agreement, instrument or other document to which LINC or Samco, as the case may be, is a party, or any Person to whom LINC or Samco is indebted accelerates such indebtedness, and, as a result, any creditor of LINC or Samco asserts any claim involving the substantive consolidation of the Company or any of its Subsidiaries (other than LINC or Samco) or recovers any indebtedness or other amount in excess of $500,000 owed by LINC or Samco from the Company or any of its Subsidiaries (other than LINC or Samco); or

(k) There shall occur a Material Adverse Change; or

(l) There shall occur a Change in Control; or

(m) There shall occur any "Special Redemption Event" (as defined in the RISRS Indenture); or

(n) The LLCP Representative, if appointed pursuant to Section 1.1 of the Amended and Restated Investor Rights Agreement, shall be removed from the Board of Directors of the Company, or the LLCP Representative shall not be elected or appointed to such Board at any future election of directors, and, in each such case, the Company shall not have caused any other individual designated by LLCP as the LLCP Representative to have been elected or appointed as a member of such Board within two (2) days after the Purchaser shall have designated such other individual (provided, however, that the voluntary resignation of the LLCP Representative shall not be deemed to constitute an Event of Default under this clause (n)); or

(o) (i) Any Termination Event shall occur that, when taken together with all other Termination Events that have occurred, could result in a liability to the Company or any ERISA Affiliate in excess of $100,000; (ii) the Company or any ERISA Affiliate shall have committed a failure described in Section 302(f)(1) of ERISA and the amount determined under Section 302(f)(3) of ERISA is at least $100,000; (iii) any failure to make full payment (including all required installments) when due of all amounts that, under the provisions of any Benefit Plan or Applicable Law, the Company or any ERISA Affiliate is required to pay as contributions thereto, which would result in a liability to the Company or ERISA Affiliate in excess of $100,000; (iv) the Company or any ERISA Affiliate shall have incurred any accumulated funding deficiency in excess of $100,000, whether or not waived, with respect to any Benefit Plan; (v) a lien is imposed on the assets of the Company or any ERISA Affiliate under Section 412(n) of the IRC or Section 4068 of ERISA, (vi) the Company or any of its ERISA Affiliates is liable under Section 502 of ERISA in an amount greater than $100,000, or (vii) the present value of all accrued benefits under any Benefit Plan exceeds the value of the assets of such Benefit Plan allocated to such accrued benefits by more than $100,000, based upon the applicable provisions of the IRC and ERISA, such that such Benefit Plan is not capable of being terminated in a "standard termination" under Section 4041(b) of ERISA; or

(p) Any Securitization Transaction shall have been terminated by any Credit Enhancer, trustee or noteholder for any reason other than the payment in full to the noteholders and other Persons holding interests issued pursuant to such Securitization Transaction of all obligations to such Persons; or

(q) There shall have occurred any event (other than as provided in clause (p) above) as a result of which any noteholder, or other Person holding interests issued in any Securitization Transaction, or any Credit Enhancer or trustee, shall have the present right to terminate such Securitization Transaction, which shall not have been duly waived or cured within ten (10) Business Days after the date of such occurrence; or

(r) Any Person that is not an Affiliate of the Company shall have replaced the Company or, as applicable, any Subsidiary, as "servicer" in connection with any Securitization Transaction; or

(s) Until all Indebtedness and other amounts owing under the Bridge Note shall have been indefeasibly paid in full, there shall have occurred, with respect to any Securitization Transaction, any "Level 2" Trigger Event.

The foregoing Events of Default shall be deemed to have occurred, respectively, and any adjustments in the interest rate under the Notes or the right to exercise any other rights, powers or remedies by the Purchaser hereunder or thereunder shall accrue, at the following times:

(i) in the case of the clause (a) above, as of 12:00 p.m. (noon) (Los Angeles time) on the day on which such payment is due but has not been paid;

(ii) in the case of clause (b)(i) above, immediately upon the occurrence of any such breach of failure, or in the case of clause (b)(ii), as of the close of business on such third Business Day, if such breach of failure shall not have been cured by such date;

(iii) in the case of clause (c) above, as of the close of business on such thirtieth day, if such breach or failure shall not have been cured by such date;

(iv) in the case of clause (d) above, as of the close of business on the day on which the Company first became aware, or should have become aware, that such representation or warranty was false or misleading when made;

(v) in the case of clause (e)(i) above, as of the close of business on the day on which such payment of principal or interest is due, or in the case of clause (e)(ii), as of the close of business on the tenth day following such breach or default if such breach or default has not been waived by the Person or Persons entitled to give such waiver, or in the case of (e)(iii), as of the close of business on the day that such lessor retakes possession of the leased property or initiates legal proceedings to repossess, or in the case of (e)(iv)(A), as of the close of business on the date upon which FSA forecloses on its collateral, or as of the close of business on such thirty-first day, or as of the close of business on the date upon which FSA exercises any such rights, powers and remedies, or in the case of (e)(iv)(B), as of the close of business on the day such default or event of default occurs (or if there is a grace period therefor, the day that such grace period expires and the default or event of default shall not have been previously waived in writing or cured);

(vi) in the case of clause (f) above, as of the close of business on the day such provision ceases to be enforceable or is repudiated or disavowed;

(vii) in the case of clause (i) above, as of the close of business on the last day of such thirty (30) day period if such judgment, writ, warrant or other order remains unsatisfied or unstayed;

(viii) in the case of clauses (g) and (h) above, immediately prior to the occurrence of any of the events enumerated therein;

(ix) in the case of clause (j) above, immediately upon any such claim assertion or recovery;

(x) in the case of clause (k) above, immediately upon the occurrence of the Material Adverse Change occurs;

(xi) in the case of clauses (l) or (m) above, immediately upon the occurrence of the Change in Control or the "Special Redemption Event," as the case may be;

(xii) in the case of clause (n) above, as of the close of business on the last day of such five (5) day period if the Board of Directors shall not have elected or appointed such other LLCP Representative to such Board;

(xiii) in the case of clause (o) above, immediately upon the occurrence of any such events; and

(xiv) in the case of clause (p) above, as of the close of business on the date upon which such Securitization Transaction shall have been terminated;

(xv) in the case of clause (q) above, as of the close of business on such tenth Business Day, if such event shall not have been waived or cured by such date;

(xvi) in the case of clause (r) above, as of the opening of business on the date upon which the Company or such Subsidiary shall have been replaced as the "servicer" with respect to such Securitization Transaction; or

(xvii) in the case of clause (s) above, as of the close of business on date of such "Level 2" Trigger Event.

10.2 ACCELERATION. If any Event of Default (other than an Event of Default specified in clause (g) or (h) of SECTION 10.1) occurs and is continuing, the Purchaser may, by written notice to the Company, declare all outstanding principal of, premium, if any, accrued and unpaid interest on, and all other amounts owing under the Notes, and all other Obligations, to be due and payable. Upon any such declaration of acceleration, all such principal, premium, interest and other amounts, and all such other Obligations, shall become immediately due and payable. If an Event of Default specified in clause (g) or (h) of SECTION 10.1 occurs, all outstanding principal of, premium, if any, accrued and unpaid interest on, and all other amounts owing under the Notes, and all other Obligations, shall become immediately due and payable without any declaration or other act on the part of the Purchaser. The Company hereby waives all presentment for payment, demand, protest, notice of protest and notice of dishonor, and all other notices of any kind to which it may be entitled under Applicable Law or otherwise.

10.3 OTHER REMEDIES. If any Default or Event of Default shall occur and be continuing, the Purchaser may proceed to protect and enforce its rights and remedies under this Agreement and any Related Agreement by exercising all rights and remedies available under this Agreement, any Related Agreement or Applicable Laws (including the UCC), either by suit in equity or by action at law, or both, whether for the collection of principal of or interest on the Notes, to enforce the specific performance of any covenant or other term contained in this Agreement or any Related Agreement. No remedy conferred in this Agreement upon the Purchaser is intended to be exclusive of any other remedy, and each and

every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

10.4 APPOINTMENT OF RECEIVER. In addition to all other rights, powers and remedies that the Purchaser has under this Agreement, any Related Agreement or Applicable Law or otherwise, the Purchaser shall, upon the occurrence of an Event of Default, be entitled to, and the Company and the Guarantors hereby consent in advance to, the appointment of a receiver by any court of competent jurisdiction to take possession of the Collateral and to take control of the Company for the purpose of operating and thereafter selling the Company to satisfy its obligations to its creditors, including the Purchaser.

10.5 WAIVER OF PAST DEFAULTS. The Purchaser may, by written notice to the Company, waive any Default or Event of Default and its consequences with respect to this Agreement, the Notes or any other Related Agreement; PROVIDED, HOWEVER, that no such waiver will extend to any subsequent or other Default or Event of Default or impair any rights of the Purchaser which may arise as a result of such Default or Event of Default.

11. MISCELLANEOUS.

11.1 CONSENT TO AMENDMENTS. No amendment, supplement or other modification to this Agreement or any Related Agreement shall be effective unless the same shall be in writing and signed by the Purchaser, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if, and only if, the Company shall have obtained the prior written consent of the Purchaser to any such action or omission. No course of dealing between the Company or its Subsidiaries, on the one hand, and the Purchaser (or any other Holder), on the other hand, nor any delay in exercising any rights hereunder or under any Note or any other Related Agreement shall operate as a waiver of any rights of the Purchaser (or any other Holder). Notwithstanding anything to the contrary contained in this Agreement, whenever the Purchaser is required or permitted to give its consent, such consent shall not be unreasonably withheld; PROVIDED, HOWEVER, that the Purchaser may withhold its consent to the taking of any action by the Company, and the Purchaser may request the payment by the Company of a consent fee as a condition to giving its consent, if (a) in the good faith judgment of the Purchaser, such action would, when taken, (i) adversely affect or impair (or threaten to adversely affect or impair) the ability of the Company or any of its Subsidiaries to make any payments under this Agreement, any Note or any other Related Agreement, (ii) materially adversely affect or impair (or threaten to materially adversely affect or impair) the ability of the Company or any of its Subsidiaries to perform its material covenants and obligations thereunder or (iii) adversely affect the Collateral or the perfection, priority, continuation or validity of the Liens therein, or (b) such consent is requested in connection with the matters set forth under SECTION 8.2 (Limitation on Liens), SECTION 8.4 (Limitations on Restricted Payments), SECTION 8.6 (Observance of Stanwich Subordination Provisions), SECTION 8.9 (Limitations on Transactions with Affiliates) or SECTION 8.10 (Restrictions on Fundamental Changes).

11.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES; PURCHASER INVESTIGATION. All representations and warranties of the Company contained herein, or made in writing by or on behalf of the Company pursuant hereto or in connection herewith, shall survive the execution and delivery of this Agreement, the issuance, sale and/or delivery of the Notes, the repayment of the Notes and the due diligence or other investigation of the Company and its Subsidiaries

made by and on behalf of the Purchaser. The Company hereby agrees that neither the Purchaser's review of the books and records or condition (financial or otherwise), business, assets, properties, operations or prospects of the Company or any of its Subsidiaries or other Affiliates, nor any other due diligence investigation conducted by or on behalf of the Purchaser, shall be deemed to constitute knowledge by the Purchaser of the existence or absence of any facts or any other matters so as so reduce the Purchaser's right to rely on the accuracy of the representations and warranties of the Company contained in this Agreement or any Related Agreement.

11.3 ENTIRE AGREEMENT. This Agreement, the Notes and the other Related Agreements constitute the full and entire agreement and understanding between the Purchaser and the Company relating to the subject matter hereof and thereof, and supersede all prior oral and written, and all contemporaneous oral, agreements and understandings relating to the subject matter hereof. The parties further acknowledge that the Bridge Financing Commitment Letter dated November 16, 2001 (the "LLCP COMMITMENT LETTER"), and the letter dated February 27, 2002, in each case between the Company and the Purchaser shall be superseded by this Agreement, the Notes and the other Related Agreements.

11.4 SUCCESSORS AND ASSIGNS; ASSIGNMENTS. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns. The Purchaser may, without the consent of the Company, sell, assign or delegate to one or more Persons (each an "ASSIGNEE") all or any part of its right, title and interest in and to this Agreement, any Note or any other Related Agreement, including all or any part of the Obligations to Purchaser, subject to compliance with applicable federal and state securities laws; PROVIDED, HOWEVER, that, in any privately negotiated transaction involving a sale or assignment by the Purchaser of any such right, title or interest, the Purchaser shall obtain from the Assignee in writing investment intent representations which would be customarily obtained in transactions of such nature; and PROVIDED FURTHER, HOWEVER, that the Company may continue to deal solely and directly with the Purchaser in connection with any right, title or interest so assigned until written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Company. If the Purchaser assigns to any Assignee a fifty percent (50.0%) or lesser interest in and to the aggregate principal amount of the Notes then outstanding, any decisions that the Purchaser is entitled to make under this Agreement, the Notes and the other Related Agreements shall be made by the Purchaser, and the Company may continue to deal solely and directly with respect to the Purchaser in connection with the interests so assigned to the Assignee.

11.5 SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

11.6 NOTICES. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if transmitted by telecopier with receipt acknowledged, or upon delivery, if delivered personally or by recognized commercial courier with receipt acknowledged, or upon the expiration of 72 hours after mailing, if mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

(i) If to the Purchaser, at:

Levine Leichtman Capital Partners II, L.P.
c/o Levine Leichtman Capital Partners, Inc.
335 North Maple Drive, Suite 240
Beverly Hills, CA 90210
Attention: Steven Hartman
Telephone: (310) 275-5335
Facsimile: (310) 275-1441

WITH A COPY TO:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attention: Mitchell S. Cohen, Esq.
Telephone: (310) 203-7579
Telecopier: (310) 203-7199

(ii) If to the Company, at:

Consumer Portfolio Services, Inc.
16355 Laguna Canyon Road
Irvine, CA 92618
Attention: Charles E. Bradley, Jr., President
Telephone: (949) 753-6800
Facsimile: (949) 450-3951

WITH A COPY TO:

Consumer Portfolio Services, Inc.
16355 Laguna Canyon Road
Irvine, CA 92618
Attention: Mark Creatura, Esq.
Telephone: (949) 753-6800
Facsimile: (949) 753-6897

or at such other address or addresses as the Purchaser or the Company, as the case may be, may specify by written notice given in accordance with this SECTION 11.6.

11.7 COUNTERPARTS. This Agreement may be executed in two or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one instrument.

11.8 FEES AND EXPENSES. The Company shall reimburse the Purchaser for, and shall pay, all actual and estimated out-of-pocket fees, Default interest, deferred fees, costs, and expenses of every type and nature (including fees and expenses of counsel, accounting fees and expenses, fees and expenses related to any due diligence investigation and all other deal-related costs and expenses) expended or incurred by or on behalf of the Purchaser in connection with the preparation, negotiation, execution and delivery of this Agreement, the Term B Note, the Bridge Note, the Term C Note, the Collateral Documents and the other

Related Agreements and the consummation of the transactions contemplated hereby (which fees, interest, deferred fees, costs and expenses may be withheld by the Purchaser from the proceeds to be paid to the Company for the Bridge Note and the Term C Note) and, at the direction of the Purchaser, the Company shall pay directly to the Purchaser's third party service providers all such costs and expenses incurred by the Purchaser.

11.9 GOVERNING LAW. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

11.10 CONSENT TO JURISDICTION AND VENUE. EACH OF THE COMPANY AND THE PURCHASER HEREBY CONSENTS AND AGREES THAT ALL ACTIONS, SUITS OR OTHER PROCEEDINGS ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE NOTE OR ANY OTHER RELATED AGREEMENT SHALL BE TRIED AND LITIGATED IN STATE OR FEDERAL COURTS LOCATED IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY AND ALL CLAIMS, CONTROVERSIES AND DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE NOTE OR ANY OTHER RELATED AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN THIS SECTION 11.10 SHALL PRECLUDE THE PURCHASER FROM BRINGING ANY ACTION, SUIT OR OTHER PROCEEDING IN THE COURTS OF ANY OTHER LOCATION WHERE THE COMPANY PARTIES OR ANY ONE OF THEM OR ANY OF ITS OR THEIR ASSETS OR THE COLLATERAL MAY BE FOUND OR LOCATED OR TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE PURCHASER.

EACH OF THE COMPANY AND THE PURCHASER HEREBY (A) IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION, SUIT OR OTHER PROCEEDING COMMENCED IN ANY SUCH COURT, (B) WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR ANY OBJECTION THAT SUCH PERSON MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION OR IMPROPER VENUE AND (C) CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH OF THE COMPANY AND THE PURCHASER HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT OR OTHER PROCESS ISSUED IN ANY SUCH ACTION, SUIT OR OTHER PROCEEDING AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS SET FORTH IN SECTION 11.6 (NOTICES) AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PERSON'S ACTUAL RECEIPT THEREOF OR FIVE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID.

TO THE EXTENT PERMITTED UNDER THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, THE COMPANY HEREBY WAIVES, IN RESPECT OF ANY SUCH ACTION, SUIT OR OTHER PROCEEDING, THE JURISDICTION OF ANY OTHER COURT OR COURTS THAT NOW OR HEREAFTER, BY REASON OF SUCH PERSON'S PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE TO IT.

11.11 PUBLICITY. Each party will consult with the other before issuing, and provide each other the opportunity to review, comment upon and concur with and use reasonable efforts to agree on, any press release or other public statement with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make such other public announcement prior to such consultation, except as either party may determine is required under Applicable Laws or by obligations pursuant to any listing agreement with any national securities exchange or Nasdaq. The parties agree that any initial press release to be issued after the Closing shall be in the form heretofore agreed to by the parties.

11.12 LIMITATION ON LIABILITY. No claim shall be made by the Company or any of its Affiliates against the Purchaser, or any Affiliates, partners, directors, officers, employees, agents or representatives of the Purchaser, for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or under any other theory of liability arising out of or related to the transactions contemplated by this Agreement, the Notes, any other Related Agreement, the Prior Investment Documents or any act, omission or event occurring in connection therewith. The Company hereby waives, releases and agrees not to sue upon any claim for such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

11.13 AMENDMENT AND RESTATEMENT. Effective on and as of the Closing Date, this Agreement shall supersede the First Amended and Restated Securities Purchase Agreement insofar as the two are inconsistent. However, the execution and delivery of this Agreement shall not excuse, or, except as set forth in SECTION 2.5 with respect to the Specified Defaults, constitute a waiver of, any Defaults or Events of Default under the First Amended and Restated Securities Purchase Agreement, it being understood that this Agreement is not a termination of the First Amended and Restated Securities Purchase Agreement, but is a modification (and, as modified, a continuation) of the First Amended and Restated Securities Purchase Agreement. The Company acknowledges and agrees that the First Amended and Restated Securities Purchase Agreement, as amended and restated hereby, is affirmed in all respects.

11.14 WAIVER OF TRIAL BY JURY TRIAL. EACH PARTY HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER RELATED AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION, SUIT OR OTHER PROCEEDING.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

COMPANY

CONSUMER PORTFOLIO SERVICES, INC.,
a California corporation

By: _____
Charles E. Bradley, Jr.
President and Chief Executive Officer

By: _____
David Kenneally
Senior Vice President and Chief Financial Officer

PURCHASER

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.,
a California corporation

On behalf of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership

By: _____
Arthur E. Levine
President

EXHIBIT 4.2
BRIDGE NOTE

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SUCH ACT AND THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF SUCH STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION.

CONSUMER PORTFOLIO SERVICES, INC.

SECURED SENIOR NOTE DUE FEBRUARY 28, 2003

$35,000,000.00 Irvine, California
March 8, 2002

FOR VALUE RECEIVED, CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "COMPANY"), hereby promises to pay to the order of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership ("LLCP" or the "PURCHASER"), and/or any registered assigns (including LLCP, the "HOLDER"), the sum of THIRTY-FIVE MILLION DOLLARS ($35,000,000.00) in immediately available funds and in lawful money of the United States of America, all as provided below.

This Secured Senior Note Due February 28, 2003 (this "NOTE") is being issued by the Company in connection with the transactions contemplated by that certain Second Amended and Restated Securities Purchase Agreement dated of even date herewith (the "SECURITIES PURCHASE AGREEMENT") by and between the Company and the Purchaser. This Note is the "Bridge Note" referred to in, and the Holder is entitled to the rights and benefits of the Purchaser under, the Securities Purchase Agreement, including the right to accelerate the outstanding principal balance of, accrued and unpaid interest on and all other amounts owing under this Note upon the occurrence of an Event of Default.

The Indebtedness evidenced by this Note, including principal of, interest on and all other amounts owing under this Note, shall constitute Senior Indebtedness of the Company and shall rank PARI PASSU with all Indebtedness evidenced by the Term B Note and the Term C Note. Without limiting the generality of the foregoing, payment of all principal of, and accrued and unpaid interest on, this Note shall be senior in right of payment and rights upon liquidation to all existing and future Indebtedness of the Company (other than Indebtedness under the Term B Note and the Term C Note as provided above).

1. DEFINITIONS. Unless otherwise indicated, all capitalized terms used in this Note shall have the respective meanings ascribed to them in the Securities Purchase Agreement. The rules of interpretation and construction specified in Sections 1.2 through 1.6 of the Securities Purchase Agreement shall likewise govern the interpretation and construction of this Note.

2. PAYMENT OF INTEREST; DEFAULT RATE.

(a) Subject to SECTION 2(B), the Company shall pay interest in cash on the principal balance of this Note outstanding from time to time until fully paid at a rate per annum equal to thirteen and one-half percent (13.50%). Interest on this Note shall be payable monthly in arrears on the fifteenth day of each calendar month (or portion thereof), commencing March 15, 2002 (each an "INTEREST PAYMENT DATE"). The last Interest Payment Date shall be on the Maturity Date (as defined below). Interest shall be computed on the basis of the actual number of days elapsed over a 360-day year, including the first day and excluding the last day.

(b) In addition, if any Event of Default shall occur and be continuing, then, in addition to any and all rights, remedies and powers available to the Holder under the Securities Purchase Agreement, this Note, the other Related Agreements and Applicable Laws, the Company shall pay interest in cash on the unpaid principal balance of this Note at a rate per annum equal to fifteen and one-half percent (15.50%) (the "DEFAULT RATE") from the date upon which such Event of Default is deemed to have first occurred (as determined in Section 10.1 of the Securities Purchase Agreement) until such time as such Event of Default shall have been cured or waived.

3. PAYMENT OF PRINCIPAL; MATURITY DATE. The principal balance of this Note shall be due and payable as follows:

(a) The Company shall make nine (9) equal monthly installments of principal in the amount of $2,000,000 each on the fifteenth day of each calendar month, commencing on June 15, 2002 and ending on February 15, 2003; and

(b) The Company shall pay the remaining principal balance of this Note in the amount of $17,000,000 on February 28, 2003 (the "MATURITY DATE"). All principal of, accrued interest on and other amounts owing under this Note remaining unpaid on the Maturity Date shall be paid on the Maturity Date.

4. OPTIONAL PREPAYMENTS.

(a) The Company may voluntarily prepay the outstanding principal balance of this Note, in whole or in part, without premium or penalty, at any time. Any prepayment made under this SECTION 4 shall also include accrued and unpaid interest on this Note through and including the date of prepayment.

(b) The Company shall give the Holder written notice of each voluntary prepayment under this SECTION 4 not less than thirty (30) nor more than forty-five (45) days prior to the date of prepayment. Such notice shall specify the principal amount of this Note that will be prepaid on such date and shall be irrevocable. Notice of prepayment having been given as aforesaid, a payment in an amount equal to the principal amount of this Note to be prepaid as specified in such prepayment notice shall become due and payable on such prepayment date, together with all accrued and unpaid interest on the outstanding principal balance of this Note through and including the date of prepayment.

5. MANDATORY PREPAYMENTS. In addition to the mandatory prepayments required to be made by the Company pursuant to SECTION 6, the Company shall make mandatory prepayments with respect to this Note as follows:

(a) ASSET SALES. If at any time the Company intends to consummate any Asset Sale, it shall, within ten (10) Business Days prior to the proposed date of consummation, notify the Holder in writing of the proposed Asset Sale (including the subject matter and the material terms thereof and the proposed date of consummation). Promptly following the Holder's receipt of such written notice, the Holder will furnish to the Company a written notice directing the Company either (i) to apply all Net Available Cash derived from such Asset Sale to prepay outstanding Indebtedness under this Note, the Term B Note or the Term C Note or (ii) hold such Net Available Cash in a separate interest-bearing account pending further directions from the Holder. If the Holder directs the Company to prepay such Indebtedness pursuant to clause (i) above, the Company shall make such prepayment within three (3) Business Days following the date of consummation of such Asset Sale. Any Net Available Cash held in a separate interest-bearing account pursuant to clause (ii) above shall not be deemed to have been applied as a prepayment to any Indebtedness under this Note unless and until paid to the Holder pursuant to specific directions furnished by the Holder to the Company. This SECTION 5(A) shall not apply to (A) any sale by the Company of the Capital Stock of CPSL, LINC or Samco; (B) any sale or other disposition of the Company's equity interest in NAB; or (C) sales of any tangible personal property of the Company that do not exceed $50,000 in the aggregate in any fiscal year of the Company; PROVIDED, HOWEVER, that in each of clauses (A), (B) and (C), the Company reinvests the proceeds of such sales in the operations of its business.

(b) MANDATORY PREPAYMENT FROM PROCEEDS OF KEY-MAN LIFE INSURANCE. The Company shall apply the proceeds received, within one (1) Business Day after the receipt thereof, from any key-man life insurance policy maintained as required by Section 7.6 of the Securities Purchase Agreement to the prepayment of all amounts owing under this Note in accordance with SECTION 5(C). Any proceeds remaining after such mandatory payment shall be the property of the Company.

(c) APPLICATION OF PROCEEDS. The mandatory prepayments provided for in this SECTION 5 shall be paid at 100.0% of the principal amount required to be prepaid, PLUS accrued and unpaid interest, all as provided for above. In the event that mandatory prepayments are required to be made under this Note, such prepayments shall be applied as follows: FIRST, to the payment of all accrued and unpaid interest on this Note through and including the date of such payment; SECOND, to the prepayment of, in inverse order of maturity, the unpaid principal balance of this Note; THIRD, to all other amounts owing under this Note; FOURTH, to the payment of all accrued and unpaid interest on the Term B Note; FIFTH, to the prepayment of, in inverse order of maturity, the unpaid principal balance of the Term B Note; SIXTH, to all other amounts owing under the Term B Note; SEVENTH, to the payment of all accrued and unpaid interest on the Term C Note through and including the date of such payment; EIGHTH, to the prepayment of, in inverse order of maturity, the unpaid principal balance of the Term C Note; and NINTH, to all other amounts owing under the Term C Note.

6. CHANGE IN CONTROL PREPAYMENT. The Holder may require the Company to prepay the outstanding principal balance of, premium, if any, accrued and unpaid interest on and all other amounts owing under this Note, in whole or in part as requested by the Holder, at any time during the ninety (90)-day period following the consummation of any transaction which constitutes a Change in Control (as defined in the Term B Note) at the prepayment amounts set forth below.

In the case of a Change in Control in respect of clauses (a) or (b) of Section 6 of the Term B Note, the Company shall prepay an amount equal to 101.0% of the principal amount being prepaid, plus accrued and unpaid interest through and including the date of prepayment, and in the case of a Change in Control in respect of clause (c) of Section 6 of the Term B Note, the Company shall prepay an amount equal to 100.0% of the principal amount being prepaid, plus accrued and unpaid interest through and including the date of prepayment. The Company shall notify the Holder of the date on which a Change in Control has occurred within one (1) Business Day after such date and shall, in such notification, inform the Holder of the Holder's right to require the Company to prepay this Note as provided in this SECTION 6 and of the date on which such right shall terminate. If the Holder elects to require the Company to prepay this Note pursuant to this SECTION 6, it shall furnish written notice to the Company advising the Company of such election and the amount of principal of this Note to be prepaid. The Company shall prepay this Note in accordance with this SECTION 6 and such written notice within one (1) Business Day after its receipt of such written notice.

7. COLLATERAL SECURITY. This Note is secured by the Collateral referred to in the Collateral Documents and is guaranteed by the Subsidiary Guarantors under the Guaranty.

8. MANNER OF PAYMENT. Payments of principal, interest and other amounts due under this Note shall be made no later than 12:00 p.m. (noon) (Los Angeles time) on the date when due and in lawful money of the United States of America (by wire transfer in funds immediately available at the place of payment) to such account as the Holder may designate in writing to the Company and, if to LLCP, to: Bank of America, Century City, Private Banking, 2049 Century Park East, Los Angeles, California 90067; ABA No. 121000358; Account No. 11546-03239; Attention: Cheryl Stewart (or such other place of payment that LLCP may designate in writing to the Company). Any payments received after 12:00 p.m. (noon) (Los Angeles time) shall be deemed to have been received on the next succeeding Business Day. Any payments due hereunder which are due on a day which is not a Business Day shall be payable on the first succeeding Business Day and such extension of time shall be included in the computation of such payment.

9. MAXIMUM LAWFUL RATE OF INTEREST. The rate of interest payable under this Note shall in no event exceed the maximum rate permissible under applicable law. If the rate of interest payable on this Note is ever reduced as a result of this SECTION 9 and at any time thereafter the maximum rate permitted under applicable law exceeds the rate of interest provided for in this Note, then the rate provided for in this Note shall be increased to the maximum rate provided for under applicable law for such period as is required so that the total amount of interest received by the Holder is that which would have been received by the Holder but for the operation of the first sentence of this SECTION 9.

10. COMPANY'S WAIVERS. The Company hereby waives presentment for payment, demand, protest, notice of protest and notice of dishonor hereof, and all other notices of any kind to which it may be entitled under applicable law or otherwise.

11. REGISTRATION OF NOTE. The Company shall maintain at its principal executive office a register in which it shall register this Note, any Assignments of this Note or any other notes issued hereunder and any other notes issued upon surrender hereof and thereof. At the option of the Holder, this Note may be exchanged for one or more new notes of like tenor in the principal denominations requested by the Holder, and the Company shall, within three (3) Business Days after the surrender of this Note at the Company's principal executive offices, deliver to the Holder such new note or notes. In addition, each Assignment of this Note, in whole or in part, shall be registered on the register immediately following the surrender of this Note at the Company's principal executive offices.

12. PERSONS DEEMED OWNERS; PARTICIPATIONS. Prior to due presentment for registration of any Assignment, the Company may treat the Person in whose name any Note is registered as the owner and Holder of such Note for all purposes whatsoever, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the Holder may grant to any other Person participations from time to time in all or any part of this Note on such terms and conditions as may be determined by the Holder in its sole and absolute discretion, subject to applicable federal and state securities laws. Notwithstanding anything to the contrary contained herein or otherwise, nothing in the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise shall confer upon the participant any rights in the Securities Purchase Agreement or any Related Agreement, and the Holder shall retain all rights with respect to the administration, waiver, amendment, collection and enforcement of, compliance with and consent to the terms and provisions of the Securities Purchase Agreement, this Note or any other Related Agreement.

In addition, the Holder may, without the consent of the participant, give or withhold its consent or agreement to any amendments to or modifications of the Securities Purchase Agreement, this Note or any other Related Agreement, waive any of the provisions hereof or thereof or exercise or refrain from exercising any other rights or remedies which the Holder may have under the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise. Notwithstanding the foregoing, the Holder will not agree with the Company, without the prior written consent of the participant (which consent shall be given or affirmatively withheld not later than three (3) Business Days after the Holder's written request therefor): (a) to reduce the principal of or rate of interest on this Note or (b) to postpone the date fixed for payment of principal of or interest on the Indebtedness evidenced by this Note. If the participant does not timely reply to the Holder's request for such consent, the participant shall be deemed to have consented to such agreement and the Holder may take such action in such manner as the Holder determines in the exercise of its independent business judgment.

13. ASSIGNMENT AND TRANSFER. Subject to Applicable Law, the Holder may, at any time and from time to time and without the consent of the Company, assign or transfer to one or more Persons all or any portion of this Note or any portion thereof (but not less than $500,000 in principal amount in any single assignment (unless such lesser amount represents the entire outstanding

principal balance hereof)). Upon surrender of this Note at the Company's principal executive office for registration of any such assignment or transfer, accompanied by a duly executed instrument of transfer, the Company shall, at its expense and within three (3) Business Days of such surrender, execute and deliver one or more new notes of like tenor in the requested principal denominations and in the name of the assignee or assignees and bearing the legend set forth on the face of this Note, and this Note shall promptly be canceled. If the entire outstanding principal balance of this Note is not being assigned, the Company shall issue to the Holder hereof, within three (3) Business Days of the date of surrender hereof, a new note which evidences the portion of such outstanding principal balance not being assigned. If this Note is divided into one or more Notes and is held at any time by more than one Holder, any payments of principal of, premium, if any, and interest or other amounts on this Note which are not sufficient to pay all interest or other amounts due thereunder, shall be made pro rata with respect to all such Notes in accordance with the outstanding principal amounts thereof, respectively.

14. LOSS, THEFT, DESTRUCTION OR MUTILATION OF THIS NOTE. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of an indemnity agreement or other indemnity reasonably satisfactory to the Company or, in the case of any such mutilation, upon surrender and cancellation of such mutilated Note, the Company shall make and deliver within three (3) Business Days a new note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

15. COSTS OF COLLECTION. The Company agrees to pay all costs and expenses, including the fees and expenses of any attorneys, accountants and other experts retained by the Holder, which are expended or incurred by the Holder in connection with (a) the administration and enforcement of this Note or the collection of any sums due hereunder, whether or not suit is commenced; (b) any actions for declaratory relief in any way related to this Note; (c) the protection or preservation of any rights of the Holder under this Note; (d) any actions taken by the Holder in negotiating any amendment, waiver, consent or release of or under this Note; (e) any actions taken in reviewing the Company's or any of its Subsidiaries' financial affairs if an Event of Default has occurred or the Holder has determined in good faith that an Event of Default may likely occur, including the following actions: (i) inspect the facilities of the Company and any of its Subsidiaries or conduct audits or appraisals of the financial condition of the Company and any of its Subsidiaries; (ii) have an accounting firm chosen by the Holder review the books and records of the Company and any of its Subsidiaries and perform a thorough and complete examination thereof; (iii) interview the Company's and each of its Subsidiaries' employees, accountants, customers and any other individuals related to the Company or its Subsidiaries which the Holder believes may have relevant information concerning the financial condition of the Company and any of its Subsidiaries; and (iv) undertake any other action which the Holder believes is necessary to assess accurately the financial condition and prospects of the Company and any of its Subsidiaries; (f) the Holder's participation in any refinancing, restructuring, bankruptcy or insolvency proceeding involving the Company, any of its Subsidiaries or any other Affiliate of the Company; (g) verifying, maintaining, or perfecting any security interest or other Lien granted to the Holder in any

collateral; (h) any effort by the Holder to protect, assemble, complete, collect, sell, liquidate or otherwise dispose of any collateral, including in connection with any case under Bankruptcy Law; or (i) any refinancing or restructuring of this Note, including any restructuring in the nature of a "work out" or in any insolvency or bankruptcy proceeding.

16. EXTENSION OF TIME. The Holder, at its option, may extend the time for payment of this Note, postpone the enforcement hereof, or grant any other indulgences without affecting or diminishing the Holder's right to recourse against the Company, which right is expressly reserved.

17. NOTATIONS. Before disposing of this Note or any portion thereof, the Holder may make a notation thereon (or on a schedule attached thereto) of the amount of all principal payments previously made by the Company with respect thereto.

18. GOVERNING LAW. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

19. WAIVER OF JURY TRIAL. THE COMPANY AND THE HOLDER (BY ACCEPTANCE HEREOF) HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS NOTE, THE SECURITIES PURCHASE AGREEMENT, ANY OTHER RELATED AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION, SUIT OR OTHER PROCEEDING.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused this Note to be executed and delivered by its duly authorized representatives on the date first above written.

CONSUMER PORTFOLIO SERVICES, INC., a
California corporation

By: /s/ Charles E. Bradley, Jr.

Charles E. Bradley, Jr.
President and Chief Executive Officer

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

EXHIBIT 4.3
TERM B NOTE

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SUCH ACT AND THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF SUCH STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION.

CONSUMER PORTFOLIO SERVICES, INC.

SECOND AMENDED AND RESTATED
SECURED SENIOR NOTE DUE NOVEMBER 30, 2003

$26,000,000.00 Irvine, California
As Amended and Restated as of March 15, 2000,
and as Further Amended and Restated as of March 8, 2002

FOR VALUE RECEIVED, CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "COMPANY"), hereby promises to pay to the order of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership ("LLCP" or the "PURCHASER"), and/or any registered assigns (including LLCP, the "HOLDER"), the sum of TWENTY-SIX MILLION DOLLARS ($26,000,000.00) in immediately available funds and in lawful money of the United States of America, all as provided below.

This Second Amended and Restated Secured Senior Note Due November 30, 2003 (this "NOTE"), which amends and restates the Amended and Restated Secured Senior Note Due 2003 as amended and restated as of March 15, 2000, in the principal amount of $30,000,000 (the "FIRST AMENDED TERM B NOTE"), is being issued by the Company in connection with the transactions contemplated by that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002 (the "SECURITIES PURCHASE AGREEMENT"), by and between the Company and the Purchaser. This Note is the "Term B Note" referred to in, and the Holder is entitled to the rights and benefits of the Purchaser under, the Securities Purchase Agreement, including the right to accelerate the outstanding principal balance of, premium, if any, accrued and unpaid interest on and all other amounts owing under this Note upon the occurrence of an Event of Default.

The Indebtedness evidenced by this Note, including principal of, premium, if any, interest on, and all other amounts owing under this Note, shall constitute Senior Indebtedness of the Company and shall rank PARI passu with all Indebtedness evidenced by the Bridge Note and the Term C Note. Without limiting the generality of the foregoing, payment of all principal of, and accrued and unpaid interest on, this Note shall be senior in right of payment and rights upon liquidation to all existing and future Indebtedness of the Company (other than Indebtedness under the Bridge Note and the Term C Note as provided above).

1. DEFINITIONS. Unless otherwise indicated, all capitalized terms used in this Note shall have the respective meanings ascribed to them in the Securities Purchase Agreement. The rules of interpretation and construction specified in Sections 1.2 through 1.6 of the Securities Purchase Agreement shall likewise govern the interpretation and construction of this Note.

2. PAYMENT OF INTEREST; DEFAULT RATE.

(a) Subject to SECTION 2(B), the Company shall pay interest in cash on the unpaid principal balance of this Note until fully paid at a rate per annum equal to fourteen and one-half percent (14.50%). Interest on this Note shall be payable monthly in arrears on the fifteenth day of each calendar month (or portion thereof), commencing on March 15, 2002 (each an "INTEREST PAYMENT DATE"). The last Interest Payment Date shall be on the Maturity Date (as defined below). Interest shall be computed on the basis of the actual number of days elapsed over a 360-day year, including the first day and excluding the last day.

(b) In addition, if any Event of Default shall occur and be continuing, then, in addition to the rights and remedies available to the Holder under the Securities Purchase Agreement, this Note, the other Notes, the other Related Agreements and Applicable Laws, the Company shall pay interest in cash on the unpaid principal balance of, premium, if any, and accrued and unpaid interest on this Note at a rate per annum equal to sixteen and one-half percent (16.50%) (the "DEFAULT RATE") from the date upon which such Event of Default is deemed to have first occurred (as provided in Section 10.1 of the Securities Purchase Agreement) until such time as such Event of Default shall have been cured or waived.

3. PAYMENT OF PRINCIPAL; MATURITY DATE. The Company shall pay in full the entire outstanding principal balance of this Note, together with all premium, if any, accrued and unpaid interest on, and all other amounts owing under this Note, on November 30, 2003 (the "MATURITY DATE").

4. OPTIONAL PREPAYMENTS.

(a) The Company may voluntarily prepay the principal balance of this Note, in whole or in part, as follows:

(i) at 101.5% of the principal amount being prepaid at any time on or prior to October 31, 2002; and

(ii) at 100.0% of the principal amount being prepaid at any time on or after November 1, 2002.

Each percentage set forth above is referred to herein as a "PREPAYMENT PERCENTAGE" applicable to any prepayment. Any prepayment of this Note made under this SECTION 4 shall also include premium, if any, and all accrued and unpaid interest on the then outstanding principal balance of this Note through and including the date of prepayment.

(b) The Company shall give the Holder written notice of each voluntary prepayment not less than thirty (30) nor more than ninety (90) days prior to the date of prepayment. Such notice shall specify the principal amount of this Note to be prepaid on such date and shall be irrevocable. Notice of prepayment having been given as aforesaid, a payment in an amount equal to (i) the Prepayment Percentage applicable to such prepayment, if any, multiplied by (ii) the principal amount of this Note specified in such prepayment notice shall become due and payable on such prepayment date, together with all accrued and unpaid interest on the outstanding principal balance of this Note through and including the date of prepayment.

5. MANDATORY PREPAYMENTS. In addition to the mandatory prepayments required to be made by the Company pursuant to SECTION 6, the Company shall make mandatory prepayments with respect to this Note as follows:

(a) ASSET SALE PREPAYMENTS. If at any time the Company intends to consummate any Asset Sale, it shall, within ten (10) Business Days prior to the proposed date of consummation, notify the Holder in writing of the proposed Asset Sale (including the subject matter and the material terms thereof and the proposed date of consummation). Promptly following the Holder's receipt of such written notice, the Holder will furnish to the Company a written notice directing the Company either (i) to apply all Net Available Cash derived from such Asset Sale to prepay outstanding Indebtedness under this Note, the Bridge Note or the Term C Note or (ii) hold such Net Available Cash in a separate interest-bearing account pending further directions from the Holder. If the Holder directs the Company to prepay such Indebtedness pursuant to clause (i) above, the Company shall make such prepayment within three (3) Business Days following the date of consummation of such Asset Sale. Any Net Available Cash held in a separate interest-bearing account pursuant to clause (ii) above shall not be deemed to have been applied as a prepayment to any Indebtedness under this Note unless and until paid to the Holder pursuant to specific directions furnished by the Holder to the Company. This SECTION 5(A) shall not apply to (A) any sale by the Company of the Capital Stock of CPSL, LINC or Samco; (B) any sale or other disposition of the Company's equity interest in NAB; or (C) sales of any tangible personal property of the Company that do not exceed $50,000 in the aggregate in any fiscal year of the Company; PROVIDED, HOWEVER, that in each of clauses (A), (B) and (C), the Company reinvests the proceeds of such sales in the operations of its business.

(b) EXCESS CASH PREPAYMENTS. For the six (6) month period ending on each of February 28 and August 31 of each fiscal year of the Company, commencing with the six (6) month period ending February 28, 2002, the Company shall prepay the outstanding principal balance of this Note, together with all accrued and unpaid interest thereon, in an amount equal to twenty-five percent (25.0%) of the Excess Cash for such six (6) month period. Such mandatory prepayment shall be due and payable to the Holder not later than thirty (30) days following the end of each six (6) month period, as applicable (the first payment of which shall be due and payable no later than March 30, 2002). Concurrently with the making of such payment, the Company shall deliver to the Holder an officer's certificate, signed by the Chief Financial Officer of the Company, which shows in reasonable detail the calculation of such Excess Cash.

(c) MANDATORY PREPAYMENT FROM PROCEEDS OF KEY-MAN LIFE INSURANCE. The Company shall apply the proceeds received, within one (1) Business Day after the receipt thereof, from any key-man life insurance policy maintained as required by Section 7.6 of the Securities Purchase Agreement to the prepayment of all amounts owing under this Note. Subject to the last paragraph of this SECTION 5, any proceeds remaining after such mandatory payment shall be the property of the Company.

The mandatory prepayments provided for in this SECTION 5 shall be paid at 100.0% of the principal amount required to be prepaid, PLUS premium, if any, and accrued and unpaid interest, all as provided for above. In the event that mandatory prepayments are required to be made under this Note, the Bridge Note or the Term C Note, such prepayments shall be applied as follows: FIRST, to the payment of all accrued and unpaid interest on the Bridge Note through and including the date of such payment; SECOND, to the prepayment of, in inverse order of maturity, the unpaid principal balance of Bridge Note; THIRD, to all other amounts owing under Bridge Note; FOURTH, to the payment of all accrued and unpaid interest on this Note; FIFTH, to the prepayment of, in inverse order of maturity, the unpaid principal balance of this Note; SIXTH, to all other amounts owing under this Note; SEVENTH, to the payment of all accrued and unpaid interest on the Term C Note through and including the date of such payment; EIGHTH, to the prepayment of, in inverse order of maturity, the unpaid principal balance of the Term C Note; and NINTH, to all other amounts owing under the Term C Note.

6. CHANGE IN CONTROL PREPAYMENT. The Holder may require the Company to prepay the outstanding principal balance of, premium, if any, accrued and unpaid interest on and all other amounts owing under this Note, in whole or in part as requested by the Holder, at any time during the ninety (90)-day period following the consummation of any transaction which constitutes a Change in Control (as such term is defined below), at the prepayment amounts set forth below. For the purposes of this Note, a "CHANGE IN CONTROL" shall mean:

(a) Any transaction or other event (including any merger, consolidation, sale or other transfer of stock or voting rights with respect thereto, issuance of stock, death or other transaction or event) by virtue of which Charles E. Bradley, Jr. fails to own, directly or indirectly through one or more of his Affiliates, at least 1,800,000 shares of Common Stock (as adjusted from time to time as provided below, the "BASE BRADLEY SHARES"), after giving effect to any shares of Common Stock that may be acquired upon exercise of any Option Rights owned or held by Mr. Bradley as of November 17, 1998, but without giving effect to any stock splits or similar events occurring after November 17, 1998; PROVIDED, HOWEVER, that (i) the Base Bradley Shares shall increase by the number of shares of Common Stock acquired by Mr. Bradley (whether by purchase, exercise of Option Rights granted after November 17, 1998, bequest, inheritance, gift or otherwise) at any time after November 17, 1998, (ii) shares of Common Stock owned by Charles E. Bradley, Sr. shall not be deemed to be owned by Mr. Bradley for purposes of this clause (a) (other than shares of Common Stock owned by Charles E. Bradley, Sr. which are subject to certain Option Rights in favor of Mr. Bradley), (iii) the Base Bradley Shares shall be reduced by the number of shares of Common Stock held by Stanwich which constitute Base Bradley Shares that are sold or pledged by Stanwich after November 17, 1998, PROVIDED that Mr. Bradley does not, directly or indirectly, solicit, initiate, engage in or encourage in any manner whatsoever any discussions, or participate in any other activities, relating to such sale or

pledge, (iv) the Base Bradley Shares shall be reduced by shares of Common Stock included therein that are subject to Option Rights which expire at any time after November 17, 1998, and (v) the Base Bradley Shares shall not be affected by (x) any shares of Common Stock purchased by Mr. Bradley on the open market after November 17, 1998 or (y) any shares of Common Stock purchased by Mr. Bradley on the open market after November 17, 1998 and thereafter sold by Mr. Bradley on the open market; or

(b) (i) The termination (whether voluntary or involuntary) of the employment of Charles E. Bradley, Jr. as the President and Chief Executive Officer of the Company with significant daily senior management responsibilities; or (ii) the termination (whether voluntary or involuntary) of the employment of David Kenneally as the Chief Financial Officer of the Company with significant daily senior management responsibilities, PROVIDED that no Change in Control shall be deemed to occur under this clause (b)(ii) if, within ninety (90) days after the termination of the employment of Mr. Kenneally, the Board of Directors of the Company shall have appointed a new Chief Financial Officer of the Company who is acceptable to the Purchaser; or

(c) Any sale, lease, transfer, assignment or other disposition of all or substantially all of the assets of the Company (excluding Automobile Contracts sold in connection with any Securitization Transaction or "whole loan" sale in the ordinary course of the Company's business) or any of its Subsidiaries.

In the case of a Change in Control in respect of clauses (a) or (b) above, the Company shall prepay an amount equal to 101.0% of the principal amount being prepaid, plus accrued and unpaid interest through and including the date of prepayment, and in the case of a Change in Control in respect of clause (c) above, the Company shall prepay an amount equal to 100.0% of the principal amount being prepaid, plus accrued and unpaid interest through and including the date of prepayment. The Company shall notify the Holder of the date on which a Change in Control has occurred within one (1) Business Day after such date and shall, in such notification, inform the Holder of the Holder's right to require the Company to prepay this Note as provided in this SECTION 6 and of the date on which such right shall terminate. If the Holder elects to require the Company to prepay this Note pursuant to this SECTION 6, it shall furnish written notice to the Company advising the Company of such election and the amount of principal of this Note to be prepaid. The Company shall prepay this Note in accordance with this SECTION 6 and such written notice within one (1) Business Day after its receipt of such written notice.

7. COLLATERAL. This Note also is secured by the Collateral referred to in the Collateral Documents and is guaranteed by the Subsidiary Guarantors under the Guaranty.

8. MANNER OF PAYMENT. Payments of principal, interest and other amounts due under this Note shall be made no later than 12:00 p.m. (noon) (Los Angeles time) on the date when due and in lawful money of the United States of America (by wire transfer in funds immediately available at the place of payment) to such account as the Holder may designate in writing to the Company and, if to LLCP, to: Bank of America, Century City, Private Banking, 2049 Century Park East, Los Angeles, California 90067; ABA No. 121000358; Account No. 11546-03239; Attention: Cheryl Stewart (or such other place of payment that LLCP may designate in writing to the Company). Any payments received after 12:00 p.m. (noon) (Los Angeles time) shall be deemed to have been received on the next succeeding Business Day. Any payments due hereunder which are due on a day which

is not a Business Day shall be payable on the first succeeding Business Day and such extension of time shall be included in the computation.

9. MAXIMUM LAWFUL RATE OF INTEREST. The rate of interest payable under this Note shall in no event exceed the maximum rate permissible under applicable law. If the rate of interest payable on this Note is ever reduced as a result of this SECTION 9 and at any time thereafter the maximum rate permitted under applicable law exceeds the rate of interest provided for in this Note, then the rate provided for in this Note shall be increased to the maximum rate provided for under applicable law for such period as is required so that the total amount of interest received by the Holder is that which would have been received by the Holder but for the operation of the first sentence of this SECTION 9.

10. COMPANY'S WAIVERS. The Company hereby waives presentment for payment, demand, protest, notice of protest and notice of dishonor hereof, and all other notices of any kind to which it may be entitled under applicable law or otherwise.

11. REGISTRATION OF NOTE. The Company shall maintain at its principal executive office a register in which it shall register this Note, any Assignments of this Note or any other notes issued hereunder and any other notes issued upon surrender hereof and thereof. At the option of the Holder, this Note may be exchanged for one or more new notes of like tenor in the principal denominations requested by the Holder, and the Company shall, within three (3) Business Days after the surrender of this Note at the Company's principal executive offices, deliver to the Holder such new note or notes. In addition, each Assignment of this Note, in whole or in part, shall be registered on the register immediately following the surrender of this Note at the Company's principal executive offices.

12. PERSONS DEEMED OWNERS; PARTICIPATIONS. Prior to due presentment for registration of any Assignment, the Company may treat the Person in whose name any Note is registered as the owner and Holder of such Note for all purposes whatsoever, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the Holder may grant to any other Person participations from time to time in all or any part of this Note on such terms and conditions as may be determined by the Holder in its sole and absolute discretion, subject to applicable federal and state securities laws. Notwithstanding anything to the contrary contained herein or otherwise, nothing in the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise shall confer upon the participant any rights in the Securities Purchase Agreement or any Related Agreement, and the Holder shall retain all rights with respect to the administration, waiver, amendment, collection and enforcement of, compliance with and consent to the terms and provisions of the Securities Purchase Agreement, this Note or any other Related Agreement.

In addition, the Holder may, without the consent of the participant, give or withhold its consent or agreement to any amendments to or modifications of the Securities Purchase Agreement, this Note or any other Related Agreement, waive any of the provisions hereof or thereof or exercise or refrain from exercising any other rights or remedies which the Holder may have under the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise. Notwithstanding the foregoing, the Holder will not agree

with the Company, without the prior written consent of the participant (which consent shall be given or affirmatively withheld not later than three (3) Business Days after the Holder's written request therefor): (a) to reduce the principal of or rate of interest on this Note or (b) to postpone the date fixed for payment of principal of or interest on the Indebtedness evidenced by this Note. If the participant does not timely reply to the Holder's request for such consent, the participant shall be deemed to have consented to such agreement and the Holder may take such action in such manner as the Holder determines in the exercise of its independent business judgment.

13. ASSIGNMENT AND TRANSFER. Subject to Applicable Law, the Holder may, at any time and from time to time and without the consent of the Company, assign or transfer to one or more Persons all or any portion of this Note or any portion thereof (but not less than $500,000 in principal amount in any single assignment (unless such lesser amount represents the entire outstanding principal balance hereof)). Upon surrender of this Note at the Company's principal executive office for registration of any such assignment or transfer, accompanied by a duly executed instrument of transfer, the Company shall, at its expense and within three (3) Business Days of such surrender, execute and deliver one or more new notes of like tenor in the requested principal denominations and in the name of the assignee or assignees and bearing the legend set forth on the face of this Note, and this Note shall promptly be canceled. If the entire outstanding principal balance of this Note is not being assigned, the Company shall issue to the Holder hereof, within three (3) Business Days of the date of surrender hereof, a new note which evidences the portion of such outstanding principal balance not being assigned. If this Note is divided into one or more Notes and is held at any time by more than one Holder, any payments of principal of, premium, if any, and interest or other amounts on this Note which are not sufficient to pay all interest or other amounts due thereunder, shall be made pro rata with respect to all such Notes in accordance with the outstanding principal amounts thereof, respectively.

14. LOSS, THEFT, DESTRUCTION OR MUTILATION OF THIS NOTE. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of an indemnity agreement or other indemnity reasonably satisfactory to the Company or, in the case of any such mutilation, upon surrender and cancellation of such mutilated Note, the Company shall make and deliver within three (3) Business Days a new note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

15. COSTS OF COLLECTION. The Company agrees to pay all costs and expenses, including the fees and expenses of any attorneys, accountants and other experts retained by the Holder, which are expended or incurred by the Holder in connection with (a) the administration and enforcement of this Note or the collection of any sums due hereunder, whether or not suit is commenced; (b) any actions for declaratory relief in any way related to this Note; (c) the protection or preservation of any rights of the Holder under this Note; (d) any actions taken by the Holder in negotiating any amendment, waiver, consent or release of or under this Note; (e) any actions taken in reviewing the Company's or any of its Subsidiaries' financial affairs if an Event of Default has occurred or the Holder has determined in good faith that an Event of Default may likely occur, including the following actions: (i) inspect the facilities of the Company and any of its Subsidiaries or conduct audits or appraisals of the financial condition of the Company and any of its Subsidiaries; (ii) have an

accounting firm chosen by the Holder review the books and records of the Company and any of its Subsidiaries and perform a thorough and complete examination thereof; (iii) interview the Company's and each of its Subsidiaries' employees, accountants, customers and any other individuals related to the Company or its Subsidiaries which the Holder believes may have relevant information concerning the financial condition of the Company and any of its Subsidiaries; and (iv) undertake any other action which the Holder believes is necessary to assess accurately the financial condition and prospects of the Company and any of its Subsidiaries; (f) the Holder's participation in any refinancing, restructuring, bankruptcy or insolvency proceeding involving the Company, any of its Subsidiaries or any other Affiliate of the Company; (g) verifying, maintaining, or perfecting any security interest or other Lien granted to the Holder in any collateral; (h) any effort by the Holder to protect, assemble, complete, collect, sell, liquidate or otherwise dispose of any collateral, including in connection with any case under Bankruptcy Law; or (i) any refinancing or restructuring of this Note, including any restructuring in the nature of a "work out" or in any insolvency or bankruptcy proceeding.

16. EXTENSION OF TIME. The Holder, at its option, may extend the time for payment of this Note, postpone the enforcement hereof, or grant any other indulgences without affecting or diminishing the Holder's right to recourse against the Company, which right is expressly reserved.

17. NOTATIONS. Before disposing of this Note or any portion thereof, the Holder may make a notation thereon (or on a schedule attached thereto) of the amount of all principal payments previously made by the Company with respect thereto.

18. GOVERNING LAW. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

19. AMENDMENT AND RESTATEMENT. Effective on and as of the Closing Date, this Note shall supersede the First Amended Term B Note insofar as the two are inconsistent. However, the execution and delivery of this Note shall not excuse, or constitute a waiver of, any Defaults or Events of Default under the First Amended Term B Note, it being understood that this Note is not a termination of the First Amended Term B Note, but is a modification (and, as modified, a continuation) of the First Amended Term B Note. The Company acknowledges and agrees that the First Amended Term B Note, as amended and restated hereby, remains in full force and effect and is affirmed in all respects.

20. WAIVER OF JURY TRIAL. EACH OF THE COMPANY AND THE HOLDER HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS NOTE, THE SECURITIES PURCHASE AGREEMENT, ANY OTHER RELATED AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION, SUIT OR OTHER PROCEEDING.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused this Note to be executed and delivered by its duly authorized representatives on the date first above written.

CONSUMER PORTFOLIO SERVICES, INC., a California corporation

By: /s/ Charles E. Bradley, Jr.

Charles E. Bradley, Jr.
President and Chief Executive Officer

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

AGREED TO AND ACCEPTED:
- ----------

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a California corporation

On behalf of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership

By: /s/ Arthur E. Levine

Arthur E. Levine
President

EXHIBIT 4.4
TERM C NOTE

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SUCH ACT AND THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF SUCH STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION.

CONSUMER PORTFOLIO SERVICES, INC.

12.00% SECURED SENIOR NOTE DUE 2008

$11,241,931.00 Irvine, California
March 8, 2002

FOR VALUE RECEIVED, CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "COMPANY"), hereby promises to pay to the order of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership ("LLCP" or the "PURCHASER"), and/or any registered assigns (including LLCP, the "HOLDER"), the sum of ELEVEN MILLION TWO HUNDRED FORTY-ONE THOUSAND NINE HUNDRED THIRTY-ONE DOLLARS ($11,241,931.00) in immediately available funds and in lawful money of the United States of America, all as provided below.

This 12.00% Secured Senior Note Due 2008 (this "NOTE") is being issued by the Company in connection with the transactions contemplated by that certain Second Amended and Restated Securities Purchase Agreement dated of even date herewith (the "SECURITIES PURCHASE AGREEMENT") by and between the Company and the Purchaser. This Note is the "Term C Note" referred to in, and the Holder is entitled to the rights and benefits of the Purchaser under, the Securities Purchase Agreement, including the right to accelerate the outstanding principal balance of, accrued and unpaid interest on and all other amounts owing under this Note upon the occurrence of an Event of Default.

The Indebtedness evidenced by this Note, including principal of, interest on and all other amounts owing under this Note, shall constitute Senior Indebtedness of the Company and shall rank PARI PASSU with all Indebtedness evidenced by the Term B Note and the Bridge Note. Without limiting the generality of the foregoing, payment of all principal of, and accrued and unpaid interest on, this Note shall be senior in right of payment and rights upon liquidation to all existing and future Indebtedness of the Company (other than Indebtedness under the Term B Note and the Bridge Note as provided above).

1. DEFINITIONS. Unless otherwise indicated, all capitalized terms used in this Note shall have the respective meanings ascribed to them in the Securities Purchase Agreement. The rules of interpretation and construction specified in Sections 1.2 through 1.6 of the Securities Purchase Agreement shall likewise govern the interpretation and construction of this Note.

2. PAYMENT OF INTEREST; EVENTS OF DEFAULT.

(a) Subject to SECTION 2(b), the Company shall pay interest in cash on the principal balance of this Note outstanding from time to time until fully paid at a rate per annum equal to twelve percent (12.0%). Interest on this Note shall be due and payable as follows:

(i) On March 15, 2002, the Company shall pay accrued interest on this Note in an amount equal to or greater than $112,419.29; and

(ii) If, on any Payment Date (as defined in the Class B Certificate), any funds on deposit in the Certificate Distribution Account (as defined in the CPS 2001-A Sale and Servicing Agreement) are available for distribution to the holder of the Class B Certificate to pay the Class B Certificateholders' Interest Distributable Amount, such funds shall be distributed by the Trustee (as defined in the CPS 2001-A Sale and Servicing Agreement) to the registered holder of the Class B Certificate and applied against the amount of accrued interest on this Note remaining unpaid on such Payment Date. Interest under this SECTION 2(a) shall be computed as provided with respect to the Class B Certificate.

(b) In addition, if any Event of Default shall occur and be continuing, then, in addition to the rights and remedies available to the Holder under the Securities Purchase Agreement, this Note, the other Notes, the other Related Agreements and Applicable Laws, the Company shall pay interest in cash on the unpaid principal balance of, and accrued and unpaid interest on, this Note at a rate per annum equal to fourteen percent (14.0%) (the "DEFAULT RATE") from the date upon which such Event of Default is deemed to have first occurred (as provided in Section 10.1 of the Securities Purchase Agreement) until such time as such Event of Default shall have been cured or waived. Interest under this SECTION 2(B) shall be computed on the basis of the actual number of days elapsed over a 360-day year, including the first day and excluding the last day.

(c) All accrued interest on this Note remaining unpaid on the Maturity Date (as defined below) shall be paid on the Maturity Date.

3. PAYMENT OF PRINCIPAL; MATURITY DATE. The principal balance of this Note shall be due and payable as follows:

(a) On March 15, 2002, the Company shall make a payment of principal of this Note in an amount equal to or greater than $181,631.03;

(b) On April 15, 2002, the Company shall make a payment of principal of this Note in an amount equal to or greater than $607,238.00;

(c) If, on any Payment Date, any funds on deposit in the Certificate Distribution Account are available for distribution to the holder of the Class B Certificate to pay the Class B Certificateholders' Principal Distributable Amount (as defined in the CPS 2001-A Sale and Servicing Agreement), such funds shall be distributed by the Trustee to the registered holder of the Class B Certificate and applied against the outstanding principal balance of this Note on such Payment Date;

(d) If, on any Payment Date, any funds on deposit in the Certificate Distribution Account are available for distribution to the holder of the Class B Certificate to pay the Class B Certificateholders' Accelerated Principal Distribution Amount (as defined in the CPS 2001-A Sale and Servicing Agreement), such funds shall be distributed to the registered holder of the Class B Certificate and applied against the outstanding principal balance of this Note on such Payment Date; and

(e) The principal balance of this Note remaining outstanding on March 15, 2008 (the "MATURITY DATE") shall be repaid by the Company, together with all accrued and unpaid interest on and other amounts owing under this Note, shall be paid on the Maturity Date.

4. OPTIONAL PREPAYMENTS.

(a) The Company may voluntarily prepay the outstanding principal balance of this Note, in whole or in part, without premium or penalty, at any time. Any prepayment made under this SECTION 4 shall also include accrued and unpaid interest on this Note through and including the date of prepayment.

(b) The Company shall give the Holder written notice of each voluntary prepayment under this SECTION 4 not less than thirty (30) nor more than forty-five (45) days prior to the date of prepayment. Such notice shall specify the principal amount of this Note that will be prepaid on such date and shall be irrevocable. Notice of prepayment having been given as aforesaid, a payment in an amount equal to the principal amount of this Note to be prepaid as specified in such prepayment notice shall become due and payable on such prepayment date, together with all accrued and unpaid interest on the outstanding principal balance of this Note through and including the date of prepayment.

5. MANDATORY PREPAYMENTS. In addition to the mandatory prepayments required to be made by the Company pursuant to SECTION 6, the Company shall make mandatory prepayments with respect to this Note as follows:

(a) ASSET SALES. If at any time the Company intends to consummate any Asset Sale, it shall, within ten (10) Business Days prior to the proposed date of consummation, notify the Holder in writing of the proposed Asset Sale (including the subject matter and the material terms thereof and the proposed date of consummation). Promptly following the Holder's receipt of such written notice, the Holder will furnish to the Company a written notice directing the Company either (i) to apply all Net Available Cash derived from such Asset Sale to prepay outstanding Indebtedness under this Note, the Term B Note or the Bridge Note or (ii) hold such Net Available Cash in a separate interest-bearing account pending further directions from the Holder. If the Holder directs the Company to prepay such Indebtedness pursuant to clause (i) above, the Company shall make such prepayment within three (3) Business Days following the date of consummation of such Asset Sale. Any Net Available Cash

held in a separate interest-bearing account pursuant to clause (ii) above shall not be deemed to have been applied as a prepayment to any Indebtedness under this Note unless and until paid to the Holder pursuant to specific directions furnished by the Holder to the Company. This SECTION 5(A) shall not apply to (A) any sale by the Company of the Capital Stock of CPSL, LINC or Samco; (B) any sale or other disposition of the Company's equity interest in NAB; or (C) sales of any tangible personal property of the Company that do not exceed $50,000 in the aggregate in any fiscal year of the Company; PROVIDED, HOWEVER, that in each of clauses (A), (B) and (C), the Company reinvests the proceeds of such sales in the operations of its business.

(b) MANDATORY PREPAYMENT FROM PROCEEDS OF KEY-MAN LIFE INSURANCE. The Company shall apply the proceeds received, within one (1) Business Day after receipt thereof, from any key-man life insurance policy maintained as required by Section 7.6 of the Securities Purchase Agreement to the prepayment of all amounts owing under this Note in accordance with SECTION 5(C). Any proceeds remaining after such mandatory payments shall be the property of the Company.

(c) APPLICATION OF PROCEEDS. The mandatory prepayments provided for in this SECTION 5 shall be paid at 100.0% of the principal amount required to be prepaid, PLUS accrued and unpaid interest, all as provided for above. In the event that mandatory prepayments are required to be made under this Note, such prepayments shall be applied as follows: FIRST, to the payment of all accrued and unpaid interest on the Bridge Note through and including the date of such payment; SECOND, to the prepayment of, in inverse order of maturity, the unpaid principal balance of Bridge Note; THIRD, to all other amounts owing under Bridge Note; FOURTH, to the payment of all accrued and unpaid interest on the Term B Note; FIFTH, to the prepayment of, in inverse order of maturity, the unpaid principal balance of the Term B Note; SIXTH, to all other amounts owing under the Term B Note; SEVENTH, to the payment of all accrued and unpaid interest on this Note through and including the date of such payment; EIGHTH, to the prepayment of, in inverse order of maturity, the unpaid principal balance of this Note; and NINTH, to all other amounts owing under this Note.

6. CHANGE IN CONTROL PREPAYMENT. The Holder may require the Company to prepay the outstanding principal balance of, premium, if any, accrued and unpaid interest on and all other amounts owing under this Note, in whole or in part as requested by the Holder, at any time during the ninety (90)-day period following the consummation of any transaction which constitutes a Change in Control (as defined in the Term B Note) at the prepayment amounts set forth below.

In the case of a Change in Control in respect of clauses (a) or (b) of Section 6 of the Term B Note, the Company shall prepay an amount equal to 101.0% of the principal amount being prepaid, PLUS accrued and unpaid interest through and including the date of prepayment, and in the case of a Change in Control in respect of clause (c) of Section 6 of the Term B Note, the Company shall prepay an amount equal to 100.0% of the principal amount being prepaid, plus accrued and unpaid interest through and including the date of prepayment. The Company shall notify the Holder of the date on which a Change in Control has occurred within one (1) Business Day after such date and shall, in such notification, inform the Holder of the Holder's right to require the Company to prepay this Note as provided in this SECTION 6 and of the date on which such right shall terminate. If the Holder elects to require the Company to prepay this Note pursuant to this SECTION 6, it shall furnish written notice to

the Company advising the Company of such election and the amount of principal of this Note to be prepaid. The Company shall prepay this Note in accordance with this SECTION 6 and such written notice within one (1) Business Day after its receipt of such written notice.

7. COLLATERAL SECURITY. This Note is secured by the Collateral referred to in the Collateral Documents (including a pledge of the Class B Certificate) and is guaranteed by the Subsidiary Guarantors under the Guaranty.

8. MANNER OF PAYMENT. Payments of principal, interest and other amounts due under this Note shall be made no later than 12:00 p.m. (noon) (Los Angeles time) on the date when due and in lawful money of the United States of America (by wire transfer in funds immediately available at the place of payment) to such account as the Holder may designate in writing to the Company and, if to LLCP, to: Bank of America, Century City, Private Banking, 2049 Century Park East, Los Angeles, California 90067; ABA No. 121000358; Account No. 11546-03239; Attention: Cheryl Stewart (or such other place of payment that LLCP may designate in writing to the Company). Any payments received after 12:00 p.m. (noon) (Los Angeles time) shall be deemed to have been received on the next succeeding Business Day. Any payments due hereunder which are due on a day which is not a Business Day shall be payable on the first succeeding Business Day and such extension of time shall be included in the computation of such payment.

9. MAXIMUM LAWFUL RATE OF INTEREST. The rate of interest payable under this Note shall in no event exceed the maximum rate permissible under applicable law. If the rate of interest payable on this Note is ever reduced as a result of this SECTION 9 and at any time thereafter the maximum rate permitted under applicable law exceeds the rate of interest provided for in this Note, then the rate provided for in this Note shall be increased to the maximum rate provided for under applicable law for such period as is required so that the total amount of interest received by the Holder is that which would have been received by the Holder but for the operation of the first sentence of this SECTION 9.

10. COMPANY'S WAIVERS. The Company hereby waives presentment for payment, demand, protest, notice of protest and notice of dishonor hereof, and all other notices of any kind to which it may be entitled under applicable law or otherwise.

11. REGISTRATION OF NOTE. The Company shall maintain at its principal executive office a register in which it shall register this Note, any Assignments of this Note or any other notes issued hereunder and any other notes issued upon surrender hereof and thereof. At the option of the Holder, this Note may be exchanged for one or more new notes of like tenor in the principal denominations requested by the Holder, and the Company shall, within three (3) Business Days after the surrender of this Note at the Company's principal executive offices, deliver to the Holder such new note or notes. In addition, each Assignment of this Note, in whole or in part, shall be registered on the register immediately following the surrender of this Note at the Company's principal executive offices.

12. PERSONS DEEMED OWNERS; PARTICIPATIONS. Prior to due presentment for registration of any Assignment, the Company may treat the Person in whose name any Note is registered as the owner and Holder of such Note for all purposes whatsoever, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the Holder may grant to any other Person participations from time to time in all or any part of this Note on such terms and conditions as may be determined by the Holder in its sole and absolute discretion, subject to applicable federal and state securities laws. Notwithstanding anything to the contrary contained herein or otherwise, nothing in the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise shall confer upon the participant any rights in the Securities Purchase Agreement or any Related Agreement, and the Holder shall retain all rights with respect to the administration, waiver, amendment, collection and enforcement of, compliance with and consent to the terms and provisions of the Securities Purchase Agreement, this Note or any other Related Agreement.

In addition, the Holder may, without the consent of the participant, give or withhold its consent or agreement to any amendments to or modifications of the Securities Purchase Agreement, this Note or any other Related Agreement, waive any of the provisions hereof or thereof or exercise or refrain from exercising any other rights or remedies which the Holder may have under the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise. Notwithstanding the foregoing, the Holder will not agree with the Company, without the prior written consent of the participant (which consent shall be given or affirmatively withheld not later than three (3) Business Days after the Holder's written request therefor): (a) to reduce the principal of or rate of interest on this Note or (b) to postpone the date fixed for payment of principal of or interest on the Indebtedness evidenced by this Note. If the participant does not timely reply to the Holder's request for such consent, the participant shall be deemed to have consented to such agreement and the Holder may take such action in such manner as the Holder determines in the exercise of its independent business judgment.

13. ASSIGNMENT AND TRANSFER. Subject to Applicable Law, the Holder may, at any time and from time to time and without the consent of the Company, assign or transfer to one or more Persons all or any portion of this Note or any portion thereof (but not less than $500,000 in principal amount in any single assignment (unless such lesser amount represents the entire outstanding principal balance hereof)). Upon surrender of this Note at the Company's principal executive office for registration of any such assignment or transfer, accompanied by a duly executed instrument of transfer, the Company shall, at its expense and within three (3) Business Days of such surrender, execute and deliver one or more new notes of like tenor in the requested principal denominations and in the name of the assignee or assignees and bearing the legend set forth on the face of this Note, and this Note shall promptly be canceled. If the entire outstanding principal balance of this Note is not being assigned, the Company shall issue to the Holder hereof, within three (3) Business Days of the date of surrender hereof, a new note which evidences the portion of such outstanding principal balance not being assigned. If this Note is divided into one or more Notes and is held at any time by more than one Holder, any payments of principal of, premium, if any, and interest or other amounts on this Note which are not sufficient to pay all interest or other amounts due thereunder, shall be made pro rata with respect to all such Notes in accordance with the outstanding principal amounts thereof, respectively.

14. LOSS, THEFT, DESTRUCTION OR MUTILATION OF THIS NOTE. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of an indemnity agreement or other indemnity reasonably satisfactory to the Company or, in the case of any such mutilation, upon surrender and cancellation of such mutilated Note, the Company shall make and deliver within three (3) Business Days a new note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

15. COSTS OF COLLECTION. The Company agrees to pay all costs and expenses, including the fees and expenses of any attorneys, accountants and other experts retained by the Holder, which are expended or incurred by the Holder in connection with (a) the administration and enforcement of this Note or the collection of any sums due hereunder, whether or not suit is commenced; (b) any actions for declaratory relief in any way related to this Note; (c) the protection or preservation of any rights of the Holder under this Note; (d) any actions taken by the Holder in negotiating any amendment, waiver, consent or release of or under this Note; (e) any actions taken in reviewing the Company's or any of its Subsidiaries' financial affairs if an Event of Default has occurred or the Holder has determined in good faith that an Event of Default may likely occur, including the following actions: (i) inspect the facilities of the Company and any of its Subsidiaries or conduct audits or appraisals of the financial condition of the Company and any of its Subsidiaries; (ii) have an accounting firm chosen by the Holder review the books and records of the Company and any of its Subsidiaries and perform a thorough and complete examination thereof; (iii) interview the Company's and each of its Subsidiaries' employees, accountants, customers and any other individuals related to the Company or its Subsidiaries which the Holder believes may have relevant information concerning the financial condition of the Company and any of its Subsidiaries; and (iv) undertake any other action which the Holder believes is necessary to assess accurately the financial condition and prospects of the Company and any of its Subsidiaries; (f) the Holder's participation in any refinancing, restructuring, bankruptcy or insolvency proceeding involving the Company, any of its Subsidiaries or any other Affiliate of the Company; (g) verifying, maintaining, or perfecting any security interest or other Lien granted to the Holder in any collateral; (h) any effort by the Holder to protect, assemble, complete, collect, sell, liquidate or otherwise dispose of any collateral, including in connection with any case under Bankruptcy Law; or (i) any refinancing or restructuring of this Note, including any restructuring in the nature of a "work out" or in any insolvency or bankruptcy proceeding.

16. EXTENSION OF TIME. The Holder, at its option, may extend the time for payment of this Note, postpone the enforcement hereof, or grant any other indulgences without affecting or diminishing the Holder's right to recourse against the Company, which right is expressly reserved.

17. NOTATIONS. Before disposing of this Note or any portion thereof, the Holder may make a notation thereon (or on a schedule attached thereto) of the amount of all principal payments previously made by the Company with respect thereto.

18. GOVERNING LAW. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

19. WAIVER OF JURY TRIAL. THE COMPANY AND THE HOLDER (BY ACCEPTANCE HEREOF) HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS NOTE, THE SECURITIES PURCHASE AGREEMENT, ANY OTHER RELATED AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION, SUIT OR OTHER PROCEEDING.

[REST OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Company has caused this Note to be executed and delivered by its duly authorized representatives on the date first above written.

CONSUMER PORTFOLIO SERVICES, INC., a
California corporation

By: /s/ Charles E. Bradley, Jr.

Charles E. Bradley, Jr.
President and Chief Executive Officer

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

EXHIBIT 4.5

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SALE AND SERVICING

AGREEMENT

AMONG

CPS AUTO RECEIVABLES TRUST 2002-A, AS

ISSUER,

CPS RECEIVABLES CORP., AS

SELLER,

CONSUMER PORTFOLIO SERVICES, INC., AS

SERVICER

SYSTEMS & SERVICES TECHNOLOGIES, INC., AS

BACKUP SERVICER

AND

BANK ONE TRUST COMPANY, N.A., AS

STANDBY SERVICER AND TRUSTEE

DATED AS OF MARCH 1, 2002

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TABLE OF CONTENTS

SALE AND SERVICING AGREEMENT dated as of March 1, 2002, among CPS AUTO RECEIVABLES TRUST 2002-A, a Delaware business trust (the "Issuer"), CPS RECEIVABLES CORP., a California corporation (the "Seller"), CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "Servicer"), SYSTEMS & SERVICES TECHNOLOGIES, INC., as Backup Servicer, and BANK ONE TRUST COMPANY, N.A., a national banking association, in its capacity as Standby Servicer and Trustee.

WHEREAS the Issuer desires to purchase a portfolio of receivables arising in connection with motor vehicle retail installment sale contracts acquired by Consumer Portfolio Services, Inc. through motor vehicle dealers and independent finance companies;

WHEREAS the Seller has purchased such receivables from Consumer Portfolio Services, Inc. and is willing to sell such receivables to the Issuer;

WHEREAS the Issuer desires to purchase additional receivables arising in connection with motor vehicle retail installment sale contracts to be acquired on or after the Closing Date by Consumer Portfolio Services, Inc. through motor vehicle dealers and independent finance companies;

WHEREAS the Seller has agreements to purchase such additional receivables from Consumer Portfolio Services, Inc. and is willing to sell such receivables to the Issuer; and

WHEREAS the Servicer is willing to service all such receivables.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 DEFINITIONS. (a) Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Accelerated Principal Distribution Amount" means (A) as of any Payment Date occurring prior to the April 2003 Payment Date, so long as no Insurance Agreement Event of Default or Insurance Agreement Indenture Cross Default shall have occurred and no Trigger Event under the Spread Account Supplement has occurred and the MFN Merger Trigger shall not have occurred, will equal the lesser of (x) the product of (i) 0.66 and (ii) the excess, if any, of the amounts eligible to be released from the Spread Account on the Payment Date over the amounts distributable to the Class B Certificateholders on the Payment Date pursuant to Section 5.9(a)(i), (ii) and (iii) (such amount, the "Net Excess Cash Amount") and (y) the then outstanding principal balance of the Class B Certificates; (B) as of any Payment Date occurring on or after the April 2003 Payment Date, will equal the lesser of (x) the Net Excess Cash Amount and (y)

the then outstanding principal balance of the Class B Certificates; (C) as of any Payment Date occurring prior to the April 2003 Payment Date on which a Trigger Event under the Spread Account Supplement has occurred and is continuing, will equal the lesser of (x) 100% of the Net Excess Cash Amount and (y) the then outstanding principal balance of the Class B Certificates; (D) as of any Payment Date occurring prior to the April 2003 Payment date on or after which an Insurance Agreement Event of Default or Insurance Agreement Indenture Cross Default shall have occurred, will equal the lesser of (x) 100% of the Net Excess Cash Amount and (y) the then outstanding principal balance of the Class B Certificates; and (E) as of any Payment Date on which the MFN Merger Trigger Event has occurred, will equal the lesser of (x) 100% of the Net Excess Cash Amount and (y) the then outstanding principal balance of the Class B Certificates.

"Accountants' Report" means the report of a firm of nationally recognized independent accountants described in Section 4.11.

"Addition Notice" means, with respect to any transfer of Subsequent Receivables to the Trust pursuant to Section 2.2 of this Agreement, notice of the Seller's election to transfer Subsequent Receivables to the Trust, such notice to designate the related Subsequent Transfer Date and the approximate principal amount of Subsequent Receivables to be transferred on such Subsequent Transfer Date.

"Affiliate" of any Person means any Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with such Person. For purposes of this definition, the term "control" when used with respect to any 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", "controlled by" and "under common control with" have meanings correlative to the foregoing.

"Aggregate Note Balance" means, as of any date of determination, the sum of the Class A-1 Note Balance and the Class A-2 Note Balance.

"Aggregate Principal Balance" means, with respect to any date of determination, the sum of the Principal Balances for all Receivables (other than (i) any Receivable that became a Liquidated Receivable prior to the end of the related Collection Period and (ii) any Receivable that became a Purchased Receivable prior to the end of the related Collection Period) as of the date of determination.

"Agreement" means this Sale and Servicing Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Amount Financed" means, with respect to a Receivable, the aggregate amount advanced under such Receivable toward the purchase price of the Financed Vehicle and any related costs, including amounts advanced in respect of

accessories, insurance premiums, service and warranty contracts, other items customarily financed as part of retail automobile installment sale contracts or promissory notes, and related costs.

"Annual Percentage Rate" or "APR" of a Receivable means the annual percentage rate of finance charges or service charges, as stated in the related Contract.

"Assumption Date" shall have the meaning specified in Section 10.3(a).

"Backup Servicer" mean Systems and Services Technologies, Inc., in its capacity as Backup Servicer pursuant to the terms of the Backup Servicing Agreement.

"Backup Servicing Agreement" means that certain Backup Servicing Agreement dated as of March 7, 2002, between Systems & Services Technologies, Inc., as Backup Servicer and Financial Security Assurance, Inc.

"Backup Servicing Fee" means the fee payable to the Backup Servicer so long as the Backup Servicer is not the Servicer, on each Payment Date in the amount specified in the Backup Servicing Agreement.

"Basic Documents" means this Agreement, the Certificate of Trust, the Trust Agreement, the Indenture, the Receivables Purchase Agreement, each Subsequent Receivables Purchase Agreement, each Subsequent Transfer Agreement, the Master Spread Account Agreement, the Spread Account Supplement, the Insurance Agreement, the Indemnification Agreement, the Lockbox Agreement, the Placement Agency Agreement, the Notes, the Class B Certificates, the Residual Certificates and other documents and certificates delivered in connection therewith.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the City of New York, the State in which the Corporate Trust Office is located, the State in which the executive offices of the Servicer are located and the State in which the principal place of business of the Note Insurer is located shall be authorized or obligated by law, executive order, or governmental decree to be closed.

"Casualty" means, with respect to a Financed Vehicle, the total loss or destruction of such Financed Vehicle.

"Certificate" has the meaning assigned to such term in the Trust Agreement.

"Certificate Distribution Account" means the account designated as such, established and maintained pursuant to Section 5.1.

"Certificate Register" has the meaning assigned to such term in the Trust Agreement.

"Certificateholder" means the person in whose name a Class B Certificate or a Residual Certificate is registered on the Certificate Register.

"Class" means the Class A-1 Notes, the Class A-2 Notes, or the Class B Certificates, as the context requires.

"Class A-1 Interest Rate" means 3.741% per annum.

"Class A-1 Final Scheduled Payment Date" means the January 2006 Payment Date.

"Class A-1 Note Balance" on the Closing Date will equal the Original Class A-1 Note Balance and on any date thereafter will equal the Original Class A-1 Note Balance reduced by all distributions of principal previously made in respect of the Class A-1 Notes.

"Class A-1 Note Pool Factor" means as of the close of business on any Payment Date, a seven-digit decimal figure equal to the Class A-1 Note Balance divided by the Original Class A-1 Note Balance.

"Class A-1 Noteholders' Interest Carryover Shortfall" means, with respect to any Payment Date, the excess of the Class A-1 Noteholders' Interest Distributable Amount for the preceding Payment Date over the amount that was actually deposited in the Note Distribution Account on such preceding Payment Date on account of the Class A-1 Noteholders' Interest Distributable Amount.

"Class A-1 Noteholders' Interest Distributable Amount" means, with respect to any Payment Date, the sum of the Class A-1 Noteholders' Monthly Interest Distributable Amount for such Payment Date and the Class A-1 Noteholders' Interest Carryover Shortfall for such Payment Date, plus interest on such Class A-1 Noteholders' Interest Carryover Shortfall, to the extent permitted by law, at the Class A-1 Interest Rate to, but excluding, the current Payment Date.

"Class A-1 Noteholders' Monthly Interest Distributable Amount" means (a) for the first Payment Date, an amount equal to the product of (i) the Class A-1 Interest Rate, (ii) the Original Class A-1 Note Balance and (iii) a fraction, the numerator of which is the number of days from and including the Closing Date to and including April 14, 2002 (assuming that there are 30 days in each month of the year) and the denominator of which is 360; and (b) for any Payment Date after the first Payment Date, an amount equal to the product of (i) one-twelfth of the Class A-1 Interest Rate and (ii) the Class A-1 Note Balance as of the close of the preceding Payment Date (after giving effect to all distributions on account of principal on such preceding Payment Date).

"Class A-1 Notes" has the meaning assigned to such term in the Indenture.

"Class A-2 Final Scheduled Payment Date" means the December 2008 Payment Date.

"Class A-2 Interest Rate" means 4.814% per annum.

"Class A-2 Note Balance" on the Closing Date will equal the Original Class A-2 Note Balance and on any date thereafter will equal the Original Class A-2 Note Balance reduced by all distributions of principal previously made in respect of the Class A-2 Notes.

"Class A-2 Note Pool Factor" means as of the close of business on any Payment Date, a seven-digit decimal figure equal to the Class A-2 Note Balance divided by the Original Class A-2 Note Balance.

"Class A-2 Noteholders' Interest Carryover Shortfall" means, with respect to any Payment Date, the excess of the Class A-2 Noteholders' Interest Distributable Amount for the preceding Payment Date over the amount that was actually deposited in the Note Distribution Account on such preceding Payment Date on account of the Class A-2 Noteholders' Interest Distributable Amount.

"Class A-2 Noteholders' Interest Distributable Amount" means, with respect to any Payment Date, the sum of the Class A-2 Noteholders' Monthly Interest Distributable Amount for such Payment Date and the Class A-2 Noteholders' Interest Carryover Shortfall for such Payment Date, plus interest on such Class A-2 Noteholders' Interest Carryover Shortfall, to the extent permitted by law, at the Class A-2 Interest Rate to, but excluding, the current Payment Date.

"Class A-2 Noteholders' Monthly Interest Distributable Amount" means (a) for the first Payment Date, an amount equal to the product of (i) the Class A-2 Interest Rate, (ii) the Original Class A-2 Note Balance and (iii) a fraction, the numerator of which is the number of days from and including the Closing Date to and including April 14, 2002 (assuming that there are 30 days in each month of the year) and the denominator of which is 360; and (b) for any Payment Date after the first Payment Date, an amount equal to the product of (i) one-twelfth of the Class A-2 Interest Rate and (ii) the Class A-2 Note Balance as of the close of the preceding Payment Date (after giving effect to all distributions on account of principal on such preceding Payment Date).

"Class A-2 Notes" has the meaning assigned to such term in the Indenture.

"Class B Certificate" has the meaning assigned to such term in the Trust Agreement.

"Class B Certificate Balance" on the Closing Date will equal the Original Class B Certificate Balance and on any date thereafter will equal the Original Class B Certificate Balance reduced by all distributions of principal previously made in respect of the Class B Certificates.

"Class B Certificate Final Scheduled Payment Date" means the Payment Date occurring in December 15, 2008.

"Class B Certificate Interest Rate" means 12.00% per annum.

"Class B Certificate Pool Factor" means as of the close of business on any Payment Date, a seven-digit decimal figure equal to the Class B Certificate Balance divided by the Original Class B Certificate Balance.

"Class B Certificateholders' Interest Carryover Shortfall" means, with respect to any Payment Date, the excess of the Class B Certificateholders' Interest Distributable Amount for the preceding Payment Date over the amount that was actually deposited in the Certificate Distribution Account on such preceding Payment Date on account of the Class B Certificateholders' Interest Distributable Amount.

"Class B Certificateholders' Interest Distributable Amount" means, with respect to any Payment Date, the sum of the Class B Certificateholders' Monthly Interest Distributable Amount for such Payment Date and the Class B Certificateholders' Interest Carryover Shortfall for such Payment Date, plus interest on such Class B Certificateholders' Interest Carryover Shortfall, to the extent permitted by law, at the Class B Certificate Interest Rate to, but excluding, the current Payment Date.

"Class B Certificateholders' Monthly Interest Distributable Amount" means (a) for the first Payment Date, an amount equal to the product of (i) the Class B Certificate Interest Rate, (ii) Original Class B Certificate Balance and (iii) a fraction, the numerator of which is the actual number of days from and including the Closing Date to and including April 14, 2002 (assuming that there are 30 days in each month of the year) and the denominator or which is 360, and (b) for any Payment Date after the first Payment Date, an amount equal to the product of (i) one-twelfth of the Class B Certificate Interest Rate and (ii) the Class B Certificate Balance as of the close of the preceding Payment Date after giving effect to all distributions on account of the principal on such preceding Payment Date.

"Class B Certificateholders' Percentage" means (i) for each Payment Date prior to the Payment Date on which the Class A-2 Note Balance is reduced to zero, 17%; (ii) on the Payment Date on which the Class A-2 Note Balance is reduced to zero, (a) 17% until the Class A-2 Note Balance has been reduced to zero, and (b) with respect to any remaining portion of the Principal Distributable Amount, 100%; (iii) for each Payment Date after the Payment Date on which the Class A-2 Note Balance is reduced to zero, 100%; and (iv) on the Payment Date on which the Class B Certificate Balance is reduced to zero, (a) 100% until the Class B Certificate Balance has been reduced to zero, and (b) with respect to any remaining portion of the Principal Distributable Amount, 0%.

"Class B Certificateholders' Principal Carryover Shortfall" means, as of the close business on any Payment Date, the excess of the Class B Certificate Principal Distributable Amount for such Payment Date over the amount in respect of principal that is actually deposited in the Certificate Distribution Account on such Payment Date.

"Class B Certificateholders' Principal Distributable Amount" means, as of any Payment Date, an amount equal to the sum of (i) the Class B Certificateholders' Percentage (as of such Payment Date) of the Principal Distributable Amount and (ii) any principal which was payable in respect of the

Class B Certificates on a preceding Payment Date but was not so paid. The Class B Certificateholders' Principal Distributable Amount on the Final Scheduled Payment Date for the Class B Certificates will equal the lesser of (i) the Class B Certificate Balance and (ii) the Class B Certificateholders' Percentage of the Principal Distributable Amount.

"Class B Prepayment Amount" means, as of the Payment Date on or immediately following the last day of the Funding Period, an amount equal to 17.00% of the Pre-Funded Amount on such Payment Date (after giving effect to any application thereof to acquire Subsequent Receivables on such Payment Date).

"Closing Date" means March 7, 2002.

"Code" shall have the meaning specified in Section 3.2.

"Collateral" shall have the meaning assigned to such term in the Indenture.

"Collateral Agent" means either of Bank One Trust Company, N.A. or Wells Fargo Bank Minnesota, National Association, as applicable, in its capacity as Collateral Agent under the Master Spread Account Agreement.

"Collateral Agent Fee" means (A) the fee payable to the Collateral Agent on each Payment Date in an amount equal to the greater of (a) $375 and (b) one-twelfth of 0.0075% of the Aggregate Note Balance on the last day of the second preceding Collection Period; provided, however, that on the first Payment Date the Collateral Agent will be entitled to receive an amount equal to the greater of (a) $375 and (b) the product of (i) the percentage equivalent of a fraction the numerator of which is the number of days from the Closing Date to but excluding the first Payment Date and the denominator of which is 360, (ii) 0.0075% and (iii) the Original Aggregate Note Balance, and (B) any other amounts payable pursuant to the Fee Schedule.

"Collateral Balance" means, as of any date of determination, the sum of (i) the Pool Balance as of such date, and (ii) the Pre-Funded Amount as of such date.

"Collection Account" means the account designated as such, established and maintained pursuant to Section 5.1.

"Collection Period" means, with respect to each Payment Date, the calendar month preceding the calendar month in which such Payment Date occurs. Any amount stated "as of the close of business on the last day of a Collection Period" shall give effect to the following calculations as determined as of the end of the day on such last day: (i) all applications of collections, and (ii) all distributions.

"Contract" means a motor vehicle retail installment sale contract.

"Controlling Party" shall be determined in accordance with the provisions of Section 13.15.

"Corporate Trust Office" means (i) with respect to the Owner Trustee, the principal corporate trust office of the Owner Trustee, which at the time of execution of this agreement is Rodney Square North, 1100 N. Market Street, Wilmington, Delaware 19890-0001, and (ii) with respect to the Trustee and Collateral Agent, the principal corporate trust office of the Trustee, which at the time of execution of this agreement is 201 North Central Avenue, 26th Floor, Phoenix, Arizona 85004, Attention: Structured Finance CPS 2002-A.

"CPS" means Consumer Portfolio Services, Inc., a California corporation and its successors.

"Cram Down Loss" means, with respect to a Receivable (other than a Liquidated Receivable), if a court of appropriate jurisdiction in an insolvency proceeding issues a ruling that reduces the amount owed on a Receivable or otherwise modifies or restructures the Scheduled Receivable Payments to be made thereon, an amount equal to the sum of (a) the Principal Balance of the Receivable immediately prior to such order minus the Principal Balance of such receivable as so reduced, modified or restructured, plus (b) if such court shall have issued an order reducing the effective rate of interest on such Receivable, an amount equal to the excess of (i) the net present value (using as a discount rate a rate equal to the adjusted APR on such Receivable) of the Scheduled Receivable Payments as so modified or restructured over (ii) the net present value (using as a discount rate a rate equal to the original APR on such Receivable) of the Scheduled Receivable Payments as so modified or restructured. A Cram Down Loss will be deemed to have occurred on the date of issuance of such order.

"Dealer" means, with respect to a Receivable, the seller of the related Financed Vehicle, who originated and assigned such Receivable to CPS, who in turn sold such Receivable to the Seller.

"Deficiency Claim Amount" shall have the meaning set forth in Section 5.5(a).

"Deficiency Claim Date" means, with respect to any Payment Date, the fourth Business Day immediately preceding such Payment Date.

"Deficiency Notice" shall have the meaning set forth in Section 5.5(a).

"Delegation Notice" shall have the meaning specified in Section 9.5.

"Delivery" means, when used with respect to Trust Account Property: (terms used in the following provisions that are not otherwise defined are used as defined in Articles 8 and 9 of the UCC):

(i) in the case of such Trust Account Property consisting of security entitlements not covered by the following paragraphs in this definition of Delivery, by (1) causing the Trustee or related securities intermediary to indicate by book entry that a financial asset related to such securities entitlement has been credited to the related Trust Account and (2) causing the Trustee or related securities

intermediary to indicate that the Trustee is the sole entitlement holder of each such securities entitlement and causing the Trustee or related securities intermediary to agree that it will comply with entitlement orders originated by the Trustee with respect to each such security entitlement without further consent by the Issuer;

(ii) in the case of each certificated security (other than a clearing corporation security (as defined below)) or instrument by: (1) the delivery of such certificated security or instrument to the Trustee or related securities intermediary registered in the name of the Trustee or related securities intermediary or its respective affiliated nominee or endorsed to the Trustee or related securities intermediary in blank; (2) causing the Trustee or related securities intermediary to continuously indicate by book-entry that such certificated security or instrument is credited to the related Trust Account; and (3) the Trustee or related securities intermediary maintaining continuous possession of such certificated security or instrument;

(iii) in the case of each uncertificated security (other than a clearing corporation security (as defined below)), by causing: (1) such uncertificated security to be continuously registered in the books of the issuer thereof to the Trustee or related securities intermediary; and (2) the Trustee or related securities intermediary to continuously indicate by book-entry that such uncertificated security is credited to the related Trust Account;

(iv) in the case of each security in the custody of or maintained on the books of a clearing corporation (a "clearing corporation security"), by causing: (1) the relevant clearing corporation to credit such clearing corporation security to the securities account of the Trustee or related securities intermediary at such clearing corporation; and (2) the Trustee or related securities intermediary to continuously indicate by book-entry that such clearing corporation security is credited to the related Trust Account;

(v) in the case of each security issued or guaranteed by the United States of America or agency or instrumentality thereof (other than a security issued by the Government National Mortgage Association) representing a full faith and credit obligation of the United States of America and that is maintained in book-entry records of the Federal Reserve Bank of New York ("FRBNY") (each such security, a "government security"), by causing: (1) the creation of a security entitlement to such government security by the credit of such government security to the securities account of the Trustee or related securities intermediary at the FRBNY; and (2) the Trustee or related securities intermediary to continuously indicate by book-entry that such government security is credited to the related Trust Account.

(vi) in each case of delivery contemplated pursuant to clauses (ii) through (v) hereof, the Trustee shall make appropriate notations on its records, and shall cause the same to be made on the records of

its nominees, indicating that such Trust Property which constitutes a security is held in trust pursuant to and as provided in this Agreement.

"Depositor" shall mean the Seller in its capacity as Depositor under the Trust Agreement.

"Determination Date" means the earlier of (i) the seventh Business Day of each calendar month and (ii) the fifth Business Day preceding the related Payment Date.

"Draw Date" means with respect to any Payment Date, the third Business Day immediately preceding such Payment Date.

"Eligible Account" means (i) a segregated trust account that is maintained with a depository institution acceptable to the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing), or (ii) a segregated direct deposit account maintained with a depository institution or trust company organized under the laws of the United States of America, or any of the States thereof, or the District of Columbia, having a certificate of deposit, short-term deposit or commercial paper rating of at least "A-1" by Standard & Poor's and "Prime-1" by Moody's and (so long as an Insurer Default shall not have occurred and be continuing) acceptable to the Note Insurer.

"Eligible Investments" mean book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

(i) direct obligations of, and obligations fully guaranteed as to the full and timely payment by, the United States of America;

(ii) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the laws of the United States of America or any State thereof (or any domestic branch of a foreign bank) and subject to supervision and examination by Federal or State banking or depository institution authorities; provided, however, that at the time of the investment or contractual commitment to invest therein, the commercial paper or other short-term unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) thereof shall be rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's;

(iii) commercial paper that, at the time of the investment or contractual commitment to invest therein, is rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's;

(iv) bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above;

(v) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed as to the full and timely payment by, the United States of America or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States of America, in either case entered into with (i) a depository institution or trust company (acting as principal) described in clause (b) or (ii) a depository institution or trust company whose commercial paper or other short term unsecured debt obligations are rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's and long term unsecured debt obligations are rated "AAA" by Standard & Poor's and "Aaa" by Moody's;

(vi) with the prior written consent of the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) money market mutual funds registered under the Investment Company Act of 1940, as amended, having a rating, at the time of such investment, from each of the Rating Agencies in the highest investment category granted thereby; PROVIDED that the Note Insurer shall not be required to give its prior written consent for the following Bank One Money Market Funds: Institutional Prime Money Market Fund; and

(vii) any other investment as may be acceptable to the Note Insurer, as evidenced by a writing to that effect, as may from time to time be confirmed in writing to the Trustee by the Note Insurer.

Any of the foregoing Eligible Investments may be purchased by or through the Owner Trustee or the Trustee or any of their respective Affiliates.

"Eligible Servicer" means a Person approved to act as "Servicer" under this Agreement by a Note Majority.

"ERISA" shall have the meaning specified in Section 3.2.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fee Schedule" means that certain (i) Bond Trustee Fee Schedule, and (ii) Document Custody Fee Schedule, each dated August 7, 2001 and delivered to Seller by Bank One Trust Company, N.A.

"Final Scheduled Payment Date" means with respect to the Class A-1 Notes, the Class A-1 Final Scheduled Payment Date, with respect to the Class A-2 Notes, the Class A-2 Final Scheduled Payment Date, and with respect to the Class B Certificates, the Class B Certificate Final Scheduled Payment Date.

"Financed Vehicle" means a new or used automobile, light truck, van or minivan, together with all accessions thereto, securing an Obligor's indebtedness under a Receivable.

"Funding Period" means the period beginning on and including the Closing Date and ending on the first to occur of (a) the first date on which the amount on deposit in the Pre-Funding Account (after giving effect to any

transfers therefrom in connection with the transfer of Subsequent Receivables to the Issuer on such date) is less than $100,000, (b) the date on which an Event of Default or a Servicer Termination Event occurs, (c) the date on which an Insolvency Event occurs with respect to the Seller and (d) May 15, 2002.

"Holder" shall have the meaning specified in the Indenture.

"Indemnification Agreement" means the Indemnification Agreement among the Note Insurer, CPS, the Seller and the Placement Agent, dated as of March 7, 2002, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Indenture" means the Indenture dated as of March 1, 2002, between the Issuer and Bank One Trust Company, N.A., as Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Initial Cutoff Date" means the close of business on February 28, 2002.

"Initial Receivable" means each retail installment sale contract for a Financed Vehicle which, as of the Closing Date, is listed on Schedule A (which Schedule A may be in the form of microfiche) and all rights and obligations thereunder except for Initial Receivables that shall have become Purchased Receivables.

"Initial Spread Account Deposit" shall have the meaning specified in the Spread Account Supplement.

"Initial Trust Property" means the property and proceeds conveyed pursuant to Section 2.1, together with certain monies received with respect to the Initial Receivables after the Initial Cutoff Date, the Insurance Policies, the Collection Account (including all Eligible Investments therein and all proceeds therefrom), the Lockbox Account and certain other rights under this Agreement. Although the Seller has pledged the Series 2002-A Spread Account to the Collateral Agent pursuant to the Master Spread Account Agreement, the Series 2002-A Spread Account shall not under any circumstances be deemed to be a part of or otherwise includable in the Trust or the Initial Trust Property.

"Insolvency Event" means, with respect to a specified Person, (a) the filing of a petition against such Person or the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation or such Person's affairs, and such petition, decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable federal or state bankruptcy, insolvency or

other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by, a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Insurance Agreement" means the Insurance and Indemnity Agreement among the Trust, CPS, the Seller, CPS Receivables Funding Trust and the Note Insurer, dated as of March 1, 2002, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Insurance Agreement Event of Default" means an "Event of Default" as defined in the Insurance Agreement.

"Insurance Policy" means, with respect to a Receivable, any insurance policy (including the insurance policies described in Section 4.4 hereof) benefiting the holder of the Receivable providing loss or physical damage, credit life, credit disability, theft, mechanical breakdown or similar coverage with respect to the Financed Vehicle or the Obligor.

"Insurer Default" shall mean any one of the following events shall have occurred and be continuing:

(i) the Note Insurer fails to make a payment required under the Policy in accordance with its terms;

(ii) the Note Insurer (A) files any petition or commences any case or proceeding under any provision or chapter of the United States Bankruptcy Code, the New York Department of Insurance Code or similar Federal or State law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (B) makes a general assignment for the benefit of its creditors or (C) has an order for relief entered against it under the United States Bankruptcy Code or any other similar Federal or State law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization which is final and nonappealable; or

(iii) a court of competent jurisdiction or the New York Department of Insurance or other competent regulatory authority enters a final and nonappealable order, judgment or decree (A) appointing a custodian, trustee, agent or receiver for the Note Insurer or for all or any material portion of its property or (B) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Note Insurer (or the taking of possession of all or any material portion of the property of the Note Insurer).

"Interest Rate" means the Class A-1 Interest Rate, the Class A-2 Interest Rate or the Class B Certificate Interest Rate, as applicable.

"Interest Reserve Account" means the account designated as such, established and maintained pursuant to Section 5.2.

"Interest Reserve Account Initial Deposit" means $150,240.

"Investment Earnings" means, with respect to any Payment Date and any Trust Account, the investment earnings on amounts on deposit in such Trust Account on such Payment Date.

"Issuer" means CPS Auto Receivables Trust 2002-A.

"Lien" means a security interest, lien, charge, pledge, equity, or encumbrance of any kind, other than tax liens, mechanics' liens and any liens that attach to the respective Receivable by operation of law.

"Lien Certificate" means, with respect to a Financed Vehicle, an original certificate of title, certificate of lien or other notification issued by the Registrar of Titles of the applicable state to a secured party which indicates that the lien of the secured party on the Financed Vehicle is recorded on the original certificate of title. In any jurisdiction in which the original certificate of title is required to be given to the obligor, the term "Lien Certificate" shall mean only a certificate or notification issued to a secured party.

"Liquidated Receivable" means any Receivable (i) which has been liquidated by the Servicer through the sale of the Financed Vehicle or (ii) for which the related Financed Vehicle has been repossessed and 90 days have elapsed since the date of such repossession or (iii) as to which an Obligor has failed to make more than 90% of a Scheduled Receivable Payment of more than ten dollars for 120 (or, if the related Financed Vehicle has been repossessed, 210) or more days as of the end of a Collection Period or (iv) with respect to which proceeds have been received which, in the Servicer's judgment, constitute the final amounts recoverable in respect of such Receivable. For purposes of this definition, a Receivable shall be deemed a "Liquidated Receivable" upon the first to occur of the events specified in items (i) through (iv) of the previous sentence.

"Lockbox Account" means an account maintained on behalf of the Trustee by the Lockbox Bank pursuant to Section 4.2(b).

"Lockbox Agreement" means the Multiparty Agreement Relating to Lockbox Services, dated as of March 7, 2002, by and among the Lockbox Processor, the Servicer, the Trust and the Trustee, as such agreement may be amended, supplemented or otherwise modified from time to time, unless the Trustee shall cease to be a party thereunder, or such agreement shall be terminated in accordance with its terms, in which event "Lockbox Agreement" shall mean such other agreement, in form and substance acceptable to the Controlling Party, among the Servicer, the Trustee and the Lockbox Processor.

"Lockbox Bank" means, as of any date, Bank One, N.A. or another depository institution named by the Servicer and acceptable to the Controlling Party at which the Lockbox Account is established and maintained as of such date.

"Lockbox Processor" means Regulus West LLC and its successors and assigns.

"Mandatory Redemption Date" means the first Payment Date occurring on or after the last day of the Funding Period.

"Master Spread Account Agreement" means the Master Spread Account Agreement amended and restated as of December 1, 1998 among the Note Insurer, the Seller and Wells Fargo Bank Minnesota, National Association, as the same may be modified, supplemented or otherwise amended in accordance with the terms thereof.

"MFN" means MFN Financial Corporation.

"MFN Merger Trigger Event" means CPS's merger with MFN shall not have been consummated on or prior to March 15, 2002.

"Moody's" means Moody's Investors Service, Inc., or its successor.

"Net Liquidation Proceeds" means, with respect to a Liquidated Receivable, all amounts realized with respect to such Receivable during the Collection Period in which such Receivable became a Liquidated Receivable, net of (i) reasonable expenses incurred by the Servicer in connection with the collection of such Receivable and the repossession and disposition of the Financed Vehicle and (ii) amounts that are required to be refunded to the Obligor on such Receivable; provided, however, that the Net Liquidation Proceeds with respect to any Receivable shall in no event be less than zero.

"Non-Certificated Title States" means the states of Arizona, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Montana, NewYork, Oklahoma, Wisconsin and such other states in which the applicable Department of Motor Vehicles or similar authority issues evidence of title to a Financed Vehicle in a non-certificated form.

"Note" shall have the meaning provided in Section 1.1 of the Indenture.

"Note Balance" means, with respect to the Class A-1 Notes, the Class A-1 Note Balance and, with respect to the Class A-2 Notes, the Class A-2 Note Balance.

"Note Distribution Account" means the account designated as such, established and maintained pursuant to Section 5.1.

"Note Insurer" means Financial Security Assurance Inc., a stock insurance company organized and created under the laws of the State of New York, or its successors in interest.

"Note Majority" means the Holders evidencing more than 50% of the Class A-1 Note Balance and Holders evidencing more than 50% of the Class A-2 Note Balance.

"Note Policy" means the Financial Guaranty Insurance Policy issued by the Note Insurer for the benefit of the Holders of the Notes issued under the Indenture, including any endorsements thereto.

"Note Policy Claim Amount" with respect to any Payment Date, has the meaning specified in Section 6.1.

"Note Pool Factor" means, with respect to the Class A-1 Notes, the Class A-1 Note Pool Factor and with respect to the Class A-2 Notes, the Class A-2 Note Pool Factor.

"Note Prepayment Amount" means, as of the Payment Date on or immediately following the last day of the Funding Period, an amount equal to 83.00% of the Pre-Funded Amount on such Payment Date (after giving effect to any application thereof to acquire Subsequent Receivables on such Payment Date).

"Noteholder" shall have the meaning specified in the Indenture.

"Noteholders' Interest Distributable Amount" means, with respect to any Payment Date, the sum of (i) the Class A-1 Noteholders' Interest Distributable Amount for such Payment Date and (ii) the Class A-2 Noteholders' Interest Distributable Amount for such Payment Date.

"Noteholders' Percentage" means (i) for each Payment Date prior to the Payment Date on which the outstanding principal balance of the Class B Certificates is reduced to zero, 83%, (ii) on the Payment Date on which the outstanding principal balance of the Class B Certificates is reduced to zero, (a) 83% until the outstanding principal balance of the Class B Certificates is reduced to zero and (b) with respect to any remaining portion of the Principal Distributable Amount, 100%, (iii) for each Payment Date after the Payment Date on which the outstanding principal balance of the Class B Certificates is reduced to zero, 100%, and (iv) on the Payment Date on which the Class A-2 Note Balance is reduced to zero, (a) 100% until the Class A-2 Note Balance is reduced to zero and (b) with respect to any remaining portion of the Principal Distributable Amount, 0%.

"Noteholders' Principal Carryover Shortfall" means, with respect to any Payment Date, the excess of the Noteholders' Principal Distributable Amount for the preceding Payment Date over the amount that was actually deposited in the Note Distribution Account on such Payment Date on account of the Noteholders' Principal Distributable Amount.

"Noteholders' Principal Distributable Amount" means, with respect to any Payment Date (other than the Final Scheduled Payment Date for any Class of Notes), the product of (x) the Noteholders' Percentage and (y) the Principal Distributable Amount. The Noteholders' Principal Distributable Amount on the

Final Scheduled Payment Date for a Class of Notes will equal the lesser of (i) the Note Balance for such Class of Notes and (ii) the product of (x) the Noteholders' Percentage and (y) the Principal Distributable Amount.

"Obligor" on a Receivable means the purchaser or co-purchasers of the Financed Vehicle and any other Person who owes payments under the Receivable.

"Officer's Certificate" means a certificate signed by the chairman of the board, the president, any vice chairman of the board, any vice president, the treasurer, the controller or assistant treasurer or any assistant controller, secretary or assistant secretary of CPS, the Seller or the Servicer, as appropriate.

"Opinion of Counsel" means a written opinion of counsel who may but need not be counsel to the Seller or the Servicer, which counsel shall be reasonably acceptable to the Trustee and the Note Insurer and which opinion shall be acceptable in form and substance to the Trustee and, if such opinion or a copy thereof is required by the provisions of this Agreement to be delivered to the Note Insurer, to the Note Insurer.

"Original Aggregate Note Balance" means $45,650,000.00.

"Original Class A-1 Note Balance" means $26,500,000.00.

"Original Class A-2 Note Balance" means $19,150,000.00.

"Original Class B Certificate Balance" means $9,350,000.

"Original Collateral Balance" means the sum of (i) the Original Pool Balance, and (ii) the initial Pre-Funded Amount.

"Original Pool Balance" means the Pool Balance as of the Initial Cutoff Date.

"Other Conveyed Property" means all property conveyed by the Seller to the Trust pursuant to Sections 2.1(b) through (i) of this Agreement.

"Owner Trust Estate" has the meaning assigned to such term in the Trust Agreement.

"Owner Trustee" means Wilmington Trust Company, not in its individual capacity but solely as Owner Trustee under the Trust Agreement, its successors in interest or any successor Owner Trustee under the Trust Agreement.

"Payment Date" means, with respect to each Collection Period, the 15th day of the following calendar month, or if such day is not a Business Day, the immediately following Business Day, commencing on April 15, 2002.

"Person" means any individual, corporation, estate, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

"Physical Property" has the meaning assigned to such term in the definition of "Delivery" above.

"Placement Agent" means Greenwich Capital Markets, Inc.

"Pool Balance" means, as of any date of determination, the aggregate Principal Balance of the Receivables (excluding Purchased Receivables and Liquidated Receivables).

"Post-Office Box" means the separate post-office box in the name of the Seller for the benefit of the Securityholders and the Note Insurer, established and maintained pursuant to Section 4.2.

"Preference Claim" shall have the meaning specified in Section 6.2(b).

"Pre-Funded Amount" means, with respect to any Payment Date, the amount on deposit in the Pre-Funding Account, (exclusive of Pre-Funding Earnings) which initially shall be $12,566,542.43.

"Pre-Funding Account" has the meaning specified in Section 5.1.

"Pre-Funding Earnings" means any Investment Earnings on amounts on deposit in the Pre-Funding Account.

"Principal Balance" of a Receivable, as of the close of business on the last day of a Collection Period means the Amount Financed minus the sum of the following amounts without duplication: (i) in the case of a Rule of 78's Receivable, that portion of all Scheduled Receivable Payments actually received on or prior to such day allocable to principal using the actuarial or constant yield method; (ii) in the case of a Simple Interest Receivable, that portion of all Scheduled Receivable Payments actually received on or prior to such day allocable to principal using the Simple Interest Method; (iii) any payment of the Purchase Amount with respect to the Receivable allocable to principal; (iv) any Cram Down Loss in respect of such Receivable; and (v) any prepayment in full or any partial prepayment applied to reduce the principal balance of the Receivable.

"Principal Distributable Amount" means, with respect to any Payment Date, the sum of (i) collections on Receivables (other than Liquidated Receivables) allocable to principal including full and partial prepayments received during the preceding Collection Period; (ii) the portion of the Purchase Amount allocable to principal of each Receivable that became a Purchased Receivable as of the last day of the preceding Collection Period and, at the option of the Note Insurer, the Principal Balance of each Receivable that was required to be but was not so purchased or repurchased (without duplication of amounts referred to in clause (i) above); (iii) the Principal Balance of each Receivable that first became a Liquidated Receivable during the preceding Collection Period (without duplication of the amounts included in clause (i)

above); (iv) the principal portion of any payments made by CPS to the Trust or the Securityholders pursuant to its indemnification obligations under the Basic Documents; (v) the aggregate amount of Cram Down Losses with respect to the Receivables that have occurred during the preceding Collection Period (without duplication of amounts referred to in clauses (i) through (iv) above); and (vi) following the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the amount of money or property collected pursuant to Section 5.4 of the Indenture since the preceding Determination Date by the Trustee or Controlling Party for distribution pursuant to Section 5.7 hereof.

"Program" shall have the meaning specified in Section 4.11.

"Purchase Amount" means, with respect to a Receivable, the amount, as of the close of business on the last day of a Collection Period, required to prepay in full such Receivable under the terms thereof including interest to the end of the month of purchase.

"Purchased Receivable" means a Receivable purchased as of the close of business on the last day of a Collection Period by the Servicer pursuant to Section 4.7 or repurchased by the Seller or CPS pursuant to Section 3.2 or Section 11.1(a).

"Rating Agency" means each of Moody's and Standard & Poor's, and any successors thereof. If no such organization or successor maintains a rating on the Securities, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing), notice of which designation shall be given to the Trustee, the Owner Trustee and the Servicer.

"Rating Agency Condition" means, with respect to any action, that each Rating Agency shall have been given 3 days' (or such shorter period as shall be acceptable to each Rating Agency) prior notice thereof and that each of the Rating Agencies shall have notified the Seller, the Servicer, the Note Insurer, the Owner Trustee and the Trustee in writing that such action will not result in a reduction or withdrawal of the then current rating of the Class A Notes (including the ratings on the Class A Notes without giving effect to the Note Policy).

"Realized Losses" means, with respect to any Receivable that becomes a Liquidated Receivable, the excess of the Principal Balance of such Liquidated Receivable over Net Liquidation Proceeds allocable to principal.

"Receivable" means an Initial Receivable or a Subsequent Receivable, as applicable.

"Receivable Files" means the documents specified in Section 3.3.

"Receivables Purchase Agreement" means the Receivables Purchase Agreement dated as of March 7, 2002 by and between the Seller and CPS, as such

agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, relating to the purchase of the Receivables by the Seller from CPS.

"Record Date" means, with respect to the first Payment Date, the Closing Date and with respect to any subsequent Payment Date, the last day of calendar month preceding the calendar month in which such Payment Date occurs.

"Recoveries" means with respect to a Liquidated Receivable, the monies collected from whatever source, during any Collection Period following the Collection Period in which such Receivable became a Liquidated Receivable, net of the reasonable costs of liquidation plus any amounts required by law to be remitted to the Obligor (without duplication of amounts netted against the amounts realized in calculating the Net Liquidation Proceeds).

"Registrar of Titles" means, with respect to any state, the governmental agency or body responsible for the registration of, and the issuance of certificates of title relating to, motor vehicles and liens thereon.

"Regulus" means Regulus West LLC and its successors.

"Requisite Reserve Amount" as of any date during the Funding Period will equal the product of:

(i) 1/360th of the difference between

(A) the sum of (x) the weighted average of each of the Interest Rates for each class of Notes and the Class B Certificates (based on the outstanding principal amount or balance, as applicable, of each such class on such date), (y) the Trustee fee rate and (z) the premium rate for the Policy; and

(B) 1.25% per annum;

(ii) the Pre-Funded Amount on such date (after giving effect to any application thereof to acquire Subsequent Receivables on such Payment Date); and

(iii) the number of days remaining until the last day of the Collection Period for the Payment Date in June 2002; provided that, upon the expiration of the Funding Period, the Requisite Reserve Amount will be zero.

"Residual Certificate" shall have the meaning specified in the Trust Agreement.

"Residual Certificateholder" shall have the meaning specified in the Trust Agreement.

"Responsible Officer" shall have the meaning specified in the Trust Agreement.

"Rule of 78's Receivable" means any Receivable under which the portion of a payment allocable to earned interest (which may be referred to in the related retail installment sale contract as an add-on finance charge) and the portion allocable to the Amount Financed is determined according to the method commonly referred to as the "Rule of 78's" method or the "sum of the months' digits" method or any equivalent method.

"Schedule of Receivables" means the schedule of all retail installment sales contracts and promissory notes held as part of the Trust which is attached hereto as Schedule A, as amended or supplemented from time to time in accordance with the terms hereof.

"Scheduled Receivable Payment" means, with respect to any Collection Period for any Receivable, the amount set forth in such Receivable as required to be paid by the Obligor in such Collection Period (without giving effect to deferments of payments pursuant to Section 4.2 or any rescheduling of payments in any insolvency or similar proceedings).

"Securities" means the Notes and the Certificates.

"Securityholders" means the Noteholders and the Certificateholders.

"Seller" means CPS Receivables Corp., a California corporation, and its successors in interest to the extent permitted hereunder.

"Series 2002-A Spread Account" means the account designated as such, established and maintained pursuant to the Spread Account Supplement.

"Servicer" means CPS, as the servicer of the Receivables, and each successor Servicer pursuant to Section 10.3.

"Servicer Termination Event" means an event specified in Section 10.1.

"Servicer's Certificate" means a certificate completed and executed by a Servicing Officer and delivered pursuant to Section 4.9, substantially in the form of Exhibit B.

"Servicing and Lockbox Processing Assumption Agreement" means the Servicing and Lockbox Processing Assumption Agreement, dated as of March 7, 2002 among CPS, the Standby Servicer and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Servicing Fee" has the meaning specified in Section 4.8.

"Servicing Officer" means any Person whose name appears on a list of Servicing Officers delivered to the Trustee and the Note Insurer, as the same may be amended from time to time.

"Simple Interest Method" means the method of allocating a fixed level payment between principal and interest, pursuant to which the portion of such payment that is allocated to interest is equal to the product of the APR multiplied by the unpaid balance multiplied by the period of time (expressed as a fraction of a year, based on the actual number of days in the calendar month and the actual number of days in the calendar year) elapsed since the preceding payment of interest was made and the remainder of such payment is allocable to principal.

"Simple Interest Receivable" means a Receivable under which the portion of the payment allocable to interest and the portion allocable to principal is determined in accordance with the Simple Interest Method.

"Specified Spread Account Requisite Amount" has the meaning specified in the Spread Account Supplement.

"Spread Account Supplement" means the Series 2002-A Supplement to the Master Spread Account Agreement dated as of March 1, 2002 among the Note Insurer, the Seller and the Collateral Agent, as the same may be modified, supplemented or otherwise amended in accordance with the terms thereof.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or its successor.

"Standby Fee" means (A) the fee payable to the Standby Servicer so long as CPS is the Servicer, on each Payment Date in an amount equal to the greater of (a) $1,250 or (b) one-twelfth of 0.025% of the Aggregate Note Balance on the last day of the second preceding Collection Period; provided, however, that on the first Payment Date the Standby Servicer will be entitled to receive an amount equal to the greater of (a) $1,250 or (b) the product of (i) the percentage equivalent of a fraction the numerator of which is the number days from the Closing Date to but excluding the first Payment Date and the denominator of which is 360, (ii) 0.025% and (iii) the Original Aggregate Note Balance, and (B) any other amounts payable pursuant to the Fee Schedule.

"Standby Servicer" means Bank One Trust Company, N.A., in its capacity as Standby Servicer pursuant to the terms of the Servicing and Lockbox Processing Assumption Agreement or such Person as shall have been appointed Standby Servicer pursuant to Section 10.3.

"Stanwich Case" means IN RE Structured Settlement Litigation, Nos. BC 244111, 244271 & 243787 (Cal. Super. Ct. filed May 9, 2001).

"Subsequent Cutoff Date" means (i) the close of business on the last day of the month preceding the month in which particular Subsequent Receivables are conveyed to the Trust pursuant to this Agreement or (ii) if any such Subsequent Receivable is originated in the month of the related Subsequent Transfer Date, the date of origination.

"Subsequent Receivables" means the Receivables transferred to the Issuer pursuant to Section 2.2, which shall be listed on Schedule A to the related Subsequent Transfer Agreement.

"Subsequent Receivables Purchase Agreement" means an agreement by and between the Seller and CPS pursuant to which the Seller will acquire Subsequent Receivables.

"Subsequent Spread Account Deposit" means, with respect to each Subsequent Transfer Date, an amount equal to 3.00% of the aggregate Principal Balance of related Subsequent Receivables as of the related Subsequent Cutoff Date transferred to the Trust on such Subsequent Transfer Date.

"Subsequent Stanwich Deposit" means, with respect to each Subsequent Transfer Date, an amount equal to 4.00% of the aggregate Principal Balance of related Subsequent Receivables as of the related Subsequent Cutoff Date transferred to the Trust on such Subsequent Transfer Date.

"Subsequent Transfer Agreement" means an agreement among the Issuer, the Seller and the Servicer, substantially in the form of Exhibit A.

"Subsequent Transfer Date" means, with respect to Subsequent Receivables, any date, occurring not more frequently than once per month, during the Funding Period on which Subsequent Receivables are transferred to the Trust pursuant to this Agreement.

"Subsequent Trust Property" means the property and proceeds conveyed pursuant to Section 2.2, together with certain monies received with respect to the Subsequent Receivables after the related Subsequent Cutoff Date, the Insurance Policies, the Collection Account (including all Eligible Investments therein and all proceeds therefrom), the Lockbox Account and certain other rights under this Agreement. Although the Seller has pledged the Series 2002-A Spread Account to the Collateral Agent pursuant to the Master Spread Account Agreement, the Series 2002-A Spread Account shall not under any circumstances be deemed to be a part of or otherwise includable in the Trust or the Subsequent Trust Property.

"Total Distribution Amount" means, for each Payment Date, the sum of the following amounts with respect to the preceding Collection Period: (i) all collections on the Receivables, (ii) Net Liquidation Proceeds received during the Collection Period with respect to Liquidated Receivables; (iii) all Purchase Amounts deposited in the Collection Account during the related Collection Period, plus the amount of any payments made by CPS pursuant to its indemnification obligations under the Basic Documents; (iv) all proceeds from Recoveries with respect to Liquidated Receivables; (v) Investment Earnings for the related Payment Date; (vi) following the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the amount of money or property collected pursuant to Section 5.3 of the Indenture since the preceding Payment Date by the Trustee or Controlling Party for distribution pursuant to Section 5.6 and Section 5.8 hereof; and (vii) the proceeds of any purchase or sale of the assets of the Trust described in Section 11.1 hereof.

"Trigger Event" has the meaning assigned thereto in the Spread Account Supplement.

"Trust" means the Issuer.

"Trust Account Property" means the Trust Accounts, all amounts and investments held from time to time in any Trust Account (whether in the form of deposit accounts, Physical Property, book-entry securities, uncertificated securities or otherwise), and all proceeds of the foregoing.

"Trust Accounts" has the meaning assigned thereto in Section 5.1.

"Trust Agreement" means the Trust Agreement dated as of January 3, 2002, as amended and restated as of March 7, 2002, between the Seller, as Depositor, and the Owner Trustee, as the same may be further amended or supplemented from time to time in accordance with the terms thereof.

"Trust Officer" means, (i) in the case of the Trustee, any vice president, any assistant vice president, any assistant secretary, any assistant treasurer, any trust officer, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject, and (ii) in the case of the Owner Trustee, any officer in the Corporate Trust Office of the Owner Trustee or any agent of the Owner Trustee under a power of attorney with direct responsibility for the administration of this Agreement or any of the Basic Documents on behalf of the Owner Trustee.

"Trust Property" means the Initial Trust Property and the Subsequent Trust Property, collectively.

"Trust Receipt" has the meaning assigned thereto in Section 3.5.

"Trustee" means the Person acting as Trustee under the Indenture, its successors in interest and any successor trustee under the Indenture.

"Trustee Fee" means (A) the fee payable to the Trustee on each Payment Date in an amount equal to the greater of (a) $375 and (b) one-twelfth of 0.0075% of the Aggregate Note Balance on the last day of the second preceding Collection Period; provided, however, that on the first Payment Date the Trustee will be entitled to receive an amount equal to the greater of (a) $375 and (b) the product of (i) the percentage equivalent of a fraction the numerator of which is the number days from the Closing Date to but excluding the first Payment Date and the denominator of which is 360, (ii) 0.0075% and (iii) the Original Aggregate Note Balance, and/or (B) any amounts payable to the Owner Trustee pursuant to Article VIII of the Trust Agreement or to the Trustee pursuant to the Fee Schedule, as applicable.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction on the date of the Agreement.

(b) Capitalized terms used herein and not otherwise defined herein have the meanings assigned to them in the Indenture or, if not defined therein, in the Trust Agreement.

(c) All terms defined in this Agreement shall have the defined meanings when used in any instrument governed hereby and in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(d) Accounting terms used but not defined or partly defined in this Agreement, in any instrument governed hereby or in any certificate or other document made or delivered pursuant hereto, to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles as in effect on the date of this Agreement or any such instrument, certificate or other document, as applicable. To the extent that the definitions of accounting terms in this Agreement or in any such instrument, certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such instrument, certificate or other document shall control.

(e) The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(f) Section, Schedule and Exhibit references contained in this Agreement are references to Sections, Schedules and Exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(g) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

(h) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as the same may from time to time be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and instruments associated therewith; all references to a Person include its permitted successors and assigns.

Whenever a determination is to be made under this Agreement as to whether a given event action, course of conduct or set of facts or circumstances could or would have a material adverse effect on the Issuer or Noteholders (or any similar or analogous determination), such determination shall be made

without taking into account the insurance provided by the Policy. Whenever a determination is to be made under this Agreement whether a breach of a representation, warranty or covenant has or could have a material adverse effect on a Receivable or the interest therein of the Issuer, the Noteholders or the Note Insurer (or any similar or analogous determination), such determination shall be made by the Controlling Party in its sole discretion.

ARTICLE II

CONVEYANCE OF RECEIVABLES

SECTION 2.1 CONVEYANCE OF INITIAL RECEIVABLES. In consideration of the Issuer's delivery to or upon the order of the Seller on the Closing Date of the net proceeds from the sale of the Notes and the other amounts to be distributed from time to time to the Seller in accordance with the terms of this Agreement, the Seller does hereby sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse (subject to the obligations set forth herein):

(a) all right, title and interest of the Seller in and to the Initial Receivables listed in Schedule A hereto and all monies received thereunder after the Initial Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Initial Receivables after the Initial Cutoff Date;

(b) all right, title and interest of the Seller in and to the security interests in the Financed Vehicles granted by Obligors pursuant to the Initial Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the Non-Certificated Title States, all other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

(c) all right, title and interest of the Seller in and to any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Initial Receivables or the Obligors thereunder;

(d) all right, title and interest of the Seller in and to the Receivables Purchase Agreement, including a direct right to cause CPS to purchase Receivables from the Trust and to indemnify the Trust pursuant to the Receivables Purchase Agreement under the circumstances specified therein;

(e) all right, title and interest of the Seller in and to refunds for the costs of extended service contracts with respect to Financed Vehicles securing the Initial Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle under an Initial Receivable or his or her obligations with respect to a Financed Vehicle and any recourse to Dealers for any of the foregoing;

(f) the Receivable File related to each Initial Receivable;

(g) all amounts and property from time to time held in or credited to the Collection Account, the Pre-Funding Account, the Interest Reserve Account or the Lockbox Account;

(h) the proceeds of any and all of the foregoing; and

(i) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing.

SECTION 2.2 CONVEYANCE OF SUBSEQUENT RECEIVABLES.

(a) Subject to the conditions set forth in paragraph (b) below, in consideration of the Issuer's delivery on each related Subsequent Transfer Date to or upon the order of the Seller of the amount described in Section 5.10(a) to be delivered to the Seller, the Seller will, on the related Subsequent Transfer Date, sell, transfer, assign, set over and otherwise convey to the Issuer without recourse (subject to the obligations set forth herein):

(i) all right, title and interest of the Seller in and to the Subsequent Receivables listed in Schedule A to the related Subsequent Transfer Agreement and all monies received thereunder after the related Subsequent Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Subsequent Receivables after the related Subsequent Cutoff Date;

(ii) all right, title and interest of the Seller in and to the security interests in the Financed Vehicles granted by Obligors pursuant to the Subsequent Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the Non-Certificated Title States, all other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

(iii) all right, title and interest of the Seller in and to any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Subsequent Receivables or the Obligors thereunder;

(iv) all right, title and interest of the Seller in and to the related Subsequent Receivables Purchase Agreement, including a direct right to cause CPS to purchase Subsequent Receivables from the Trust

under certain circumstances and to indemnify the Trust pursuant to the Subsequent Receivables Purchase Agreement;

(v) all right, title and interest of the Seller in and to refunds for the costs of extended service contracts with respect to Financed Vehicles securing Subsequent Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle under a Subsequent Receivable or his or her obligations with respect to a Financed Vehicle and any recourse to Dealers for any of the foregoing;

(vi) the Receivable File related to each Subsequent Receivable;

(vii) all amounts and property from time to time held in or credited to the Collection Account, the Pre-Funding Account, the Interest Reserve Account or the Lockbox Account;

(viii) the proceeds of any and all of the foregoing; and

(ix) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing.

(b) The Seller shall transfer to the Issuer the Subsequent Receivables and the other property and rights related thereto described in paragraph (a) above only upon the satisfaction of each of the following conditions on or prior to the related Subsequent Transfer Date:

(i) the Seller shall have provided the Trustee, the Owner Trustee, the Note Insurer and the Rating Agencies with an Addition Notice not later than five Business Days prior to such Subsequent Transfer Date and shall have provided any information reasonably requested by any of the foregoing with respect to the related Subsequent Receivables;

(ii) the Seller shall have delivered to the Owner Trustee and the Trustee a duly executed Subsequent Transfer Agreement which shall include supplements to Schedule A, listing the related Subsequent Receivables;

(iii) the Seller shall, to the extent required by Section 4.2 of this Agreement, have deposited in the Collection Account all collections in respect of the related Subsequent Receivables;

(iv) as of each Subsequent Transfer Date, (A) the Seller shall not be insolvent and shall not become insolvent as a result of the transfer of Subsequent Receivables on such Subsequent Transfer Date, (B) the Seller shall not intend to incur or believe that it shall incur debts that would be beyond its ability to pay as such debts mature, (C) such transfer shall not have been made with actual intent to hinder, delay or defraud any Person and (D) the assets of the Seller shall not constitute unreasonably small capital to carry out its business as then conducted;

(v) the Funding Period shall not have terminated;

(vi) after giving effect to any transfer of Subsequent Receivables on a Subsequent Transfer Date, the Receivables then owned by the Trust shall meet the following criteria (based on the characteristics of the Initial Receivables on the Initial Cutoff Date and the Subsequent Receivables on the related Subsequent Cutoff Dates): (A) the weighted average APR of such Receivables will be greater than or equal to 19.50%, (B) the weighted average remaining term of such Receivables will be within a range of 58 to 72 months, (C) not more than 90% of the aggregate principal balance of such Receivables will represent financing of used Financed Vehicles, (D) not more than 1.00% of the principal balances of such Receivables will have an APR in excess of 24.00%, (E) each Receivable will have a minimum APR of 14.00%; (F) each Receivable will have an original term of no more than 72 months and no more than 25.00% of the receivables will have an original term in excess of sixty (60) months; (G) no more than 20.00% of the Receivables will be originated in Texas; (H) not less than 75.00% of the aggregate Principal Balance of the Receivables will have been purchased under the Seller's "Alpha", "SUAL", or "Alpha Plus" programs; (I) none of the Receivables will have been purchased under the Seller's "First-Time Buyer" program; (J) none of the Receivables will have been originated by MFN; and (K) the Trust, the Trustee, the Owner Trustee and the Note Insurer shall have received written confirmation from a firm of certified independent public accountants as to the satisfaction of the criteria in clauses (A) through (J) above;

(vii) each of the representations and warranties made by the Seller pursuant to Section 3.1 with respect to the Subsequent Receivables to be transferred on such Subsequent Transfer Date shall be true and correct as of the related Subsequent Transfer Date, and the Seller shall have performed all obligations to be performed by it hereunder on or prior to such Subsequent Transfer Date;

(viii) the Seller shall, at its own expense, on or prior to the Subsequent Transfer Date indicate in its computer files that the Subsequent Receivables identified in the Subsequent Transfer Agreement have been sold to the Trust pursuant to this Agreement;

(ix) the Seller shall have taken any action required to maintain the first priority perfected ownership interest of the Issuer in the Owner Trust Estate and the first priority perfected security interest of the Trustee in the Collateral;

(x) no selection procedures adverse to the interests of the Securityholders or the Note Insurer shall have been utilized in selecting the Subsequent Receivables;

(xi) the addition of any such Subsequent Receivables shall not result in a material adverse tax consequence to the Trust or the Noteholders;

(xii) the Seller shall have delivered (A) to the Rating Agencies and the Note Insurer an Opinion of Counsel with respect to the transfer of such Subsequent Receivables, which Opinion of Counsel may be in the form of a "bring down" letter to the Opinion of Counsel delivered to the Rating Agencies and the Note Insurer on the Closing Date, and (B) to the Trustee the Opinion of Counsel required by Section 13.2(i)(i), which Opinion of Counsel may be in the form of a "bring down" letter to the Opinion of Counsel delivered to the Trustee on the Closing Date;

(xiii) each of the Seller, the Owner Trustee, the Trustee and the Insurer shall have received verbal verification from the Rating Agencies that the addition of all such Subsequent Receivables will not result in a qualification, modification or withdrawal of the then current rating of each class of Notes without regard to the Policy;

(xiv) the Note Insurer (so long as no Insurer Default shall have occurred and be continuing), in its absolute and sole discretion, shall have approved in writing the transfer of such Subsequent Receivables to the Issuer and the Note Insurer shall have been reimbursed for any fees and expenses incurred by the Note Insurer in connection with the granting of such approval;

(xv) the Seller shall simultaneously transfer the Subsequent Spread Account Deposit and the Subsequent Stanwich Deposit to the Collateral Agent with respect to the Subsequent Receivables transferred on such Subsequent Transfer Date; and

(xvi) the Seller shall have delivered to the Note Insurer and the Trustee an Officers' Certificate confirming the satisfaction of each condition precedent specified in this paragraph (b).

The Seller covenants that in the event any of the foregoing conditions precedent are not satisfied with respect to any Subsequent Receivable on the date required as specified above, the Seller will immediately repurchase such

Subsequent Receivable from the Issuer, at a price equal to the Purchase Amount thereof, in the manner specified in Section 3.2.

SECTION 2.3 TRANSFERS INTENDED AS SALES. It is the intention of the Seller that the transfer and assignment contemplated by Sections 2.1 and 2.2 of this Agreement shall constitute a sale of the Receivables and other Trust Property from the Seller to the Issuer and the beneficial interest in and title to the Receivables and other Trust Property shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. In the event that, notwithstanding the intent of the Seller, the transfer and assignment contemplated hereby is held not to be a sale, this Agreement shall constitute a grant of a security interest in the Trust Property to the Trust for the benefit of the Noteholders and the Note Insurer and this Agreement shall constitute a security agreement under applicable law. The Seller shall take such actions as are necessary from time to time in order to maintain the perfection and priority of the Issuer's security interest in the Trust Property.

SECTION 2.4 FURTHER ENCUMBRANCE OF TRUST PROPERTY.

(a) Immediately upon the conveyance to the Trust by the Seller of any item of the Trust Property pursuant to Section 2.1 or Section 2.2, all right, title and interest of the Seller in and to such item of Trust Property shall terminate, and all such right, title and interest shall vest in the Trust, in accordance with the Trust Agreement and Sections 3802 and 3805 of the Business Trust Statute (as defined in the Trust Agreement).

(b) Immediately upon the vesting of the Trust Property in the Trust, the Trust shall have the sole right to pledge or otherwise encumber, such Trust Property. Pursuant to the Indenture, the Trust shall grant a security interest in the Trust Property to secure the repayment of the Notes. The Certificates shall represent beneficial ownership interests in the Trust Property, and the Certificateholders shall be entitled to receive distributions with respect thereto as set forth herein and in the Spread Account Supplement.

(c) Following the payment in full of the Notes and the release and discharge of the Indenture, all covenants of the Issuer under Article III of the Indenture shall, until all amounts due in respect of the Certificates have been paid in full, remain as covenants of the Issuer for the benefit of the Certificateholders, enforceable by the Certificateholders to the same extent as such covenants were enforceable by the Noteholders prior to the discharge of the Indenture. Any rights of the Trustee under Article III of the Indenture, following the discharge of the Indenture, shall vest in the Certificateholders.

(d) The Trustee shall, at such time as there are no Notes outstanding and all sums due to the Trustee pursuant to the Indenture and this Agreement, have been paid, release any remaining portion of the Trust Property to the Certificateholders.

ARTICLE III

THE RECEIVABLES

SECTION 3.1 REPRESENTATIONS AND WARRANTIES OF SELLER. The Seller makes the following representations and warranties as to the Receivables to the Note Insurer, the Issuer and to the Trustee for the benefit of the Noteholders on which the Issuer relies in acquiring the Receivables, and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party and on which the Note Insurer relies in issuing the Note Policy. Such representations and warranties speak as of the execution and delivery of this Agreement and as of the Closing Date (in the case of the Initial Receivables) or as of the related Subsequent Transfer Date, in case of the Subsequent Receivables, but shall survive the sale, transfer and assignment of the Receivables to the Issuer and the pledge thereof to the Trustee pursuant to the Indenture.

(i) CHARACTERISTICS OF RECEIVABLES. (A) Each Receivable (1) has been originated in the United States of America by a Dealer for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business, has been fully and properly executed by the parties thereto and has been purchased by CPS in connection with the sale of Financed Vehicles by the Dealers, (2) has created a valid, subsisting, and enforceable first priority perfected security interest in favor of CPS in the Financed Vehicle, which security interest has been assigned by CPS to the Seller, which in turn has assigned such security interest to the Trust which has assigned such security interest to the Trustee, (3) contains customary and enforceable provisions such that the rights and remedies of the holder or assignee thereof shall be adequate for realization against the collateral of the benefits of the security, (4) provides for level monthly payments that fully amortize the Amount Financed over the original term (except for the last payment, which may be different from the level payment) and yield interest at the Annual Percentage Rate, (5) has an Annual Percentage Rate of not less than 14.000%, (6) that is a Rule of 78's Receivable provides for, in the event that such contract is prepaid, a prepayment that fully pays the Principal Balance and includes a full month's interest, in the month of prepayment, at the Annual Percentage Rate, (7) is a Rule of 78's Receivable or a Simple Interest Receivable, and (8) was originated by a Dealer and was sold by the Dealer without any fraud or misrepresentation on the part of such Dealer. (B) Approximately 84.98% of the aggregate Principal Balance of the Initial Receivables, constituting 88.15% of the number of Initial Receivables, as of the Initial Cutoff Date, represents financing of used automobiles, light trucks, vans or minivans; the remainder of the Receivables represent financing of new vehicles; approximately 51.96% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff

Date were originated under the CPS Alpha Program; approximately 7.19% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Delta Program; none of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS First-Time Buyer Program; approximately 16.44% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Standard Program; approximately 10.40% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Super Alpha Program; approximately 14.02% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the Alpha Plus Program; no Initial Receivable has a payment that is more than 30 days contractually delinquent as of the Initial Cutoff Date; 0.07% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date are Rule of 78's Receivables and 99.93% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date are Simple Interest Receivables; each Initial Receivable has a final scheduled payment due no later than January 5, 2008; and each Initial Receivable was originated on or before the Initial Cutoff Date.

(ii) SCHEDULE OF RECEIVABLES. The information with respect to the Receivables set forth in Schedule A to this Agreement is true and correct in all material respects as of the close of business on the Initial Cutoff Date, and no selection procedures adverse to the Noteholders have been utilized in selecting the Receivables.

(iii) COMPLIANCE WITH LAW. Each Receivable, the sale of the Financed Vehicle and the sale of any physical damage, credit life and credit accident and health insurance and any extended warranties or service contracts complied at the time the related Receivable was originated or made and at the execution of this Agreement (or the applicable Subsequent Transfer Agreement) complies in all material respects with all requirements of applicable Federal, State, and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Soldiers' and Sailors' Civil Relief Act of 1940, the Texas Consumer Credit Code, the California Automobile Sales Finance Act and State adaptations of the National Consumer Act and of the Uniform Consumer Credit Code, and other consumer credit laws and equal credit opportunity and disclosure laws.

(iv) NO GOVERNMENT OBLIGOR. None of the Receivables are due from the United States of America or any State or from any agency, department, or instrumentality of the United States of America or any State.

(v) SECURITY INTEREST IN FINANCED VEHICLE. Immediately subsequent to the sale, assignment and transfer thereof to the Trust, each Receivable shall be secured by a validly perfected first priority

security interest in the Financed Vehicle in favor of the Trust as secured party, and such security interest is prior to all other liens upon and security interests in such Financed Vehicle which now exist or may hereafter arise or be created (except, as to priority, for any tax liens or mechanics' liens which may arise after the Closing Date, in the case of the Initial Receivables, or after the related Subsequent Transfer Date, in the case of the Subsequent Receivables).

(vi) RECEIVABLES IN FORCE. No Receivable has been satisfied, subordinated or rescinded, nor has any Financed Vehicle been released from the lien granted by the related Receivable in whole or in part.

(vii) NO WAIVER. Except as permitted under Section 4.2, no provision of a Receivable has been waived.

(viii) NO AMENDMENTS. Except as permitted under Section 4.2, no Receivable has been amended, except as such Receivable may have been amended to grant extensions which shall not have numbered more than (a) one extension of one calendar month in any calendar year or (b) three such extensions in the aggregate.

(ix) NO DEFENSES. No right of rescission, setoff, counterclaim or defense exists or has been asserted or threatened with respect to any Receivable. The operation of the terms of any Receivable or the exercise of any right thereunder will not render such Receivable unenforceable in whole or in part or subject to any such right of rescission, setoff, counterclaim, or defense.

(x) NO LIENS. As of the Initial Cutoff Date (with respect to the Initial Receivables) or the applicable Subsequent Cutoff Date (with respect to the related Subsequent Receivables), (a) there are no liens or claims existing or which have been filed for work, labor, storage or materials relating to a Financed Vehicle that shall be liens prior to, or equal or coordinate with, the security interest in the Financed Vehicle granted by the Receivable and (b) there is no lien against the related Financed Vehicle for delinquent taxes.

(xi) NO DEFAULT; REPOSSESSION. Except for payment delinquencies continuing for a period of not more than thirty days as of the Initial Cutoff Date (with respect to the Initial Receivables) or the applicable Subsequent Cutoff Date (with respect to the Subsequent Receivables), no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition that with notice or the lapse of time would constitute a default, breach, violation or event permitting acceleration under the terms of any Receivable has arisen; and the Seller shall not waive and has not waived any of the foregoing (except in a manner consistent with Section 4.2); and no Financed Vehicle shall have been repossessed as of the Initial Cutoff Date (with respect to the Initial Receivables) or the Subsequent Cutoff Date (with respect to the Subsequent Receivables).

(xii) INSURANCE; OTHER. (A) Each Obligor has obtained insurance covering the Financed Vehicle as of the execution of the Receivable insuring against loss and damage due to fire, theft, transportation, collision and other risks generally covered by comprehensive and collision coverage, and each Receivable requires the Obligor to obtain and maintain such insurance naming CPS and its successors and assigns as an additional insured, (B) each Receivable that finances the cost of premiums for credit life and credit accident and health insurance is covered by an insurance policy or certificate of insurance naming CPS as policyholder (creditor) under each such insurance policy and certificate of insurance and (C) as to each Receivable that finances the cost of an extended service contract, the respective Financed Vehicle which secures the Receivable is covered by an extended service contract.

(xiii) TITLE. It is the intention of the Seller that the transfer and assignment herein contemplated constitute a sale of the Receivables from the Seller to the Trust and that the beneficial interest in and title to such Receivables not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. No Receivable has been sold, transferred, assigned, or pledged by the Seller to any Person other than the Trust. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable and was the sole owner thereof, free and clear of all liens, claims, encumbrances, security interests, and rights of others, and, immediately upon the transfer thereof, the Trust for the benefit of the Noteholders and the Note Insurer shall have good and marketable title to each such Receivable and will be the sole owner thereof, free and clear of all liens, encumbrances, security interests, and rights of others, and the transfer has been perfected under the UCC.

(xiv) LAWFUL ASSIGNMENT. No Receivable has been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Receivable under this Agreement or pursuant to transfers of the Securities shall be unlawful, void, or voidable. The Seller has not entered into any agreement with any account debtor that prohibits, restricts or conditions the assignment of any portion of the Receivables.

(xv) ALL FILINGS MADE. All filings (including, without limitation, UCC filings) necessary in any jurisdiction to give the Trust a first priority perfected ownership interest in the Receivables and the Other Conveyed Property have been made, taken or performed within 10 days of the Closing Date.

(xvi) RECEIVABLE FILE; ONE ORIGINAL. CPS has delivered to the Trustee a complete Receivable File with respect to each Receivable. There is only one original executed copy of each Receivable.

(xvii) CHATTEL PAPER. Each Contract constitutes "tangible chattel paper" under the UCC.

(xviii) TITLE DOCUMENTS. (A) If the Receivable was originated in a State in which notation of a security interest on the title document of the related Financed Vehicle is required or permitted to perfect such security interest, the title document of the related Financed Vehicle for such Receivable shows, or if a new or replacement title document is being applied for with respect to such Financed Vehicle the title document (or, with respect to Receivables originated in the Non-Certificated Title States, other evidence of title issued by the applicable Department of Motor Vehicles or similar authority) will be received within 180 days and will show, CPS named as the original secured party under the related Receivable as the holder of a first priority security interest in such Financed Vehicle, and (B) if the Receivable was originated in a State in which the filing of a financing statement under the UCC is required to perfect a security interest in motor vehicles, such filings or recordings have been duly made and show CPS named as the original secured party under the related Receivable, and in either case, the Trust has the same rights as such secured party has or would have (if such secured party were still the owner of the Receivable) against all parties claiming an interest in such Financed Vehicle. With respect to each Receivable for which the title document has not yet been returned from the Registrar of Titles, CPS has received written evidence from the related Dealer that such title document showing CPS as first lienholder has been applied for.

(xix) VALID AND BINDING OBLIGATION OF OBLIGOR. Each Receivable is the legal, valid and binding obligation in writing of the Obligor thereunder and is enforceable in accordance with its terms, except only as such enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and all parties to such contract had full legal capacity to execute and deliver such contract and all other documents related thereto and to grant the security interest purported to be granted thereby.

(xx) CHARACTERISTICS OF OBLIGORS. As of the date of each Obligor's application for the loan from which the related Receivable arises, such Obligor (a) did not have any material past due credit obligations or any personal or real property repossessed or wages garnished within one year prior to the date of such application, unless such amounts have been repaid or discharged through bankruptcy, (b) was not the subject of any Federal, State or other bankruptcy, insolvency or similar proceeding pending on the date of application that is not discharged, (c) had not been the subject of more than one Federal, State or other bankruptcy, insolvency or similar proceeding, and (d) was domiciled in the United States.

(xxi) ORIGINATION DATE. Each Receivable has an origination date on or after February 13, 1997.

(xxii) MATURITY OF RECEIVABLES. Each Receivable has an original term to maturity of not more than 72.00 months; the weighted average original term to maturity of the Initial Receivables was 61.00 months as of the Initial Cutoff Date; the remaining term to maturity of each Receivable was 72.00 months or less as of the Initial Cutoff Date (with respect to the Initial Receivables) or the applicable Subsequent Cutoff Date (with respect to the Subsequent Receivables); the weighted average remaining term to maturity of the Initial Receivables was 56.45 months as of the Initial Cutoff Date.

(xxiii) SCHEDULED RECEIVABLE PAYMENTS. Each Initial Receivable had an original principal balance of not less than $4,996.46 nor more than $26,220.94.

(xxiv) ORIGINATION OF RECEIVABLES. Based on the billing address of the Obligors and the Principal Balances as of the Initial Cutoff Date, approximately 12.98% and 8.11% of the aggregate Principal Balance of the Initial Receivables represents Receivables that were originated in the States of Texas and North Carolina, respectively.

(xxv) POST-OFFICE BOX. On or prior to the next billing period after the Initial Cutoff Date (in the case of the Initial Receivables) or the applicable Subsequent Cutoff Date (in the case of the Subsequent Receivables), CPS will notify each Obligor to make payments with respect to its respective Receivables after the Initial Cutoff Date (in the case of the Initial Receivables) or the applicable Subsequent Cutoff Date (in the case of the Subsequent Receivables) directly to the Post-Office Box, and will provide each Obligor with a monthly statement in order to enable such Obligors to make payments directly to the Post-Office Box.

(xxvi) LOCATION OF RECEIVABLE FILES. A complete Receivable File with respect to each Receivable has been or prior to the Closing Date or the related Subsequent Transfer Date, as applicable, will be delivered to the Trustee at the location listed in Schedule B.

(xxvii) CASUALTY. No Financed Vehicle has suffered a Casualty.

(xxviii) PRINCIPAL BALANCE/NUMBER OF CONTRACTS. As of the Initial Cutoff Date, the total aggregate principal balance of the Initial Receivables was $42,433,457.57. The Initial Receivables are evidenced by 2,961 Contracts.

(xxix) FULL AMOUNT ADVANCED. The full amount of each Receivable has been advanced to each Obligor, and there are no requirements for future advances thereunder. The Obligor with respect to the Receivable does not have any option under the Receivable to borrow from any person additional funds secured by the Financed Vehicle.

(xxx) CREATION OF SECURITY INTEREST. This Agreement creates a valid and continuing security interest (as defined in the UCC) in the Trust Property in favor of the Issuer for the benefit of the Noteholders and the Note Insurer, which security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Seller.

(xxxi) PERFECTION OF SECURITY INTEREST IN FINANCED VEHICLES. CPS has taken all steps necessary to perfect its security interest against the Obligors in the Financed Vehicles securing the Contracts.

(xxxii) PERFECTION OF SECURITY INTEREST IN TRUST PROPERTY. The Seller has caused or will have caused, within 10 days of the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Trust Property granted to the Issuer for the benefit of the Noteholders and the Note Insurer hereunder pursuant to Section 2.3.

(xxxiii) NO OTHER SECURITY INTERESTS. Other than the security interest granted to the Issuer for the benefit of the Noteholders and the Note Insurer pursuant to Section 2.3, the Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Property. The Seller has not authorized the filing of and is not aware of any financing statements filed against the Seller that include a description of collateral covering the Trust Property other than any financing statement relating to the security interest granted to the Issuer for the benefit of the Noteholders and the Note Insurer hereunder or that has been terminated. The Seller is not aware of any judgment or tax lien filings against the Seller.

(xxxiv) NOTATIONS ON CONTRACTS; FINANCING STATEMENT DISCLOSURE. The Servicer has in its possession copies of all Contracts that constitute or evidence the Receivables. The Contracts that constitute or evidence the Receivables do not have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Issuer and/or the Trustee for the benefit of the Noteholders and the Note Insurer. All financing statements filed or to be filed against the Seller in favor of the Issuer in connection herewith describing the Trust Property contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of CPS Auto Receivables Trust 2002-A, as secured party."

The representations and warranties set forth above in paragraphs (xiii), (xv), (xvii) and paragraphs (xxx) through (xxxiv) shall survive the termination of this Agreement and may not be waived in whole or in part.

SECTION 3.2 REPURCHASE UPON BREACH.

(a) The Seller, the Servicer, the Note Insurer, the Trustee or (upon actual knowledge of a Responsible Officer thereof) the Owner Trustee, as the case may be, shall inform the other parties to this Agreement promptly, in writing, upon the discovery of any breach of the Seller's representations and warranties made pursuant to Section 3.1 (without regard to any limitations therein as to the Seller's knowledge). Unless the breach shall have been cured by the last day of the second Collection Period following the discovery thereof by the Trustee or the Note Insurer or receipt by the Trustee, the Owner Trustee and the Note Insurer of notice from the Seller or the Servicer of such breach, CPS (pursuant to the Receivables Purchase Agreement) shall repurchase any Receivable if the value of such Receivable is materially and adversely affected by the breach as of the last day of such second Collection Period (or, at CPS's option, the last day of the first Collection Period following the discovery) and, in the event that the breach relates to a characteristic of the Receivables in the aggregate, and if the interests of the Trust or the Noteholders are materially and adversely affected by such breach, unless the breach shall have been cured by the last day of such second Collection Period, CPS (pursuant to the Receivables Purchase Agreement) shall purchase such aggregate Principal Balance of Receivables, such that following such purchase such representation shall be true and correct with respect to the remainder of the Receivables in the aggregate. In consideration of the purchase of the Receivable, CPS shall remit the Purchase Amount, in the manner specified in Section 5.6. For purposes of this Section, the Purchase Amount of a Receivable which is not consistent with the warranty pursuant to Section 3.1(i)(A)(5) or (A)(6) shall include such additional amount as shall be necessary to provide the full amount of interest as contemplated therein. The sole remedy of the Issuer, the Owner Trustee, the Trustee, the Securityholders or the Note Insurer with respect to a breach of representations and warranties pursuant to Section 3.1 shall be to enforce CPS's obligation to purchase such Receivables pursuant to the Receivables Purchase Agreement; provided, however, that CPS shall indemnify the Trustee, the Owner Trustee, the Standby Servicer, the Collateral Agent, the Note Insurer, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. Upon receipt of the Purchase Amount and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivables File and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by the Seller and delivered to the Trustee and necessary to vest in CPS or such designee title to the Receivable including a Trustee's Certificate in the form of Exhibit F-1.

(b) If it is determined that consummation of the transactions contemplated by this Agreement and the other transaction documents referenced in this Agreement, the servicing and operation of the Trust pursuant to this Agreement and such other documents, or the ownership of a Note or Certificate by a Holder constitutes a violation of the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the Internal Revenue Code of 1986, as amended (the "Code") or any successor statutes of similar impact, together with the regulations thereunder, to which no

statutory exception or administrative exemption applies, such violation shall not be treated as a breach of the Seller's representations and warranties made pursuant to Section 3.1 if not otherwise such a breach.

(c) Pursuant to Sections 2.1 and 2.2 of this Agreement, the Seller has conveyed to the Trust all of the Seller's right, title and interest in its rights and benefits, but none of its obligations or burdens, under the Receivables Purchase Agreement and each Subsequent Transfer Agreement, including the Seller's rights under the Receivables Purchase Agreement and each Subsequent Transfer Agreement and the delivery requirements, representations and warranties and the cure, repurchase and indemnity obligations of CPS under the Receivables Purchase Agreement and each Subsequent Transfer Agreement. The Seller hereby represents and warrants to the Trust that such assignment is valid, enforceable and effective to permit the Trust to enforce such obligations of CPS under the Receivables Purchase Agreement and each Subsequent Transfer Agreement.

SECTION 3.3 CUSTODY OF RECEIVABLES FILES.

(a) In connection with the sale, transfer and assignment of the Receivables and the Other Conveyed Property to the Trust pursuant to this Agreement the Trustee shall act as custodian of the following documents or instruments in its possession which shall be delivered to the Trustee on or before the Closing Date (with respect to each Initial Receivable) or the applicable Subsequent Transfer Date (with respect to each Subsequent Receivable):

(i) The fully executed original of the Receivable (together with any agreements modifying the Receivable, including without limitation any extension agreements);

(ii) The original certificate of title in the name of CPS or such documents that CPS shall keep on file, in accordance with its customary procedures, evidencing the security interest of CPS in the Financed Vehicle or, if not yet received, a copy of the application therefor showing CPS as secured party.

(b) Upon payment in full of any Receivable, the Servicer will notify the Trustee pursuant to a certificate of an officer of the Servicer (which certificate shall include a statement to the effect that all amounts received in connection with such payments which are required to be deposited in the Collection Account pursuant to Section 4.2 have been so deposited) and shall request delivery of the Receivable and Receivable File to the Servicer.

SECTION 3.4 ACCEPTANCE OF RECEIVABLE FILES BY TRUSTEE. The Trustee acknowledges receipt of files which the Seller has represented are the Receivable Files for the Initial Receivables. The Trustee has reviewed such Receivable Files and has determined that it has received a file for each Initial Receivable identified in Schedule A to this Agreement. Not less than four (4) Business Days prior to each Subsequent Transfer Date, the Seller will cause to

be delivered to the Trustee the Receivable Files for the Subsequent Receivables to be transferred to the Trust on such Subsequent Transfer Date. The Trustee declares that it holds and will continue to hold such files and any amendments, replacements or supplements thereto and all other Trust Assets as Trustee in trust for the use and benefit of all present and future Securityholders. The Trustee agrees to review each file delivered to it no later than 45 days after the Closing Date (in the case of the Initial Receivables) or applicable Subsequent Transfer Date (in the case of the Subsequent Receivables) to determine whether such Receivable Files contain the documents referred to in Sections 3.3(a)(i) and (ii). If the Trustee has found or finds that a file for a Receivable has not been received, or that a file is unrelated to the Receivables identified in Schedule A to this Agreement or that any of the documents referred to in Section 3.3(a)(i) or (ii) are not contained in a Receivable File, the Trustee shall inform CPS, the Seller, the Owner Trustee and the Note Insurer promptly, in writing, of the failure to receive a file with respect to such Receivable (or of the failure of any of the aforementioned documents to be included in the Receivable File) or shall return to CPS as the Seller's designee any file unrelated to a Receivable identified in Schedule A to this Agreement (it being understood that the Trustee's obligation to review the contents of any Receivable File shall be limited as set forth in the preceding sentence). Unless such defect with respect to such Receivable File shall have been cured by the last day of the second Collection Period following discovery thereof by the Trustee, the Trustee shall cause CPS to repurchase any such Receivable as of such last day pursuant to the Receivables Purchase Agreement. In consideration of the purchase of the Receivable, CPS shall remit the Purchase Amount, in the manner specified in Section 5.6. The sole remedy of the Trustee, the Trust, or the Securityholders with respect to a breach pursuant to this Section 3.4 shall be to require CPS to purchase the applicable Receivables pursuant to this Section 3.4; provided, however, that CPS shall indemnify the Trustee, the Owner Trustee, the Standby Servicer, the Collateral Agent, the Note Insurer, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. Upon receipt of the Purchase Amount and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivable File and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by CPS and delivered to the Trustee and are necessary to vest in CPS or such designee title to the Receivable including a Trustee's Certificate in the form of Exhibit F-1. The Trustee shall make a list of Receivables for which an application for a certificate of title but not an original certificate of title or, with respect to Receivables originated in the Non-Certificated Title States, another evidence of title issued by the applicable Department of Motor Vehicles or similar authority, is included in the Receivable File as of the date of its review of the Receivable Files and deliver a copy of such list to the Servicer, the Owner Trustee and the Note Insurer. On the date which is 180 days following the Closing Date (in the case of the Initial Receivables) or applicable Subsequent Transfer Date (in the case of the Subsequent Receivables) or, if such day is not a Business Day, the next succeeding Business Day, the Trustee shall inform CPS and the other parties to this Agreement and the Note Insurer of any Receivable for which the related

Receivable File on such date does not include an original certificate of title or, with respect to Financed Vehicles in the Non-Certificated Title States, for which the related Receivable File on such date does not include evidence of title issued by the applicable Department of Motor Vehicles or similar authority, and CPS shall repurchase any such Receivable as of the last day of the current Collection Period.

SECTION 3.5 ACCESS TO RECEIVABLE FILES. The Trustee shall permit the Servicer and the Note Insurer access to the Receivable Files at all reasonable times during the Trustee's normal business hours. The Trustee shall, within two Business Days of the request of the Servicer, the Owner Trustee or the Note Insurer, execute such documents and instruments as are prepared by the Servicer, the Owner Trustee or the Note Insurer and delivered to the Trustee, as the Servicer, the Owner Trustee or the Note Insurer deems necessary to permit the Servicer, in accordance with its customary servicing procedures, to enforce the Receivable on behalf of the Trust and any related insurance policies covering the Obligor, the Receivable or Financed Vehicle so long as such execution in the Trustee's sole discretion does not conflict with this Agreement and will not cause it undue risk or liability. The Trustee shall not be obligated to release any document from any Receivable File unless it receives a trust receipt signed by a Servicing Officer in the form of Exhibit C hereto (the "TRUST RECEIPT"). Such Trust Receipt shall obligate the Servicer to return such document(s) to the Trustee when the need therefor no longer exists unless the Receivable shall be liquidated, in which case, upon receipt of a certificate of a Servicing Officer substantially in the form of Exhibit D hereto to the effect that all amounts required to be deposited in the Collection Account with respect to such Receivable have been so deposited, the Trust Receipt shall be released by the Trustee to the Servicer.

ARTICLE IV

ADMINISTRATION AND SERVICING OF RECEIVABLES

SECTION 4.1 DUTIES OF THE SERVICER. The Servicer, as agent for the Trust, the Securityholders and the Note Insurer (to the extent provided herein) shall manage, service, administer and make collections on the Receivables with reasonable care, using that degree of skill and attention customary and usual for institutions which service motor vehicle retail installment contracts similar to the Receivables and, to the extent more exacting, that the Servicer exercises with respect to all comparable automotive receivables that it services for itself or others. The Servicer's duties shall include collection and posting of all payments, responding to inquiries of Obligors on such Receivables, investigating delinquencies, sending payment statements to Obligors, reporting tax information to Obligors, accounting for collections, furnishing monthly and annual statements to the Trustee, the Owner Trustee and the Note Insurer with respect to distributions. Without limiting the generality of the foregoing, and subject to the servicing standards set forth in this Agreement, the Servicer is authorized and empowered by the Trust to execute and deliver, on behalf of itself, the Trust or the Securityholders, any and all instruments of satisfaction or cancellation, or partial or full release or discharge, and all other comparable instruments, with respect to such Receivables or to the

Financed Vehicles securing such Receivables and/or the certificates of title or, with respect to Financed Vehicles in the Non-Certificated Title States, other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority. If the Servicer shall commence a legal proceeding to enforce a Receivable, the Trust shall thereupon be deemed to have automatically assigned, solely for the purpose of collection, such Receivable to the Servicer. If in any enforcement suit or legal proceeding it shall be held that the Servicer may not enforce a Receivable on the ground that it shall not be a real party in interest or a holder entitled to enforce such Receivable, the Trust shall, at the Servicer's expense and direction, take steps to enforce such Receivable, including bringing suit in its name or the name of the Securityholders. The Servicer shall prepare and furnish, and the Trustee and the Owner Trustee shall execute, any powers of attorney and other documents reasonably necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder.

SECTION 4.2 COLLECTION OF RECEIVABLE PAYMENTS; MODIFICATIONS OF RECEIVABLES; LOCKBOX AGREEMENTS.

(a) Consistent with the standards, policies and procedures required by this Agreement, the Servicer shall make reasonable efforts to collect all payments called for under the terms and provisions of the Receivables as and when the same shall become due and shall follow such collection procedures as it follows with respect to all comparable automotive receivables that it services for itself or others; provided, however, that promptly after the Closing Date the Servicer shall notify each Obligor to make all payments with respect to the Receivables to the Post-Office Box. The Servicer will provide each Obligor with a monthly statement in order to notify such Obligors to make payments directly to the Post-Office Box. The Servicer shall allocate collections between principal and interest in accordance with the customary servicing procedures it follows with respect to all comparable automotive receivables that it services for itself or others and in accordance with the terms of this Agreement. Except as provided below, the Servicer, for so long as CPS is the Servicer, may grant extensions on a Receivable; provided, however, that the Servicer may not grant more than one extension per calendar year with respect to a Receivable or grant an extension with respect to a Receivable for more than one calendar month or grant more than three extensions in the aggregate with respect to a Receivable without the prior written consent of the Note Insurer and provided, further, that if the Servicer extends the date for final payment by the Obligor of any Receivable beyond the last day of the penultimate Collection Period preceding the Class A-2 Final Scheduled Payment Date, it shall promptly purchase the Receivable from the Trust in accordance with the terms of Section 4.7 hereof (and for purposes thereof, the Receivable shall be deemed to be materially and adversely affected by such breach). If the Servicer is not CPS, the Servicer may not make any extension on a Receivable without the prior written consent of the Note Insurer. The Servicer may in its discretion waive any late payment charge or any other fees that may be collected in the ordinary course of servicing a Receivable. Notwithstanding anything to the contrary contained herein, the Servicer shall not agree to any alteration of the interest rate on any Receivable or of the amount of any Scheduled Receivable Payment on Receivables.

(b) The Servicer shall establish the Lockbox Account in the name of the Trust for the benefit of the Trustee for the further benefit of the Securityholders and the Note Insurer. Pursuant to the Lockbox Agreement, the Trustee has authorized the Servicer to direct dispositions of funds on deposit in the Lockbox Account to the Collection Account (but not to any other account), and no other Person, save the Lockbox Processor and the Trustee, has authority to direct disposition of funds on deposit in the Lockbox Account. The Trustee shall have no liability or responsibility with respect to the Lockbox Processor's directions or activities as set forth in the preceding sentence. The Lockbox Account shall be established pursuant to and maintained in accordance with the Lockbox Agreement and shall be a demand deposit account initially established and maintained with the Lockbox Bank or, at the request of the Note Insurer (unless an Insurer Default shall have occurred and be continuing), an Eligible Account satisfying clause (i) of the definition thereof; provided, however, that the Trustee shall give the Servicer prior written notice of any change made at the request of the Note Insurer in the location of the Lockbox Account. The Trustee shall establish and maintain the Post-Office Box at a United States Post Office Branch in the name of the Trust for the benefit of the Securityholders and the Note Insurer.

(c) Notwithstanding any Lockbox Agreement, or any of the provisions of this Agreement relating to the Lockbox Agreement, the Servicer shall remain obligated and liable to the Trust, the Trustee and Securityholders for servicing and administering the Receivables and the Other Conveyed Property in accordance with the provisions of this Agreement without diminution of such obligation or liability by virtue thereof.

(d) In the event the Servicer shall for any reason no longer be acting as such, the Standby Servicer or a successor Servicer shall thereupon assume all of the rights and obligations of the outgoing Servicer under the Lockbox Agreement arising from and after such assumption. In such event, the successor Servicer shall be deemed to have assumed all of the outgoing Servicer's interest therein and to have replaced the outgoing Servicer as a party to the Lockbox Agreement to the same extent as if such Lockbox Agreement had been assigned to the successor Servicer, except that the outgoing Servicer shall not thereby be relieved of any liability or obligations on the part of the outgoing Servicer to the Lockbox Bank under such Lockbox Agreement. The outgoing Servicer shall, upon request of the Trustee, but at the expense of the outgoing Servicer, deliver to the successor Servicer all documents and records relating to the Lockbox Agreement and an accounting of amounts collected and held by the Lockbox Bank and otherwise use its best efforts to effect the orderly and efficient transfer of any Lockbox Agreement to the successor Servicer. In the event that the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) or Holders of Notes evidencing more than 50% of the Aggregate Note Balance (if an Insurer Default shall have occurred and be continuing) shall elect to change the identity of the Lockbox Bank, the Servicer, at its expense, shall cause the Lockbox Bank to deliver, at the direction of the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) or Holders of Notes evidencing more than 50% of the Aggregate Note Balance (if an Insurer Default shall have occurred and be continuing) to the Trustee or a successor Lockbox Bank, all documents and records relating to the Receivables and all amounts held (or thereafter received) by the Lockbox Bank (together with an accounting of such amounts) and shall otherwise use its best efforts to effect the orderly and efficient transfer of the Lockbox arrangements.

(e) On each Business Day, pursuant to the Lockbox Agreement, the Lockbox Processor will transfer any payments from Obligors received in the Post-Office Box to the Lockbox Account. Within two Business Days of receipt of funds into the Lockbox Account, the Servicer shall cause the Lockbox Bank to transfer funds from the Lockbox Account to the Collection Account. In addition, the Servicer shall remit all payments by or on behalf of the Obligors received by the Servicer with respect to the Receivables (other than Purchased Receivables), and all Liquidation Proceeds no later than the Business Day following receipt directly (without deposit into any intervening account) into the Lockbox Account or the Collection Account.

SECTION 4.3 REALIZATION UPON RECEIVABLES. On behalf of the Trust, the Securityholders and the Note Insurer, the Servicer shall use its best efforts, consistent with the servicing procedures set forth herein, to repossess or otherwise convert the ownership of the Financed Vehicle securing any Receivable as to which the Servicer shall have determined eventual payment in full is unlikely. The Servicer shall commence efforts to repossess or otherwise convert the ownership of a Financed Vehicle on or prior to the date that an Obligor has failed to make more than 90% of a Scheduled Receivable Payment thereon in excess of $10 for 120 days or more; provided, however, that the Servicer may elect not to commence such efforts within such time period if in its good faith judgment it determines either that it would be impracticable to do so or that the proceeds ultimately recoverable with respect to such Receivable would be increased by forbearance. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of automotive receivables, consistent with the standards of care set forth in Section 4.2, which may include reasonable efforts to realize upon any recourse to Dealers and selling the Financed Vehicle at public or private sale. The foregoing shall be subject to the provision that, in any case in which the Financed Vehicle shall have suffered damage, the Servicer shall not expend funds in connection with the repair or the repossession of such Financed Vehicle unless it shall determine in its discretion that such repair and/or repossession will increase the proceeds ultimately recoverable with respect to such Receivable by an amount greater than the amount of such expenses.

SECTION 4.4 INSURANCE.

(a) The Servicer, in accordance with the servicing procedures and standards set forth herein, shall require that (i) each Obligor shall have obtained insurance covering the Financed Vehicle, as of the date of the execution of the Receivable, insuring against loss and damage due to fire, theft, transportation, collision and other risks generally covered by comprehensive and collision coverage and each Receivable requires the Obligor to maintain such physical loss and damage insurance naming CPS and its successors and assigns as an additional insured, (ii) each Receivable that finances the cost of premiums for credit life and credit accident and health insurance is covered by an insurance policy or certificate naming CPS as policyholder

(creditor) and (iii) as to each Receivable that finances the cost of an extended service contract, the respective Financed Vehicle which secures the Receivable is covered by an extended service contract.

(b) To the extent applicable, the Servicer shall not take any action which would result in noncoverage under any of the insurance policies referred to in Section 4.4(a) which, but for the actions of the Servicer, would have been covered thereunder. The Servicer, on behalf of the Trust, shall take such reasonable action as shall be necessary to permit recovery under any of the foregoing insurance policies. Any amounts collected by the Servicer under any of the foregoing insurance policies shall be deposited in the Collection Account.

SECTION 4.5 MAINTENANCE OF SECURITY INTERESTS IN VEHICLES.

(a) Consistent with the policies and procedures required by this Agreement, the Servicer shall take such steps on behalf of the Trust as are necessary to maintain perfection of the security interest created by each Receivable in the related Financed Vehicle, including but not limited to obtaining the execution by the Obligors and the recording, registering, filing, re-recording, re-registering and refiling of all security agreements, financing statements and continuation statements or instruments as are necessary to maintain the security interest granted by the Obligors under the respective Receivables. The Trustee hereby authorizes the Servicer, and the Servicer agrees, to take any and all steps necessary to re-perfect or continue the perfection of such security interest on behalf of the Trust as necessary because of the relocation of a Financed Vehicle or for any other reason. In the event that the assignment of a Receivable to the Trust is insufficient, without a notation on the related Financed Vehicle's certificate of title, or without fulfilling any additional administrative requirements under the laws of the state in which the Financed Vehicle is located, to perfect a security interest in the related Financed Vehicle in favor of the Trust, the Servicer hereby agrees that CPS's designation as the secured party on the certificate of title is in its capacity as Servicer as agent of the Trust.

(b) Upon the occurrence of an Insurance Agreement Event of Default, the Note Insurer may (so long as an Insurer Default shall not have occurred and be continuing) instruct the Trustee and the Servicer to take or cause to be taken, or, if an Insurer Default shall have occurred, upon the occurrence of a Servicer Termination Event, the Trustee and the Servicer shall take or cause to be taken such action as may, in the opinion of counsel to the Trustee, which opinion shall not be an expense of the Trustee, be necessary to perfect or re-perfect the security interests in the Financed Vehicles securing the Receivables in the name of the Trust by amending the title documents of such Financed Vehicles or by such other reasonable means as may, in the opinion of counsel to the Trustee, which opinion shall not be an expense of the Trustee, be necessary or prudent. The Servicer hereby agrees to pay all expenses related to such perfection or re-perfection and to take all action necessary therefor. In addition, prior to the occurrence of an Insurance Agreement Event of Default, the Controlling Party may instruct the Trustee and the Servicer to take or cause to be taken such action as may, in the opinion of counsel to the Controlling Party, be necessary to perfect or re-perfect the security interest in the Financed Vehicles underlying the Receivables in the name of the Trust, including

by amending the title documents of such Financed Vehicles or by such other reasonable means as may, in the opinion of counsel to the Controlling Party, be necessary or prudent; provided, however, that if the Controlling Party requests that the title documents be amended prior to the occurrence of an Insurance Agreement Event of Default, the out-of-pocket expenses of the Servicer or the Trustee in connection with such action shall be reimbursed to the Servicer or the Trustee, as applicable, by the Controlling Party.

SECTION 4.6 ADDITIONAL COVENANTS OF SERVICER. The Servicer shall not release the Financed Vehicle securing each Receivable from the security interest granted by such Receivable in whole or in part except in the event of payment in full by the Obligor thereunder or repossession, nor shall the Servicer impair the rights of the Securityholders in such Receivables, nor shall the Servicer amend a Receivable, except that extensions and waivers may be granted in accordance with Section 4.2. The Servicer shall take such actions as are necessary from time to time in order to maintain the perfection and priority of the Issuer's security interest in the Trust Property.

SECTION 4.7 PURCHASE OF RECEIVABLES UPON BREACH OF COVENANT. Upon discovery by any of the Servicer, the Note Insurer, the Owner Trustee or the Trustee of a breach of any of the covenants set forth in Section 4.2(a), 4.4, 4.5 or 4.6, the party discovering such breach shall give prompt written notice to the others; provided, however, that the failure to give any such notice shall not affect any obligation of the Servicer under this Section 4.7. Unless the breach shall have been cured by the last day of the second Collection Period following such discovery (or, at the Servicer's election, the last day of the first following Collection Period), the Servicer shall purchase any Receivable materially and adversely affected by such breach. In consideration of the purchase of such Receivable, the Servicer shall remit the Purchase Amount in the manner specified in Section 5.6. The sole remedy of the Trustee, the Trust, the Owner Trustee, the Note Insurer or the Securityholders with respect to a breach of Section 4.2(a), 4.4, 4.5 or 4.6 shall be to require the Servicer to repurchase Receivables pursuant to this Section 4.7; provided, however, that the Servicer shall indemnify the Trustee, the Standby Servicer, the Collateral Agent, the Note Insurer, the Owner Trustee, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. If it is determined that the management, administration and servicing of the Receivables and operation of the Trust pursuant to this Agreement constitutes a violation of the prohibited transaction rules of ERISA or the Code to which no statutory exception or administrative exemption applies, such violation shall not be treated as a breach of Section 4.2(a), 4.4, 4.5 or 4.6 if not otherwise such a breach.

SECTION 4.8 SERVICING FEE. The "Servicing Fee" for each Payment Date shall be equal to the result of one twelfth times 2.50% of the Pool Balance as of the close of business on the last day of the second preceding Collection Period; provided, however, that with respect to the first Payment Date the Servicer will be entitled to receive a Servicing Fee equal to the product of one-twelfth times 2.50% of the Pool Balance as of the Initial Cutoff Date. The Servicing Fee shall also include all late fees, prepayment charges including, in

the case of a Rule of 78's Receivable that is prepaid in full, to the extent not required by law to be remitted to the related Obligor, the difference between the Principal Balance of such Rule of 78's Receivable (plus accrued interest to the date of prepayment) and the principal balance of such Receivable computed according to the "Rule of 78's", and other administrative fees or similar charges allowed by applicable law with respect to Receivables, collected (from whatever source) on the Receivables. If the Standby Servicer becomes the successor Servicer, the "Servicing Fee" payable to the Standby Servicer as successor Servicer shall be determined in accordance with the Servicing and Lockbox Processing Assumption Agreement.

SECTION 4.9 SERVICER'S CERTIFICATE. By 9:00 a.m., Phoenix time, on each Determination Date, the Servicer shall deliver to the Trustee, the Owner Trustee, the Note Insurer, the Rating Agencies and the Seller a Servicer's Certificate containing all information necessary to make the distributions pursuant to Sections 5.7 and 5.9 (including, if required, withdrawals from the Spread Account) for the Collection Period preceding the date of such Servicer's Certificate and all information necessary for the Trustee to send statements to the Securityholders and the Note Insurer pursuant to Section 5.8(b). Receivables to be purchased by the Servicer or to be purchased by CPS shall be identified by the Servicer by account number with respect to such Receivable (as specified in Schedule A).

SECTION 4.10 ANNUAL STATEMENT AS TO COMPLIANCE, NOTICE OF SERVICER TERMINATION EVENT.

(a) The Servicer shall deliver to the Owner Trustee, the Trustee, the Standby Servicer, the Note Insurer and each Rating Agency, on or before March 31 of each year beginning March 31, 2003, an Officer's Certificate, dated as of December 31 of the preceding year, stating that (i) a review of the activities of the Servicer during the preceding 12-month period and of its performance under this Agreement has been made under such officer's supervision and (ii) to the best of such officer's knowledge, based on such review, the Servicer has fulfilled all its obligations under this Agreement throughout such year (or, in the case of the first such certificate, such shorter period), or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof. The Trustee shall send a copy of such certificate and the report referred to in Section 4.11 to the Rating Agencies. The Trustee shall forward a copy of such certificate as well as the report referred to in Section 4.11 to each Noteholder and the Owner Trustee shall forward a copy to each Certificateholder.

(b) The Servicer shall deliver to the Owner Trustee, the Trustee, the Standby Servicer, the Note Insurer, the Collateral Agent, and each Rating Agency, promptly after having obtained knowledge thereof, but in no event later than two (2) Business Days thereafter, written notice in an Officer's Certificate of any event which with the giving of notice or lapse of time, or both, would become a Servicer Termination Event under Section 10.1.

SECTION 4.11 ANNUAL INDEPENDENT ACCOUNTANTS' REPORT. The Servicer shall cause a firm of nationally recognized independent certified public accountants (the "Independent Accountants"), who may also render other services to the Servicer or to the Seller, to deliver to the Trustee, the Owner Trustee, the Standby Servicer, the Note Insurer and each Rating Agency, on or before March 31 of each year beginning March 31, 2003, a report dated as of December 31 of the previous year (the "Accountants' Report") and reviewing the Servicer's activities during the preceding 12-month period, addressed to the Board of Directors of the Servicer, to the Owner Trustee, the Trustee, the Standby Servicer and to the Note Insurer, to the effect that such firm has examined the financial statements of the Servicer and issued its report therefor and that such examination (1) was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as such firm considered necessary in the circumstances; (2) included tests relating to auto loans serviced for others in accordance with the requirements of the Uniform Single Attestation Program for Mortgage Bankers (the "Program"), to the extent the procedures in the Program are applicable to the servicing obligations set forth in this Agreement; (3) included an examination of the delinquency and loss statistics relating to the Servicer's portfolio of automobile and light truck installment sales contracts; and (4) except as described in the report, disclosed no exceptions or errors in the records relating to automobile and light truck loans serviced for others that, in the firm's opinion, paragraph four of the Program requires such firm to report. The accountant's report shall further state that (1) a review in accordance with agreed upon procedures was made of three randomly selected Servicer Certificates; (2) except as disclosed in the report, no exceptions or errors in the Servicer Certificates were found; and (3) the delinquency and loss information relating to the Receivables and the stated amount of Liquidated Receivables, if any, contained in the Servicer Certificates were found to be accurate. In the event such firm requires the Trustee, the Owner Trustee and/or the Standby Servicer to agree to the procedures performed by such firm, the Servicer shall direct the Trustee, the Owner Trustee and/or the Standby Servicer, as applicable, in writing to so agree; it being understood and agreed that the Trustee, the Owner Trustee and/or the Standby Servicer will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and neither the Trustee, the Owner Trustee nor the Standby Servicer makes any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

The Report will also indicate that the firm is independent of the Servicer within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

SECTION 4.12 ACCESS TO CERTAIN DOCUMENTATION AND INFORMATION REGARDING RECEIVABLES. The Servicer shall provide to representatives of the Trustee, the Owner Trustee, the Standby Servicer and the Note Insurer reasonable access to the documentation regarding the Receivables. In each case, such access shall be afforded without charge but only upon reasonable request and during normal business hours. Nothing in this Section shall derogate from the obligation of the Servicer to observe any applicable law prohibiting disclosure of information

regarding the Obligors, and the failure of the Servicer to provide access as provided in this Section as a result of such obligation shall not constitute a breach of this Section.

SECTION 4.13 VERIFICATION OF SERVICER'S CERTIFICATE.

(a) On or before the fifth calendar day of each month, the Servicer will deliver to the Trustee and the Standby Servicer a computer diskette (or other electronic transmission) in a format acceptable to the Trustee and the Standby Servicer containing information with respect to the Receivables as of the close of business on the last day of the preceding Collection Period which information is necessary for preparation of the Servicer's Certificate. The Standby Servicer shall use such computer diskette (or other electronic transmission) to verify certain information specified in Section 4.13(b) contained in the Servicer's Certificate delivered by the Servicer, and the Standby Servicer shall notify the Servicer and the Note Insurer of any discrepancies on or before the second Business Day following the Determination Date. In the event that the Standby Servicer reports any discrepancies, the Servicer and the Standby Servicer shall attempt to reconcile such discrepancies prior to the second Business Day prior to the related Payment Date, but in the absence of a reconciliation, the Servicer's Certificate shall control for the purpose of calculations and distributions with respect to the related Payment Date. In the event that the Standby Servicer and the Servicer are unable to reconcile discrepancies with respect to a Servicer's Certificate by the related Payment Date, the Servicer shall cause a firm of independent certified public accountants, at the Servicer's expense, to audit the Servicer's Certificate and, prior to the fifth calendar day of the following month, reconcile the discrepancies. The effect, if any, of such reconciliation shall be reflected in the Servicer's Certificate for such next succeeding Determination Date. Other than the duties specifically set forth in this Agreement, the Standby Servicer shall have no obligations hereunder, including, without limitation, to supervise, verify, monitor or administer the performance of the Servicer. The Standby Servicer shall have no liability for any actions taken or omitted by the Servicer. The duties and obligations of the Standby Servicer shall be determined solely by the express provisions of this Agreement and no implied covenants or obligations shall be read into this Agreement against the Standby Servicer.

(b) Standby Servicer shall review each Servicer's Certificate delivered pursuant to Section 4.13(a) and shall:

(i) confirm that such Servicer's Certificate is complete on its face;

(ii) load the computer diskette (which shall be in a format acceptable to the Standby Servicer) received from the Servicer pursuant to Section 4.13(a) hereof, confirm that such computer diskette is in a readable form and calculate and confirm the Principal Balance of each Receivable for the most recent Payment Date;

(iii) confirm that the Total Distribution Amount, the Principal Distributable Amount, the Noteholders' Principal Distributable Amount, the Class A-1 Noteholders' Interest Distributable

Amount, the Class A-2 Noteholders' Interest Distributable Amount, the Note Prepayment Amount, the Class B Certificateholders' Interest Distributable Amount, the Class B Certificateholders' Principal Distributable Amount, the Class B Prepayment Amount, the Standby Fee, the Servicing Fee, the Trustee Fee, the Collateral Agent Fee, the amount on deposit in the Spread Account, and the Premium in the Servicer's Certificate are accurate based solely on the recalculation of the Servicer's Certificate; and

(iv) confirm the calculation of the performance tests set forth in the Spread Account Agreement.

SECTION 4.14 RETENTION AND TERMINATION OF SERVICER. The Servicer hereby covenants and agrees to act as such under this Agreement for an initial term commencing on the Closing Date and ending on March 31, 2002, which term shall be extendible by the Note Insurer for successive quarterly terms ending on each successive June 30, September 30, December 31 and March 31 (or, at the discretion of the Note Insurer exercised pursuant to revocable written standing instructions from time to time to the Servicer and the Trustee, for any specified number of terms greater than one), until such time as the Notes have been paid in full, all amounts due to the Certificateholders have been paid and until the termination of the Trust. Each such notice (including each notice pursuant to standing instructions, which shall be deemed delivered at the end of successive terms for so long as such instructions are in effect) (a "Servicer Extension Notice") shall be delivered by the Note Insurer to the Trustee and the Servicer. The Servicer hereby agrees that, upon its receipt of any such Servicer Extension Notice, the Servicer shall become bound, for the duration of the term covered by such Servicer Extension Notice, to continue as the Servicer subject to and in accordance with the other provisions of this Agreement. If an Insurer Default has occurred and is continuing, the term of the Servicer's appointment hereunder shall be deemed to have been extended until such time, if any, as such Insurer Default has been cured unless such appointment is terminated sooner in accordance with the terms of this Agreement. Until such time as an Insurer Default shall have occurred and be continuing, the Trustee agrees that if as of the fifteenth day prior to the last day of any term of the Servicer, the Trustee shall not have received any Servicer Extension Notice from the Note Insurer, the Trustee shall, within five days thereafter, give written notice of such non-receipt to the Note Insurer.

SECTION 4.15 FIDELITY BOND. The Servicer shall maintain a fidelity bond in such form and amount as is customary for entities acting as custodian of funds and documents in respect of consumer contracts on behalf of institutional investors.

ARTICLE V

TRUST ACCOUNTS; DISTRIBUTIONS; STATEMENTS TO SECURITYHOLDERS

SECTION 5.1 ESTABLISHMENT OF TRUST ACCOUNTS.

(a) (i) The Trustee, on behalf of the Securityholders and the Note Insurer, shall establish and maintain in its own name an Eligible Account (the "Collection Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Securityholders and the Note Insurer. On the Closing Date, the Servicer will deposit, on behalf of the Seller, in the Collection Account, an amount equal to $173,529.50, such amount representing all collections on the Receivables received from and including the day after the Initial Cutoff Date through March 6, 2002, and with respect to Rule of 78's Receivables, all monies due or to become due thereon after the Initial Cutoff Date (including Scheduled Payments due after the Initial Cutoff Date (including principal prepayments relating to such Schedule Payments) but received by the Seller or CPS on or before the Initial Cutoff Date).

(ii) The Trustee, on behalf of the Noteholders, shall establish and maintain in its own name an Eligible Account (the "Note Distribution Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Noteholders and the Note Insurer. The Note Distribution Account shall initially be established with the Trustee.

(iii) The Trustee, on behalf of the Noteholders and the Note Insurer, shall establish and maintain in its own name an Eligible Account (the "Pre-Funding Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Noteholders and the Note Insurer.

(iv) The Trustee, on behalf of the Certificateholders, shall establish and maintain in its own name an Eligible Account (the "Certificate Distribution Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Certificateholders. The Certificate Distribution Account shall initially be established with the Trustee.

Funds on deposit in the Collection Account, the Note Distribution Account, the Pre-Funding Account, the Interest Reserve Account and the Certificate Distribution Account (collectively, the "Trust Accounts") shall be invested by the Trustee (or any custodian with respect to funds on deposit in any such account) in Eligible Investments selected in writing by the Servicer (pursuant to standing instructions or otherwise). All such Eligible Investments shall be held by or on behalf of the Trustee for the benefit of the Noteholders and/or the Certificateholders and the Note Insurer, as applicable. Other than as permitted by the Rating Agencies and the Note Insurer, funds on deposit in any Trust Account shall be invested in Eligible Investments that will mature so that such funds will be available at the close of business on the Business Day immediately preceding the following Payment Date. Funds deposited in a Trust Account on the day immediately preceding a Payment Date upon the maturity of any Eligible Investments are not required to be invested overnight. All Eligible Investments will be held to maturity.

(b) All investment earnings of moneys deposited in the Trust Accounts shall be deposited (or caused to be deposited) by the Trustee in the Collection Account for distribution pursuant to Section 5.7, and any loss resulting from such investments shall be charged to such account. The Servicer will not direct the Trustee to make any investment of any funds held in any of the Trust Accounts unless the security interest granted and perfected in such account will continue to be perfected in such investment, in either case without any further action by any Person, and, in connection with any direction to the Trustee to make any such investment, if requested by the Trustee, the Servicer shall deliver to the Trustee an Opinion of Counsel, acceptable to the Trustee, to such effect.

(c) The Trustee shall not in any way be held liable by reason of any insufficiency in any of the Trust Accounts resulting from any loss on any Eligible Investment included therein except for losses attributable to the Trustee's negligence or bad faith or its failure to make payments on such Eligible Investments issued by the Trustee, in its commercial capacity as principal obligor and not as trustee, in accordance with their terms.

(d) If (i) the Servicer shall have failed to give investment directions for any funds on deposit in the Trust Accounts to the Trustee by 1:00 p.m. Eastern Time (or such other time as may be agreed by the Issuer and Trustee) on any Business Day; or (ii) an Event of Default shall have occurred and be continuing with respect to the Notes but the Notes shall not have been declared due and payable, or, if such Notes shall have been declared due and payable following an Event of Default, amounts collected or receivable from the Trust Property are being applied as if there had not been such a declaration; then the Trustee shall, to the fullest extent practicable, invest and reinvest funds in the Trust Accounts in one or more Eligible Investments described in paragraph (o) of the definition thereof.

(e) The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts and in all proceeds thereof (including all Investment Earnings on the Trust Accounts) and all such funds, investments, proceeds and income shall be part of the Trust Property. Except as otherwise provided herein, the Trust Accounts shall be under the sole dominion and control of the Trustee for the benefit of the Noteholders and/or the Certificateholders, as the case may be, and the Note Insurer. If at any time any of the Trust Accounts ceases to be an Eligible Account, the Servicer with the consent of the Note Insurer shall within five Business Days establish a new Trust Account as an Eligible Account and shall transfer any cash and/or any investments to such new Trust Account. The Servicer shall promptly notify the Rating Agencies and the Owner Trustee of any change in the location of any of the aforementioned accounts. In connection with the foregoing, the Servicer agrees that, in the event that any of the Trust Accounts are not accounts with the Trustee, the Servicer shall notify the Trustee in writing promptly upon any of such Trust Accounts ceasing to be an Eligible Account.

(f) Notwithstanding anything to the contrary herein or in any other document relating to a Trust Account, the "securities intermediary's jurisdiction" (within the meaning of Section 8-110 of the UCC) or the "bank's jurisdiction" (with the meaning of 9-304 of the UCC), as applicable, with respect to each Trust Account shall be the State of New York.

(g) With respect to the Trust Account Property, the Trustee agrees that:

(A) any Trust Account Property that is held in deposit accounts shall be held solely in an Eligible Account; and, each such Eligible Account shall be subject to the exclusive custody and control of the Trustee and the Trustee shall have sole signature authority with respect thereto; and

(B) any other Trust Account Property shall be delivered to the Trustee in accordance with the definition of "Delivery".

SECTION 5.2 INTEREST RESERVE ACCOUNT.

(a) Servicer shall cause the Trustee to establish and maintain an Eligible Account (the "INTEREST RESERVE ACCOUNT") with the Trustee, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Noteholders and the Note Insurer.

(b) On or prior to the Closing Date, the Seller shall deposit an amount equal to the Interest Reserve Account Initial Deposit into the Interest Reserve Account.

(c) On the Determination Date for each of the April, May and June 2002 Payment Dates, to the extent that the Servicer's Certificate indicates that the funds on deposit in the Interest Reserve Account are in excess of the Requisite Reserve Amount for such Payment Date, the Trustee shall withdraw such excess from the Interest Reserve Account and deposit such amount in the Collection Account for distribution pursuant to Section 5.7(a) on the related Payment Date. Any amounts remaining in the Interest Reserve Account on the first Payment Date occurring on or after last day of the Collection Period for the Payment Date in June 2002 shall be remitted by the Trustee to the Seller. Upon any such distribution to the Seller, the Noteholders, the Certificateholders and the Note Insurer will have no further rights in, or claims to, such amounts.

SECTION 5.3 CERTAIN REIMBURSEMENTS TO THE SERVICER. The Servicer will be entitled to be reimbursed from amounts on deposit in the Collection Account with respect to a Collection Period for amounts previously deposited in the Collection Account but later determined by the Servicer to have resulted from mistaken deposits or postings or checks returned for insufficient funds. The amount to be reimbursed hereunder shall be paid to the Servicer on the related Payment Date pursuant to Section 5.7(a)(iii) or 5.7(a)(x), as applicable, upon certification by the Servicer of such amounts and the provision of such information to the Trustee and the Note Insurer as may be necessary in the

opinion of the Note Insurer to verify the accuracy of such certification; provided, however, that the Servicer must provide such certification within three months of its becoming aware of such mistaken deposit, posting or returned check. In the event that the Note Insurer has not received evidence satisfactory to it of the Servicer's entitlement to reimbursement pursuant to this Section, the Note Insurer shall (unless an Insurer Default shall have occurred and be continuing) give the Trustee notice to such effect, following receipt of which the Trustee shall not make a distribution to the Servicer in respect of such amount pursuant to Section 5.7(a)(iii) or 5.7(a)(x), as applicable, or if prior thereto the Servicer has been reimbursed pursuant to Section 5.7(a)(iii) or 5.7(a)(x), as applicable, the Trustee shall withhold such amounts from amounts otherwise distributable to the Servicer on the next succeeding Payment Date.

SECTION 5.4 APPLICATION OF COLLECTIONS. All collections for each Collection Period shall be applied by the Servicer as follows:

With respect to each Receivable (other than a Purchased Receivable), payments by or on behalf of the Obligor shall be applied, in the case of a Rule of 78's Receivable, first, to the Scheduled Receivable Payment of such Rule of 78's Receivable and, second, to any late fees accrued with respect to such Rule of 78's Receivable and, in the case of a Simple Interest Receivable, to interest and principal in accordance with the Simple Interest Method.

SECTION 5.5 WITHDRAWALS FROM SPREAD ACCOUNT.

(a) In the event that the Servicer's Certificate with respect to any Determination Date shall state that the Total Distribution Amount with respect to such Determination Date is insufficient to make the payments required to be made on the related Payment Date pursuant to Sections 5.7(a)(i) through (x) (such deficiency being a "DEFICIENCY CLAIM AMOUNT"), then on the fourth Business Day immediately preceding the related Payment Date, the Trustee shall deliver to the Collateral Agent, the Owner Trustee, the Note Insurer, and the Servicer, by hand delivery, telex or facsimile transmission, a written notice (a "DEFICIENCY NOTICE") specifying the Deficiency Claim Amount for such Payment Date. Such Deficiency Notice shall direct the Collateral Agent to remit such Deficiency Claim Amount (to the extent of the funds available to be distributed pursuant to the Spread Account Agreement) to the Trustee for deposit in the Collection Account and distribution pursuant to Sections 5.7(a)(i) through (x), as applicable.

(b) Deficiency Notice shall be delivered by 3:00 p.m., New York City time, on the fourth Business Day preceding such Payment Date. The amounts distributed by the Collateral Agent to the Trustee pursuant to a Deficiency Notice shall be deposited by the Trustee into the Collection Account pursuant to Section 5.6.

SECTION 5.6 ADDITIONAL DEPOSITS.

(a) The Servicer or CPS, as the case may be, shall deposit or cause to be deposited in the Collection Account the aggregate Purchase Amount with respect to Purchased Receivables and all amounts to be paid by CPS pursuant to its indemnification obligations under the Basic Documents and the Servicer shall deposit or cause to be deposited therein all amounts to be paid under Section 11.1. All such deposits shall be made, in immediately available funds, on the Business Day preceding the Determination Date. On or before the third Business Day preceding each Payment Date, the Trustee shall remit to the Collection Account any amounts delivered to the Trustee by the Collateral Agent pursuant to Section 5.5.

SECTION 5.7 DISTRIBUTIONS.

(a) On each Payment Date, the Trustee (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) shall make the following distributions in the following order of priority:

(i) to the Standby Servicer, from the Total Distribution Amount, any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Amount pursuant to Section 5.12(a) in respect of Standby Fees, so long as CPS is the Servicer and Bank One Trust Company, N.A. is the Standby Servicer, the Standby Fee and all unpaid Standby Fees from prior Collection Periods;

(ii) to the Backup Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clause (i) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Amount pursuant to Section 5.12(a) in respect of Backup Servicing Fees, so long as the Backup Servicer is not the Servicer, the Backup Servicing Fee and all unpaid Backup Servicing Fees from prior Collection Periods;

(iii) to the Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) and (ii) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Servicing Fees, the Servicing Fee and all unpaid Servicing Fees from prior Collection Periods and all reimbursements to which the Servicer is entitled pursuant to Section 5.3;

(iv) if the Standby Servicer or the Backup Servicer becomes the successor Servicer, to the Standby Servicer or Backup Servicer, as applicable, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iii) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Servicing Fees, to the extent not previously paid by the predecessor Servicer

pursuant to this Agreement, reasonable transition expenses (up to a maximum of $50,000 for all such expenses) incurred in becoming the successor Servicer;

(v) to the Trustee and the Owner Trustee, pro rata, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iv) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Trustee Fees, the Trustee Fees and reasonable out-of-pocket expenses thereof (including counsel fees and expenses) and all unpaid Trustee Fees and unpaid reasonable out-of-pocket expenses (including counsel fees and expenses) from prior Collection Periods; provided, however, that unless an Event of Default, a Servicer Termination Event or an Insurance Agreement Event of Default shall have occurred and be continuing, expenses payable to the Trustee and the Owner Trustee pursuant to this clause (v) and expenses payable to the Collateral Agent pursuant to clause (vi) below shall be limited to a total of $50,000 per annum;

(vi) to the Collateral Agent, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (v) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Collateral Agent Fees and reasonable expenses of the Collateral Agent, all Collateral Agent Fees and reasonable expenses payable to the Collateral Agent with respect to such Payment Date;

(vii) to the Note Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (vi) above) and any amount deposited in the Collection Account pursuant to Section 5.5(a) and Sections 5.12(a)(iii), the Noteholders' Interest Distributable Amount for such Payment Date;

(viii) to the Note Distribution Account from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (vii) above) and any amount deposited in the Collection Account pursuant to Section 5.5(a) and Section 5.12(a)(ii) and (iii), the Noteholders' Principal Distributable Amount plus the Noteholders' Principal Carryover Shortfall, if any;

(ix) to the Note Insurer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (viii) above) and any amount deposited in the Collection Account pursuant to Section 5.5(a), any amounts owing to the Note Insurer under this Agreement and the Insurance Agreement and not paid;

(x) if any Person other than the Standby Servicer or the Backup Servicer becomes the successor Servicer, to such successor Servicer from the Total Distribution Amount (as such Total Distribution

Amount has been reduced by payments pursuant to clauses (i) through (ix) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Servicing Fees, to the extent not previously paid by the predecessor Servicer pursuant to this Agreement, reasonable transition expenses (up to a maximum of $50,000 for all such expenses) incurred in becoming the successor Servicer;

(xi) to the Collateral Agent, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (x) above) for deposit into the Spread Account (or if the Spread Account has been terminated in accordance with the Spread Account Supplement, into the Certificate Distribution Account), the remaining Total Distribution Amount, if any;

provided, however, that, (A) following an acceleration of the Notes or, (B) if an Insurer Default shall have occurred and be continuing and an Event of Default pursuant to Sections 5.1(a)(i), 5.1(a)(ii), 5.1(a)(iv), 5.1(a)(v) or 5.1(a)(vi) of the Indenture shall have occurred and be continuing, the Total Distribution Amount shall be paid pursuant to Section 5.6(a) of the Indenture.

(b) In the event that the Collection Account is maintained with an institution other than the Trustee, the Servicer shall instruct and cause such institution to make all deposits and distributions pursuant to Section 5.7(b) on the related Payment Date.

SECTION 5.8 NOTE DISTRIBUTION ACCOUNT.

(a) On each Payment Date, the Trustee shall distribute all amounts on deposit in the Note Distribution Account to Noteholders in respect of the Notes to the extent of amounts due and unpaid on the Notes for principal and interest in the following amounts and in the following order of priority:

(i) to the Holders of the Notes the Class A Interest Distributable Amount; provided that if there are not sufficient funds in the Note Distribution Account to pay the entire amount then due on each Class of Notes, the amount in the Note Distribution Account shall be applied to the payment of such interest on each Class of Notes pro rata on the basis of the amount of accrued and unpaid interest due on each Class of Notes;

(ii) concurrently to the Class A-1 and Class A-2 Noteholders on the Payment Date on or immediately following the last day of the Funding Period, pro rata, on the basis of each class's share of the Aggregate Note Balance, the Note Prepayment Amount;

(iii) to the Holders of the Class A-1 Notes, the Noteholders' Principal Distributable Amount until the Class A-1 Note Balance is reduced to zero; and then

(iv) to the Holders of the Class A-2 Notes, the Noteholders' Principal Distributable Amount (as reduced by any distributions on such Payment Date pursuant to clause (iii) above) until the Class A-2 Note Balance is reduced to zero.

(b) On each Payment Date, the Trustee shall provide or make available electronically (or, upon written request, by first class mail or facsimile) send to each Securityholder the statement or statements provided to the Trustee by the Servicer pursuant to Section 5.11 hereof on such Payment Date; PROVIDED, HOWEVER, the Trustee shall have no obligation to provide such information described in this Section 5.8(b) until it has received the requisite information from the Servicer.

(c) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to a Noteholder, such tax shall reduce the amount otherwise distributable to the Noteholder in accordance with this Section 5.8. The Trustee is hereby authorized and directed to retain from amounts otherwise distributable to the Noteholders sufficient funds for the payment of any tax that is legally owed by the Trust (but such authorization shall not prevent the Trustee from contesting any such tax in appropriate proceedings, and withholding payment of such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to a Noteholder shall be treated as cash distributed to such Noteholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If, after consultations with experienced counsel, the Trustee determines that there is a reasonable likelihood that withholding tax is payable with respect to a distribution (such as a distribution to a non-U.S. Noteholder), the Trustee may in its sole discretion withhold such amounts in accordance with this clause (c). In the event that a Noteholder wishes to apply for a refund of any such withholding tax, the Trustee shall reasonably cooperate with such Noteholder in making such claim so long as such Noteholder agrees to reimburse the Trustee for any out-of-pocket expenses incurred.

(d) Distributions required to be made to Noteholders on any Payment Date shall be made to each Noteholder of record on the preceding Record Date either by wire transfer, in immediately available funds, to the account of such Holder at a bank or other entity having appropriate facilities therefor, if (i) such Noteholder shall have provided to the Note Registrar appropriate written instructions at least five Business Days prior to such Payment Date and such Holder's Notes in the aggregate evidence a denomination of not less than $1,000,000 or (ii) such Noteholder is the Seller, or an Affiliate thereof, or, if not, by check mailed to such Noteholder at the address of such holder appearing in the Note Register; provided, however, that, unless Definitive Notes have been issued pursuant to Section 2.12 of the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), distributions will be made by

wire transfer in immediately available funds to the account designated by such nominee. Notwithstanding the foregoing, the final distribution in respect of any Note (whether on the Final Scheduled Payment Date or otherwise) will be payable only upon presentation and surrender of such Note at the office or agency maintained for that purpose by the Note Registrar pursuant to Section 2.4 of the Indenture.

SECTION 5.9 CERTIFICATE DISTRIBUTION ACCOUNT.

(a) On each Payment Date, the Trustee shall make the following distributions in the specified order of priority from the amounts on deposit in the Certificate Distribution Account, if any, in the following amounts and in the following order of priority:

(i) to the Class B Certificateholders, the Class B Certificateholders' Interest Distributable Amount;

(ii) to the Class B Certificateholders, on the Payment Date on or immediately following the last day of the Funding Period, to the Class B Certificateholders, the Class B Prepayment Amount;

(iii) to the Class B Certificateholders, the Class B Certificateholders' Principal Distributable Amount until the Class B Certificate Balance is reduced to zero;

(iv) to the Class B Certificateholders, the Accelerated Principal Distribution Amount until the Class B Certificate Balance is reduced to zero; and

(v) to the Residual Certificateholder, the remaining amount of any funds on deposit in the Certificate Distribution Account after the distributions pursuant to clauses (i) through (iv) have been made.

(b) On each Payment Date, the Trustee shall provide or make available electronically (or, upon written request, by first class mail or facsimile) to each Certificateholder the statement or statements provided to the Trustee by the Servicer pursuant to Section 5.11 hereof on such Payment Date; PROVIDED, HOWEVER, the Trustee shall have no obligation to provide such information described in this Section 5.9(b) until it has received the requisite information from the Servicer.

(c) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to a Certificateholder, such tax shall reduce the amount otherwise distributable to the Certificateholder in accordance with this Section 5.9. The Trustee is hereby authorized and directed to retain from amounts otherwise distributable to the Certificateholders sufficient funds for the payment of any tax that is legally owed by the Trust (but such authorization shall not prevent the Trustee from contesting any such tax in appropriate proceedings, and withholding payment of such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to a Certificateholder shall be treated as

cash distributed to such Certificateholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If, after consultations with experienced counsel, the Trustee determines that there is a reasonable likelihood that withholding tax is payable with respect to a distribution (such as a distribution to a non-U.S. Certificateholder), the Trustee may in its sole discretion withhold such amounts in accordance with this clause (c). In the event that a Certificateholder wishes to apply for a refund of any such withholding tax, the Trustee shall reasonably cooperate with such Certificateholder in making such claim so long as such Certificateholder agrees to reimburse the Trustee for any out-of-pocket expenses incurred.

(d) Distributions required to be made to Certificateholders on any Payment Date shall be made to each Certificateholder of record on the preceding Record Date either by wire transfer, in immediately available funds, to the account of such Certificateholder at a bank or other entity having appropriate facilities therefor, if (i) such Certificateholder shall have provided to the Certificate Registrar appropriate written instructions at least five Business Days prior to such Payment Date and such Certificateholder's Certificates in the aggregate evidence a denomination of not less than $1,000,000 or (ii) such Certificateholder is the Seller or an Affiliate thereof, or, if not, by check mailed to such Certificateholder at the address of such holder appearing in the Certificate Register. Notwithstanding the foregoing, the final distribution in respect of any Certificate (whether on the Final Scheduled Payment Date or otherwise) will be payable only upon presentation and surrender of such Certificate at the office or agency maintained for that purpose by the Certificate Registrar pursuant to Section 3.8 of the Trust Agreement.

Each Noteholder, by its acceptance of its Note, will be deemed to have consented to the provisions of Sections 5.7, 5.8 and 5.9 relating to the priority of payments, and will be further deemed to have acknowledged that no property rights in any amount or the proceeds of any such amount shall vest in such Noteholder until such amounts have been distributed to such Noteholder pursuant to such provisions; PROVIDED, that the foregoing shall not restrict the right of any Noteholder, upon compliance with the provisions hereof from seeking to compel the performance of the provisions hereof by the parties hereto. Each Noteholder, by its acceptance of its Note, will be deemed to have further agreed that withdrawals of funds by the Collateral Agent from the Spread Account for application hereunder, shall be made in accordance with the provisions of the Spread Account Agreement.

In furtherance of and not in limitation of the foregoing, each Class B Certificateholder by its acceptance of a Class B Certificate, specifically acknowledges that (A) interest pursuant to Section 5.9 will be subordinated to the prior payment in full of all amounts payable pursuant to Section 5.7 and (B) no amounts shall be applied as principal on the Class B Certificate, unless and until such amounts have been distributed to such Class B Certificateholder pursuant to the priorities set forth in Section 5.9.

In furtherance and not in limitation of the foregoing, the Residual Certificateholder by acceptance of the Residual Certificate, specifically acknowledges that no amounts shall be received by it, nor shall it have any

right to receive any amounts, unless and until such amounts have been distributed pursuant to Section 5.9 above. Each Class B Certificateholder, by its acceptance of a Class B Certificate, and the Residual Certificateholder, by its acceptance of the Residual Certificate, further specifically acknowledges that it has no right to or interest in any moneys at any time held pursuant to the Spread Account Agreement prior to the release of such moneys as aforesaid, such moneys being held in trust for the benefit of the Noteholders and the Note Insurer as their interests may appear prior to such release. Notwithstanding the foregoing, in the event that it is ever determined that any property held in the Spread Account constitute a pledge of collateral, then the provisions of this Agreement and the Spread Account Agreement shall be considered to constitute a security agreement and the Class B Certificateholder and the Residual Certificateholder hereby grant to the Collateral Agent and to the Trust Collateral Agent, respectively, a first priority perfected security interest in such amounts, to be applied as set forth in Section 3.03(b) of the Spread Account Agreement. In addition, the Residual Certificateholder, by acceptance of the Residual Certificate, hereby appoints the Class B Certificateholder as its agent to pledge a first priority perfected security interest in the Spread Account, and any property held therein from time to time to the Collateral Agent for the benefit of the Trust Collateral Agent and the Note Insurer pursuant to the Spread Account Agreement and agrees to execute and deliver such instruments of conveyance, assignment, grant, confirmation, etc., as well as any financing statements, in each case as the Note Insurer shall consider reasonably necessary in order to perfect the Collateral Agent's Security Interest in the Collateral (as such terms are defined in the Spread Account Agreement).

SECTION 5.10 PRE-FUNDING ACCOUNT.

(a) On the Closing Date, the Trustee will deposit, on behalf of the Seller, in the Pre-Funding Account $12,566,542.43 from the proceeds of the sale of the Notes. On each Subsequent Transfer Date, the Servicer shall instruct the Trustee to withdraw from the Pre-Funding Account (i) an amount equal to the Principal Balance of the Subsequent Receivables transferred to the Issuer on such Subsequent Transfer Date and to distribute such amount to or upon the order of the Seller upon satisfaction of the conditions set forth in this Agreement with respect to such transfer and (ii) an amount equal to the Subsequent Spread Account Deposit on such Subsequent Transfer Date upon satisfaction of the conditions set forth in this Agreement with respect to such transfer.

(b) If the Pre-Funded Amount has not been reduced to zero on the date on which the Funding Period ends, after giving effect to any reductions in the Pre-Funded Amount on such date, the Servicer shall instruct the Trustee to withdraw from the Pre-Funding Account on the Mandatory Redemption Date the Pre-Funded Amount (exclusive of any Pre-Funding Earnings) and deposit an amount equal to the Note Prepayment Amount into the Note Distribution Account and an amount equal to the Class B Prepayment Amount into the Spread Account.

(c) All Pre-Funding Earnings will be deposited in the Collection Account on each Payment Date and deemed to be part of the Total Distribution Amount.

SECTION 5.11 STATEMENTS TO SECURITYHOLDERS.

(a) On or prior to each Payment Date, the Servicer shall provide to the Trustee and the Owner Trustee (with a copy to the Note Insurer and the Rating Agencies) for the Trustee and Owner Trustee to forward to each Securityholder of record (in the case of the Trustee, pursuant to Section 5.8(b) and Section 5.9(b) hereof) the statement or statements provided by the Servicer pursuant to Section 5.11 hereof setting forth at least the following information as to the Notes and the Certificates to the extent applicable:

(i) the amount of such distribution allocable to principal of the Class A-1 Notes, the Class A-2 Notes and the Class B Certificates, respectively;

(ii) the amount of such distribution allocable to interest on or with respect to the Class A-1 Notes, the Class A-2 Notes and the Class B Certificates, respectively;

(iii) the Pool Balance as of the close of business on the last day of the preceding Collection Period;

(iv) the Note Balance and Note Pool Factor for each Class of Notes and the Class B Certificate Balance and the Class B Certificate Pool Factor for the Class B Certificates, each after giving effect to payments allocated to principal reported under clause (i) above;

(v) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period, and the amount of any unpaid Servicing Fees and the change in such amount from the prior Payment Date;

(vi) the amount of each of the Standby Fee, the Trustee Fee and the Collateral Agent Fee paid to the Standby Servicer, the Trustee, the Owner Trustee and the Collateral Agent, as applicable, with respect to the related Collection Period, and the amount of any unpaid Standby Fees, Trustee Fees and Collateral Agent Fees and the change in such amount from the prior Payment Date;

(vii) the Class A-1 Noteholders' Interest Carryover Shortfall, the Class A-2 Noteholders' Interest Carryover Shortfall, the Class B Certificateholders' Interest Carryover Shortfall, the Noteholders' Principal Carryover Shortfall and the Class B Certificateholders' Principal Carryover Shortfall;

(viii) the Accelerated Principal Distribution Amount for such Payment Date;

(ix) the amount paid to the Noteholders under the Policy or from the Spread Account for such Payment Date;

(x) the amount distributable to the Insurer on such Payment Date;

(xi) the aggregate amount in the Spread Account and the change in such amount from the previous Payment Date and the requisite Spread Account Amount for such Payment Date;

(xii) the number of Receivables and the aggregate gross amount scheduled to be paid thereon, including unearned finance and other charges, for which the related Obligors are delinquent in making Scheduled Receivable Payments for (a) 31 to 59 days, (b) 60 to 89 days, (c) 90 to 119 days, (d) 120 to 149 days, (e) 150 to 179 days, (f) 180 to 209 days and (g) 210 days or more;

(xiii) the aggregate amount in the Interest Reserve Account and the change in such amount from the previous Payment Date and the Requisite Reserve Amount for such payment date;

(xiv) the number and the aggregate Purchase Amounts for Receivables purchased by CPS or purchased by the Servicer during the related Collection Period and summary information as to losses and delinquencies with respect to such Receivables;

(xv) the Principal Balance of all Receivables that have become Liquidated Receivables, net of Recoveries, during the related Collection Period;

(xvi) the cumulative Principal Balance of all Receivables that have become Liquidated receivables, net of Recoveries, during the period from the Initial Cutoff Date (in the case of the Initial Receivables) or the related Subsequent Cutoff Date (in the case of the Subsequent Receivables) to the last day of the related Collection Period;

(xvii) for any Payment Date during the Funding Period, the Pre-Funded Amount and the change in such amount from the Previous Payment Date;

(xviii) for the Mandatory Redemption Date, the amount of any remaining Pre-Funded Amount that was not used to fund the purchase of Subsequent Receivables; and

(xix) the amount, if any, paid by the Note Insurer to the Trustee for deposit into the Collection Account pursuant to Section 5.12.

Each amount set forth pursuant to paragraphs (i), (ii), (iv), (v), (vi), (vii), (viii) and (ix) above shall be expressed as a dollar amount per $1,000 of the initial principal balance of the Notes (or Class thereof) or Class B Certificates, as applicable.

(b) Within 60 days after the end of each calendar year, the Servicer shall deliver to the Trustee a statement setting forth the amounts paid during such preceding calendar year in respect of paragraphs (i), (ii), (v) and

(vi) above. The Trustee shall mail a copy of such statement to each person who at any time during such preceding calendar year shall have been a Securityholder of record and received any payment in respect of the Securities.

(c) The Trustee may make available to the Securityholders, via the Trustee's Internet Website, all statements described herein and, with the consent or at the direction of the Seller, such other information regarding the Notes and/or the Receivables as the Trustee may have in its possession, but only with the use of a password provided by the Trustee or its agent to such Person upon receipt by the Trustee from such Person of a certification in the form of Exhibit G; PROVIDED, HOWEVER, that the Trustee or its agent shall provide such password to the parties to this Agreement, the Note Insurer, the Placement Agent and each Rating Agency without requiring such certification. The Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

The Trustee's Internet Website shall be initially located at "www.ABSNet.net" or at such other address as shall be specified by the Trustee from time to time in writing to the Securityholders. In connection with providing access to the Trustee's Internet Website, the Trustee may require registration and the acceptance of a disclaimer. The Trustee shall not be liable for the dissemination of information in accordance with this Agreement.

SECTION 5.12 OPTIONAL DEPOSITS BY THE NOTE INSURER; NOTICE OF WAIVERS.

(a) The Note Insurer shall at any time, and from time to time, with respect to a Payment Date, have the option (but shall not be required, except as provided in Section 6.1(a)) to deliver amounts to the Trustee for deposit into the Collection Account for any of the following purposes: (i) to provide funds in respect of the payment of fees or expenses of any provider of services to the Trust with respect to such Payment Date, (ii) to distribute as a component of the Noteholders' Principal Distributable Amount to the extent that the principal balance of the Notes as of the Determination Date preceding such Payment Date exceeds the Noteholders' Percentage of the Collateral Balance as of such Determination Date, or (iii) to include such amount as part of the Total Distribution Amount for such Payment Date to the extent that without such amount a draw would be required to be made on the Policy.

(b) If the Note Insurer waives the satisfaction of any of the events that might trigger an event of default under the Insurance Agreement and so notifies the Trustee in writing pursuant to Section 5.02(d) of the Insurance Agreement, the Trustee shall notify Moody's of such waiver.

ARTICLE VI

THE NOTE POLICY

SECTION 6.1 CLAIMS UNDER NOTE POLICY.

(a) In the event that the Trustee has delivered a Deficiency Notice with respect to any Determination Date pursuant to Section 5.5 hereof, the Trustee shall on the related Draw Date determine whether the application of funds in accordance with Section 5.7, together with any amounts deposited by the Note Insurer pursuant to Section 5.12 and the application of any Deficiency Claim Amount pursuant to Section 5.5 would result in a shortfall in amounts distributable pursuant to Sections 5.7(a)(vii) and 5.7(a)(viii) on any Payment Date (any such shortfall, a "Note Policy Claim Amount"). If the Note Policy Claim Amount for such Payment Date is greater than zero, the Trustee shall furnish to the Note Insurer no later than 12:00 noon New York City time on the related Draw Date a completed Notice of Claim (as defined in clause (b) below) in the amount of the Note Policy Claim Amount. Amounts paid by the Note Insurer pursuant to a claim submitted under this Section 6.1 shall be deposited by the Trustee into the Note Distribution Account for payment to Noteholders on the related Payment Date.

(b) Any notice delivered by the Trustee to the Note Insurer pursuant to Section 6.1(a) shall specify the Note Policy Claim Amount claimed under the Note Policy and shall constitute a "Notice of Claim" (as defined in the Note Policy) under the Note Policy. In accordance with the provisions of the Note Policy, the Note Insurer is required to pay to the Trustee the Note Policy Claim Amount properly claimed thereunder by 12:00 noon, New York City time, on the later of (i) the third Business Day (as defined in the Note Policy) following receipt on a Business Day of the Notice of Claim, and (ii) the applicable Payment Date. Any payment made under the Note Policy by the Note Insurer shall be applied solely to the payment of the Notes, and for no other purpose.

(c) The Trustee shall (i) receive as attorney-in-fact of each Noteholder any Note Policy Claim Amount from the Note Insurer and (ii) deposit the same in the Note Distribution Account for distribution to Noteholders. Any and all Note Policy Claim Amounts disbursed by the Trustee from claims made under the Note Policy shall not be considered payment by the Trust or from the Series 2002-A Spread Account with respect to such Notes, and shall not discharge the obligations of the Trust with respect thereto. The Note Insurer shall, to the extent it makes any payment with respect to the Notes, become subrogated to the rights of the recipients of such payments to the extent of such payments. Subject to and conditioned upon any payment with respect to the Notes by or on behalf of the Note Insurer, the Trustee and the Noteholders shall assign to the Note Insurer all rights to the payment of interest or principal with respect to the Notes which are then due for payment to the extent of all payments made by the Note Insurer, and the Note Insurer may exercise any option, vote, right, power or the like with respect to the Notes to the extent that it has made payment pursuant to the Note Policy. To evidence such subrogation, the Note Registrar (as defined in the Indenture) shall note the Note Insurer's rights as subrogee upon the register of Noteholders upon receipt from the Note Insurer of

proof of payment by the Note Insurer of any Noteholders' Interest Distributable Amount or Noteholders' Principal Distributable Amount. The foregoing subrogation shall in all cases be subject to the rights of the Noteholders to receive all Scheduled Payments (as defined in the Note Policy) in respect of the Notes.

(d) The Trustee shall keep a complete and accurate record of all funds deposited by the Note Insurer into the Note Distribution Account and the allocation of such funds to payment of interest on and principal paid in respect of any Note. The Note Insurer shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Trustee.

(e) The Trustee shall be entitled to enforce on behalf of the Noteholders the obligations of the Note Insurer under the Note Policy. Notwithstanding any other provision of this Agreement or any Basic Documents, the Noteholders are not entitled to make any claims under the Note Policy or institute proceedings directly against the Note Insurer.

SECTION 6.2 PREFERENCE CLAIMS.

(a) In the event that the Trustee has received a certified copy of an order of the appropriate court that any Scheduled Payment (as defined in the Note Policy) paid on a Note has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Trustee shall so notify the Note Insurer, shall comply with the provisions of the Note Policy to obtain payment by the Note Insurer of such avoided payment, and shall, at the time it provides notice to the Note Insurer, notify Holders of the Notes by mail that, in the event that any Noteholder's payment is so recoverable, such Noteholder will be entitled to payment pursuant to the terms of the Note Policy. The Trustee shall furnish to the Note Insurer its records evidencing the payments of principal of and interest on Notes, if any, which have been made by the Trustee and subsequently recovered from Noteholders, and the dates on which such payments were made. Pursuant to the terms of the Note Policy, the Note Insurer will make such payment on behalf of the Noteholder to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the order (as defined in the Note Policy) and not to the Trustee or any Noteholder directly (unless a Noteholder has previously paid such payment to the receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case the Note Insurer will make such payment to the Trustee for distribution to such Noteholder upon proof of such payment reasonably satisfactory to the Note Insurer).

(b) The Trustee shall promptly notify the Note Insurer of any proceeding or the institution of any action (of which the Trustee has actual knowledge) seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (a "Preference Claim") of any distribution made with respect to the Notes. Each Holder, by its purchase of Notes, and the Trustee hereby agrees that so long as an Insurer Default shall not have occurred and be continuing, the Note Insurer may at any time during the continuation of any proceeding relating to a Preference Claim direct all matters relating to such Preference Claim including,

without limitation, (i) the direction of any appeal of any order relating to any Preference Claim and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the Note Insurer, but subject to reimbursement as provided in the Insurance Agreement. In addition, and without limitation of the foregoing, as set forth in Section 6.1(c), the Note Insurer shall be subrogated to, and each Noteholder and the Trustee hereby delegate and assign, to the fullest extent permitted by law, the rights of the trustee and each Noteholder in the conduct of any proceeding with respect to a Preference Claim, including, without limitation, all rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Preference Claim.

SECTION 6.3 SURRENDER OF NOTE POLICY. The Trustee shall surrender the Note Policy to the Note Insurer for cancellation upon the expiration of such policy in accordance with the terms thereof.

ARTICLE VII

[RESERVED]

ARTICLE VIII

THE SELLER

SECTION 8.1 REPRESENTATIONS OF SELLER. The Seller makes the following representations on which the Note Insurer shall be deemed to have relied in executing and delivering the Note Policy, on which the Issuer is deemed to have relied in acquiring the Receivables and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party. The representations speak as of the execution and delivery of this Agreement and as of the Closing Date, and shall survive the sale of the Receivables to the Issuer and the pledge thereof to the Trustee pursuant to the Indenture and the issuance of the Notes.

(a) ORGANIZATION AND GOOD STANDING. The Seller has been duly organized and is validly existing as a corporation in good standing under the laws of the State of California, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and now has, power, authority and legal right to acquire, own and sell the Receivables and the Other Conveyed Property transferred to the Trust.

(b) DUE QUALIFICATION. The Seller is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications.

(c) POWER AND AUTHORITY. The Seller has the power and authority to execute and deliver this Agreement and the Basic Documents to which it is a party and to carry out its terms and their terms, respectively; the

Seller has full power and authority to sell and assign the Receivables and the Other Conveyed Property to be sold and assigned to and deposited with the Trust by it and has duly authorized such sale and assignment to the Trust by all necessary corporate action; and the execution, delivery and performance of this Agreement and the Basic Documents to which the Seller is a party have been duly authorized by the Seller by all necessary corporate action.

(d) VALID SALE, BINDING OBLIGATIONS. This Agreement effects a valid sale, transfer and assignment of the Receivables and the Other Conveyed Property, enforceable against the Seller and creditors of and purchasers from the Seller; and this Agreement and the Basic Documents to which the Seller is a party, when duly executed and delivered, shall constitute legal, valid and binding obligations of the Seller enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) NO VIOLATION. The consummation of the transactions contemplated by this Agreement and the Basic Documents and the fulfillment of the terms of this Agreement and the Basic Documents shall not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice, lapse of time or both) a default under the certificate of incorporation or by-laws of the Seller, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Seller is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than the Basic Documents, or violate any law, order, rule or regulation applicable to the Seller of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or any of its properties.

(f) NO PROCEEDINGS. There are no proceedings or investigations pending or, to the Seller's knowledge, threatened against the Seller, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Seller or its properties (A) asserting the invalidity of this Agreement, the Securities or any of the Basic Documents, (B) seeking to prevent the issuance of the Securities or the consummation of any of the transactions contemplated by this Agreement or any of the Basic Documents, (C) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement or any of the Basic Documents, or (D) relating to the Seller and which might adversely affect the federal or state income, excise, franchise or similar tax attributes of the Securities.

(g) NO CONSENTS. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required for the issuance or sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(h) TAX RETURNS. The Seller has filed on a timely basis all tax returns required to be filed by it and paid all taxes, to the extent that such taxes have become due.

(i) CHIEF EXECUTIVE OFFICE. The chief executive office of the Seller is at 16355 Laguna Canyon, Irvine, CA 92618.

SECTION 8.2 [RESERVED].

SECTION 8.3 LIABILITY OF SELLER; INDEMNITIES. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement.

(a) The Seller shall indemnify, defend and hold harmless the Issuer, the Owner Trustee, the Note Insurer, the Noteholders, the Standby Servicer and the Trustee from and against any taxes that may at any time be asserted against any such Person with respect to the transactions contemplated in this Agreement and any of the Basic Documents (except any income taxes arising out of fees paid to the Owner Trustee, the Trustee, the Standby Servicer and the Note Insurer and except any taxes to which the Owner Trustee, or the Trustee may otherwise be subject), including without limitation any sales, gross receipts, general corporation, tangible personal property, privilege or license taxes (but, in the case of the Issuer and the Noteholders, not including any taxes asserted with respect to federal or other income taxes arising out of distributions on the Notes and the Certificates) and costs and expenses in defending against the same.

(b) The Seller shall indemnify, defend and hold harmless the Issuer, the Owner Trustee, the Trustee, the Note Insurer and the Securityholders from and against any loss, liability or expense incurred by reason of (i) the Seller's willful misfeasance, bad faith or negligence in the performance of its duties under this Agreement, or by reason of reckless disregard of its obligations and duties under this Agreement and (ii) the Seller's or the Issuer's violation of Federal or state securities laws in connection with the offering and sale of the Notes and the Certificates.

(c) The Seller shall indemnify, defend and hold harmless the Owner Trustee, the Trustee, and the Standby Servicer and its officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of, or incurred in connection with the acceptance or performance of the trusts and duties set forth herein and in the Basic Documents except to the extent that such cost, expense, loss, claim, damage or liability shall be due to the willful misfeasance, bad faith or negligence (except for errors in judgment) of the Owner Trustee.

Indemnification under this Section shall survive the resignation or removal of the Owner Trustee or the Trustee and the termination of this Agreement or the Indenture or the Trust Agreement, as applicable, and shall include reasonable fees and expenses of counsel and other expenses of

litigation. If the Seller shall have made any indemnity payments pursuant to this Section and the Person to or on behalf of whom such payments are made thereafter shall collect any of such amounts from others, such Person shall promptly repay such amounts to the Seller, without interest.

SECTION 8.4 MERGER OR CONSOLIDATION OF, OR ASSUMPTION OF THE OBLIGATIONS OF, SELLER. Any Person (a) into which the Seller may be merged or consolidated, (b) which may result from any merger or consolidation to which the Seller shall be a party or (c) which may succeed to the properties and assets of the Seller substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Seller under this Agreement, shall be the successor to the Seller hereunder without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) the Seller shall have received the written consent of the Note Insurer prior to entering into any such transaction, (ii) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 3.1 shall have been breached and no Servicer Termination Event, and no event which, after notice or lapse of time, or both, would become a Servicer Termination Event shall have occurred and be continuing, (iii) the Seller shall have delivered to the Owner Trustee, the Trustee and the Note Insurer an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, (iv) the Rating Agency Condition shall have been satisfied with respect to such transaction and (v) the Seller shall have delivered to the Owner Trustee, the Trustee and the Note Insurer an Opinion of Counsel stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements and amendments thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Owner Trustee and the Trustee, respectively, in the Receivables and the Other Conveyed Property and reciting the details of such filings or (B) no such action shall be necessary to preserve and protect such interest. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clauses (i), (ii), (iii), (iv) and (v) above shall be conditions to the consummation of the transactions referred to in clauses (a), (b) or (c) above.

SECTION 8.5 LIMITATION ON LIABILITY OF SELLER AND OTHERS. The Seller and any director or officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising under any Basic Document. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action that shall not be incidental to its obligations under this Agreement, and that in its opinion may involve it in any expense or liability.

SECTION 8.6 SELLER MAY OWN CERTIFICATES OR NOTES. The Seller and any Affiliate thereof may in its individual or any other capacity become the owner or pledgee of Certificates or Notes with the same rights as it would have if it were not the Seller or an Affiliate thereof, except as expressly provided herein or in any Basic Document. Notes or Certificates so owned by the Seller or such

Affiliate shall have an equal and proportionate benefit under the provisions of the Basic Documents, without preference, priority or distinction as among all of the Notes or Certificates; provided, however, that any Notes owned by the Seller or any Affiliate thereof, during the time such Notes are so owned by them, shall be without voting rights for any purpose set forth in the Basic Documents and the Notes shall not be entitled to the benefits of the Note Policy. The Seller shall notify the Owner Trustee, the Trustee and the Note Insurer promptly after it or any of its Affiliates become the owner of a Certificate or a Note.

ARTICLE IX

THE SERVICER

SECTION 9.1 REPRESENTATIONS OF SERVICER. The Servicer makes the following representations on which the Note Insurer shall be deemed to have relied in executing and delivering the Note Policy, on which the Issuer is deemed to have relied in acquiring the Receivables and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party. The representations speak as of the execution and delivery of this Agreement and as of the Closing Date, and shall survive the sale of the Receivables to the Issuer and the pledge thereof to the Trustee pursuant to the Indenture.

(a) ORGANIZATION AND GOOD STANDING. The Servicer has been duly organized and is validly existing as a corporation and in good standing under the laws of the State of California, with power, authority and legal right to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and had at all relevant times, and shall have, power, authority and legal right to acquire, own and service the Receivables.

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

(c) POWER AND AUTHORITY. The Servicer has the power and authority to execute and deliver this Agreement and the Basic Documents to which it is a party and to carry out its terms and their terms, respectively, and the execution, delivery and performance of this Agreement and the Basic Documents to which it is a party have been duly authorized by the Servicer by all necessary corporate action.

(d) BINDING OBLIGATION. This Agreement and the Basic Documents to which the Servicer is a party shall constitute legal, valid and binding obligations of the Servicer enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific

remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) NO VIOLATION. The consummation of the transactions contemplated by this Agreement and the Basic Documents to which to the Servicer is a party, and the fulfillment of the terms of this Agreement and the Basic Documents to which the Servicer is a party, shall not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the articles of incorporation or bylaws of the Servicer, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Servicer is a party or by which it is bound or any of its properties are subject, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than the Basic Documents, or violate any law, order, rule or regulation applicable to the Servicer of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Servicer or any of its properties.

(f) NO PROCEEDINGS. There are no proceedings or investigations pending or, to the Servicer's knowledge, threatened against the Servicer, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Servicer or its properties (A) asserting the invalidity of this Agreement or any of the Basic Documents, (B) seeking to prevent the issuance of the Securities or the consummation of any of the transactions contemplated by this Agreement or any of the Basic Documents, or (C) other than the Stanwich Case seeking any determination or ruling that might materially and adversely affect the performance by the Servicer of its obligations under, or the validity or enforceability of, this Agreement, the Securities or any of the Basic Documents or (D) relating to the Servicer and which might adversely affect the federal or state income, excise, franchise or similar tax attributes of the Securities.

(g) NO CONSENTS. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required for the issuance or sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(h) TAXES. The Servicer has filed on a timely basis all tax returns required to be filed by it and paid all taxes, to the extent that such taxes have become due.

(i) CHIEF EXECUTIVE OFFICE. The Servicer hereby represents and warrants to the Trustee that the Servicer's principal place of business and chief executive office is, and for the four months preceding the date of this Agreement has been, located at: 16355 Laguna Canyon, Irvine, CA 92618.

SECTION 9.2 LIABILITY OF SERVICER; INDEMNITIES.

(a) The Servicer (in its capacity as such) shall be liable hereunder only to the extent of the obligations in this Agreement specifically undertaken by the Servicer and the representations made by the Servicer.

(i) The Servicer shall defend, indemnify and hold harmless the Trust, the Trustee, the Owner Trustee, the Standby Servicer, the Collateral Agent, the Note Insurer, and the Noteholders from and against any and all costs, expenses, losses, damages, claims and liabilities, arising out of or resulting from the use, ownership, repossession or operation by the Servicer or any Affiliate thereof of any Financed Vehicle;

(ii) The Servicer shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Standby Servicer, the Collateral Agent, the Note Insurer, and the Noteholders from and against any taxes that may at any time be asserted against any of such parties with respect to the transactions contemplated in this Agreement, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege or license taxes (but not including any federal or other income taxes, including franchise taxes asserted with respect to, and as of the date of, the sale of the Receivables and the Other Conveyed Property to the Trust or the issuance and original sale of the Notes) and costs and expenses in defending against the same;

(iii) The Servicer shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Standby Servicer, the Collateral Agent, the Note Insurer, the Placement Agent, their respective officers, directors, agents and employees and the Noteholders from and against any and all costs, expenses, losses, claims, damages, and liabilities to the extent that such cost, expense, loss, claim, damage, or liability arose out of, or was imposed upon the Trust, the Trustee, the Owner Trustee, the Standby Servicer, the Note Insurer, the Placement Agent or the Noteholders or such officers, directors, agents or employees through the negligence, willful misfeasance or bad faith of the Servicer in the performance of its duties under this Agreement, by reason of reckless disregard of its obligations and duties under this Agreement or as a result of a breach of any representation or warranty made by the Servicer in this Agreement (without regard to any exception relating to the Stanwich Case).

(iv) The Servicer shall indemnify, defend, and hold harmless the Trustee, the Owner Trustee, the Standby Servicer and the Collateral Agent from and against all costs, expenses, losses, claims, damages, and liabilities arising out of or incurred in connection with the acceptance or performance of the trusts and duties herein contained or in the Trust Agreement, if any, except to the extent that such cost, expense, loss, claim, damage or liability: (A) shall be due to the willful misfeasance, bad faith, or negligence (except for errors in judgment) of the Trustee, the Owner Trustee, the Standby Servicer or the Collateral Agent, as applicable or (B) relates to any tax other

than the taxes with respect to which the Servicer shall be required to indemnify the Trustee, the Owner Trustee, the Standby Servicer or the Collateral Agent.

(v) CPS shall defend, indemnify and hold harmless the Trust, the Trustee, the Owner Trustee, the Standby Servicer, the Collateral Agent, the Note Insurer and the Noteholders against any and all costs, expenses, losses, damages, claims and liabilities arising out of or resulting from CPS's involvement in, or the effect on any Receivable as a result of, the Stanwich Case and any other litigation arising out of or based on the same set of facts.

(b) Notwithstanding the foregoing, the Servicer shall not be obligated to defend, indemnify, and hold harmless any Noteholders for any losses, claims, damages or liabilities incurred by any Securityholders arising out of claims, complaints, actions and allegations relating to Section 406 of ERISA or Section 4975 of the Code as a result of the purchase or holding of a Security by such Noteholder with the assets of a plan subject to such provisions of ERISA or the Code or the servicing, management and operation of the Trust.

(c) For purposes of this Section 9.2, in the event of the termination of the rights and obligations of the Servicer (or any successor thereto pursuant to Section 9.3) as Servicer pursuant to Section 10.1, or a resignation by such Servicer pursuant to this Agreement, such Servicer shall be deemed to be the Servicer pending appointment of a successor Servicer pursuant to Section 10.2. The provisions of this Section 9.2(c) shall in no way affect the survival pursuant to Section 9.2(d) of the indemnification by the Servicer provided by Section 9.2(a).

(d) Indemnification under this Section 9.2 shall survive the termination of this Agreement and any resignation or removal of CPS as Servicer and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Servicer shall have made any indemnity payments pursuant to this Section and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts to the Servicer, without interest.

SECTION 9.3 MERGER OR CONSOLIDATION OF, OR ASSUMPTION OF THE OBLIGATIONS OF, THE SERVICER OR STANDBY SERVICER.

(a) CPS shall not merge or consolidate with any other person, convey, transfer or lease substantially all its assets as an entirety to another Person, or permit any other Person to become the successor to CPS's business unless, after the merger, consolidation, conveyance, transfer, lease or succession, the successor or surviving entity shall be capable of fulfilling the duties of CPS contained in this Agreement. Any corporation (i) into which CPS may be merged or consolidated, (ii) resulting from any merger or consolidation to which CPS shall be a party, (iii) which acquires by conveyance, transfer, or lease substantially all of the assets of CPS, or (iv) succeeding to the business of CPS, in any of the foregoing cases shall execute an agreement of assumption to perform every obligation of CPS under this Agreement and, whether or not such

assumption agreement is executed, shall be the successor to CPS under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement, anything in this Agreement to the contrary notwithstanding; provided, however, that nothing contained herein shall be deemed to release CPS from any obligation. CPS shall provide notice of any merger, consolidation or succession pursuant to this Section to the Owner Trustee, the Trustee, the Securityholders, the Note Insurer and each Rating Agency. Notwithstanding the foregoing, CPS shall not merge or consolidate with any other Person or permit any other Person to become a successor to CPS's business, unless (x) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 9.1 shall have been breached (for purposes hereof, such representations and warranties shall be deemed made as of the date of the consummation of such transaction) and no event that, after notice or lapse of time, or both, would become an Insurance Agreement Event of Default shall have occurred and be continuing, (y) CPS shall have delivered to the Owner Trustee, the Trustee, the Rating Agencies and the Note Insurer an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (z) CPS shall have delivered to the Owner Trustee, the Trustee, the Rating Agencies and the Note Insurer an Opinion of Counsel, stating in the opinion of such counsel, either (A) all financing statements and continuation statements and amendments thereto have been executed and filed that are necessary to preserve and protect the interest of the Owner Trustee and the Trustee, respectively, in the Receivables and the Other Conveyed Property and reciting the details of the filings or (B) no such action shall be necessary to preserve and protect such interest.

(b) Any corporation (i) into which the Standby Servicer may be merged or consolidated, (ii) resulting from any merger or consolidation to which the Standby Servicer shall be a party, (iii) which acquires by conveyance, transfer or lease substantially all of the assets of the Standby Servicer, or (iv) succeeding to the business of the Standby Servicer, in any of the foregoing cases shall execute an agreement of assumption to perform every obligation of the Standby Servicer under this Agreement and, whether or not such assumption agreement is executed, shall be the successor to the Standby Servicer under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement, anything in this Agreement to the contrary notwithstanding; provided, however, that nothing contained herein shall be deemed to release the Standby Servicer from any obligation.

SECTION 9.4 LIMITATION ON LIABILITY OF SERVICER, STANDBY SERVICER AND OTHERS.

Neither the Servicer, the Standby Servicer nor any of the directors or officers or employees or agents of the Servicer or Standby Servicer shall be under any liability to the Trust or the Securityholders, except as provided in this Agreement, for any action taken or for refraining from the taking of any action pursuant to this Agreement; provided, however, that this provision shall not protect the Servicer, the Standby Servicer or any such person against any

liability that would otherwise be imposed by reason of a breach of this Agreement or willful misfeasance, bad faith or negligence in the performance of duties. CPS, the Standby Servicer and any director, officer, employee or agent of CPS or the Standby Servicer may rely in good faith on the written advice of counsel or on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising under this Agreement. In addition, the Standby Servicer shall not be under any obligation to appear in, prosecute or defend any legal action that shall not be incidental to its obligations under this Agreement, and that in its opinion may involve it in any expense or liability.

SECTION 9.5 DELEGATION OF DUTIES. The Servicer may at any time delegate duties under this Agreement to sub-contractors who are in the business of servicing automotive receivables with the prior written consent of the Controlling Party as determined pursuant to Section 13.15; provided, however, that no such delegation or sub-contracting of duties by the Servicer shall relieve the Servicer of its responsibility with respect to such duties.

SECTION 9.6 SERVICER AND STANDBY SERVICER NOT TO RESIGN. Subject to the provisions of Section 9.3, neither the Servicer nor the Standby Servicer shall resign from the obligations and duties imposed on it by this Agreement as Servicer or Standby Servicer except (i) upon a determination that by reason of a change in legal requirements the performance of its duties under this Agreement would cause it to be in violation of such legal requirements in a manner which would have a material adverse effect on the Servicer or the Standby Servicer, as the case may be, and the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) or a Note Majority (if an Insurer Default shall have occurred and be continuing) does not elect to waive the obligations of the Servicer or the Standby Servicer, as the case may be, to perform the duties which render it legally unable to act or to delegate those duties to another Person or, (ii) in the case of the Standby Servicer, upon the prior written consent of the Note Insurer. Any such determination permitting the resignation of the Servicer or Standby Servicer shall be evidenced by an Opinion of Counsel to such effect delivered and acceptable to the Trustee, the Owner Trustee and the Note Insurer (unless an Insurer Default shall have occurred and be continuing). No resignation of the Servicer shall become effective until, so long as no Insurer Default shall have occurred and be continuing, the Standby Servicer or an entity acceptable to the Note Insurer shall have assumed the responsibilities and obligations of the Servicer or, if an Insurer Default shall have occurred and be continuing, the Standby Servicer or a successor Servicer that is an Eligible Servicer shall have assumed the responsibilities and obligations of the Standby Servicer. No resignation of the Standby Servicer shall become effective until, so long as no Insurer Default shall have occurred and be continuing, an entity acceptable to the Note Insurer shall have assumed the responsibilities and obligations of the Standby Servicer or, if an Insurer Default shall have occurred and be continuing a Person that is an Eligible Servicer shall have assumed the responsibilities and obligations of the Standby Servicer; provided, however, that in the event a successor Standby Servicer is not appointed within 60 days after the Standby Servicer has given notice of its resignation and has provided the Opinion of Counsel required by this Section 9.6, the Standby Servicer may petition a court for its removal.

ARTICLE X

DEFAULT

SECTION 10.1 SERVICER TERMINATION EVENT. For purposes of this Agreement, each of the following shall constitute a "SERVICER TERMINATION EVENT":

(a) Any failure by the Servicer to deliver to the Trustee for distribution to Securityholders any proceeds or payment required to be so delivered or deposited in the Spread Account under the terms of this Agreement that continues unremedied for a period of two Business Days (one Business Day with respect to payment of Purchase Amounts) after written notice is received by the Servicer from the Trustee or the Note Insurer (unless an Insurer Default shall have occurred and be continuing in, which case by a Note Majority) or after discovery of such failure by a Responsible officer of the Servicer; or

(b) Failure by the Servicer to deliver to the Trustee and the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing), the Servicer's Certificate within five days after the date on which such Servicer's Certificate is required to be delivered, or failure on the part of the Servicer to observe its covenants and agreements set forth in Section 9.3(a); or

(c) Failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in this Agreement, which failure (i) materially and adversely affects the rights of Noteholders (determined without regard to the availability of funds under the Policy), or of the Note Insurer (unless an Insurer Default shall have occurred and be continuing), and (ii) continues unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given (1) to the Servicer by the Trustee or the Note Insurer or (2) to the Servicer, the Trustee and the Note Insurer by each of the Holders of Notes evidencing not less than 25% of the Class A-1 Note Balance and the Holders of Notes evidencing not less than 25% of the Class A-2 Note Balance or, after the Notes have been paid in full and all outstanding Reimbursement Obligations and other amounts due to the Note Insurer have been paid in full, by the Holders of Class B Certificates evidencing not less than 25% of the Class B Certificate Balance; or

(d) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, or liquidator for the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) The consent by the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) to the appointment of a conservator, trustee, receiver or liquidator in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) of or relating to substantially all of its property; or the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) or the Seller shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or

(f) Any representation, warranty or statement of the Servicer made in this Agreement (without regard to any exception relating to the Stanwich Case) or any certificate, report or other writing delivered pursuant hereto shall prove to be incorrect in any material respect as of the time when the same shall have been made (excluding, however, any representation or warranty set forth in this Agreement relating to the characteristics of the Receivables), and the incorrectness of such representation, warranty or statement has a material adverse effect on the Trust or the Noteholders and, within 30 days after written notice thereof shall have been given (1) to the Servicer by the Trustee or the Note Insurer or (2) to the Servicer and to the Trustee and the Note Insurer by each of the Holders of Notes evidencing not less than 25% of the Class A-Note Balance and the Holders of Notes evidencing not less than 25% of the Class A-2 Note Balance or, after the Notes have been paid in full and all outstanding Reimbursement Obligations and other amounts due to the Note Insurer have been paid in full, by the Holders of Class B Certificates evidencing not less than 25% of the Class B Certificate Balance, the circumstances or condition in respect of which such representation, warranty or statement was incorrect shall not have been eliminated or otherwise cured; or

(g) So long as an Insurer Default shall not have occurred and be continuing, the Note Insurer shall not have delivered a Servicer Extension Notice pursuant to Section 4.14; or

(h) So long as an Insurer Default shall not have occurred and be continuing, an Insurance Agreement Event of Default shall have occurred; or

(i) A claim is made under the Note Policy.

SECTION 10.2 CONSEQUENCES OF A SERVICER TERMINATION EVENT. If a Servicer Termination Event shall occur and be continuing, the Note Insurer (or, if an Insurer Default shall have occurred and be continuing either the Trustee (to the extent it has knowledge thereof) or Holders of Notes evidencing not less than 25% of each of the Class A-1 Note Balance and the Class A-2 Note Balance, by notice given in writing to the Servicer (and to the Trustee if given by the Note Insurer or the Noteholders) or by non-extension of the term of the Servicer as referred to in Section 4.14 may terminate all of the rights and obligations of the Servicer under this Agreement. The Servicer shall be entitled to its pro rata share of the Servicing Fee for the number of days in the Collection Period

prior to the effective date of its termination. On or after the receipt by the Servicer of such written notice or upon termination of the term of the Servicer, all authority, power, obligations and responsibilities of the Servicer under this Agreement, whether with respect to the Notes, the Certificates or the Other Conveyed Property or otherwise, automatically shall pass to, be vested in and become obligations and responsibilities of the Standby Servicer (or such other successor Servicer appointed by the Controlling Party under Section 10.3); provided, however, that the successor Servicer shall have no liability with respect to any obligation which was required to be performed by the terminated Servicer prior to the date that the successor Servicer becomes the Servicer or any claim of a third party based on any alleged action or inaction of the terminated Servicer. The successor Servicer is authorized and empowered by this Agreement to execute and deliver, on behalf of the terminated Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of the Receivables and the Other Conveyed Property and related documents to show the Trust as lienholder or secured party on the related Lien Certificates, or otherwise. The terminated Servicer agrees to cooperate with the successor Servicer in effecting the termination of the responsibilities and rights of the terminated Servicer under this Agreement, including, without limitation, the transfer to the successor Servicer for administration by it of all cash amounts that shall at the time be held by the terminated Servicer for deposit, or have been deposited by the terminated Servicer, in the Collection Account or thereafter received with respect to the Receivables and the delivery to the successor Servicer of all Receivable Files that shall at the time be held by the terminated Servicer and a computer tape in readable form as of the most recent Business Day containing all information necessary to enable the successor Servicer to service the Receivables and the Other Conveyed Property. All reasonable costs and expenses (including attorneys' fees) incurred in connection with transferring any Receivable Files to the successor Servicer and amending this Agreement to reflect such succession as Servicer pursuant to this Section 10.2 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. In addition, any successor Servicer shall be entitled to payment from the immediate predecessor Servicer for reasonable transition expenses incurred in connection with acting as successor Servicer, and to the extent not so paid, such payment shall be made pursuant to Section 5.7 hereof. Upon receipt of notice of the occurrence of Servicer Termination Event, the Trustee shall give notice thereof to the Rating Agencies. If requested by the Controlling Party, the successor Servicer shall terminate the Lockbox Agreement and direct the Obligors to make all payments under the Receivables directly to the successor Servicer (in which event the successor Servicer shall process such payments in accordance with Section 4.2(e)), or to a lockbox established by the successor Servicer at the direction of the Controlling Party, at the successor Servicer's expense. The terminated Servicer shall grant the Trustee, the successor Servicer and the Controlling Party reasonable access to the terminated Servicer's premises at the terminated Servicer's expense.

SECTION 10.3 APPOINTMENT OF SUCCESSOR.

(a) On and after the time the Servicer receives a notice of termination pursuant to Section 10.2, upon non-extension of the servicing term as referred to in Section 4.14, or upon the resignation of the Servicer pursuant to Section 9.6, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, in the case of termination, only until the date specified in such termination notice or, if no such date is specified in a notice of termination, until receipt of such notice and, in the case of expiration and non-renewal of the term of the Servicer upon the expiration of such term, and, in the case of resignation, until the later of (x) the date 45 days from the delivery to the Trustee of written notice of such resignation (or written confirmation of such notice) in accordance with the terms of this Agreement and (y) the date upon which the predecessor Servicer shall become unable to act as Servicer, as specified in the notice of resignation and accompanying Opinion of Counsel. In the event of termination of the Servicer, Bank One Trust Company, N.A., as Standby Servicer, shall assume the obligations of Servicer hereunder on the date specified in such written notice (the "Assumption Date") pursuant to the Servicing and Lockbox Processing Assumption Agreement or, in the event that the Note Insurer shall have determined that a Person other than the Standby Servicer shall be the successor Servicer in accordance with Section 10.2, on the date of the execution of a written assumption agreement by such Person to serve as successor Servicer. Notwithstanding the Standby Servicer's assumption of, and its agreement to perform and observe, all duties, responsibilities and obligations of CPS as Servicer under this Agreement arising on and after the Assumption Date, the Standby Servicer shall not be deemed to have assumed or to become liable for, or otherwise have any liability for any duties, responsibilities, obligations or liabilities of CPS or any predecessor Servicer arising before the Assumption Date, whether provided for by the terms of this Agreement, arising by operation of law or otherwise, including, without limitation, any liability for any duties, responsibilities, obligations or liabilities (i) of CPS or any predecessor Servicer arising on or before the Assumption Date under Section 4.7 or 9.2 of this Agreement, regardless of when the liability, duty, responsibility or obligation of CPS or any predecessor Servicer therefor arose, whether provided by the terms of this Agreement, arising by operation of law or otherwise, or (ii) under Section 9.2(a)(ii), (iv) or (v). Notwithstanding the above, if the Standby Servicer shall be legally unable or unwilling to act as Servicer, and an Insurer Default shall have occurred and be continuing, the Standby Servicer, the Trustee or a Note Majority may petition a court of competent jurisdiction to appoint any Eligible Servicer as the successor to the Servicer. Pending appointment pursuant to the preceding sentence, the Standby Servicer shall act as successor Servicer unless it is legally unable to do so, in which event the outgoing Servicer shall continue to act as Servicer until a successor has been appointed and accepted such appointment. Subject to Section 9.6, no provision of this Agreement shall be construed as relieving the Standby Servicer of its obligation to succeed as successor Servicer upon the termination of the Servicer pursuant to Section 10.2, the resignation of the Servicer pursuant to Section 9.6 or the non-extension of the servicing term of the Servicer, as referred to in Section 4.14. If upon the termination of the Servicer pursuant to Section 10.2 or the resignation of the Servicer pursuant to Section 9.6, the Controlling Party appoints a successor Servicer other than the Standby Servicer, the Standby Servicer shall not be relieved of its duties as Standby Servicer hereunder.

(b) Any successor Servicer shall be entitled to such compensation (whether payable out of the Collection Account or otherwise) as the Servicer would have been entitled to under this Agreement if the Servicer had not resigned or been terminated hereunder.

SECTION 10.4 NOTIFICATION TO NOTEHOLDERS AND CERTIFICATEHOLDERS. Upon any termination of, or appointment of a successor to, the Servicer, the Trustee shall give prompt written notice thereof to each Securityholder, the Owner Trustee and to the Rating Agencies.

SECTION 10.5 WAIVER OF PAST DEFAULTS. Subject to the approval of the Note Insurer (unless an Insurer Default shall have occurred and be continuing), a Note Majority may, on behalf of all the Securityholders, waive any default by the Servicer in the performance of its obligations under this Agreement and the consequences thereof (except a default in making any required deposits to or payments from any of the Trust Accounts in accordance with the terms of this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Termination Event arising therefrom shall be deemed to have been remedied for every purpose of this Agreement). No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

SECTION 10.6 ACTION UPON CERTAIN FAILURES OF THE SERVICER. In the event that the Trustee shall have knowledge of any failure of the Servicer specified in Section 10.1 which would give rise to a right of termination under such Section upon the Servicer's failure to remedy the same after notice, the Trustee shall give notice thereof to the Servicer and the Note Insurer. For all purposes of this Agreement (including, without limitation, Section 6.2(b) and this Section 10.6), the Trustee shall not be deemed to have knowledge of any failure of the Servicer as specified in Sections 10.1(c) though (i) unless notified thereof in writing by the Servicer, the Note Insurer or by a Securityholder. The Trustee shall be under no duty or obligation to investigate or inquire as to any potential failure of the Servicer specified in Section 10.1.

ARTICLE XI

TERMINATION

SECTION 11.1 OPTIONAL PURCHASE OF ALL RECEIVABLES.

(a) (i) On the last day of any Collection Period as of which the Collateral Balance shall be less than or equal to 10% of the Original Collateral Balance, the Servicer shall have the option to purchase the Owner Trust Estate, other than the Trust Accounts (with the consent of the Note Insurer if such purchase would result in a claim on the Note Policy or would result in any amount owing to the Note Insurer under the Insurance Agreement remaining unpaid). To exercise such option, the Servicer shall (subject to the proviso below) deposit in the Collection Account pursuant to Section 5.6 an amount equal to the aggregate Purchase Amount for the Receivables (including

Liquidated Receivables), plus the appraised value of any other property held by the Trust, such value to be determined by an appraiser mutually agreed upon by the Servicer, the Note Insurer and the Trustee, and shall succeed to all interests in and to the Trust; provided, however, that the amount to be paid for such purchase shall be sufficient to pay the full amount of principal and accrued interest, if any, then due and payable on the Notes and Class B Certificates and the costs and expenses of the Trust including without express limitation, expenses incurred by the Trust in connection with such optional purchase.

(b) Notice of any termination of the Trust shall be given by the Servicer, which notice shall include, among other things, the items specified in Section 9.1(c) of the Trust Agreement, to the Owner Trustee, the Trustee, the Note Insurer and the Rating Agencies as soon as practicable after the Servicer has received notice thereof.

(c) Following the satisfaction and discharge of the Indenture and the payment in full of the principal of and interest on the Notes, the Certificateholders will succeed to the rights of the Noteholders hereunder and the Owner Trustee will succeed to the rights of, and assume the obligations of, the Trustee under this Agreement.

ARTICLE XII

ADMINISTRATIVE DUTIES OF THE SERVICER

SECTION 12.1 ADMINISTRATIVE DUTIES.

(a) DUTIES WITH RESPECT TO THE INDENTURE. The Servicer shall perform all its duties and the duties of the Issuer under the Indenture. In addition, the Servicer shall consult with the Owner Trustee as the Servicer deems appropriate regarding the duties of the Issuer under the Indenture. The Servicer shall monitor the performance of the Issuer and shall advise the Owner Trustee when action is necessary to comply with the Issuer's duties under the Indenture. The Servicer shall prepare for execution by the Issuer or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer to prepare, file or deliver pursuant to the Indenture. In furtherance of the foregoing, the Servicer shall take all necessary action that is the duty of the Issuer to take pursuant to the Indenture, including, without limitation, pursuant to Sections 2.7, 3.5, 3.6, 3.7, 3.9, 3.10, 3.17, 5.1(b), 7.3, 8.3, 9.2, 9.3, 11.1 and 11.15 of the Indenture.

(b) DUTIES WITH RESPECT TO THE ISSUER.

(i) In addition to the duties of the Servicer set forth in this Agreement or any of the Basic Documents, the Servicer shall perform such calculations and shall prepare for execution by the Issuer or the Owner Trustee or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer or the Owner Trustee to prepare, file or deliver pursuant to this Agreement or any of the Basic Documents or under state and federal tax and securities laws, and at the request of the Owner Trustee shall

take all appropriate action that it is the duty of the Issuer to take pursuant to this Agreement or any of the Basic Documents, including, without limitation, pursuant to Sections 2.6 and 2.10 of the Trust Agreement. In accordance with the directions of the Issuer or the Owner Trustee, the Servicer shall administer, perform or supervise the performance of such other activities in connection with the Collateral (including the Basic Documents) as are not covered by any of the foregoing provisions and as are expressly requested by the Issuer or the Owner Trustee and are reasonably within the capability of the Servicer.

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

(iii) Notwithstanding anything in this Agreement or the Basic Documents to the contrary, the Servicer shall be responsible for performance of the duties of the Issuer or the Seller set forth in Section 5.1 of the Trust Agreement with respect to, among other things, accounting and reports to Certificateholders; provided, however, that once prepared by the Servicer the Owner Trustee shall retain responsibility for the distribution of the Schedule K-1s necessary to enable each Certificateholder to prepare its federal and state income tax returns.

(iv) The Servicer shall perform the duties of the Servicer specified in Section 10.2 of the Trust Agreement required to be performed in connection with the resignation or removal of the Owner Trustee, and any other duties expressly required to be performed by the Servicer under this Agreement or any of the Basic Documents.

(v) In carrying out the foregoing duties or any of its other obligations under this Agreement, the Servicer may enter into transactions with or otherwise deal with any of its Affiliates; provided, however, that the terms of any such transactions or dealings shall be in accordance with any directions received from the Issuer and shall be, in the Servicer's opinion, no less favorable to the Issuer in any material respect.

(c) TAX MATTERS. The Servicer shall prepare and file, on behalf of the Seller, all tax returns, tax elections, financial statements and such annual or other reports of the Issuer as are necessary for preparation of tax reports as provided in Article V of the Trust Agreement, including without limitation, IRS forms 1099 and 1066. All tax returns will be signed by the Seller.

(d) NON-MINISTERIAL MATTERS. With respect to matters that in the reasonable judgment of the Servicer are non-ministerial, the Servicer shall not take any action pursuant to this Article XII unless within a reasonable time before the taking of such action, the Servicer shall have notified the Owner Trustee and the Trustee of the proposed action and the Owner Trustee and, with respect to items (i), (ii), (iii) and (iv) below, the Trustee shall not have withheld consent or provided an alternative direction. For the purpose of the preceding sentence, "non-ministerial matters" shall include:

(i) the amendment of or any supplement to the Indenture;

(ii) the initiation of any claim or lawsuit by the Issuer and the compromise of any action, claim or lawsuit brought by or against the Issuer (other than in connection with the collection of the Receivables);

(iii) the amendment, change or modification of this Agreement or any of the Basic Documents;

(iv) the appointment of successor Note Registrars, successor Paying Agents and successor Trustees pursuant to the Indenture or the appointment of Successor Servicers or the consent to the assignment by the Note Registrar, Paying Agent or Trustee of its obligations under the Indenture; and

(v) the removal of the Trustee.

(e) EXCEPTIONS. Notwithstanding anything to the contrary in this Agreement except as expressly provided herein or in the other Basic Documents, the Servicer, in its capacity as such hereunder, shall not be obligated to, and shall not, (1) make any payments to the Noteholders or Certificateholders under the Basic Documents, (2) sell the Trust Estate pursuant to Section 5.4 of the Indenture, (3) take any other action that the Issuer directs the Servicer not to take on its behalf or (4) in connection with its duties hereunder assume any indemnification obligation of any other Person.

(f) LIMITATION OF STANDBY SERVICER'S OBLIGATIONS. The Standby Servicer shall not be responsible for any obligations or duties of the Servicer under this Section 12.1.

SECTION 12.2 RECORDS. The Servicer shall maintain appropriate books of account and records relating to services performed under this Agreement, which books of account and records shall be accessible for inspection by the Issuer, the Trustee and the Note Insurer at any time during normal business hours.

SECTION 12.3 ADDITIONAL INFORMATION TO BE FURNISHED TO THE ISSUER. The Servicer shall furnish to the Issuer from time to time such additional information regarding the Collateral as the Issuer shall reasonably request.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.1 AMENDMENT.

(a) This Agreement may be amended from time to time by the parties hereto, with the consent of the Trustee (which consent may not be unreasonably withheld), with the prior written consent of the Note Insurer (so long as no Insurer Default has occurred and is continuing) but without the consent of any of the Noteholders or the Certificateholders, to cure any ambiguity, to correct or supplement any provisions in this Agreement, to comply with any changes in the Code, or to make any other provisions with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement or the Insurance Agreement; provided, however, that such action shall not, as evidenced by an Opinion of Counsel delivered to the Owner Trustee and the Trustee, adversely affect in any material respect the interests of any Noteholder or Certificateholder; provided further that if an Insurer Default has occurred and is continuing, such action shall not materially adversely affect the interests of the Note Insurer.

This Agreement may also be amended from time to time by the parties hereto, with the consent of the Note Insurer, the Trustee, and a Note Majority for the purpose of adding any 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 Noteholders or the Certificateholders; provided, however, that no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Receivables or distributions that shall be required to be made for the benefit of the Noteholders or the Certificateholders or (b) reduce the aforesaid percentage of the Class A-1 Note Balance, the Class A-2 Note Balance or the Class B Certificate Balance, the Holders of which are required to consent to any such amendment, without the consent of the Holders of all the outstanding Notes affected thereby and the Holders (as defined in the Trust Agreement) of all the outstanding Class B Certificates affected thereby; provided further, that if an Insurer Default has occurred and is continuing, such action shall not materially adversely affect the interests of the Note Insurer.

Promptly after the execution of any such amendment or consent, the Trustee shall furnish written notification of the substance of such amendment or consent to each Securityholder and the Rating Agencies.

It shall not be necessary for the consent of Certificateholders or Noteholders pursuant to this Section to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents (and any other consents of Noteholders or Certificateholders provided for in this Agreement) and of evidencing the authorization of any action by Noteholders or Certificateholders shall be subject to such reasonable requirements as the Trustee or the Owner Trustee, as applicable, may prescribe.

Prior to the execution of any amendment to this Agreement, the Owner Trustee and the Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and the Opinion of Counsel referred to in Section 13.2(i)(i) has been delivered. The Owner Trustee, the Standby Servicer and the Trustee may, but shall not be obligated to, enter into any such amendment which affects the Issuer's, the Owner Trustee's, the Standby Servicer's or the Trustee's, as applicable, own rights, duties or immunities under this Agreement or otherwise.

(b) Notwithstanding anything to the contrary contained in Section 13.1(a) above, the provisions of this Agreement relating to (i) the Spread Account Supplement, the Spread Account, the Requisite Amount (as defined in the Master Spread Account Agreement or the Spread Account Supplement), a Trigger Event or any component definition of a Trigger Event and (ii) any additional sources of funds which may be added to the Spread Account or uses of funds on deposit in the Spread Account may be amended in any respect by the Seller, the Servicer, the Note Insurer and the Collateral Agent (the consent of which shall not be withheld or delayed with respect to any amendment that does not adversely affect the Collateral Agent) without the consent of, or notice to, the Noteholders or the Certificateholders.

(c) Upon the termination of CPS as Servicer and the appointment of the Backup Servicer, as Servicer hereunder, all amendments to the terms of this Agreement specified in the Backup Servicing Agreement shall become part of this Agreement as if this Agreement was amended to reflect such changes in accordance with this Section 13.1.

SECTION 13.2 PROTECTION OF TITLE TO TRUST.

(a) The Seller or Servicer or both shall execute and file such financing statements and cause to be executed and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve, maintain and protect the interest of the Issuer and the interests of the Trustee in the Receivables and in the proceeds thereof. The Seller shall deliver (or cause to be delivered) to the Note Insurer, the Owner Trustee and the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(b) Neither the Seller nor the Servicer shall change its name, identity, jurisdiction of organization or corporate structure in any manner that would, could or might make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the meaning of section 9-506(a) of the UCC, unless it shall have given the Note Insurer, the Owner Trustee and the Trustee at least five days' prior written notice thereof and shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements. Promptly upon such filing, the Seller or the Servicer, as the case may be, shall deliver an Opinion of Counsel to the Issuer, the Owner Trustee, the Trustee and the Note Insurer, in form and substance reasonably satisfactory to the Note Insurer, stating either (A) all financing statements and continuation statements have

been executed and filed that are necessary fully to preserve and protect the interest of the Trust and the Trustee in the Receivables, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) no such action shall be necessary to preserve and protect such interest.

(c) Each of the Seller and the Servicer shall have an obligation to give the Note Insurer, the Owner Trustee and the Trustee at least 60 days' prior written notice of any change in its jurisdiction of organization if, as a result of such change, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and shall promptly file any such amendment. The Servicer shall at all times maintain its jurisdiction of organization within the United States of America. Each of the Seller and Servicer shall at all times be organized solely under the laws of one state.

(d) The Servicer shall maintain accounts and records as to each Receivable accurately and in sufficient detail to permit (i) the reader thereof to know at any time the status of such Receivable, including payments and recoveries made and payments owing (and the nature of each) and (ii) reconciliation between payments or recoveries on (or with respect to) each Receivable and the amounts from time to time deposited in the Collection Account in respect of such Receivable.

(e) The Servicer shall maintain its computer systems so that, from and after the time of sale under this Agreement of the Receivables to the Issuer, the Servicer's master computer records (including any backup archives) that refer to a Receivable shall indicate clearly the interest of the Trust in such Receivable and that such Receivable is owned by the Trust. Indication of the Trust's interest in a Receivable shall be deleted from or modified on the Servicer's computer systems when, and only when, the related Receivable shall have been paid in full or repurchased.

(f) If at any time the Seller or the Servicer shall propose to sell, grant a security interest in or otherwise transfer any interest in automotive receivables to any prospective purchaser, lender or other transferee, the Servicer shall give to such prospective purchaser, lender or other transferee computer tapes, records or printouts (including any restored from backup archives) that, if they shall refer in any manner whatsoever to any Receivable, shall indicate clearly that such Receivable has been sold and is owned by the Trust.

(g) The Servicer shall permit the Trustee, the Standby Servicer and the Note Insurer and its agents at any time during normal business hours to inspect, audit, and make copies of and abstracts from the Servicer's records regarding any Receivable.

(h) Upon request, the Servicer shall furnish to the Note Insurer, the Owner Trustee or to the Trustee, within five Business Days, a list of all Receivables (by contract number and name of Obligor) then held as part of the Trust, together with a reconciliation of such list to the Schedule of Receivables and to each of the Servicer's Certificates furnished before such request indicating removal of Receivables from the Trust.

(i) The Servicer shall deliver to the Note Insurer, the Owner Trustee and the Trustee:

(i) promptly after the execution and delivery of this Agreement and, if required pursuant to Section 13.1, of each amendment, an Opinion of Counsel, in form and substance satisfactory to the Note Insurer, stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the interest of the Trust and the Trustee in the Receivables, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) no such action shall be necessary to preserve and protect such interest; and

(ii) within 90 days after the beginning of each calendar year beginning with the first calendar year beginning more than three months after the Initial Cutoff Date, an Opinion of Counsel, dated as of a date during such 90-day period, stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the interest of the Trust and the Trustee in the Receivables, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) no such action shall be necessary to preserve and protect such interest.

Each Opinion of Counsel referred to in clause (i) or (ii) above shall specify any action necessary (as of the date of such opinion) to be taken in the following year to preserve and protect such interest.

SECTION 13.3 NOTICES. All demands, notices and communications upon or to the Seller, the Backup Servicer, the Servicer, the Owner Trustee, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered, or mailed by certified mail, return receipt requested, and shall be deemed to have been duly given upon receipt (a) in the case of the Seller to CPS Receivables Funding Corp., 16355 Laguna Canyon, Irvine, CA 92618, (b) in the case of the Servicer to Consumer Portfolio Services, Inc.,16355 Laguna Canyon, Irvine, CA 92618, Attention: Chief Financial officer, (c) in the case of the Issuer or the Owner Trustee, at the Corporate Trust Office of the Owner Trustee, (d) in the case of the Trustee or the Collateral Agent, at the Corporate Trust Office, (e) in the case of the Note Insurer, to 350 Park Avenue, New York, New York 10022 Attention: Senior Vice President, Surveillance (Telecopy: (212) 339-3547); (f) in the case of Moody's, to Moody's Investors Service, Inc., ABS Monitoring Department, 99 Church Street, New York, New York 10007; (g) in the case of the Backup Servicer to Systems & Services Technologies, Inc. at 4315 Pickett Road, St. Joseph, Missouri 64503, Attention: Joseph D. Booz, General Counsel and John J Chappell, President; and (h) in the case of Standard & Poor's Ratings Group, to Standard & Poor's, a Division of The McGraw Hill Companies, 25

Broadway, 15th Floor, New York, New York 10004, Attention: Asset Backed Surveillance Department. Any notice required or permitted to be mailed to a Noteholder or Certificateholder shall be given by first class mail, postage prepaid, at the address of such Holder as shown in the Certificate Register or Note Register, as applicable. Any notice so mailed within the time prescribed in the Agreement shall be conclusively presumed to have been duly given, whether or not the Certificateholder or Noteholder shall receive such notice.

SECTION 13.4 ASSIGNMENT. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Notwithstanding anything to the contrary contained herein, except as provided in Sections 8.4 and 9.3 and as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the Seller or the Servicer without the prior written consent of the Owner Trustee, the Trustee, the Standby Servicer, the Trustee and the Note Insurer (or if an Insurer Default shall have occurred and be continuing the Holders of Notes evidencing not less than 66% of the principal amount of the outstanding Notes.

SECTION 13.5 LIMITATIONS ON RIGHTS OF OTHERS. The provisions of this Agreement are solely for the benefit of the parties hereto and for the benefit of the Owner Trustee, the Certificateholders (including the Seller), the Trustee and the Noteholders, as third-party beneficiaries. The Note Insurer and its successors and assigns shall be a third-party beneficiary to the provisions of this Agreement, and shall be entitled to rely upon and directly enforce such provisions of this Agreement so long as no Insurer Default shall have occurred and be continuing. Except as expressly stated otherwise, any right of the Note Insurer to direct, appoint, consent to, approve of, or take any action under this Agreement, shall be a right exercised by the Note Insurer in its sole and absolute discretion. The Note Insurer may disclaim any of its rights and powers under this Agreement (but not its duties and obligations under the Note Policy) upon delivery of a written notice to the Owner Trustee and the Trustee. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Owner Trust Estate or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 13.6 SEVERABILITY. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 13.7 SEPARATE COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 13.8 HEADINGS. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 13.9 GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 13.10 ASSIGNMENT TO TRUSTEE. The Seller hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Trustee pursuant to the Indenture for the benefit of the Noteholders of all right, title and interest of the Issuer in, to and under the Receivables and/or the assignment of any or all of the Issuer's rights and obligations hereunder to the Trustee.

SECTION 13.11 NONPETITION COVENANTS.

(a) Notwithstanding any prior termination of this Agreement, the Servicer and the Seller shall not, prior to the date which is one year and one day after the termination of this Agreement with respect to the Issuer, acquiesce, petition or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Issuer under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Issuer.

(b) Notwithstanding any prior termination of this Agreement, the Servicer shall not, prior to the date that is one year and one day after the termination of this Agreement with respect to the Seller, acquiesce to, petition or otherwise invoke or cause the Seller to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Seller under any federal or state bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar official of the Seller or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Seller.

SECTION 13.12 LIMITATION OF LIABILITY OF OWNER TRUSTEE AND TRUSTEE.

(a) Notwithstanding anything contained herein to the contrary, this Agreement has been countersigned by Wilmington Trust Company not in its individual capacity but solely in its capacity as Owner Trustee of the Issuer and in no event shall Wilmington Trust Company in its individual capacity or, except as expressly provided in the Trust Agreement, as Owner Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Issuer. For all purposes of this Agreement, in the

performance of its duties or obligations hereunder or in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Articles VI, VII and VIII of the Trust Agreement.

(b) Notwithstanding anything contained herein to the contrary, this Agreement has been executed and delivered by Bank One Trust Company, N.A., not in its individual capacity but solely as Trustee and Standby Servicer and in no event shall Bank One Trust Company, N.A., have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Issuer.

(c) In no event shall Bank One Trust Company, N.A., in any of its capacities hereunder, be deemed to have assumed any duties of the Owner Trustee under the Delaware Business Trust Statute, common law, or the Trust Agreement.

SECTION 13.13 INDEPENDENCE OF THE SERVICER. For all purposes of this Agreement, the Servicer shall be an independent contractor and shall not be subject to the supervision of the Issuer, the Trustee and Standby Servicer or the Owner Trustee with respect to the manner in which it accomplishes the performance of its obligations hereunder. Unless expressly authorized by this Agreement, the Servicer shall have no authority to act for or represent the Issuer or the Owner Trustee in any way and shall not otherwise be deemed an agent of the Issuer or the Owner Trustee.

SECTION 13.14 NO JOINT VENTURE. Nothing contained in this Agreement (i) shall constitute the Servicer and either of the Issuer or the Owner Trustee as members of any partnership, joint venture, association, syndicate, unincorporated business or other separate entity, (ii) shall be construed to impose any liability as such on any of them or (iii) shall be deemed to confer on any of them any express, implied or apparent authority to incur any obligation or liability on behalf of the others.

SECTION 13.15 NOTE INSURER AS CONTROLLING PARTY. Each Noteholder by purchase of the Notes held by it acknowledges that the Trustee, as partial consideration of the issuance of the Note Policy, has agreed that the Note Insurer shall have certain rights hereunder for so long as no Insurer Default shall have occurred and be continuing. So long as no Insurer Default has occurred and is continuing, except as otherwise specifically provided herein, whenever Noteholder action, consent or approval is required under this Agreement, such action, consent or approval shall be deemed taken or given on behalf of, and shall be binding upon, all Noteholders if the Insurer agrees to take such action or give such consent or approval. So long as an Insurer Default has occurred and is continuing, any provision giving the Note Insurer the right to direct, appoint or consent to, approve of, or take any action under this Agreement shall be inoperative during the period of such Insurer Default and such right shall instead vest in the Trustee acting, unless otherwise specified, at the direction of a Note Majority. From and after such time as the Notes have been paid in full and no amounts are owing to the Insurer under the Insurance

Agreement, any provision giving the Note Insurer or the Noteholders the right to direct, appoint or consent to, approve of, or take any action under this Agreement shall be inoperative and such right shall instead vest in the Trustee acting at the direction of the holders of the Certificates, unless otherwise specified. The Note Insurer may disclaim any of its rights and powers under this Agreement (but not its duties and obligations under the Policy) upon delivery of a written notice to the Trustee. The Note Insurer may give or withhold any consent hereunder in its sole and absolute discretion.

SECTION 13.16 ACKNOWLEDGMENT OF ROLES

The parties expressly acknowledge and consent to Bank One Trust Company, N.A. acting in the multiple capacities of Standby Servicer, Collateral Agent and Trustee. The parties agree that Bank One Trust Company, N.A. in such multiple capacities shall not be subject to any claim, defense or liability arising from its performance in any such capacity based on conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Bank One Trust Company, N.A. of any other such capacity or capacities in accordance with this Agreement or any other Basic Documents to which it is a party.

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

CPS AUTO RECEIVABLES TRUST 2002-A

By: WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Owner Trustee on behalf of the Trust

By:_____
Title:_____

CPS RECEIVABLES CORP., as Seller

By:_____
Title:_____

CONSUMER PORTFOLIO SERVICES, INC., as Servicer

By:_____
Title:_____

BANK ONE TRUST COMPANY, N.A., not in its individual capacity, but solely as Standby Servicer and Trustee

By:_____
Title:_____

SYSTEMS AND SERVICES TECHNOLOGIES, INC.,
as Backup Servicer

By_____
Title:_____

SCHEDULE A

SCHEDULE OF RECEIVABLES

[AVAILABLE UPON REQUEST TO THE TRUSTEE]

SCHEDULE B

LOCATION FOR DELIVERY OF RECEIVABLE FILES

[AVAILABLE UPON REQUEST TO THE TRUSTEE]

EXHIBIT A

SUBSEQUENT TRANSFER AGREEMENT

TRANSFER No. __ of Subsequent Receivables pursuant to the Sale and Servicing Agreement, dated as of March 1, 2002, among CPS AUTO RECEIVABLES TRUST 2002-A, a Delaware business trust (the "Issuer"), CPS RECEIVABLES CORP., a California corporation (the "Seller"), CONSUMER PORTFOLIO SERVICES, INC. a California corporation (the "Servicer"), SYSTEMS & SERVICES TECHNOLOGIES, INC., as Backup Servicer (the "Backup Servicer") and BANK ONE TRUST COMPANY, N.A., a national banking association, in its capacity as Trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS pursuant to the Sale and Servicing Agreement, the Seller wishes to convey to the Issuer the Subsequent Receivables listed on Schedule A hereto; and

WHEREAS the Issuer is willing to accept such conveyance subject to the terms and conditions hereof.

NOW, THEREFORE, the Issuer, the Seller, the Servicer and the Trustee hereby agree as follows:

SECTION 1. DEFINED TERMS. Capitalized terms used herein shall have the meanings ascribed to them in the Sale and Servicing Agreement unless otherwise defined herein.

"Subsequent Cutoff Date" shall mean, with respect to the Subsequent Receivables conveyed hereby, _____, 2002.

"Subsequent Transfer Date" shall mean, with respect to the Subsequent Receivables conveyed hereby, _____, 2002.

SECTION 2. SCHEDULE OF RECEIVABLES. Annexed hereto is a supplement to Schedule A to the Sale and Servicing Agreement listing the Receivables that constitute the Subsequent Receivables to be conveyed pursuant to this Subsequent Transfer agreement on the Subsequent Transfer Date.

SECTION 3. CONVEYANCE OF SUBSEQUENT RECEIVABLES. In consideration of the Issuer's delivery to or upon the order of the Seller of $_____, the Seller does hereby sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse (except as expressly provided in the Sale and Servicing Agreement), all right, title and interest of the Seller in and to:

(a) all right, title and interest of the Seller in and to the Subsequent Receivables listed in Schedule A to this Subsequent Transfer Agreement and all monies received thereunder after the Subsequent Cutoff Date

and all Net Liquidation Proceeds received with respect to such Subsequent Receivables after the Subsequent Cutoff Date;

(b) all right, title and interest of the Seller in and to the security interests in the Financed Vehicles granted by Obligors pursuant to the Subsequent Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the Non-Certificated Title States, all other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

(c) all right, title and interest of the Seller in and to any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Subsequent Receivables or the Obligors thereunder;

(d) all right, title and interest of the Seller in and to the related Subsequent Receivables Purchase Agreement, including a direct right to cause CPS to purchase Receivables from the Trust under certain circumstances and to indemnify the Trust pursuant to the Receivables Purchase Agreement;

(e) all right, title and interest of the Seller in and to refunds for the costs of extended service contracts with respect to Financed Vehicles securing Subsequent Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle under a Subsequent Receivable or his or her obligations with respect to a Financed Vehicle and any recourse to Dealers for any of the foregoing;

(f) the Receivable File related to each Subsequent Receivable;

(g) all amounts and property from time to time held in or credited to the Collection Account, the Pre-Funding Account, the Interest Reserve Account or the Lockbox Account;

(h) the proceeds of any and all of the foregoing; and

(i) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing.

It is the intention of the Seller that the transfer and assignment contemplated by this Subsequent Transfer Agreement shall constitute a sale of the Subsequent Receivables and Other Conveyed Property from the Seller to the Issuer and the beneficial interest in and title to the Subsequent Receivables and the Other Conveyed Property shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. In the event that, notwithstanding the intent of the Seller, the transfer and assignment contemplated hereby is held not to be a sale, this Subsequent Transfer Agreement shall constitute a grant of a security interest in the property referred to in this Section 3 for the benefit of the Securityholders and the Note Insurer.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE SELLER. In addition to the representations and warranties set forth in Section 3.1 of the Sale and Servicing Agreement, the Seller hereby represents and warrants to the Issuer as of the date of this Agreement and as of the Subsequent Transfer Date that:

(a) ORGANIZATION AND GOOD STANDING. The Seller has been duly organized and is validly existing as a corporation in good standing under the laws of the State of California, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and now has, power, authority and legal right to acquire, own and sell the Subsequent Receivables and the related Other Conveyed Property transferred to the Trust.

(b) DUE QUALIFICATION. The Seller is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications.

(c) POWER AND AUTHORITY. The Seller has the power and authority to execute and deliver this Subsequent Transfer Agreement and the Basic Documents to which it is a party and to carry out its terms and their terms, respectively; the Seller has full power and authority to sell and assign the Subsequent Receivables and the related Other Conveyed Property to be sold and assigned to and deposited with the Trust by it and has duly authorized such sale and assignment to the Trust by all necessary corporate action; and the execution, delivery and performance of this Subsequent Transfer Agreement and the Basic Documents to which the Seller is a party have been duly authorized by the Seller by all necessary corporate action.

(d) VALID SALE, BINDING OBLIGATIONS. This Subsequent Transfer Agreement effects a valid sale, transfer and assignment of the Subsequent Receivables and the related Other Conveyed Property, enforceable against the Seller and creditors of and purchasers from the Seller; and this Subsequent Transfer Agreement and the Basic Documents to which the Seller is a party, when duly executed and delivered, shall constitute legal, valid and binding obligations of the Seller enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency,

reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) NO VIOLATION. The consummation of the transactions contemplated by this Subsequent Transfer Agreement and the Basic Documents and the fulfillment of the terms of this Subsequent Transfer Agreement and the Basic Documents shall not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice, lapse of time or both) a default under the certificate of incorporation or by-laws of the Seller, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Seller is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than the Basic Documents, or violate any law, order, rule or regulation applicable to the Seller of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or any of its properties.

(f) NO PROCEEDINGS. There are no proceedings or investigations pending or, to the Seller's knowledge, threatened against the Seller, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Seller or its properties (A) asserting the invalidity of this Subsequent Transfer Agreement, the Securities or any of the Basic Documents, (B) seeking to prevent the consummation of any of the transactions contemplated by this Subsequent Transfer Agreement or any of the Basic Documents, (C) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Subsequent Transfer Agreement or any of the Basic Documents, or (D) relating to the Seller and which might adversely affect the federal or state income, excise, franchise or similar tax attributes of the Securities.

(g) NO CONSENTS. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required for the issuance or sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(h) TAX RETURNS. The Seller has filed on a timely basis all tax returns required to be filed by it and paid all taxes, to the extent that such taxes have become due.

(i) CHIEF EXECUTIVE OFFICE. The chief executive office of the Seller is at 16355 Laguna Canyon, Irvine, CA 92618.

(j) PRINCIPAL BALANCE. The aggregate Principal Balance of the Subsequent Receivables listed on the supplement to Schedule A annexed hereto and conveyed to the Issuer pursuant to this Subsequent Transfer Agreement as of the Subsequent Cutoff Date is $_____.

SECTION 5. CONDITIONS PRECEDENT. The obligation of the Issuer to acquire the Subsequent Receivables hereunder is subject to the satisfaction, on or prior to the Subsequent Transfer Date, of the following conditions precedent:

(a) REPRESENTATIONS AND WARRANTIES. Each of the representations and warranties made by the Seller in Section 4 of this Subsequent Transfer Agreement and with respect to the Subsequent Receivables in Section 3.1 of the Sale and Servicing Agreement shall be true and correct as of the date of this Agreement and as of the Subsequent Transfer Date.

(b) SALE AND SERVICING AGREEMENT CONDITIONS. Each of the conditions set forth in Section 2.2(b) of the Sale and Servicing Agreement shall have been satisfied.

(c) ADDITIONAL INFORMATION. The Seller shall have delivered to the Issuer such information as was reasonably requested by the Issuer to satisfy itself as to (i) the accuracy of the representations and warranties set forth in Section 4 of this Agreement and with respect to the Subsequent Receivables in Section 3.1 of the Sale and Servicing Agreement and (ii) the satisfaction of the conditions set forth in this Section 5.

SECTION 6. ACCEPTANCE OF RECEIVABLE FILES BY TRUSTEE. The Trustee acknowledges receipt of files which the Seller has represented are the Receivable Files for the Subsequent Receivables. The Trustee has reviewed such Receivable Files and has determined that it has received a file for each Subsequent Receivable identified in Schedule A to this Subsequent Transfer Agreement. The Trustee declares that it holds and will continue to hold such files and any amendments, replacements or supplements thereto and all other Trust Assets as Trustee in trust for the use and benefit of all present and future Securityholders.

SECTION 7. RATIFICATION OF AGREEMENT. As supplemented by this Agreement, the Sale and Servicing Agreement is in all respects ratified and confirmed and the Sale and Servicing Agreement as so supplemented by this Agreement shall be read, taken and construed as one and the same instrument.

SECTION 8. COUNTERPARTS. This Agreement may be executed in two or more counterparts (and by different parties in separate counterparts), each of which shall be an original but all of which together shall constitute one and the same instrument.

SECTION 9. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

IN WITNESS WHEREOF, the Issuer, the Seller and the Servicer have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

CPS AUTO RECEIVABLES TRUST 2002-A

by WILMINGTON TRUST COMPANY,not in its individual capacity, but solely as Owner Trustee on behalf of the Trust

By:_____
Name:_____
Title:_____

CPS RECEIVABLES CORP., Seller

By:_____
Name:_____
Title:_____

CONSUMER PORTFOLIO SERVICES, INC., Servicer

By:_____
Name:_____
Title:_____

BANK ONE TRUST COMPANY, N.A., not in its individual capacity, but solely as Trustee

By:_____
Name:_____
Title:_____

SYSTEMS & SERVICES TECHNOLOGIES, INC.,
as Backup Servicer

By:_____
Name:_____
Title:_____

EXHIBIT B

SERVICER'S CERTIFICATE

EXHIBIT C

TRUST RECEIPT
PURSUANT TO SECTION 3.5 OF
THE SALE AND SERVICING AGREEMENT

Consumer Portfolio Services, Inc., as Servicer (the "Servicer") of the CPS Auto Receivables Trust 2002-A (the "Trust") under the Sale and Servicing Agreement (the "Sale and Servicing Agreement"), dated as of March 1, 2002, among CPS Auto Receivables Trust 2002-A, CPS Receivables Corp., as Seller, Consumer Portfolio Services, Inc., as Servicer, Systems and Services Technologies, Inc., as Backup Servicer and Bank One Trust Company, N.A., as Trustee and Standby Servicer, does hereby acknowledge receipt of the documents relating to the Receivables, each of which documents and the Receivables to which they are related are listed on the attached Schedule 1 hereto. The Servicer furthermore agrees to return such documents to the Trustee in accordance with the terms of the Sale and Servicing Agreement.

IN WITNESS WHEREOF I have hereunto set my hand this __ day of _____, 20__.

CONSUMER PORTFOLIO SERVICES, INC.,
as Servicer

By:_____
Name:_____
Title:_____

Acknowledged By:

BANK ONE TRUST COMPANY, N.A.,
as Trustee

By:_____
Name:_____
Title:_____

EXHIBIT D

SERVICING OFFICER'S CERTIFICATE
PURSUANT TO SECTION 3.5
OF THE SALE AND SERVICING AGREEMENT

The undersigned, _____, hereby certifies that (s)he is a duly elected and qualified officer of the Servicer, and hereby further certifies as follows:

The Receivable described below has been fully liquidated and all amounts required to be deposited in the Collection Account with respect to the Receivable and the Obligor described below have been so deposited.

Servicer
Loan No.:
Obligor's Name:

Capitalized terms used herein which are not defined herein shall have the meanings ascribed to them in the Sale and Servicing Agreement dated as of March 1, 2002 among CPS Auto Receivables Trust 2002-A, Consumer Portfolio Services, Inc., as servicer, CPS Receivables Corp., as seller, Systems and Services Technologies, Inc., as Backup Servicer, and Bank One Trust Company, N.A., as trustee and Standby Servicer.

IN WITNESS WHEREOF, I have hereunto set my hand on and as of this ___ day of _____, 20___.

By:_____
Name:_____
Title:_____

EXHIBIT E

FORM OF MONTHLY SECURITYHOLDER STATEMENT

[AVAILABLE UPON REQUEST TO THE TRUSTEE]

EXHIBIT F-1

TRUSTEE'S CERTIFICATE
PURSUANT TO SECTIONS 3.2 OR 3.4 OF
THE SALE AND SERVICING AGREEMENT

Bank One Trust Company, N.A., as trustee (the "Trustee") of the CPS Auto Receivables Trust 2002-A (the "Trust") under the Sale and Servicing Agreement (the "Sale and Servicing Agreement"), dated as of March 1, 2002, among the Trust, CPS Receivables Corp., as Seller, Consumer Portfolio Services, Inc., as Servicer, Systems and Services Technologies, Inc., as Backup Servicer, and Bank One Trust Company, N.A., as Trustee and Standby Servicer, does hereby sell, transfer, assign, and otherwise convey to Consumer Portfolio Services, Inc., without recourse, representation, or warranty, all of the Trustee's right, title, and interest in and to all of the Receivables (as defined in the Sale and Servicing Agreement) identified in the attached Servicer's Certificate as "Purchased Receivables," which are to be repurchased by Consumer Portfolio Services, Inc. pursuant to Section 3.2 or Section 3.4 of the Sale and Servicing Agreement and all security and documents relating thereto.

IN WITNESS WHEREOF I have hereunto set my hand this __ day of _____, 20__.

BANK ONE TRUST COMPANY, N.A., as Trustee

By:_____
Name:_____
Title:_____

EXHIBIT F-2

TRUSTEE'S CERTIFICATE
PURSUANT TO SECTIONS 4.7 OR 11.1 OF
THE SALE AND SERVICING AGREEMENT

Bank One Trust Company, N.A., as trustee (the "Trustee") of the CPS Auto Receivables Trust 2002-A (the "Trust") under the Sale and Servicing Agreement (the "Sale and Servicing Agreement"), dated as of March 1, 2002, among the Trust, CPS Receivables Corp., as Seller, Consumer Portfolio Services, Inc., as Servicer (the "Servicer"), Systems and Services Technologies, Inc., as Backup Servicer, and Bank One Trust Company, N.A., as Trustee and Standby Servicer, does hereby sell, transfer, assign, and otherwise convey to the Servicer, without recourse, representation, or warranty, all of the Trustee's right, title, and interest in and to all of the Receivables (as defined in the Sale and Servicing Agreement) identified in the attached Servicer's Certificate as "Purchased Receivables," which are to be repurchased by the Servicer pursuant to Section 4.7 or Section 11.1 of the Sale and Servicing Agreement and all security and documents relating thereto.

IN WITNESS WHEREOF I have hereunto set my hand this __ day of _____, 20__.

BANK ONE TRUST COMPANY, N.A., as Trustee

By:_____
Name:_____
Title:_____

EXHIBIT G

INVESTOR CERTIFICATION

Date:

Bank One Trust Company, N.A.
100 East Broad Street
8th Floor
Columbus, Ohio 43215

Attention: Global Corporate Trust Services

_____
[Insert description of Certificate/Note here]

In accordance with Section 5.11(c) of the Sale and Servicing Agreement dated as of March 1, 2002 (the "AGREEMENT"), with respect to the [insert description of Certificates/Notes here] (the "[CERTIFICATES/NOTES]"), the undersigned hereby certifies and agrees as follows:

1. _____(the ["Certificateholder"]["Noteholder"]) is the beneficial owner or Nominee or Advisor of $_____ of original principal amount of the Certificates, and the ----------
Certificateholder's/Nominee's/Advisor's DTC Participant Number (if applicable) is _____.

2. The Certificateholder hereby provides the following contact information:

(complete either Section A or B)

ARTICLE XIV a. Execution by Beneficial Owner

The undersigned Beneficial Owner of the Certificates hereby represents and warrants that it is duly authorized to execute this form and that such power has not been granted or assigned to any other person.

Name of Beneficial Owner:_____
(Print Name of Authorized Signature):_____
Signature:_____
Address:_____
Phone:_____
FAX:_____
E-Mail Address: _____

Name of Nominee/Custodian: _____
Total Original Principal Amount Owned:_____
Total Current Principal Amount Owned:_____

B. EXECUTION BY NOMINEE OR ADVISOR

The undersigned hereby represents and warrants that it is the Nominee or Advisor for the Beneficial Owner indicated, and that the Beneficial Owner has granted to the undersigned the power and authority to act on behalf of the Beneficial Owner.

Name of Nominee or Advisor:_____
(Print Name of Authorized Signature):_____
Signature:_____
Address:_____
Phone:_____
FAX:_____
E-Mail Address: _____
Name of Beneficial Owner:_____
Total Original Principal Amount with Respect
to Which Direction is Made:_____
Total Current Principal Amount with
Respect to Which Direction is Made:_____

3. The undersigned is requesting a password pursuant to Section 5.11(c) of the Agreement for access to certain information (the "INFORMATION") on the Trustee's website.

4. In consideration of the Trustee's disclosure to the undersigned of the Information, or the password in connection therewith, the undersigned will keep the Information confidential (except from such outside persons as are assisting it in connection with the related [Certificates/Notes], from its accountants and attorneys, and otherwise from such governmental or banking authorities or agencies to which the undersigned is subject), and such Information will not, without the prior written consent of the Trustee, be otherwise disclosed by the undersigned or by its officers, directors, partners, employees, agents or representatives (collectively, the "REPRESENTATIVES") in any manner whatsoever, in whole or in part.

5. The undersigned will not use or disclose the Information in any manner which could result in a violation of any provision of the Securities Act of 1933, as amended (the "SECURITIES ACT"), or the Securities Exchange Act of 1934, as amended, or would require registration of any Certificate pursuant to Section 5 of the Securities Act.

6. The undersigned shall be fully liable for any breach of this agreement by itself or any of its Representatives and shall indemnify the Owner Trustee, the Seller, the Servicer, the Backup Servicer the Standby Servicer and the Trustee, for any loss, liability or expense incurred thereby with respect to any such breach by the undersigned or any of its Representatives.

7. Capitalized terms used but not defined herein shall have the respective meanings assigned thereto in the Agreement.

IN WITNESS WHEREOF, the undersigned has caused its name to be signed hereby by its duly authorized officer, as of the day and year written above.

_____
Beneficial Owner/Nominee/Advisor

By:_____
Title:_____
Company:_____
Phone:_____

EXHIBIT 4.6
INDENTURE

INDENTURE

DATED AS OF MARCH 1, 2002

BETWEEN

CPS AUTO RECEIVABLES TRUST 2002-A, AS ISSUER

AND

BANK ONE TRUST COMPANY, N.A., AS TRUSTEE

INDENTURE dated as of March 1, 2002, between CPS AUTO RECEIVABLES TRUST 2002-A, a Delaware business trust (the "Issuer"), and BANK ONE TRUST COMPANY, N.A, a national banking association, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Issuer's Class A-1 3.741% Asset-Backed Notes (the "Class A-1 Notes") and Class A-2 4.814% Asset-Backed Notes (the "Class A-2 Notes" and, together with the Class A-1 Notes, the "Class A Notes" or "Notes"):

As security for the payment and performance by the Issuer of its obligations under this Indenture and the Notes, the Issuer has agreed to assign the Collateral (as defined below) as collateral to the Trustee for the benefit of the Noteholders.

Financial Security Assurance Inc. (the "Note Insurer") has issued and delivered a financial guaranty insurance policy, dated the Closing Date (with endorsements, the "Note Policy"), pursuant to which the Note Insurer guarantees Scheduled Payments, as defined in the Note Policy.

As an inducement to the Note Insurer to issue and deliver the Note Policy, the Issuer and the Note Insurer have executed and delivered the Insurance and Indemnity Agreement, dated as of March 1, 2002 (as amended from time to time, in accordance with the terms thereof, the "Insurance Agreement") among the Note Insurer, the Issuer, Consumer Portfolio Services, Inc., CPS Receivables Funding Trust and CPS Receivables Corp.

As an additional inducement to the Note Insurer to issue the Note Policy, and as security for the performance by the Issuer of the Insurer Secured Obligations (as defined below) and as security for the performance by the Issuer of the Trustee Secured Obligations, the Issuer has agreed to assign the Collateral (as defined below) as collateral to the Trustee for the benefit of the Issuer Secured Parties, as their respective interests may appear.

GRANTING CLAUSE

The Issuer hereby Grants to the Trustee at the Closing Date, for the benefit of the Issuer Secured Parties,

(i) all right, title and interest of the Issuer in and to the Initial Receivables listed in Schedule A to the Sale and Servicing Agreement and all monies received thereunder after the Initial Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Initial Receivables after the Initial Cutoff Date;

(ii) all right, title and interest of the Seller now existing or hereafter arising or acquired in and to the Subsequent Receivables listed in Schedule A to the related Subsequent Transfer Agreement and all monies received thereunder after the related Subsequent Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Subsequent Receivables on or after the related Subsequent Cutoff Date.

(iii) all right, title and interest of the Issuer in and to the security interests in the Financed Vehicles granted by Obligors pursuant to the Receivables and any other interest of the Issuer in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the State of Michigan, all other evidence of ownership with respect to such Financed Vehicles;

(iv) all right, title and interest of the Issuer in and to any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Receivables or the Obligors thereunder;

(v) all right, title and interest of the Issuer in and to the Purchase Agreements, including a direct right to cause CPS to purchase Receivables from the Trust and to indemnify the Seller pursuant to the Purchase Agreements under the circumstances specified therein;

(vi) the Issuer's rights and benefits, but none of its obligations or burdens, under the Sale and Servicing Agreement (including all rights of the Seller under the Purchase Agreements);

(vii) all right, title and interest of the Issuer in and to refunds for the costs of extended service contracts with respect to Financed Vehicles securing Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle or his or her obligations with respect to a Financed Vehicle and any recourse to Dealers for any of the foregoing;

(viii) the Receivable File related to each Receivable;

(ix) all amounts and property from time to time held in or credited to the Collection Account, the Note Distribution Account, the Pre-Funding Account, the Lockbox Account, or the Interest Reserve Account; and

(x) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the "Collateral").

In addition, the Issuer shall cause the Note Policy to be issued for the benefit of the Noteholders.

The foregoing Grant is made in trust to the Trustee, for the benefit of the Holders of the Notes and for the benefit of the Note Insurer. The Trustee hereby acknowledges such Grant, accepts the trusts under this Indenture in accordance with the provisions of this Indenture and agrees to perform its duties as required in this Indenture to the best of its ability to the end that the interests of such parties, recognizing the priorities of their respective interests may be adequately and effectively protected.

ARTICLE I

Definitions and Incorporation by Reference

SECTION 1.1. DEFINITIONS. Except as otherwise specified herein, the following terms have the respective meanings set forth below for all purposes of this Indenture and the definitions of such terms are equally applicable to both the singular and plural forms of such terms and to each gender.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Sale and Servicing Agreement or, if not defined therein, in the Trust Agreement.

"Act" has the meaning specified in Section 11.3(a).

"Affiliate" of any Person means any Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with such Person. For purposes of this definition of "Affiliate", the term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause a direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Amount Financed" with respect to a Receivable shall have the meaning specified in the Sale and Servicing Agreement.

"Annual Percentage Rate" or "APR" of a Receivable means the annual rate of finance charges stated in the Receivable.

"Authorized Officer" means, with respect to the Issuer and the Servicer, any officer or agent acting pursuant to a power of attorney of the Owner Trustee or the Servicer, as applicable, who is authorized to act for the Owner Trustee or the Servicer, as applicable, in matters relating to the Issuer and who is identified on the list of Authorized Officers delivered by each of the Owner Trustee and the Servicer to the Trustee on the Closing Date (as such list may be modified or supplemented from time to time thereafter).

"Basic Documents" means this Indenture, the Certificate of Trust, the Trust Agreement, the Sale and Servicing Agreement, the Master Spread Account Agreement, the Spread Account Supplement, the Insurance Agreement, the Indemnification Agreement, the Lockbox Agreement, the Purchase Agreements, the Placement Agency Agreement, the Notes, the Class B Certificates, the Residual Certificates and other documents and certificates delivered in connection therewith.

"Book Entry Notes" means a beneficial interest in the Notes, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 2.10.

"Business Day" means (i) with respect to the Note Policy, any day other than a Saturday, Sunday, legal holiday or other day on which commercial banking institutions in Wilmington, Delaware, the City of New York, Phoenix, Arizona, or the state in which the principal Corporate Trust Office of the Trustee is located or any other location of any successor Servicer, successor Owner Trustee or successor Trustee are authorized or obligated by law, executive order or governmental decree to be closed and (ii) otherwise, a day other than a Saturday, a Sunday or other day on which commercial banks located in the states of Delaware, Arizona, California or New York are authorized or obligated to be closed.

"Certificate of Trust" means the certificate of trust of the Issuer substantially in the form of Exhibit B to the Trust Agreement.

"Class A-1 Interest Rate" means 3.741% per annum.

"Class A-1 Notes" means the Class A-1 3.741% Asset-Backed Notes, substantially in the form of Exhibit A-1.

"Class A-2 Interest Rate" means 4.814% per annum.

"Class A-2 Notes" means the Class A-2 4.814% Asset-Backed Notes, substantially in the form of Exhibit A-2.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act, or any successor provision thereto. The initial Clearing Agency shall be The Depository Trust Company.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means March 7, 2002.

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

"Collateral" has the meaning specified in the Granting Clause of this Indenture.

"Commission" means the United State Securities and Exchange Commission.

"Corporate Trust Office" means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered which office at date of the execution of this Agreement is located at 201 North Central Avenue, 26th Floor, Phoenix, AZ 85004, Attention: Structured Finance CPS 2002-A, or at such other address as the Trustee may designate from time to time by notice to the Noteholders, the Note Insurer, the Servicer and the Issuer, or the principal corporate trust office of any successor Trustee (the address of which the successor Trustee will notify the Noteholders and the Issuer).

"Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"Definitive Notes" has the meaning specified in Section 2.10.

"Depositor" means the Seller, in its capacity as such under the Trust Agreement.

"Event of Default" has the meaning specified in Section 5.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive Officer" means, with respect to any corporation, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Executive Vice President, any Vice President, the Secretary or the Treasurer of such corporation; with respect to any limited liability company, the manager; and with respect to any partnership, any general partner thereof.

"Grant" means to mortgage, pledge, bargain, sell, warrant, alienate, remise, release, convey, assign, transfer, create, grant a lien upon and a security interest in and right of set-off against, deposit, set over and confirm pursuant to this Indenture. A Grant of the Collateral or of any other agreement or instrument shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for principal and interest payments in respect of the Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring proceedings in the name of the granting party or otherwise and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Holder" or "Noteholder" means the Person in whose name a Note is registered on the Note Register.

"Indebtedness" means, with respect to any Person at any time, (a) indebtedness or liability of such Person for borrowed money whether or not evidenced by bonds, debentures, notes or other instruments, or for the deferred purchase price of property or services (including trade obligations); (b) obligations of such Person as lessee under leases which should be, in accordance with generally accepted accounting principles, recorded as capital leases; (c) current liabilities of such Person in respect of unfunded vested benefits under plans covered by Title IV of ERISA; (d) obligations issued for or liabilities incurred on the account of such Person; (e) obligations or liabilities of such Person arising under acceptance facilities; (f) obligations of such Person under any guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; (g) obligations of such Person secured by any lien on property or assets of such Person, whether or not the obligations have been assumed by such Person; or (h) obligations of such Person under any interest rate or currency exchange agreement.

"Indenture" means this Indenture as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Independent" means, when used with respect to any specified Person, that the person (a) is in fact independent of the Issuer, any other obligor upon the Notes, the Seller and any Affiliate of any of the foregoing persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obliger, the Seller or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

"Insurance Agreement Indenture Cross Default" has the meaning specified therefor in the Insurance Agreement.

"Insurer Secured Obligations" means all amounts and obligations which the Issuer may at any time owe to or on behalf of the Note Insurer under this Indenture, the Insurance Agreement or any other Basic Document.

"Interest Rate" means, with respect to the (i) Class A-1 Notes, the Class A-1 Interest Rate and (ii) Class A-2 Notes, the Class A-2 Interest Rate.

"Issuer" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein, each other obligor on the Notes.

"Issuer Order" and "Issuer Request" means a written order or request signed in the name of the Issuer by any one of its Authorized Officers and delivered to the Trustee.

"Issuer Secured Obligations" means the Insurer Secured Obligations and the Trustee Secured Obligations.

"Issuer Secured Parties" means each of the Trustee, in respect of the Trustee Secured Obligations, and the Note Insurer, in respect of the Insurer Secured Obligations.

"Note" means a Class A-1 Note or a Class A-2 Note.

"Note Owner" means, with respect to a Note, the person who is the owner of such Book-Entry Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Note Paying Agent" means the Trustee or any other Person that meets the eligibility standards for the Trustee specified in Section 6.11 and is authorized by the Issuer to make the payments to and distributions from the Collection Account and the Note Distribution Account, including payment of principal of or interest on the Notes on behalf of the Issuer.

"Note Policy" means the guaranty insurance policy (No. 51259-N) issued by the Note Insurer with respect to the Notes, including any endorsements thereto.

"Note Register" and "Note Registrar" have the respective meanings specified in Section 2.4.

"Officer's Certificate" means a certificate signed by any Authorized Officer of the Owner Trustee, under the circumstances described in, and otherwise complying with, the applicable requirements of Section 11.1, and delivered to the Trustee. Unless otherwise specified, any reference in this Indenture to an Officer's Certificate shall be to an Officer's Certificate of any Authorized Officer of the Issuer.

"Opinion of Counsel" means one or more written opinions of counsel who may, except as otherwise expressly provided in this Indenture, be employees of or counsel to the Issuer and who shall be satisfactory to the Trustee and, if addressed to the Note Insurer, satisfactory to the Note Insurer, and which shall comply with any applicable requirements of Section 11.1, and shall be in form and substance satisfactory to the Trustee, and if addressed to the Note Insurer, satisfactory to the Note Insurer.

"Outstanding" means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture except:

(i) Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation;

(ii) Notes or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Trustee or any Note Paying Agent in trust for the Holders of such Notes (provided, however, that if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture, satisfactory to the Trustee); and

(iii) Notes in exchange for or in lieu of other Notes which have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Trustee is presented that any such Notes are held by a bona fide purchaser; provided, however, that Notes which have been paid with proceeds of the Note Policy shall continue to remain Outstanding for purposes of this Indenture until the Note Insurer has been paid as subrogee hereunder or reimbursed pursuant to the Insurance Agreement as evidenced by a written notice from the Note Insurer delivered to the Trustee, and the Note Insurer shall be deemed to be the Holder thereof to the extent of any payments thereon made by the Note Insurer; provided, further, that in determining whether the Holders of the requisite Outstanding Amount of the Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Notes owned by the Issuer, any other obliger upon the Notes, the Seller or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a Responsible Officer of the Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the

satisfaction of the Trustee the pledgees right so to act with respect to such Notes and that the pledgee is not the Issuer, any other obligor upon the Notes, the Seller or any Affiliate of any of the foregoing Persons.

"Outstanding Amount" means, with respect to any date of determination, the aggregate principal amount of all Notes, or class of Notes, as applicable, Outstanding at such date of determination.

"Ownership Interest" means, as to any Note, any ownership or security interest in such Note, including any interest in such Note as the Holder thereof and any other interest therein, whether direct or indirect, legal or beneficial, as owner or as pledgee.

"Owner Trustee" means Wilmington Trust Company, and its successors.

"Payment Date" has the meaning specified in the Notes.

"Predecessor Note" means, with respect to any particular Note, every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purpose of this definition, any Note authenticated and delivered under Section 2.5 in lieu of a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Purchase Agreements" means the Receivables Purchase Agreement and each Subsequent Receivables Purchase Agreement, collectively.

"Rating Agency" means each of Moody's and Standard & Poor's, so long as such Persons maintain a rating on the Notes; and if either Moody's or Standard & Poor's no longer maintains a rating on the Notes, such other nationally recognized statistical rating organization selected by the Seller and (so long as an Insurer Default shall not have occurred and be continuing) acceptable to the Note Insurer.

"Rating Agency Condition" means, with respect to any action, that each Rating Agency shall have been given 10 days' (or such shorter period as shall be acceptable to each Rating Agency) prior notice thereof and that each of the Rating Agencies shall have notified the Seller, the Servicer, the Note Insurer, the Trustee, the Owner Trustee and the Issuer in writing that such action will not result in a reduction or withdrawal of the then current rating of the Notes.

"Record Date" means, with respect to the first Payment Date, the Closing Date, and with respect to any subsequent Payment Date or Redemption Date, the last calendar day of the month preceding the month in which such Payment Date or Redemption Date occurs.

"Redemption Date" means, in the case of a redemption of the Notes pursuant to Section 10.1, the Payment Date specified by the Servicer or the Issuer pursuant to Section 10.1.

"Redemption Price" means, in the case of a redemption of the Notes pursuant to Section 10.1, an amount equal to the unpaid principal amount of each class of Notes being redeemed plus accrued and unpaid interest thereon to but excluding the Redemption Date.

"Responsible Officer" means, with respect to the Trustee, any officer within the Corporate Trust Office of the Trustee, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Sale and Servicing Agreement" means the Sale and Servicing Agreement dated as of March 1, 2002, among the Issuer, the Seller, the Servicer, the Backup Servicer and the Trustee as Standby Servicer and Trustee, as the same may be amended or supplemented from time to time.

"Scheduled Payments" has the meaning specified in the Note Policy.

"State" means any one of the 50 states of the United States of America or the District of Columbia.

"Termination Date" means the latest of (i) the expiration of the Note Policy and the return of the Note Policy to the Note Insurer for cancellation, (ii) the date on which the Note Insurer shall have received payment and performance of all Insurer Secured Obligations and (iii) the date on which the Trustee shall have received payment and performance of all Trustee Secured Obligations and disbursed such payments in accordance with the Basic Documents.

"Trust Estate" means all money, instruments, rights and other property that are subject or intended to be subject to the lien and security interest of this Indenture for the benefit of the Issuer Secured Parties (including the Collateral Granted to the Trustee hereunder), including all proceeds thereof.

"Trustee" means Bank One Trust Company, N.A., a national banking association, not in its individual capacity but as trustee under this Indenture, or any successor trustee under this Indenture.

"Trustee Secured Obligations" means all amounts and obligations which the Issuer may at any time owe to or on behalf of the Trustee for the benefit of the Noteholders under this Indenture or the Notes.

"UCC" means, unless the context otherwise requires, the Uniform Commercial Code, as in effect in the relevant jurisdiction, as amended from time to time.

SECTION 1.2. RESERVED

SECTION 1.3. OTHER DEFINITIONAL PROVISIONS. Unless the context otherwise requires:

(i) (All references in this instrument to designated "Articles," "Sections," "Subsections" and other subdivisions are to the designated Articles, Sections, Subsections and other subdivisions of this instrument as originally executed.

(ii) The words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, Subsection or other subdivision.

(iii) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with generally accepted accounting principles as in effect from time to time;

(iv) "or" is not exclusive; and

(v) "including" means including without limitation.

ARTICLE II

The Notes

SECTION 2.1. FORM.

(a) The Class A-1 Notes and the Class A-2 Notes, in each case together with the Trustee's certificate of authentication, shall be in substantially the form set forth in Exhibits A-1, and A-2, respectively, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

(b) The Definitive Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the officers executing such Notes, as evidenced by their execution of such Notes.

(c) Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibits A-1 and A-2 are part of the terms of this Indenture.

SECTION 2.2. EXECUTION, AUTHENTICATION AND DELIVERY.

(a) The Notes shall be executed on behalf of the Issuer by any of its Authorized Officers. The signature of any such Authorized Officer on the Notes may be manual or facsimile.

(b) Notes bearing the manual or facsimile signature of individuals who were at any time Authorized Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(c) The Trustee shall upon receipt of the Note Policy and Issuer Order authenticate and deliver Class A-1 Notes for original issue in an aggregate principal amount of $26,500,000.00, and Class A-2 Notes for original issue in an aggregate principal amount of $19,150,000.00. Class A-1 Notes and Class A-2 Notes outstanding at any time may not exceed such amounts except as provided in Section 2.5.

(d) Each Note shall be dated the date of its authentication. The Notes shall be issuable as registered Notes in the minimum denomination of $100,000 and in integral multiples thereof (except for one Note of each class which may be issued in a denomination other than an integral multiple of $1,000).

(e) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein, executed by the Trustee by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

SECTION 2.3. TEMPORARY NOTES.

(a) Pending the preparation of Definitive Notes, the Issuer may execute, and upon receipt of an Issuer Order the Trustee shall authenticate and deliver, temporary Notes which are printed, lithographed, typewritten, mimeographed or otherwise produced, of the tenor of the Definitive Notes in lieu of which they are issued and with such variations not inconsistent with the terms of this Indenture as the officers executing such Notes may determine, as evidenced by their execution of such Notes.

(b) If temporary Notes are issued, the Issuer will cause Definitive Notes to be prepared without unreasonable delay. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable without charge to the Holder for Definitive Notes upon surrender of the temporary Notes at the office or agency of the Issuer to be maintained as provided in Section 3.2. Upon surrender for cancellation of any one or more temporary Notes, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

SECTION 2.4. REGISTRATION; REGISTRATION OF TRANSFER AND EXCHANGE.

(a) The Issuer shall cause to be kept a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes. The Trustee is hereby initially appointed "Note Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. Upon any resignation or removal of any Note Registrar, the Issuer shall promptly appoint a successor or, in the absence of such an appointment, assume the duties of Note Registrar.

(b) If a Person other than the Trustee is appointed by the Issuer as Note Registrar, the Issuer will give the Trustee prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location, of the Note Register, and the Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof, and the Trustee shall have the right to rely upon a certificate executed on behalf of the Note Registrar by an Executive Officer thereof as to the names and addresses of the Holders of the Notes and the principal amounts and number of such Notes.

(c) Subject to Sections 2.10 and 2.12 hereof, upon surrender for registration of transfer of any Note at the office or agency of the Issuer to be maintained as provided in Section 3.2, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute, and upon request by the Issuer the Trustee shall authenticate, and the Noteholder shall obtain from the Trustee, in the name of the designated transferee or transferees, one or more new Notes in any authorized denominations of the same class and a like aggregate principal amount.

(d) At the option of the Holder, Notes may be exchanged for other Notes in any authorized denominations, of the same class and a like aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, subject to Sections 2.10 and 2.12 hereof, if the requirements of Section 8-401(a) of the UCC are met the Issuer shall execute, and upon request by the Issuer the Trustee shall authenticate, and the Noteholder shall obtain from the Trustee, the Notes which the Noteholder making the exchange is entitled to receive.

(e) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

(f) Every Note presented or surrendered for registration of transfer or exchange shall be (i) duly endorsed by, or accompanied by a written instrument of transfer in the form attached to Exhibits A-1 and A-2 and duly executed by, the Holder thereof or such Holder's attorney, duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act and (ii) accompanied by such other documents as the Trustee may require.

(g) Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Owner Trustee, the Trustee and the Noteholders, that either (i) it is not acquiring any Notes with

the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption.

(h) No service charge shall be made to a Holder for any registration of transfer or exchange of Notes, but the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.3 or 9.6 not involving any transfer.

(i) The preceding provisions of this Section 2.4 notwithstanding, the Issuer shall not be required to make and the Note Registrar shall not register transfers or exchanges of Notes selected for redemption or of any Note for a period of 15 days preceding the due date for any payment with respect to the Notes.

SECTION 2.5. MUTILATED, DESTROYED, LOST OR STOLEN NOTES.

(a) If (i) any mutilated Note is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Trustee and the Note Insurer (unless an Insurer Default shall have occurred and be continuing) such security or indemnity as may be required by it to hold the Issuer, the Trustee and the Note Insurer harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Trustee that such Note has been acquired by a bona fide purchaser, and, provided that the requirements of Section 8-405 and 8-406 of the UCC are met, the Issuer shall execute, and upon request by the Issuer, the Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become, or within seven days shall be, due and payable or shall have been called for redemption, instead of issuing a replacement Note, the Issuer may direct the Trustee, in writing, to pay such destroyed, lost or stolen Note when so due or payable or upon the Redemption Date without surrender thereof. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued, presents for payment such original Note, the Issuer, the Trustee and the Note Insurer shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee in connection therewith.

(b) Upon the issuance of any replacement Note under this Section, the Issuer may require the payment by the Holder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) connected therewith.

(c) Every replacement Note issued pursuant to this Section in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(d) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

SECTION 2.6. PERSONS DEEMED OWNER. Prior to due presentment for registration of transfer of any Note, the Issuer, the Trustee, the Note Insurer and any agent of the Issuer, the Trustee or the Note Insurer may treat the Person in whose name any Note is registered (as of the applicable Record Date) as the owner of such Note for the purpose of receiving payments of principal of and interest, if any, on such Note, for all other purposes whatsoever and whether or not such Note be overdue, and none of the Issuer, the Note Insurer, the Trustee nor any agent of the Issuer, the Note Insurer or the Trustee shall be affected by notice to the contrary.

SECTION 2.7. PAYMENT OF PRINCIPAL AND INTEREST; DEFAULTED INTEREST.

(a) The Notes shall accrue interest as provided in the forms of the Class A-1 Note and the Class A-2 Note set forth in Exhibits A-1 and A-2, respectively, and such interest shall be payable on each Payment Date as specified therein. Any installment of interest or principal, if any, payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note (or one or more Predecessor Notes) is registered on the related Record Date, by check mailed first-class, postage prepaid, to such Person's address as it appears on the Note Register on such Record Date, or by wire transfer in immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that, unless Definitive Notes have been issued pursuant to Section 2.12, with respect to Notes registered on the related Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment will be made by wire transfer in immediately available funds to the account designated by such nominee, except for the final installment of principal payable with respect to such Note on a Payment Date or on the Final Scheduled Payment Date (and except for the Redemption Price for any Note called for redemption pursuant to Section 10.1), which shall be payable as provided below. The funds represented by any such checks returned undelivered shall be held in accordance with Section 3.3.

(b) The principal of each Note shall be payable in installments on each Payment Date as provided in the forms of the Class A-1 Notes and the Class A-2 Notes set forth in Exhibits A-1 and A-2, respectively. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable, if not previously paid, on the date on which an Event of Default shall have occurred and be continuing in the manner and under the circumstances

provided in Section 5.2. All principal payments on each class of Notes shall be made pro rata to the Noteholders of such class entitled thereto. Upon written notice from the Issuer, the Trustee shall notify the Person in whose name a Note is registered at the close of business on the Record Date preceding the Payment Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment. Notices in connection with redemptions of Notes shall be mailed to Noteholders as provided in Section 10.2.

(c) If the Issuer defaults in a payment of interest on the Notes, the Issuer shall pay defaulted interest (plus interest on such defaulted interest to the extent lawful) at the applicable Interest Rate in any lawful manner. The Issuer may pay such defaulted interest to the Persons who are Noteholders on a subsequent special record date, which date shall be at least five Business Days prior to the payment date. The Issuer shall fix or cause to be fixed any such special record date and payment date, and, at least 15 days before any such special record date, the Issuer shall mail to each Noteholder and the Trustee a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

(d) Promptly following the date on which all principal of and interest on the Notes has been paid in full and the Notes have been surrendered to the Trustee, the Trustee shall, if the Note Insurer has paid any amount in respect of the Notes under the Note Policy or otherwise which has not been reimbursed to it, deliver such surrendered Notes to the Note Insurer.

SECTION 2.8. CANCELLATION. Subject to Section 2.7(d), all Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by the Trustee. Subject to Section 2.7(d), the Issuer may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section, except as expressly permitted by this Indenture. Subject to Section 2.7(d), all canceled Notes may be held or disposed of by the Trustee in accordance with its standard retention or disposal policy as in effect at the time unless the Issuer shall direct by an Issuer Order that they be destroyed or returned to it; provided that such Issuer Order is timely and the Notes have not been previously disposed of by the Trustee.

SECTION 2.9. RELEASE OF COLLATERAL. The Trustee shall, on or after the Termination Date, release any remaining portion of the Trust Estate from the lien created by this Indenture and deposit in the Collection Account any funds then on deposit in any other Trust Account. The Trustee shall release property from the lien created by this Indenture pursuant to this Section 2.9 only upon receipt of an Issuer Request accompanied by an Officer's Certificate and an Opinion of Counsel meeting the applicable requirements of Section 11.1.

SECTION 2.10. BOOK-ENTRY NOTES. The Notes, upon original issuance, will be issued in the form of typewritten Notes representing the Book-Entry Notes, to be delivered to DTC or to the Trustee as custodian for the initial Clearing Agency, by, or on behalf of, the Issuer. Such Notes shall initially be registered on the Note Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and no Note Owner will receive a Definitive Note representing such Note Owner's interest in such Note, except as provided in Section 2.12. Unless and until definitive, fully registered Notes (the "Definitive Notes") have been issued to Note Owners pursuant to Section 2.12:

(i) the provisions of this Section shall be in full force and effect;

(ii) the Note Registrar and the Trustee shall be entitled to deal with the Clearing Agency for all purposes of this Indenture (including the payment of principal of and interest on the Notes and the giving of instructions or directions hereunder) as the sole Holder of the Notes, and shall have no obligation to the Note Owners;

(iii) to the extent that the provisions of this Section conflict with any other provisions of this Indenture, the provisions of this Section shall control;

(iv) the rights of Note Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Note Owners and the Clearing Agency and/or the Clearing Agency Participants. Unless and until Definitive Notes are issued pursuant to Section 2.12, the Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit payments of principal of and interest on the Notes to such Clearing Agency Participants;

(v) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders of Notes evidencing a specified percentage of the Outstanding Amount of the Notes, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Note Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in the Notes and has delivered such instructions to the Trustee; and

(vi) Note Owners may receive copies of any reports sent to Noteholders pursuant to this Indenture, upon written request, together with a certification that they are Note Owners and payment of reproduction and postage expenses associated with the distribution of such reports, from the Trustee at the Corporate Trust Office.

SECTION 2.11. NOTICES TO CLEARING AGENCY. Whenever a notice or other communication to the Noteholders is required under this Indenture, unless and until Definitive Notes shall have been issued to Note Owners pursuant to Section 2.12, the Trustee shall give all such notices and communications specified herein to be given to Holders of the Notes to the Clearing Agency and shall have no obligation to deliver such notices or communications to the Note Owners.

SECTION 2.12. DEFINITIVE NOTES. Definitive Notes will be delivered to each Noteholder that is an institutional "accredited investor" as defined in rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act of 1933, as amended (the "1933 Act"). In addition, if (i) the Servicer advises the Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Notes, and the Servicer is unable to locate a qualified successor, (ii) the Servicer at its option advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (iii) after the occurrence of an Event of Default, Note Owners representing beneficial interests aggregating at least a majority of the Outstanding Amount of the Notes advise the Trustee through the Clearing Agency in writing that the continuation of a book entry system through the Clearing Agency is no longer in the best interests of the Note Owners, then the Clearing Agency shall notify all Note Owners and the Trustee of the occurrence of any such event and of the availability of Definitive Notes to Note Owners requesting the same. Upon surrender to the Trustee of the typewritten Note or Notes representing the Book-Entry Notes by the Clearing Agency, accompanied by registration instructions, the Issuer shall execute and the Trustee shall authenticate the Definitive Notes in accordance with the instructions of the Clearing Agency. None of the Issuer, the Note Registrar or 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 Notes, the Trustee shall recognize the Holders of the Definitive Notes as Noteholders.

SECTION 2.13. RESTRICTIONS ON TRANSFER OF NOTES.

(a) The Notes have not been registered or qualified under the 1933 Act, or any state securities laws or "Blue Sky" laws, and the Notes are being offered and sold in reliance upon exemptions from the registration requirements of the Securities Act and such Blue Sky or state securities laws. No transfer, sale, pledge or other disposition of any Note shall be made unless such disposition is made pursuant to an effective registration statement under the 1933 Act and effective registration or qualification under applicable state securities laws or "Blue Sky" laws, or is made in a transaction which does not require such registration or qualification. In the event that a transfer of an Ownership Interest in a Book-Entry Note is to be made in reliance upon an exemption from the 1933 Act, the transferee will be deemed to have made the same representations and warranties as required of an initial purchaser of such Ownership Interest, as set forth in Section 2.13(b) below. In the event that a transfer of an Ownership Interest in a Note which is not a Book-Entry Note is to be made in reliance upon an exemption from the 1933 Act, the Trustee or the Note Registrar shall require, in order to assure compliance with the 1933 Act, that the Noteholder desiring to effect such disposition and such Noteholder's prospective transferee each (A) certify to the Trustee or the Note Registrar in writing the facts surrounding such disposition pursuant to a letter, substantially in the form of EXHIBIT B hereto, or (B) provide to the Trustee or the Note Registrar such other evidence satisfactory to the Transferor, the Trustee and the Note Registrar that the transfer is in compliance with the 1933 Act. The Trustee may also, unless such transfer occurs more than three years after the Closing Date or is made pursuant to Rule 144A promulgated under the 1933 Act, require an opinion of counsel satisfactory to it that such transfer may be made pursuant to an exemption from the 1933 Act, which opinion of counsel shall not be an expense of the Trustee. None of the Seller, the Servicer, the Issuer, the Owner Trustee or the Trustee is obligated

under this Indenture to register the Notes under the 1933 Act or any other securities law or to take any action not otherwise required under this Indenture to permit the transfer of such Notes without such registration or qualification.

(b) Each Person who has or who acquires an Ownership Interest in a Class of Notes shall be deemed by the acceptance or acquisition of such Ownership Interest to have represented and agreed, as follows, provided, however, that if such Person is an institutional accredited investor, the following representations shall be set forth and certified to in a certificate:

(i) Such Person is a qualified institutional buyer as defined in Rule 144A under the 1933 Act or an institutional accredited investor as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the 1933 Act, is aware that the seller of the Note may be relying on the exemption from the registration requirements of the 1933 Act provided by Rule 144A or Rule 501, as applicable and is acquiring such Note for its own account, for the account of one or more qualified institutional buyers or for the account of one or more institutional accredited investors for whom it is authorized to act.

(ii) Such Person understands that the Notes have not been and will not be registered under the 1933 Act and may be offered, sold, pledged or otherwise transferred only to a person whom the seller reasonably believes is (x) a qualified institutional buyer in a transaction meeting the requirements of Rule 144A under the 1933 Act or (y) an institutional accredited investor in a transaction meeting the requirements of Rule 501 of Regulation D under the 1933 Act, and in accordance with any applicable securities laws of any state of the United States.

(iii) Such Person understands that a single certificate in respect of each Class of Notes has been registered in the name of the nominee of DTC, or in the case of Definitive Notes, such Definitive Notes have been registered in the name of such Person or its nominee, and bears a legend to the following effect: "THIS NOTE HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAW OF ANY STATE. ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS NOTE WITHOUT SUCH REGISTRATION OR QUALIFICATION MAY BE MADE ONLY IN A TRANSACTION WHICH DOES NOT REQUIRE SUCH REGISTRATION OR QUALIFICATION AND IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2.13 OF THE INDENTURE REFERRED TO HEREIN."

ARTICLE III

Covenants

SECTION 3.1. PAYMENT OF PRINCIPAL AND INTEREST. The Issuer will duly and punctually pay the principal of and interest on the Notes in accordance with the terms of the Notes and this Indenture. Without limiting the foregoing, the Issuer will cause to be distributed on each Payment Date all amounts deposited

in the Note Distribution Account pursuant to the Sale and Servicing Agreement (i) for the benefit of the Class A-1 Notes, to the Class A-1 Noteholders and (ii) for the benefit of the Class A-2 Notes, to the Class A-2 Noteholders. Amounts properly withheld under the Code by any Person from a payment to any Noteholder of interest and/or principal shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

SECTION 3.2. MAINTENANCE OF OFFICE OR AGENCY. The Issuer will maintain in New York, New York, an office or agency where Notes may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer hereby initially appoints the Trustee to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Trustee with the address thereof, such surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Issuer hereby appoints the Trustee as its agent to receive all such surrenders, notices and demands.

SECTION 3.3. MONEY FOR PAYMENTS TO BE HELD IN TRUST.

(a) On or before each Payment Date and Redemption Date, the Issuer shall deposit or cause to be deposited in the Note Distribution Account from the Collection Account an aggregate sum sufficient to pay the amounts then becoming due under the Notes, such sum to be held in trust for the benefit of the Persons entitled thereto and (unless the Note Paying Agent is the Trustee) shall promptly notify the Trustee of its action or failure so to act.

(b) The Issuer shall cause each Note Paying Agent other than the Trustee to execute and deliver to the Trustee and the Note Insurer an instrument in which such Note Paying Agent shall agree with the Trustee (and if the Trustee acts as Note Paying Agent, it hereby so agrees), subject to the provisions of this Section, that such Note Paying Agent shall:

(i) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Trustee notice of any default by the Issuer (or any other obligor upon the Notes) of which it has actual knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Note Paying Agent;

(iv) immediately resign as a Note Paying Agent and forthwith pay to the Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Note Paying Agent at the time of its appointment; and

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

(c) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order direct any Note Paying Agent to pay to the Trustee all sums held in trust by such Note Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which the sums were held by such Note Paying Agent; and upon such a payment by any Note Paying Agent to the Trustee, such Note Paying Agent shall be released from all further liability with respect to such money.

(d) Subject to applicable laws with respect to the escheat of funds, any money held by the Trustee or any Note Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Request with the consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) and shall be deposited by the Trustee in the Collection Account; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Trustee or such Note Paying Agent with respect to such trust money shall thereupon cease; provided, however, that if such money or any portion thereof had been previously deposited by the Note Insurer with the Trustee for the payment of principal or interest on the Notes, to the extent any amounts are owing to the Note Insurer, such amounts shall be paid promptly to the Note Insurer upon receipt of a written request by the Note Insurer to such effect, and provided, further, that the Trustee or such Note Paying Agent, before being required to make any such repayment, shall at the expense of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Trustee shall also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment (including, but not limited to, mailing notice of such repayment to Holders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Trustee or of any Note Paying Agent, at the last address of record for each such Holder).

SECTION 3.4. EXISTENCE. Except as otherwise permitted by the provisions of Section 3.10, the Issuer will keep in full effect its existence, rights and franchises as a business trust under the laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the

laws of any other state or of the United States of America, in which case the Issuer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes, the Collateral and each other instrument or agreement included in the Trust Estate.

SECTION 3.5. PROTECTION OF TRUST ESTATE. The Issuer intends the security interest Granted pursuant to this Indenture in favor of the Issuer Secured Parties to be prior to all other liens in respect of the Trust Estate, and the Issuer shall take all actions necessary to obtain and maintain, in favor of the Trustee, for the benefit of the Issuer Secured Parties, a first lien on and a first priority, perfected security interest in the Trust Estate. The Issuer will from time to time prepare (or shall cause to be prepared), execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

(i) Grant more effectively all or any portion of the Trust Estate;

(ii) maintain or preserve the lien and security interest (and the priority thereof) in favor of the Trustee for the benefit of the Issuer Secured Parties created by this Indenture or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(iv) enforce any of the collateral;

(v) preserve and defend title to the Trust Estate and the rights of the Trustee in such Trust Estate against the claims of all persons and parties; and

(vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

The Issuer hereby designates the Trustee its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required by the Trustee pursuant to this Section.

SECTION 3.6. OPINIONS AS TO TRUST ESTATE.

(a) On the Closing Date, and on the date of execution of each indenture supplemental hereto, the Issuer shall furnish to the Trustee and the Note Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto, and any other requisite documents, and with respect to the execution and filing of any financing statements and continuation statements, as are necessary to perfect and make effective the first priority lien and security interest in favor of the Trustee, for the benefit of the Issuer Secured Parties, created by this Indenture and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make such lien and security interest effective.

(b) Within 90 days after the beginning of each calendar year, beginning with the first calendar year beginning more than three months after the Initial Cutoff Date, the Issuer shall furnish to the Trustee and the Note Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and

with respect to the execution and filing of any financing statements and continuation statements as are necessary to maintain the lien and security interest created by this Indenture and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain such lien and security interest. Such Opinion of Counsel shall also describe any action necessary (as of the date of such opinion) to be taken in the following year to maintain the lien and security interest of this Indenture.

SECTION 3.7. PERFORMANCE OF OBLIGATIONS; SERVICING OF RECEIVABLES.

(a) The Issuer will not take any action and will use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or obligations under any instrument or agreement included in the Trust Estate or that would result in the amendment, hypothecation, subordination, termination or discharge of or impair the validity or effectiveness of, any such instrument or agreement, except as ordered by any bankruptcy or other court or as expressly provided in this Indenture, the Basic Documents or such other instrument or agreement.

(b) The Issuer may contract with other Persons acceptable to the Note Insurer (so long as no Insurer Default shall have occurred and be continuing) to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Trustee and the Note Insurer in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicer to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the Basic Documents and in the instruments and agreements included in the Trust Estate, including but not limited to preparing (or causing to prepared) and filing (or causing to be filed) all UCC financing statements and continuation statements required to be filed by the terms of this Indenture and the Sale and Servicing Agreement in accordance with and within the time periods provided for herein and therein. Except as otherwise expressly provided therein, the Issuer shall not waive, amend, modify, supplement or terminate any Basic Document or any provision thereof without the consent of the Trustee, the Note Insurer or the Holders of at least a majority of the Outstanding Amount of the Notes.

(d) If a responsible officer of the Owner Trustee shall have written notice or actual knowledge of the occurrence of a Servicer Termination Event under the Sale and Servicing Agreement, the Issuer

shall promptly notify the Trustee, the Note Insurer and the Rating Agencies thereof in accordance with Section 11.4, and shall specify in such notice the action, if any, the Issuer is taking in respect of such default. If a Servicer Termination Event shall arise from the failure of the Servicer to perform any of its duties or obligations under the Sale and Servicing Agreement with respect to the Receivables, the Issuer shall take all reasonable steps available to it to remedy such failure.

(e) The Issuer agrees that it will not waive timely performance or observance by the Servicer or the Seller of their respective duties under the Basic Documents (x) without the prior consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) or (y) if the effect thereof would adversely affect the Holders of the Notes.

SECTION 3.8. NEGATIVE COVENANTS. So long as any Notes are Outstanding, the Issuer shall not:

(i) except as expressly permitted by this Indenture or the Basic Documents, sell, transfer, exchange or otherwise dispose of any of the properties or assets of the Issuer, including those included in the Trust Estate, unless directed to do so by the Controlling Party;

(ii) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under the Code) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Trust Estate; or

(iii) (A) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien in favor of the Trustee created by this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Notes under this Indenture except as may be expressly permitted hereby, (B) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden the Trust Estate or any part thereof or any interest therein or the proceeds thereof (other than tax liens, mechanics' liens and other liens that arise by operation of law, in each case on a Financed Vehicle and arising solely as a result of an action or omission of the related Obligor), (C) permit the lien of this Indenture not to constitute a valid first priority (other than with respect to any such tax, mechanics' or other lien) security interest in the Trust Estate or (D) amend, modify or fail to comply with the provisions of the Basic Documents without the prior written consent of the Controlling Party; or

(iv) engage in any business or activity other than as permitted by the Trust Agreement; or

(v) incur or assume any indebtedness or guarantee any indebtedness of any Person, except for such indebtedness incurred pursuant to Section 3.10; or

(vi) dissolve or liquidate in whole or in part or merge or consolidate with any other Person, other than in compliance with Section 3.10; or

(vii) take any action that would result in the Issuer becoming taxable as a corporation for federal income tax purposes or for the purposes of any applicable state tax

SECTION 3.9. ANNUAL STATEMENT AS TO COMPLIANCE. The Issuer will deliver to the Trustee and the Note Insurer, on or before March 31 of each year, beginning March 31, 2003, an Officer's Certificate, dated as of December 31 of the preceding calendar year, stating, as to the Authorized Officer signing such Officer's Certificate, that

(i) a review of the activities of the Issuer during such preceding year and of performance under this Indenture has been made under such Authorized Officer's supervision; and

(ii) to the best of such Authorized Officer's knowledge, based on such review, the Issuer has complied with all conditions and covenants under this Indenture throughout such year, or, if there has been a default in the compliance of any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

SECTION 3.10. ISSUER MAY CONSOLIDATE, ETC. ONLY ON CERTAIN TERMS.

(a) The Issuer shall not consolidate or merge with or into any other Person, unless

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall be a Delaware Business Trust or a similar trust organized and existing under the laws of any other state and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing), the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing)) to the effect that such transaction will not have any material adverse tax consequence to the Trust, the Note Insurer, any Noteholder or any Certificateholder;

(v) any action as is necessary to maintain the lien and security interest created by this Indenture shall have been taken;

(vi) the Issuer shall have delivered to the Trustee and the Note Insurer an Officer's Certificate and an Opinion of Counsel each stating that such consolidation or merger and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(vii) so long as no Insurer Default shall have occurred and be continuing, the Issuer shall have given the Note Insurer written notice of such conveyance or transfer at least 20 Business Days prior to the consummation of such action and shall have received the prior written approval of the Note Insurer of such conveyance or transfer and the Issuer or the Person (if other than the Issuer) formed by or surviving such conveyance or transfer has a net worth, immediately after such conveyance or transfer, that is (a) greater than zero and (b) not less than the net worth of the Issuer immediately prior to giving effect to such conveyance or transfer.

(b) The Issuer shall not convey or transfer all or substantially all of its properties or assets, including those included in the Trust Estate, to any Person, unless

(i) the Person that acquires by conveyance or transfer the properties and assets of the Issuer the conveyance or transfer of which is hereby restricted shall (A) be a Delaware Business Trust or a similar trust organized and existing under the laws of any other state, (B) expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing), the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture and each of the Basic Documents on the part of the Issuer to be performed or observed, all as provided herein, (C) expressly agree by means of such supplemental indenture that all right, title and interest so conveyed or transferred shall be subject and subordinate to the rights of Holders of the Notes, (D) unless otherwise provided in such supplemental indenture, expressly agree to indemnify, defend and hold harmless the Issuer against and from any loss, liability or expense arising under or related to this Indenture and the Notes and (E) expressly agree by means of such supplemental indenture that such Person (or if a group of persons, then one specified Person) shall prepare (or cause to be prepared) and make all filings with the Commission (and any other appropriate Person) required by the Exchange Act in connection with the Notes;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing)) to the effect that such transaction will not have any material adverse tax consequence to the Trust, the Note Insurer, any Noteholder or any Certificateholder;

(v) any action as is necessary to maintain the lien and security interest created by this Indenture shall have been taken;

(vi) the Issuer shall have delivered to the Trustee and the Note Insurer an Officers' Certificate and an Opinion of Counsel each stating that such conveyance or transfer and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(vii) so long as no Insurer Default shall have occurred and be continuing, the Issuer shall have given the Note Insurer written notice of such conveyance or transfer at least 20 Business Days prior to the consummation of such action and shall have received the prior written approval of the Note Insurer of such conveyance or transfer and the Issuer or the Person (if other than the Issuer) formed by or surviving such conveyance or transfer has a net worth, immediately after such conveyance or transfer, that is (a) greater than zero and (b) not less than the net worth of the Issuer immediately prior to giving effect to such consolidation or merger.

SECTION 3.11. SUCCESSOR OR TRANSFEREE.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.10(a), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(b) Upon a conveyance or transfer of all the assets and properties of the Issuer pursuant to Section 3.10(b), CPS Auto Receivables Trust 2002-A will be released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with respect to the Notes immediately upon the delivery of written notice to the Trustee stating that CPS Auto Receivables Trust 2002-A is to be so released.

SECTION 3.12. NO OTHER BUSINESS. The Issuer shall not engage in any business other than financing, purchasing, owning, selling and managing the Receivables in the manner contemplated by this Indenture and the Basic Documents and activities incidental thereto. After the Funding Period, the Issuer shall not purchase any additional Receivables.

SECTION 3.13. NO BORROWING. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any Indebtedness except for (i) the Notes (ii) obligations owing from time to time to the Note Insurer under the Insurance Agreement and (iii) any other

Indebtedness permitted by or arising under the Basic Documents. The proceeds of the Notes shall be used exclusively to fund the Issuer's purchase of the Receivables and the other assets specified in the Sale and Servicing Agreement, to fund the Pre-Funding Account, the Interest Reserve Account and (on behalf of the Seller) the Spread Account and to pay the Issuer's organizational, transactional and start-up expenses.

SECTION 3.14. SERVICER'S OBLIGATIONS. The Issuer shall cause the Servicer to comply with Sections 4.9, 4.10, 4.11 and 5.11 of the Sale and Servicing Agreement.

SECTION 3.15. GUARANTEES, LOANS, ADVANCES AND OTHER LIABILITIES. Except as contemplated by the Basic Documents, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

SECTION 3.16. CAPITAL EXPENDITURES. The Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

SECTION 3.17. COMPLIANCE WITH LAWS. The Issuer shall comply with the requirements of all applicable laws, the non-compliance with which would, individually or in the aggregate, materially and adversely affect the ability of the Issuer to perform its obligations under the Notes, this Indenture or any other Basic Document.

SECTION 3.18. RESTRICTED PAYMENTS. The Issuer shall not, directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to the Owner Trustee or any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest or security in or of the Issuer or to the Servicer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (iii) set aside or otherwise segregate any amounts for any such purpose; provided, however, that the Issuer may make, or cause to be made, distributions to the Servicer, the Owner Trustee, the Trustee, the Collateral Agent, the Back-up Servicer, the Note Insurer, the Noteholders and the Certificateholders (other than the Residual Certificateholders) as permitted by, and to the extent funds are available for such purpose under, the Sale and Servicing Agreement, the Spread Account Agreement, the Trust Agreement or any other Basic Document. The Issuer will not, directly or indirectly, make payments to or distributions from the Collection Account except in accordance with this Indenture and the Basic Documents.

SECTION 3.19. NOTICE OF EVENTS OF DEFAULT. Upon a responsible officer of the Owner Trustee having notice or actual knowledge thereof, the Issuer agrees to give the Trustee, the Note Insurer and the Rating Agencies prompt written notice of each Event of Default hereunder and each default on the part of the Servicer or the Seller of its obligations under any of the Basic Documents.

SECTION 3.20. FURTHER INSTRUMENTS AND ACTS. Upon request of the Trustee or the Note Insurer, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 3.21. AMENDMENTS OF SALE AND SERVICING AGREEMENT AND TRUST AGREEMENT. The Issuer shall not agree to any amendment to Section 13.1 of the Sale and Servicing Agreement or Section 11.1 of the Trust Agreement to eliminate the requirements thereunder that the Trustee or the Holders of the Notes consent to amendments thereto as provided therein.

SECTION 3.22. INCOME TAX CHARACTERIZATION. For purposes of federal income tax, state and local income tax franchise tax and any other income taxes, the Issuer and each Noteholder, by its acceptance of its Note or in the case of a Note Owner, acceptance of beneficial interest in a Note, will treat the Notes as indebtedness of the Issuer and hereby instructs the Trustee to treat the Notes as indebtedness of the Issuer for federal and state tax reporting purposes.

SECTION 3.23 REPRESENTATIONS AND WARRANTIES OF THE ISSUER.

The Issuer hereby makes the following representations and warranties as to the Trust Estate to the Note Insurer and the Trustee for the benefit of the Noteholders:

(i) CREATION OF SECURITY INTEREST. This Indenture creates a valid and continuing security interest (as defined in the UCC) in the Trust Estate in favor of the Trustee for the benefit of the Noteholders and the Note Insurer, which security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Issuer.

(ii) PERFECTION OF SECURITY INTEREST IN TRUST PROPERTY. The Issuer has caused or will have caused, within 10 days of the Closing Date and each Subsequent Transfer Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Trust Estate Granted to the Trustee for the benefit of the Noteholders and the Note Insurer hereunder.

(iii) NO OTHER SECURITY INTERESTS. Other than the security interest Granted to the Trustee for the benefit of the Noteholders and the Note Insurer hereunder, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Estate. The Issuer has not authorized the filing of and is not aware of any financing statements filed against the Issuer that include a description of collateral covering the Trust Estate other than any financing statement relating to the security interest Granted to the Trustee for the benefit of the Noteholders and the Note Insurer hereunder or that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

(iv) NOTATIONS ON CONTRACTS; FINANCING STATEMENT DISCLOSURE. The Servicer has in its possession copies of all the original Contracts that constitute or evidence the Initial Receivables and, from and after each Subsequent Transfer Date,

will have copies of all the original Contracts that constitute or evidence the related Subsequent Receivables. The Contracts that constitute or evidence the Receivables do not and will not (in the case of the Subsequent Receivables) have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Issuer and/or the Trustee for the benefit of the Noteholders and the Note Insurer. All financing statements filed or to be filed against the Issuer in favor of the Trustee in connection herewith describing the Trust Estate contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of Bank One Trust Company, N.A., as Trustee and secured party."

(v) TITLE. Immediately prior to the Grant herein contemplated, the Issuer had good and marketable title to each Receivable and the other property Granted hereunder and was the sole owner thereof, free and clear of all liens, claims, encumbrances, security interests, and rights of others, and, immediately upon the transfer thereof, the Trustee for the benefit of the Noteholders and the Note Insurer shall have good and marketable title to each such Receivable and other property and will be the sole owner thereof, free and clear of all liens, encumbrances, security interests, and rights of others, and the transfer has been perfected under the UCC.

The representations and warranties of the Issuer in this Section 3.23 may not be waived, modified or amended in any material respect without the prior written consent of the Trustee, the Note Insurer and the Rating Agencies, and shall survive the satisfaction and discharge of this Indenture.

ARTICLE IV

Satisfaction and Discharge

SECTION 4.1. SATISFACTION AND DISCHARGE OF INDENTURE. This Indenture shall cease to be of further effect with respect to the Notes except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Sections 3.3, 3.4, 3.5, 3.8, 3.10, 3.12, 3.13, 3.20, 3.21 and 3.22, (v) the rights, obligations and immunities of the Trustee hereunder (including the rights of the Trustee under Section 6.7 and the obligations of the Trustee under Section 4.2) and (vi) the rights of Noteholders as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them, and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes, when

(a) all Notes theretofore authenticated and delivered (other than (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.5 and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.3) have been delivered to the Trustee for cancellation and the Note Policy has expired and been returned to the Note Insurer for cancellation;

(b) the Issuer has paid or caused to be paid all Insurer Secured Obligations and all Trustee Secured Obligations; and

(c) the Issuer has delivered to the Trustee and the Note Insurer an Officer's Certificate and an Opinion of Counsel, each meeting the applicable requirements of Section 11.1(a) and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

SECTION 4.2. APPLICATION OF TRUST MONEY. All moneys deposited with the Trustee pursuant to Section 4.1 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Note Paying Agent, as the Trustee may determine, to the Holders of the particular Notes for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such moneys need not be segregated from other funds except to the extent required herein or in the Sale and Servicing Agreement or required by law.

SECTION 4.3. REPAYMENT OF MONEYS HELD BY NOTE PAYING AGENT. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Note Paying Agent other than the Trustee under the provisions of this Indenture with respect to such Notes shall, upon demand of the Issuer, be paid to the Trustee to be held and applied according to Section 3.3 and thereupon such Note Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE V

Remedies

SECTION 5.1. EVENTS OF DEFAULT.

(a) "Event of Default", wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) default in the payment of any interest on any Note when the same becomes due and payable, and such default shall continue for a period of five days (solely for purposes of this clause, a payment on the Notes funded by the Note Insurer or the Collateral Agent pursuant to the Master Spread Account Agreement shall be deemed to be a payment made by the Issuer); or

(ii) default in the payment of the principal of or any installment of the principal of any Note when the same becomes due and payable and such default shall continue for a period of five days (solely for purposes of this clause, a payment on the Notes funded by the Note Insurer or the Collateral Agent pursuant to the Master Spread Account Agreement, shall be deemed to be a payment made by the Issuer); or

(iii) so long as an Insurer Default shall not have occurred and be continuing, an Insurance Agreement Indenture Cross Default shall have occurred; provided, however, that the occurrence of an Insurance Agreement Indenture Cross Default may not form the basis of an Event of Default unless the Note Insurer shall, upon prior written notice to the Rating Agencies, have delivered to the Issuer and the Trustee and not rescinded a written notice specifying that such Insurance Agreement Indenture Cross Default constitutes an Event of Default under the Indenture; or

(iv) so long as an Insurer Default shall have occurred and be continuing, default in the observance or performance of any covenant or agreement of the Issuer made in this Indenture (other than a covenant or agreement, a default in the observance or performance of which is elsewhere in this Section specifically dealt with), or any representation or warranty of the Issuer made in this Indenture or in any certificate or other writing delivered pursuant hereto or in connection herewith proving to have been incorrect in any material respect as of the time when the same shall have been made, and such default shall continue or not be cured, or the circumstance or condition in respect of which such misrepresentation or warranty was incorrect shall not have been eliminated or otherwise cured, for a period of 30 days (or for such longer period, not in excess of 90 days, as may be reasonably necessary to remedy such default; provided that such default is capable of remedy within 90 days or less and the Servicer on behalf of the Owner Trustee delivers an Officer's Certificate to the Trustee to the effect that the Issuer has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy such default) after there shall have been given, by registered or certified mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% of the Outstanding Amount of each class of Notes, a written notice specifying such default or incorrect representation or warranty and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(v) so long as an Insurer Default shall have occurred and be continuing, the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Issuer or any substantial part of the Trust Estate in an involuntary case under any applicable Federal or state 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 Issuer or for any substantial part of the Trust Estate, or ordering the winding-up or liquidation of the Issuer's affairs, which decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(vi) so long as an Insurer Default shall have occurred and be continuing, the commencement by the Issuer of a voluntary case under any applicable Federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by the Issuer to the entry of an

order for relief in an involuntary case under any such law, or the consent by the Issuer to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Trust Estate, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the Issuer generally to pay its debts as such debts become due, or the taking of action by the Issuer in furtherance of any of the foregoing.

(b) The Issuer shall deliver to the Trustee and the Note Insurer, within five days after the occurrence thereof, written notice in the form of an Officer's Certificate of any event which with the giving of notice and the lapse of time would become an Event of Default under clause (iii), its status and what action the Issuer is taking or proposes to take with respect thereto.

SECTION 5.2. RIGHTS UPON EVENT OF DEFAULT.

(a) So long as no Insurer Default has occurred and is continuing, if an Event of Default shall have occurred and be continuing, then the Note Insurer shall have the right, but not the obligation, upon prior written notice to each Rating Agency, to declare by written notice to the Issuer and the Trustee that the Notes become immediately due and payable, and upon any such declaration the unpaid principal amount of the Notes, together with accrued and unpaid interest thereon, shall become immediately due and payable. The Trustee will have no discretion with respect to the acceleration of the Notes under the foregoing circumstances. If an Event of Default shall have occurred and be continuing, the Controlling Party may exercise any of the remedies specified in Section 5.4. In the event of any acceleration of the Notes, the Trustee shall continue to make claims under the Policy pursuant to the Sale and Servicing Agreement for Scheduled Payments on the Notes. Subject to the terms of the Note Policy, payments under the Note Policy following acceleration of any Notes shall be applied by the Trustee:

FIRST: to Noteholders for amounts due and unpaid on the Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for interest;

SECOND: to the Noteholders for amounts due and unpaid on the Notes for principal, the Class A Noteholders' Percentage of the Principal Distributable Amount, sequentially, to pay principal of the Class A-1 Notes until the outstanding principal amount of the Class A-1 Notes has been reduced to zero, then to pay principal of the Class A-2 Notes until the outstanding principal amount of the Class A-2 Notes has been reduced to zero.

(b) In the event any Notes are accelerated due to an Event of Default, the Note Insurer shall have the right (in addition to its obligation to pay Scheduled Payments on the Notes in accordance with the Note Policy), but not the obligation, to make payments under the

Note Policy or otherwise of interest and principal due on such Notes, in whole or in part, on any date or dates following such acceleration as the Note Insurer, in its sole discretion, shall elect.

(c) If an Insurer Default shall have occurred and be continuing and an Event of Default shall have occurred and be continuing, the Trustee in its discretion may, or if so requested in writing by Holders holding Notes representing not less than a majority of the Outstanding Amount of each class of Notes, declare by written notice to the Issuer that the Notes become, whereupon they shall become, immediately due and payable at par, together with accrued interest thereon.

(d) If an Insurer Default shall have occurred and be continuing, then at any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article V provided, the Holders of Notes representing a majority of the Outstanding Amount of each class of Notes, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay

(A) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

SECTION 5.3. COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

(a) The Issuer covenants that if (i) default is made in the payment of any interest on any Note when the same becomes due and payable, and such default continues for a period of five days, or (ii) default is made in the payment of the principal of or any installment of the principal of any Note when the same becomes due and payable and such default continues for a period of five days, the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Notes, the whole amount then due and payable on such Notes for principal and interest, with interest upon the overdue principal, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the applicable Interest Rate and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel.

(b) Each Issuer Secured Party hereby irrevocably and unconditionally appoints the Controlling Party as the true and lawful attorney-in-fact of such Issuer Secured Party for so long as such Issuer Secured Party is not the Controlling Party, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, pleading or instrument and to do in the name of the Controlling Party as well as in the name, place and stead of such Issuer Secured Party such acts, things and deeds for or on behalf of and in the name of such Issuer Secured Party under this Indenture (including specifically under Section 5.4) and under the Basic Documents which such Issuer Secured Party could or might do or which may be necessary, desirable or convenient in such Controlling Party's sole discretion to effect the purposes contemplated hereunder and under the Basic Documents and, without limitation, following the occurrence of an Event of Default, exercise full right, power and authority to take, or defer from taking, any and all acts with respect to the administration, maintenance or disposition of the Trust Estate.

(c) If an Event of Default occurs and is continuing, the Trustee may in its discretion subject to the consent of the Controlling Party and shall, at the direction of the Controlling Party (except as provided in Section 5.3(d) below), proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate Proceedings as the Trustee or the Controlling Party shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Indenture or by law.

(d) In case there shall be pending, relative to the Issuer or any other obligor upon the Notes or any Person having or claiming an ownership interest in the Trust Estate, proceedings under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Notes, or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective

agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence, bad faith or willful misconduct) and of the Noteholders allowed in such proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of Notes in any election of a trustee, a standby trustee or person performing similar functions in any such proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders and of the Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee or the Holders of Notes allowed in any judicial proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such proceeding is hereby authorized by each of such Noteholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to such Noteholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith.

(e) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar person.

(f) All rights of action and of asserting claims under this Indenture, the Master Spread Account Agreement or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Notes.

(g) In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture or the Master Spread Account Agreement), the Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any Noteholder a party to any such proceedings.

SECTION 5.4. REMEDIES. If an Event of Default shall have occurred and be continuing, the Controlling Party may do one or more of the following (subject to Section 5.5):

(i) institute or direct the Trustee to institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under this Indenture with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Notes moneys adjudged due;

(ii) institute or direct the Trustee to institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Trust Estate;

(iii) exercise or direct the Trustee to exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Trustee and the Holders of the Notes; and

(iv) sell or direct the Trustee to sell the Trust Estate or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law; provided, however, that if the Trustee is the Controlling Party, the Trustee may not sell or otherwise liquidate the Trust Estate following an Event of Default unless

(A) such Event of Default is of the type described in Section 5.1(a)(i) or (ii), or

(B) either

(x) the Holders of 100% of the Outstanding Amount of the Notes consent thereto, or

(y) the proceeds of such sale or liquidation distributable to the Noteholders are sufficient to discharge in full all amounts then due and unpaid upon such Notes for principal and interest.

In determining such sufficiency or insufficiency with respect to clause (y), the Trustee may, but need not, obtain and rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose.

SECTION 5.5. OPTIONAL PRESERVATION OF THE RECEIVABLES. If the Trustee is the Controlling Party and if the Notes have been declared to be due and payable under Section 5.2 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Trustee may, but need not, elect to maintain possession of the Trust Estate. It is the desire of the parties hereto and the Noteholders that there be at all times sufficient funds for the payment of principal of and interest on the Notes, and the Trustee shall take such desire into account when determining whether or not to maintain possession of the Trust Estate. In determining whether to maintain possession of the Trust Estate, the Trustee may, but need not, obtain and rely upon an opinion

of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose.

SECTION 5.6. PRIORITIES.

(a) Following (1) the acceleration of the Notes pursuant to Section 5.2 or (2) if an Insurer Default shall have occurred and be continuing, the occurrence of an Event of Default pursuant to Section 5.1(a)(i), 5.1(a)(ii), 5.1(a)(iv), 5.1(a)(v) or 5.1(a)(vi) of this Indenture, the Total Distribution Amount, including any money or property collected pursuant to Section 5.4 of this Indenture shall be applied by the Trustee on the related Payment Date in the following order of priority:

FIRST: amounts due and owing and required to be distributed to the Servicer, the Standby Servicer, the Backup Servicer, the Owner Trustee, the Trustee and the Collateral Agent, respectively, pursuant to priorities (i) through (vi) of Section 5.7(a) of the Sale and Servicing Agreement and not previously distributed, in the order of such priorities and without preference or priority of any kind within such priorities;

SECOND: to Noteholders for amounts due and unpaid on the Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for interest;

THIRD: to the Noteholders for amounts due and unpaid on the Notes for principal, the Class A Noteholders' Percentage of the Principal Distributable Amount, sequentially, to pay principal of the Class A-1 Notes until the outstanding principal amount of the Class A-1 Notes has been reduced to zero, then to pay principal of the Class A-2 Notes until the outstanding principal amount of the Class A-2 Notes has been reduced to zero.

FOURTH: amounts due and owing and required to be distributed to the Note Insurer pursuant to priority (ix) of Section 5.7(a) of the Sale and Servicing Agreement and not previously distributed);

FIFTH: in the event any Person other than the Backup Servicer or the Standby Servicer becomes the successor Servicer, to such successor Servicer, to the extent not previously paid by the predecessor Servicer pursuant to the Sale and Servicing Agreement, reasonable transition expenses (up to a maximum of $50,000 for all such expenses) incurred in becoming the successor Servicer; and

SIXTH: to the Collateral Agent to be applied as provided in the Master Spread Account Agreement.

provided that any amounts collected from the Pre-Funding Account or the Interest Reserve Account shall be applied solely to the payment of amounts due and unpaid on the Notes for principal for distribution to Noteholders FIRST, in accordance with Section 10.1(b) and SECOND, in accordance with Section 5.7(b) of the Sale and Servicing Agreement and THIRD, in accordance with priorities FIRST through SIXTH above.

(b) The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section. At least 15 days before such record date the Issuer shall mail to each Noteholder and the Trustee a notice that states such record date, the payment date and the amount to be paid.

SECTION 5.7 LIMITATION OF SUITS. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(ii) the Holders of not less than 25% of the Outstanding Amount of each class of Notes have made written request to the Trustee to institute such proceeding in respect of such Event of Default in its own name as Trustee hereunder;

(iii) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute such proceedings;

(v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority of the Outstanding Amount of each class of Notes; and

(vi) an Insurer Default shall have occurred and be continuing;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

In the event the Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Notes, each representing less than a majority of the Outstanding Amount of each class of Notes, the Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.8 UNCONDITIONAL RIGHTS OF NOTEHOLDERS TO RECEIVE PRINCIPAL AND INTEREST. Notwithstanding any other provisions of this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Note on or after the respective due dates thereof expressed in such Note or in this Indenture (or, in the case of redemption, on or after the Redemption Date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.9 RESTORATION OF RIGHTS AND REMEDIES. If the Controlling Party or any Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Issuer, the Trustee and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Noteholders shall continue as though no such proceeding had been instituted.

SECTION 5.10 RIGHTS AND REMEDIES CUMULATIVE. No right or remedy herein conferred upon or reserved to the Controlling Party or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11 DELAY OR OMISSION NOT A WAIVER. No delay or omission of the Controlling Party or any Holder of any Note to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Noteholders, as the case may be.

SECTION 5.12 CONTROL BY NOTEHOLDERS. If the Trustee is the Controlling Party, the Holders of a majority of the Outstanding Amount of the Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to the Notes or exercising any trust or power conferred on the Trustee; provided that

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) subject to the express terms of Section 5.4, any direction to the Trustee to sell or liquidate the Trust Estate shall be by the Holders of Notes representing not less than 100% of the Outstanding Amount of the Notes;

(iii) if the conditions set forth in Section 5.5 have been satisfied and the Trustee elects to retain the Trust Estate pursuant to such Section, then any direction to the Trustee by Holders of Notes representing less than 100% of the Outstanding Amount of each class of Notes to sell or liquidate the Trust Estate shall be of no force and effect; and

(iv) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction;

provided, however, that, subject to Section 6.1, the Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Noteholders not consenting to such action.

SECTION 5.13 WAIVER OF PAST DEFAULTS. If an Insurer Default shall have occurred and be continuing, prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 5.4, the Holders of Notes of not less than a majority of the Outstanding Amount of the Notes may waive any past Default or Event of Default and its consequences except a Default or Event of Default (i) in payment of principal of or interest on any of the Notes or (ii) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Note. In the case of any such waiver, the Issuer, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

Upon any such waiver, such Default or Event of Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 5.14 UNDERTAKING FOR COSTS. All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to (a) any suit instituted by the Trustee, (b) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 10% of the Outstanding Amount of each class of Notes or (c) any suit instituted by any Noteholder for the enforcement of the payment of principal of or interest on any Note on or after the respective due dates expressed in such Note and in this Indenture (or, in the case of redemption, on or after the Redemption Date).

SECTION 5.15 WAIVER OF STAY OR EXTENSION LAWS. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power and any right of the Issuer to take such action shall be suspended.

SECTION 5.16 SUBROGATION. The Note Insurer shall, to the extent it makes any payment with respect to the Notes, become subrogated to the rights of the recipients of such payments to the extent of such payments. Subject to and

conditioned upon any payment with respect to the Notes by or on behalf of the Note Insurer, each Noteholder shall be deemed, without further action to have directed the Trustee to assign to the Note Insurer all rights to the payment of interest or principal with respect to the Notes which are then due for payment to the extent of all payments made by the Note Insurer and the Note Insurer may exercise any option, vote, right, power or the like with respect to the Notes to the extent that it has made payment pursuant to the Note Policy. Notwithstanding the foregoing, the order of priority of payments to be made pursuant to Section 5.7(a) of the Sale and Servicing Agreement shall not be modified by this clause. To evidence such subrogation, the Note Registrar shall note the Note Insurer's rights as subrogee upon the register of Noteholders upon receipt from the Note Insurer of proof of payment by the Note Insurer of any Noteholders' Interest Distributable Amount or Noteholders' Principal Distributable Amount.

SECTION 5.17 PREFERENCE CLAIMS; DIRECTION OF PROCEEDINGS. (a) In the event that the Trustee has received a certified copy of an order of the appropriate court that any Scheduled Payment paid on a Note has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Trustee shall so notify the Note Insurer, shall comply with the provisions of the Note Policy to obtain payment by the Note Insurer of such avoided payment, and shall, at the time it provides notice to the Note Insurer, notify Holders of the Notes by mail that, in the event that any Noteholder's payment is so recoverable, such Noteholder will be entitled to payment pursuant to the terms of the Note Policy. Pursuant to the terms of the Policy, the Note Insurer will make such payment on behalf of the Noteholder to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order (as defined in the Policy) and not to the Trustee or any Noteholder directly (unless a Noteholder has previously paid such payment to the receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case the Note Insurer will make such payment to the Trustee for payment, in accordance with the instructions to be provided by the Note Insurer, to such Noteholder upon proof of such payment reasonably satisfactory to the Note Insurer).

(b) Each Notice of Claim shall provide that the Trustee, on its behalf and on behalf of the Noteholders, thereby appoints the Note Insurer as agent and attorney-in-fact for the Trustee and each Noteholder in any legal proceeding with respect to the Notes. The Trustee shall promptly notify the Note Insurer of any proceeding or the institution of any action (of which a Responsible Officer of the Trustee has actual knowledge) seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (a "Preference Claim") of any payment made with respect to the Notes. Each Holder of the Notes, by its purchase of Notes, and the Trustee hereby agree that so long as a Note Insurer Default shall not have occurred and be continuing, the Note Insurer may at any time during the continuation of any proceeding relating to a Preference Claim direct all matters relating to such Preference Claim including, without limitation, (i) the direction of any appeal of any order relating to any Preference Claim and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the Note Insurer, but subject to the reimbursement as provided in the Insurance Agreement. In addition, and without limitation of the foregoing, the Note Insurer shall be subrogated to, and each Noteholder and the Trustee hereby delegate and assign, to the fullest extent permitted by law, the rights of the Trustee and each Noteholder in the conduct of any proceeding with respect to a

Preference Claim, including, without limitation, all rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Preference Claim.

ARTICLE VI

The Trustee

SECTION 6.1 DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and the Basic Documents and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; however, the Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

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

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.12.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law or the terms of the Basic Documents.

(f) No provision of this Indenture shall require the Trustee in any of its capacities 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 it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

(h) The Trustee shall permit any representative of the Note Insurer, during the Trustee's normal business hours, to examine all books of account, records, reports and other papers of the Trustee relating to the Notes, to make copies and extracts therefrom and to discuss the Trustee's affairs and actions, as such affairs and actions relate to the Trustee's duties with respect to the Notes, with the Trustee's officers and employees responsible for carrying out the Trustee's duties with respect to the Notes.

(i) The Trustee shall, and hereby agrees that it will, perform all of the obligations and duties required of it under the Basic Documents.

(j) The Trustee shall, and hereby agrees that it will, hold the Note Policy in trust, and will hold any proceeds of any claim on the Note Policy in trust solely for the use and benefit of the Noteholders.

(k) In no event shall Bank One Trust Company, N.A., in any of its capacities hereunder, be deemed to have assumed any duties of the Owner Trustee under the Delaware Business Trust Statute, common law, or the Trust Agreement.

(l) Except for actions expressly authorized by this Indenture, the Trustee shall take no action reasonably likely to impair the security interests created or existing under any Receivable or Financed Vehicle or to impair the value of any Receivable or Financed Vehicle.

(m) All information obtained by the Trustee regarding the Obligors and the Receivables, whether upon the exercise of its rights under this Indenture or otherwise, shall be maintained by the Trustee in confidence and shall not be disclosed to any other Person, other than the Trustee's attorneys, accountants and agents unless such disclosure is required by this Indenture or any applicable law or regulation.

SECTION 6.2 RIGHTS OF TRUSTEE.

(a) Subject to Sections 6.1 and 6.2, the Trustee shall be protected and shall incur no liability to the Issuer or any Issuer Secured Party in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness of any notice, demand, certificate, signature, instrument or other document reasonably believed by the Trustee to be genuine and to have been duly executed by

the appropriate signatory, and, except to the extent the Trustee has actual knowledge to the contrary or as required pursuant to Section 6.1 or Section 6.2(g) the Trustee shall not be required to make any independent investigation with respect thereto.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate. Subject to Section 6.1(c), the Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officer's Certificate.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of Consumer Portfolio Services, Inc., or any other such agent, attorney, custodian or nominee appointed with due care by it hereunder.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute wilful misconduct, negligence or bad faith.

(e) The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall be under no obligation to institute, conduct or defend any litigation under this Indenture or in relation to this Indenture, at the request, order or direction of any of the Holders of Notes or the Controlling Party, pursuant to the provisions of this Indenture, unless such Holders of Notes or the Controlling Party shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby; provided, however, that the Trustee shall, upon the occurrence of an Event of Default (that has not been cured), exercise the rights and powers vested in it by this Indenture in accordance with Section 6.1.

(g) 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 to do so by the Note Insurer (so long as no Insurer Default shall have occurred and be continuing) or (if an Insurer Default shall have occurred and be continuing) by the Holders of Notes evidencing not less than 25% of the Outstanding Amount of each class thereof; 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 Indenture or the Sale and Servicing 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 Person making such request, or, if paid by the Trustee, shall be reimbursed by the Person making such request upon demand.

SECTION 6.3 INDIVIDUAL RIGHTS OF TRUSTEE. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not the Trustee. Any Note Paying Agent, Note Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Sections 6.11 and 6.12.

SECTION 6.4 TRUSTEE'S DISCLAIMER. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Trust Estate, the Collateral or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in the Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

SECTION 6.5 NOTICE OF DEFAULTS. If an Event of Default occurs and is continuing and if it is either known by, or written notice of the existence thereof has been delivered to, a Responsible Officer of the Trustee, the Trustee shall mail to each Noteholder notice of the Default within 30 days after such knowledge or notice occurs. Except in the case of a Default in payment of principal of or interest on any Note (including payments pursuant to the mandatory redemption provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of Noteholders.

SECTION 6.6 REPORTS BY TRUSTEE TO HOLDERS. The Trustee shall on behalf of the Issuer deliver to each Noteholder such information as may be reasonably required to enable such Holder to prepare its Federal and state income tax returns.

SECTION 6.7 COMPENSATION AND INDEMNITY.

(a) Pursuant to Section 5.7(a) of the Sale and Servicing Agreement, the Issuer shall pay to the Trustee from time to time compensation for its services. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee, pursuant to Section 5.7(a) of the Sale and Servicing Agreement, for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuer shall or shall cause the Servicer to indemnify the Trustee against any and all loss, liability or expense incurred by the Trustee without willful misfeasance, negligence or bad faith on the Trustee's part arising out of or in connection with the acceptance or the administration of this trust and the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection therewith. The Trustee shall notify the Issuer and the Servicer promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer and the Servicer shall not relieve the Issuer of its obligations hereunder or the Servicer of its obligations under Article XII of the Sale and Servicing Agreement. The Trustee may have separate counsel and the Issuer shall or shall cause the Servicer to pay the fees and expenses of such counsel. Neither the Issuer nor the Servicer need reimburse any

expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own wilful misconduct, negligence or bad faith.

(b) The Issuer's payment obligations to the Trustee pursuant to this Section shall survive the discharge of this Indenture. When the Trustee incurs expenses after the occurrence of a Default specified in Section 5.1(a)(v) or (vi) with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or similar law. Notwithstanding anything else set forth in this Indenture or the Basic Documents, the recourse of the Trustee hereunder and under the Basic Documents shall be to the Trust Estate only and specifically shall not be recourse to the assets of the Depositor or any Noteholder. In addition, the Trustee agrees that its recourse to the Issuer, the Trust Estate, the Seller and amounts held pursuant to the Master Spread Account Agreement shall be limited to the right to receive the distributions referred to in Section 5.7(a) of the Sale and Servicing Agreement.

SECTION 6.8 REPLACEMENT OF TRUSTEE. The Issuer may, with the consent of the Note Insurer, and at the request of the Note Insurer (unless an Insurer Default shall have occurred and be continuing), shall, remove the Trustee if:

(i) the Trustee fails to comply with Section 6.11;

(ii) a court having jurisdiction in the premises in respect of the Trustee in an involuntary case or proceeding under federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, shall have entered a decree or order granting relief or appointing a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or similar official) for the Trustee or for any substantial part of the Trustee's property, or ordering the winding-up or liquidation of the Trustee's affairs;

(iii) an involuntary case under the federal bankruptcy laws, as now or hereafter in effect, or another present or future federal or state bankruptcy, insolvency or similar law is commenced with respect to the Trustee and such case is not dismissed within 60 days;

(iv) the Trustee commences a voluntary case under any federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or consents to the appointment of or taking possession by a received, liquidator, assignee, custodian, trustee, conservator or sequestrator (or other similar official) for the Trustee or for any substantial part of the Trustee's property, or makes any assignment for the benefit of creditors or fails generally to pay its debts as such debts become due or takes any corporate action in furtherances of any of the foregoing; or

(v) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of THE Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee acceptable to the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing). If the Issuer fails to appoint such a successor Trustee, the Note Insurer may appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee, the Note Insurer (provided that no Insurer Default shall have occurred and be continuing) and the Issuer, whereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the retiring Trustee under this Indenture, subject to satisfaction of the Rating Agency Condition. The successor Trustee shall mail a notice of its succession to each Noteholder. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer, the Note Insurer or the Holders of a majority in outstanding Amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Trustee pursuant to Section 6.8.

Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuer's and the Servicer's obligations under Section 6.7 shall continue for the benefit of the retiring Trustee.

SECTION 6.9 SUCCESSOR TRUSTEE BY MERGER.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee. The Trustee shall provide the Rating Agencies and the Note Insurer prior written notice of any such transaction.

(b) In case at the time such successor or successors to the Trustee by merger, conversion or consolidation shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 6.10 APPOINTMENT OF CO-TRUSTEE OR SEPARATE TRUSTEE.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any

jurisdiction in which any part of the Trust may at the time be located, the Trustee with the consent of the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to the Trust, or any part hereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.11 and no notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 6.8 hereof.

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

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

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, including acts or omissions of predecessor or successor trustees; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

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

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power

and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, dissolve, become insolvent, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall invest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

SECTION 6.11 ELIGIBILITY: DISQUALIFICATION. The Trustee shall at all times have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition and subject to supervision or examination by federal or state authorities and satisfactory to the Note Insurer; and having a rating, both with respect to long-term and short-term unsecured obligations, of not less than investment grade by the Rating Agencies. The Trustee shall provide copies of such reports to the Note Insurer upon request.

SECTION 6.12 RESERVED

SECTION 6.13 APPOINTMENT AND POWERS. Subject to the terms and conditions hereof, each of the Issuer Secured Parties hereby appoints Bank One Trust Company, N.A. as the Trustee with respect to the Collateral, and Bank One Trust Company, N.A. hereby accepts such appointment and agrees to act as Trustee with respect to the Collateral for the Issuer Secured Parties, to maintain custody and possession of such Collateral (except as otherwise provided hereunder) and to perform the other duties of the Trustee in accordance with the provisions of this Indenture and the other Basic Documents. Each Issuer Secured Party hereby authorizes the Trustee to take such action on its behalf, and to exercise such rights, remedies, powers and privileges hereunder, as the Controlling Party may direct and as are specifically authorized to be exercised by the Trustee by the terms hereof, together with such actions, rights, remedies, powers and privileges as are reasonably incidental thereto. The Trustee shall act upon and in compliance with the written instructions of the Controlling Party delivered pursuant to this Indenture promptly following receipt of such written instructions; provided that the Trustee shall not act in accordance with any instructions (i) which are not authorized by, or in violation of the provisions of, this Indenture, (ii) which are in violation of any applicable law, rule or regulation or (iii) for which the Trustee has not received reasonable indemnity. Receipt of such instructions shall not be a condition to the exercise by the Trustee of its express duties hereunder, except where this Indenture provides that the Trustee is permitted to act only following and in accordance with such instructions.

SECTION 6.14 PERFORMANCE OF DUTIES. The Trustee shall have no duties or responsibilities except those expressly set forth in this Indenture and the other Basic Documents to which the Trustee is a party or as directed by the Controlling Party in accordance with this Indenture. The Trustee shall not be required to take any discretionary actions hereunder except at the written direction and with the indemnification of the Controlling Party and as provided in Section 5.12. The Trustee shall, and hereby agrees that it will, perform all of the duties and obligations required of it under the Sale and Servicing Agreement.

SECTION 6.15 LIMITATION ON LIABILITY. Neither the Trustee nor any of its directors, officers or employees shall be liable for any action taken or omitted to be taken by it or them in good faith hereunder, or in connection herewith, except that the Trustee shall be liable for its negligence, bad faith or willful misconduct. Notwithstanding any term or provision of this Indenture, the Trustee shall incur no liability to the Issuer or the Issuer Secured Parties

for any action taken or omitted by the Trustee in connection with the Collateral, except for the negligence, bad faith or willful misconduct on the part of the Trustee, and, further, shall incur no liability to the Issuer Secured Parties except for negligence, bad faith or willful misconduct in carrying out its duties to the Issuer Secured Parties. The Trustee shall at all times be free independently to establish to its reasonable satisfaction, but shall have no duty to independently verify, the existence or nonexistence of facts that are a condition to the exercise or enforcement of any right or remedy hereunder or under any of the Basic Documents. The Trustee may consult with counsel, and shall not be liable for any action taken or omitted to be taken by it hereunder in good faith and in accordance with the written advice of such counsel. The Trustee shall not be under any obligation to exercise any of the remedial rights or powers vested in it by this Indenture or to follow any direction from the Controlling Party unless it shall have received reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it.

SECTION 6.16 RESERVED.

SECTION 6.17 SUCCESSOR TRUSTEE.

(a) MERGER. Any Person into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, merger, consolidation, sale or transfer to which the Trustee is a party, shall (provided it is otherwise qualified to serve as the Trustee hereunder) be and become a successor Trustee hereunder and be vested with all of the title to and interest in the Collateral and all of the trusts, powers, descriptions, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, except to the extent, if any, that any such action is necessary to perfect, or continue the perfection of, the security interest of the Issuer Secured Parties in the Collateral; provided that any such successor shall also be the successor Trustee under Section 6.9.

(b) REMOVAL. The Trustee may be removed by the Note Insurer (or, if an Insurer Default has occurred and is continuing, by Holders of Notes evidencing more than 50% of the Outstanding Amount of the Notes) at any time, with or without cause, by an instrument or concurrent instruments in writing delivered to the Trustee, the other Issuer Secured Party and the Issuer. A temporary successor may be removed at any time to allow a successor Trustee to be appointed pursuant to subsection (c) below. Any removal pursuant to the provisions of this subsection (b) shall take effect only upon the date which is the latest of (i) the effective date of the appointment of a successor Trustee and the acceptance in writing by such successor Trustee of such appointment and of its obligation to perform its duties hereunder in accordance with the provisions hereof, and (ii) receipt by the Controlling Party of an Opinion of Counsel to the effect described in Section 3.6.

(c) ACCEPTANCE BY SUCCESSOR. The Controlling Party shall have the sole right to appoint each successor Trustee. Every temporary or permanent successor Trustee appointed hereunder shall execute,

acknowledge and deliver to its predecessor and to the Trustee, each Issuer Secured Party and the Issuer an instrument in writing accepting such appointment hereunder and the relevant predecessor shall execute, acknowledge and deliver such other documents and instruments as will effectuate the delivery of all Collateral to the successor Trustee, whereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of either Issuer Secured Party or the Issuer, execute and deliver an instrument transferring to such successor all the estates, properties, rights and powers of such predecessor hereunder. In the event that any instrument in writing from the Issuer or an Issuer Secured Party is reasonably required by a successor Trustee to more fully and certainly vest in such successor the estates, properties, rights, powers, duties and obligations vested or intended to be vested hereunder in the Trustee, any and all such written instruments shall at the request of the temporary or permanent successor Trustee, be forthwith executed, acknowledged and delivered by the Trustee or the Issuer, as the case may be. The designation of any successor Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for herein, shall be maintained with the records relating to the Collateral and, to the extent required by applicable law, filed or recorded by the successor Trustee in each place where such filing or recording is necessary to effect the transfer of the Collateral to the successor Trustee or to protect or continue the perfection of the security interests granted hereunder.

SECTION 6.18 RESERVED.

SECTION 6.19 REPRESENTATIONS AND WARRANTIES OF THE TRUSTEE. The Trustee represents and warrants to the Issuer and to each Issuer Secured Party as follows:

(a) DUE ORGANIZATION. The Trustee is a national banking association, duly organized, validly existing and in good standing under the laws of the United States and is duly authorized and licensed under applicable law to conduct its business as presently conducted.

(b) CORPORATE POWER. The Trustee has all requisite right, power and authority to execute and deliver this Indenture and to perform all of its duties as Trustee hereunder.

(c) DUE AUTHORIZATION. The execution and delivery by the Trustee of this Indenture and the other Basic Documents to which it is a party, and the performance by the Trustee of its duties hereunder and thereunder, have been duly authorized by all necessary corporate proceedings and no further approvals or filings, including any governmental approvals, are required for the valid execution and delivery by the Trustee, or the performance by the Trustee, of this Indenture and such other Basic Documents.

(d) VALID AND BINDING INDENTURE. The Trustee has duly executed and delivered this Indenture and each other Basic Document to which it is a party, and each of this Indenture and each such other Basic

Document constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as (i) such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws relating to or affecting the enforcement of creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

SECTION 6.20 WAIVER OF SETOFFS. The Trustee hereby expressly waives any and all rights of setoff that the Trustee may otherwise at any time have under applicable law with respect to any Trust Account and agrees that amounts in the Trust Accounts shall at all times be held and applied solely in accordance with the provisions hereof.

SECTION 6.21 CONTROL BY THE CONTROLLING PARTY. The Trustee shall comply with notices and instructions given by the Issuer only if accompanied by the written consent of the Controlling Party, except that if any Event of Default shall have occurred and be continuing, the Trustee shall act upon and comply with notices and instructions given by the Controlling Party alone in the place and stead of the Issuer.

ARTICLE VII

Noteholders' Lists and Reports

SECTION 7.1 ISSUER TO FURNISH TO TRUSTEE NAMES AND ADDRESSES OF NOTEHOLDERS. The Issuer will furnish or cause to be furnished to the Trustee (a) not more than five days after the earlier of (i) each Record Date and (ii) three months after the last Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, (b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; provided, however, that so long as the Trustee is the Note Registrar, no such list shall be required to be furnished. The Trustee or, if the Trustee is not the Note Registrar, the Issuer shall furnish to the Note Insurer in writing on an annual basis on each March 31 and at such other times as the Note Insurer may request a copy of the list.

SECTION 7.2 PRESERVATION OF INFORMATION; COMMUNICATIONS TO NOTEHOLDERS. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Trustee in its capacity as Note Registrar. The Trustee may destroy any list furnished to it as provided in such Section 7.1 upon receipt of a new list so furnished.

SECTION 7.3 RESERVED

SECTION 7.4 RESERVED

ARTICLE VIII

Collection of Money and Releases of Trust Estate

SECTION 8.1 COLLECTION OF MONEY. Except as otherwise expressly provided herein, the Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Trustee pursuant to this Indenture and the Sale and Servicing Agreement. The Trustee shall apply all such money received by it as provided in this Indenture and the Sale and Servicing Agreement. Except as otherwise expressly provided in this Indenture or in the Sale and Servicing Agreement, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Trust Estate, the Trustee may take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

SECTION 8.2 RELEASE OF TRUST ESTATE.

(a) Subject to the payment of its fees and expenses pursuant to Section 6.7, the Trustee may, and when required by the provisions of this Indenture shall, execute instruments to release property from the lien of this Indenture, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Trustee as provided in this Article VIII shall be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

(b) The Trustee shall, at such time as there are no Notes outstanding and all sums due the Trustee pursuant to Section 6.7 have been paid, release any remaining portion of the Trust Estate that secured the Notes from the lien of this Indenture and release to the Issuer or any other Person entitled thereto any funds then on deposit in the Trust Accounts. The Trustee shall release property from the lien of this Indenture pursuant to this Section 8.2(b) only upon receipt of an Issuer Request accompanied by an Officer's Certificate and an Opinion of Counsel meeting the applicable requirements of Section 11.1.

SECTION 8.3 OPINION OF COUNSEL. The Trustee shall receive at least seven days' notice when requested by the Issuer to take any action pursuant to Section 8.2(a), accompanied by copies of any instruments involved, and the Trustee shall also require as a condition to such action, an Opinion of Counsel in form and substance satisfactory to the Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely affect the security for the Notes or the rights of the Noteholders in contravention of the provisions of this Indenture; provided, however, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the Trust

Estate. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Trustee in connection with any such action.

ARTICLE IX

Supplemental Indentures

SECTION 9.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF NOTEHOLDERS.

(a) Without the consent of the Holders of any Notes but with the consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) and with prior notice to the Rating Agencies by the Issuer, the Issuer and the Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof), in form satisfactory to the Trustee, for any of the following purposes; PROVIDED, however, if any party to this Indenture is unable to sign any supplemental indenture due to its dissolution, winding up or comparable circumstances, then the consent of the Noteholders representing at least 51% of the Outstanding Amount of each class of Notes shall be sufficient to amend this Indenture without such party's signature:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(v) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture which may be inconsistent with any other provision herein or in any supplemental indenture or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided that such action shall not adversely affect the interests of the Holders of the Notes or the rating of the Notes; or

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained not inconsistent with the foregoing.

(b) The Issuer and the Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Notes but with prior notice to the Rating Agencies by the Issuer with the prior written consent of the Insurer (unless an Insurer Default shall have occurred and be continuing), enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that such action shall not, as evidenced by an Opinion of Counsel, adversely affect the interests of any Noteholder.

SECTION 9.2 SUPPLEMENTAL INDENTURES WITH CONSENT OF NOTEHOLDERS. The Issuer and the Trustee, when authorized by an Issuer Order, also may, with prior notice to the Rating Agencies, with the consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) and with the consent of the Holders of not less than a majority of the Outstanding Amount of each class of Notes, by Act of such Holders delivered to the Issuer and the Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; PROVIDED, HOWEVER, if any party to this Indenture is unable to sign any supplemental indenture due to its dissolution, winding up or comparable circumstances, then the consent of the Noteholders representing at least 51% of the Outstanding Amount of each class of Notes shall be sufficient to amend this Indenture without such party's signature; PROVIDED, FURTHER HOWEVER, that, subject to the express rights of the Note Insurer under the Basic Documents, no such supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby:

(i) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal amount thereof, the interest rate thereon or the Redemption Price with respect thereto, change the provision of this Indenture relating to the application of collections on, or the proceeds of the sale of, the Trust Estate to payment of principal of or interest on the Notes, or change any place of payment where, or the coin or currency in which, any Note or the interest thereon is payable;

(ii) impair the right to institute suit for the enforcement of the provisions of this Indenture requiring the application of funds available therefor, as provided in Article V, to the payment of any such amount due on the Notes on or after the respective due dates thereof (or, in the case of redemption, on or after the Redemption Date);

(iii) reduce the percentage of the Outstanding Amount of the Notes, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iv) modify or alter the provisions of the proviso to the definition of the term "Outstanding";

(v) reduce the percentage of the Outstanding Amount of the Notes required to direct the Trustee to direct the Issuer to sell or liquidate the Trust Estate pursuant to Section 5.4;

(vi) modify any provision of this Section except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the Basic Documents cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

(vii) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest or principal due on any Note on any Payment Date (including the calculation of any of the individual components of such calculation) or as to affect the rights of the Holders of Notes to the benefit of any provisions for the mandatory redemption of the Notes contained herein; or

(viii) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Trust Estate or, except as otherwise permitted or contemplated herein or in any of the Basic Documents, terminate the lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security provided by the lien of this Indenture.

It shall not be necessary for any Act of Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to this Section, the Trustee shall mail to the Holders of the Notes to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.3 EXECUTION OF SUPPLEMENTAL INDENTURES. In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and subject to

Sections 6.1 and 6.2, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 9.4 EFFECT OF SUPPLEMENTAL INDENTURE. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Trustee, the Issuer and the Holders of the Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.5 RESERVED

SECTION 9.6 REFERENCE IN NOTES TO SUPPLEMENTAL INDENTURES. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Issuer shall, bear a notation in form approved by the Issuer as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE X

Redemption of Notes

SECTION 10.1 REDEMPTION.

(a) The Notes are subject to redemption in whole, but not in part, at the direction of the Servicer pursuant to Section 11.1(a) of the Sale and Servicing Agreement, on any Payment Date on which the Servicer exercises its option to purchase the Trust Estate pursuant to said Section 11.1(a), for a purchase price equal to the Redemption Price; provided, however, that the Issuer has available funds sufficient to pay the Redemption Price. The Servicer or the Issuer shall furnish the Note Insurer and the Rating Agencies notice of such redemption. If the Notes are to be redeemed pursuant to this Section 10.1, the Servicer or the Issuer shall furnish notice of such election to the Trustee not later than 35 days prior to the Redemption Date and the Issuer shall deposit with the Trustee in the Note Distribution Account the Redemption Price of the Notes to be redeemed, whereupon all such Notes shall be due and payable on the Redemption Date upon the furnishing of a notice complying with Section 10.2 to each Holder of Notes.

(b) In the event that on the Payment Date on or immediately following the last day of the Funding Period, any portion of the Pre-Funded Amount remains on deposit in the Pre-Funding Account after giving effect to the purchase of all Subsequent Receivables, including any such purchase on such Payment Date, the Class A-1 and Class A-2 Notes will be redeemed in part, on a pro rata basis, in an aggregate principal amount equal to the Note Prepayment Amount.

SECTION 10.2 FORM OF REDEMPTION NOTICE (a) Notice of redemption under Section 10.1(a) shall be given by the Trustee by facsimile or by first-class mail, postage prepaid, transmitted or mailed prior to the applicable Redemption Date to each Holder of Notes, as of the close of business on the Record Date preceding the applicable Redemption Date, at such Holder's address appearing in the Note Register.

All notices of redemption shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) that the Record Date otherwise applicable to such Redemption Date is not applicable and that payments shall be made only upon presentation and surrender of such Notes and the place where such Notes are to be surrendered for payment of the Redemption Price (which shall be the office or agency of the Issuer to be maintained as provided in Section 3.2); and

(iv) that interest on the Notes shall cease to accrue on the Redemption Date.

Notice of redemption of the Notes shall be given by the Trustee in the name and at the expense of the Issuer. Failure to give notice of redemption, or any defect therein, to any Holder of any Note shall not impair or affect the validity of the redemption of any other Note.

(b) Prior notice of redemption under Section 10.1(b) is not required to be given to Noteholders.

SECTION 10.3 NOTES PAYABLE ON REDEMPTION DATE. The Notes to be redeemed shall, following notice of redemption as required by Section 10.2 (in the case of redemption pursuant to Section 10.1), on the Redemption Date become due and payable at the Redemption Price and (unless the Issuer shall default in the payment of the Redemption Price) no interest shall accrue on the Redemption Price for any period after the date to which accrued interest is calculated for purposes of calculating the Redemption Price.

ARTICLE XI

Miscellaneous

SECTION 11.1 COMPLIANCE CERTIFICATES AND OPINIONS, ETC.

(a) Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee and to the Note Insurer (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and (ii) an Opinion of Counsel stating that in the

opinion of such counsel all such conditions precedent, if any, have been complied with except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(A) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;

(B) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(C) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(D) a statement as to whether, in the opinion of each such signatory such condition or covenant has been complied with.

(b) (i) Prior to the deposit of any Collateral or other property or securities with the Trustee that is to be made the basis for the release of any property or securities subject to the lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 11.1(a) or elsewhere in this Indenture, furnish to the Trustee and the Note Insurer an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (on the date of such deposit) to the Issuer of the Collateral or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Trustee and the Note Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Trustee and the Note Insurer an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii) is 10% or more of the Outstanding Amount of the Notes, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than $25,000 or less than 1% percent of the Outstanding Amount of the Notes.

(iii) other than with respect to the release of any Purchased Receivables or Liquidated Receivables, whenever any property or securities are to be released from the lien of

this Indenture, the Issuer shall also furnish to the Trustee and the Note Insurer an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Trustee and the Note Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the Trustee and the Note Insurer an Independent Certificate as to the same matters if the fair value of the property or securities and of all other property other than Purchased Receivables and Defaulted Receivables, or securities released from the lien of this Indenture since the commencement of the then current calendar year, as set forth in the certificates required by clause (iii) above and this clause (iv), equals 10% or more of the Outstanding Amount of the Notes, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than $25,000 or less than 1 percent of the then Outstanding Amount of the Notes.

(v) Notwithstanding Section 2.9 or any provision of this Section, the Issuer may (A) collect, liquidate, sell or otherwise dispose of Receivables as and to the extent permitted or required by the Basic Documents and (B) make cash payments out of the Trust Accounts as and to the extent permitted or required by the Basic Documents.

SECTION 11.2 FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

(a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(b) Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicer, the Seller or the Issuer, stating that the information with respect to such factual matters is in the possession of the Servicer, the Seller or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(c) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

(d) Whenever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

SECTION 11.3 ACTS OF NOTEHOLDERS.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents 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 it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved in any customary manner of the Trustee.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Notes shall bind the Holder of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

SECTION 11.4 NOTICES, ETC., TO TRUSTEE, ISSUER AND RATING AGENCIES.

(a) Any request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture to be made upon, given or furnished to or filed with:

(i) the Trustee by any Noteholder or by the Issuer shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall be deemed to have been duly given upon receipt to the Trustee at its Corporate Trust Office;

(ii) the Issuer by the Trustee or by any Noteholder shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall deemed to have been duly given upon receipt to the Issuer addressed to: CPS Auto Receivables Trust 2002-A, in care of Wilmington Trust Company, Rodney Square North, 1100 N. Market Street, Wilmington, Delaware 19890-0001, or at such other address previously furnished in writing to the Trustee by the Issuer. The Issuer shall promptly transmit any notice received by it from the Noteholders to the Trustee; or

(iii) the Note Insurer by the Issuer or the Trustee shall be sufficient for any purpose hereunder if in writing and mailed by registered mail or personally delivered or telexed or telecopied to the recipient as follows:

To the Note Insurer:

Financial Security Assurance Inc.
350 Park Avenue
New York, NY 10022
Attention: Surveillance Department

Telex No.: (212) 688-3101
Confirmation: (212) 826-0100
Telecopy Nos.: (212) 339-3518 or (212) 339-3529

(In each case in which notice or other communication to the Note Insurer refers to an Event of Default, a claim on the Note Policy or with respect to which failure on the part of the Note Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the General Counsel and the Head--Financial Guaranty Group "URGENT MATERIAL ENCLOSED.")

(b) Notices required to be given to the Rating Agencies by the Issuer, the Trustee or the Owner Trustee shall be in writing, personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested to (i) in the case of Moody's, at the following address: Moody's Investors Service, Inc., 99 Church Street, New York New York 10004 and (ii) in the case of S&P, at the following address: Standard & Poor's Ratings Group, a Division of The McGraw Hill Companies, 26 Broadway (15th Floor), New York, New York 10004, Attention: Asset-Backed Surveillance Department; or as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

SECTION 11.5 NOTICES TO NOTEHOLDERS; WAIVER (a) Where this Indenture provides for notice to Noteholders of any event, such notice shall be

sufficiently given (unless otherwise expressly provided herein) if in writing and mailed, first-class, postage prepaid to each Noteholder affected by such event, at his address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

(b) Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

(c) In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

(d) Where this Indenture provides for notice to the Rating Agencies, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute a Default or Event of Default.

SECTION 11.6 ALTERNATE PAYMENT AND NOTICE PROVISIONS. Notwithstanding any provision of this Indenture or any of the Notes to the contrary, the Issuer may enter into any agreement with any Holder of a Note providing for a method of payment, or notice by the Trustee or any Note Paying Agent to such Holder, that is different from the methods provided for in this Indenture for such payments or notices, provided that such methods are reasonable and consented to by the Trustee (which consent shall not be unreasonably withheld). The Issuer will furnish to the Trustee a copy of each such agreement and the Trustee will cause payments to be made and notices to be given in accordance with such agreements.

SECTION 11.7 RESERVED

SECTION 11.8 EFFECT OF HEADINGS AND TABLE OF CONTENTS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 11.9 SUCCESSORS AND ASSIGNS. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 11.10 SEVERABILITY. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.11 BENEFITS OF INDENTURE. The Note Insurer and its successors and assigns shall be a third-party beneficiary to the provisions of this Indenture, and shall be entitled to rely upon and directly to enforce such provisions of this Indenture so long as no Insurer Default shall have occurred and be continuing. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Noteholders, and any other party secured hereunder, and any other person with an ownership interest in any part of the Trust Estate, any benefit or any legal or equitable right, remedy or claim under this Indenture. The Note Insurer may disclaim any of its rights and powers under this Indenture (in which case the Trustee may exercise such right or power hereunder), but not its duties and obligations under the Note Policy, upon delivery of a written notice to the Trustee.

SECTION 11.12 LEGAL HOLIDAYS. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 11.13 GOVERNING LAW. THIS INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 11.14 COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 11.15 RECORDING OF INDENTURE. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel to the Trustee or any other counsel reasonably acceptable to the Trustee and the Note Insurer) to the effect that such recording is necessary either for the protection of the Noteholders or any other person secured hereunder or for the enforcement of any right or remedy granted to the Trustee under this Indenture or to the Collateral Agent under the Master Spread Account Agreement.

SECTION 11.16 TRUST OBLIGATION. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent of the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or

beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity. For all purposes of this Indenture, in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Articles VI, VII and VIII of the Trust Agreement.

SECTION 11.17 NO PETITION. The Trustee, by entering into this Indenture, and each Noteholder and Note Owner, by accepting a Note or a beneficial interest therein, hereby covenant and agree that they will not at any time institute against the Seller, the Depositor, or the Issuer, or join in any institutional against the Seller, the Depositor, or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States Federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, this Indenture or any of the Basic Documents.

SECTION 11.18 INSPECTION. The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Trustee or of the Note Insurer, during the Issuer's normal business hours, to examine all the books of account, records, reports, and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited by independent certified public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees, and independent certified public accountants, all at such reasonable times and as often as may be reasonably requested. The Trustee shall and shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Trustee may reasonably determine that such disclosure is consistent with its Obligations hereunder.

SECTION 11.19 ACTION UPON DIRECTION OF NOTEHOLDERS. Except where this Indenture specifically states otherwise, the Trustee, provided it has sent out notices in accordance with this Indenture, may act as directed by a majority of the outstanding Noteholders responding in writing to such request for amendment or written direction, provided however, that Holders of at least 51% of the Outstanding Amount of each class of Notes as of the time such voting response is due back to the Trustee must have responded in writing to the Trustee's notice to amend or for written direction. In addition, the Trustee shall not have any liability to any Noteholder or Note Owner with respect to any action taken pursuant to such notice if the Noteholder or Note Owner does not respond to such notice within the time period set forth in such notice. By acceptance of a Note, each Noteholder and Note Owner agree to the foregoing provisions.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be duly executed by their respective officers, hereunto duly authorized, all as of the day and year first above written.

CPS AUTO RECEIVABLES TRUST 2002-A,

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

By:_____
Name:_____
Title:_____

BANK ONE TRUST COMPANY, N.A., as Trustee

By:_____
Name:_____
Title:_____

EXHIBIT A-1

[FORM OF CLASS A-1 NOTE]

REGISTERED $_____

NO. R-A-1

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. _____

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THE PRINCIPAL OF THIS NOTE IS PAYABLE IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CPS AUTO RECEIVABLES TRUST 2002-A

CLASS A-1 $26,500,000.00 3.741% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2001-A, a business trust organized and existing under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of _____ AND NO/100 DOLLARS payable on each Payment Date in an amount equal to the aggregate amount, if any, payable from the Note Distribution Account in respect of principal on the Class A-1 Notes pursuant to Section 3.1 of the Indenture and Section 5.8 of the Sale and Servicing Agreement; provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the January 2006 Payment Date (the "Class A-1 Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such current Payment Date; provided that for the April 2002 Payment Date interest will accrue for the number of days from and including March 7, 2002 to and including April 14, 2002. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "Policy") issued by Financial Security Assurance Inc. (the "Note Insurer"), pursuant to which the Note Insurer has unconditionally guaranteed payments of the Noteholders' Interest Distributable Amount and the Noteholders' Principal Distributable Amount on each Payment Date, all as more fully set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2002-A

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

By:_____
Name:_____
Title:_____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes designated above and referred to in the within-mentioned Indenture.

BANK ONE TRUST COMPANY, N.A., not in its individual capacity, but solely as Trustee

By:_____
Authorized Signatory

March __, 2002

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Class A-1 $26,500,000.000 3.741% Asset-Backed Notes (herein called the "Class A-1 Notes"), all issued under an Indenture dated as of March 1, 2002 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and Bank One Trust Company, N.A., as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes and the Class A-2 Notes (together, the "Notes") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture.

Principal of the Class A-1 Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing April 15, 2002.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Class A-1 Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture. As described above, a portion of the unpaid principal balance of this Note shall be due and payable on the Redemption Date, if any, pursuant to Section 10.1(b) of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) on the date on which an Event of Default shall have occurred and be continuing so long as an Insurer Default shall not have occurred and be continuing or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or the Holders of the Notes representing at least a majority of the Outstanding Amount of each class of Notes have declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class A-1 Notes shall be made pro rata to the Class A-1 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that with respect to Notes registered on the Record Date in

the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the

Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not rated hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in Phoenix, Arizona.

The Issuer shall pay interest on overdue installments of interest at the Class A-1 Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed (a) pursuant to Section 10.1 of the Indenture, in whole, but not in part, at the option of the Servicer (with the consent of the Note Insurer under certain circumstances), on any Payment Date on or after the date on which the Collateral Balance is less than or equal to 10% of the Original Collateral Balance, and (b) pursuant to Section 10.1(b) of the Indenture, in part, on a pro rata basis, on the Payment Date on or immediately following the last day of the Funding Period in the event that any Pre-Funded Amount remains on deposit in the Pre-Funding Account after giving effect to the purchase of all Subsequent Receivables, including any such purchase on the Redemption Date.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note agrees to treat the Notes as

indebtedness of the Issuer for federal and state income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Note Insurer and any agent of the Issuer, the Trustee or the Note Insurer may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer with the consent of the Note Insurer and of the Holders of Notes representing a majority of the Outstanding Amount of each class of Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of Notes representing specified percentages of the Outstanding Amount of each class of Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or

waiver by the Holder of this Note (or any one of more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

1/ Signature Guaranteed:_____

1/ NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT A-2

[FORM OF CLASS A-2 NOTE]

REGISTERED $_____

NO. R-A-2

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. _____

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THE PRINCIPAL OF THIS NOTE IS PAYABLE IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CPS AUTO RECEIVABLES TRUST 2002-A

CLASS A-2 $19,150,000.00 4.814% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2002-A, a business trust organized and existing under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of _____ AND NO/100 DOLLARS payable on each Payment Date in an amount equal to the aggregate amount, if any, payable from the Note Distribution Account in respect of principal on the Class A-2 Notes pursuant to Section 3.1 of the Indenture and Section 5.8 of the Sale and Servicing Agreement provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the December 2008 Payment Date (the "Class A- 2 Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such current Payment Date; provided that for the April 2002 Payment Date interest will accrue for the number of days from and including March 7, 2002 to and including April 14, 2002. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "Note Policy") issued by Financial Security Assurance Inc. (the "Note Insurer"), pursuant to which the Note Insurer has unconditionally guaranteed payments of the Noteholders' Interest Distributable Amount and the Noteholders' Principal Distributable Amount on each Payment Date, all as more fully set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2002-A

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

By:_____
Name:_____
Title:_____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes designated above and referred to in the within-mentioned Indenture.

BANK ONE TRUST COMPANY, N.A., not in its individual capacity, but solely as Trustee

By:_____
Authorized Signatory

Date: March __, 2002

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Class A-2 $19,150,000.00 4.814% Asset-Backed Notes (herein called the "Class A-2 Notes"), all issued under an Indenture dated as of March 1, 2002 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and Bank One Trust Company, N.A., as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes and the Class A-2 Notes (together, the "Notes") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture.

Principal of the Class A-2 Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing April 15, 2002.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Class A-2 Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture. As described above, a portion of the unpaid principal balance of this Note shall be due and payable on the Redemption Date, if any, pursuant to Section 10.1(b) of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) on the date on which an Event of Default shall have occurred and be continuing so long as an Insurer Default shall not have occurred and be continuing or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or the Holders of the Notes representing at least a majority of the Outstanding Amount of each class of Notes have declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class A-2 Notes shall be made pro rata to the Class A-2 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the

Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in Phoenix, Arizona.

The Issuer shall pay interest on overdue installments of interest at the Class A-2 Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed (a) pursuant to Section 10.1 of the Indenture, in whole, but not in part, at the option of the Servicer (with the consent of the Note Insurer under certain circumstances), on any Payment Date on or after the date on which the Collateral Balance is less than or equal to 10% of the Original Collateral Balance, and (b) pursuant to Section 10.1(b) of the Indenture, in part, on a pro rata basis, on the Payment Date on or immediately following the last day of the Funding Period in the event that any Pre-Funded Amount remains on deposit in the Pre-Funding Account after giving effect to the purchase of all Subsequent Receivables, including any such purchase on the Redemption Date.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note agrees to treat the Notes as indebtedness of the Issuer for federal and state income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the

Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Note Insurer and any agent of the Issuer, the Trustee or the Note Insurer may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer with the consent of the Note Insurer and of the Holders of Notes representing a majority of the Outstanding Amount of each class of Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of Notes representing specified percentages of the Outstanding Amount of each class of Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note (or any one or more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this

Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

1/ Signature Guaranteed:_____

1/ NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT B

FORM OF TRANSFEREE REPRESENTATION LETTER

_____, 20___

Bank One Trust Company, N.A., as Note Registrar
201 North Central Avenue, 26th Floor
Phoenix, AZ 85004
Attention: Structured Finance, CPS 2002-A

Re:_____CPS Auto Receivables Trust 2002-A
_____[Class A-1][Class A-2] Note (the "Notes")

Dear Sirs:

This letter is delivered to you in connection with the transfer by _____ (the "Transferor") to _____ (the "Transferee") of the captioned Notes (the "Notes"), pursuant to Section ___ of the Indenture (the "Indenture"), dated as of March 1, 2002, between CPS Auto Receivables Trust 2002-A, as Issuer, and Bank One Trust Company, N.A., as Trustee. All terms used herein and not otherwise defined shall have the respective meanings set forth in the Indenture. The Transferee hereby certifies, represents and warrants to you, as Note Registrar, that:

1. The Transferee is either (a) a "qualified institutional buyer" as that term is defined in Rule 144A ("Rule 144A") under the Securities Act of 1933 (the "Securities Act") and has completed one of the forms of certification to that effect attached hereto as Annex 1 and Annex 2 or (b) an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act. The Transferee is aware that the sale to it is being made in reliance on Rule 144A or Rule 501, as applicable. The Transferee is acquiring the Notes for its own account or for the account of a qualified institutional buyer or the account of an institutional accredited investor. The Transferee understands that the Notes have not been and will not be registered under the Securities Act or any state securities laws, that neither the Transferor nor the Note Registrar is required to so register the Notes, and that the Notes may be resold, pledged or transferred only (x) to a person reasonably believed to be a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer or the account of an institutional accredited investor to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A or Rule 501, as applicable, or (y) pursuant to another exemption from registration under the Securities Act.

2. The Transferee is not a pension, profit-sharing or other employee benefit plan within the meaning of Section 3(3) of ERISA or an individual retirement account, a Keogh plan or any other plan within the meaning of Section 4975 of the Internal Revenue Code of 1986, as amended (each, a "Benefit Plan") and is not acquiring any Notes with the assets of a Benefit Plan or its acquisition and continued holding of such Note will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption.

3. The Transferee has received a copy of the Confidential Private Placement Memorandum dated March __, 2002 relating to the Notes and has been furnished with all information that it has requested regarding (a) the Notes and payments thereon, (b) the Trust Estate, and (c) the Indenture. The Transferee understands that substantial risks are involved in an investment in the Notes and the Transferee represents that in making its investment decision to acquire the Notes, it has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any person, including Greenwich Capital Markets, Inc., as Placement Agent, except as expressly set forth in the Confidential Private Placement Memorandum. The Transferee has had an opportunity, within a reasonable period of time prior to purchasing the Notes, to ask questions concerning the Notes and the Trust Estate and has received satisfactory answers to such questions.

4. The Transferee will comply with all applicable federal and state securities laws, rules and regulations in connection with any subsequent resale of the Notes by the Transferee.

5. The Transferee understands that the Notes may not be presented or surrendered to the Note Registrar or any Transfer Agent for registration of transfer or for exchange unless they are accompanied by (i) a written instrument of transfer in form satisfactory to the Note Registrar, duly executed by the holder thereof or his attorney duly authorized in writing, with guaranty of signature and (ii) either (A) a Transferee Letter from the person transferring such Note in the form of EXHIBIT B to the Indenture, or (B) an opinion of counsel satisfactory to the Note Registrar to the effect that such transfer is exempt from registration under the Securities Act and applicable State securities laws.

Very truly yours,

(Transferee)

By:

Name:

Title:

ANNEX I TO EXHIBIT 1

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Transferees Other Than Registered Investment Companies]

The undersigned hereby certifies as follows to [name of Transferor] (the "Transferor") and Bank One Trust Company, N.A., as Trustee, with respect to the Notes (the "Notes") described in the Transferee Certificate to which this certification relates and to which this certification is an Annex:

(i) As indicated below, the undersigned is the chief financial officer, a person fulfilling an equivalent function, or other executive officer of the entity purchasing the Notes (the "Transferee").

(ii) The Transferee is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because (i) the Transferee owned and/or invested on a discretionary basis $_____(1) in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and (ii) the Transferee satisfies the criteria in the category marked below.

___ CORPORATION, ETC. The Transferee is a corporation (other than a bank, savings and loan association or similar institution), Massachusetts or similar business trust, partnership, or any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

___ BANK. The Transferee (a) is a national bank or a banking institution organized under the laws of any State, U.S. territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official or is a foreign bank or equivalent institution, and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, A COPY OF WHICH IS ATTACHED HERETO, as of a date not more than 16 months preceding the date of sale of the Notes in the case of a U.S. bank, and not more than 18 months preceding such date of sale for a foreign bank or equivalent institution.

___ SAVINGS AND LOAN. The Transferee (a) is a savings and loan association, building and loan association, cooperative bank, homestead association or similar institution, which is supervised and examined by a State or Federal authority having

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1 Transferee must own and/or invest on a discretionary basis at least $100,000,000 in securities unless Transferee is a dealer, and, in that case, Transferee must own and/or invest on a discretionary basis at least $10,000,000 in securities.

supervision over any such institutions or is a foreign savings and loan association or equivalent institution and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, A COPY OF WHICH IS ATTACHED HERETO, as of a date not more than 16 months preceding the date of sale of the Notes in the case of a U.S. savings and loan association, and not more than 18 months preceding such date of sale for a foreign savings and loan association or equivalent institution.

___ BROKER-DEALER. The Transferee is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

___ INSURANCE COMPANY. The Transferee is an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a State, U.S. territory or the District of Columbia.

___ STATE OR LOCAL PLAN. The Transferee is a plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees.

___ ERISA PLAN. The Transferee is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

___ INVESTMENT ADVISOR. The Transferee is an investment advisor registered under the Investment Advisers Act of 1940.

___ OTHER. (Please supply a brief description of the entity and a cross-reference to the paragraph and subparagraph under subsection (a)(1) of Rule 144A pursuant to which it qualifies. Note that registered investment companies should complete Annex 2 rather than this Annex 1.) _____
_____
_____

(iii) The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Transferee, (ii) securities that are part of an unsold allotment to or subscription by the Transferee, if the Transferee is a dealer, (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Transferee, the Transferee did not include any of the securities referred to in this paragraph.

(iv) For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Transferee, the Transferee used the cost of such securities to the Transferee, unless the Transferee reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published, in which case the securities were valued at market. Further, in determining such aggregate amount, the Transferee may have included securities owned by subsidiaries of the Transferee, but only if such subsidiaries are consolidated with the Transferee in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Transferee's direction. However, such securities were not included if the Transferee is a majority-owned, consolidated subsidiary of another enterprise and the Transferee is not itself a reporting company under the Securities Exchange Act of 1934.

(v) The Transferee acknowledges that it is familiar with Rule 144A and understands that the Transferor and other parties related to the Notes are relying and will continue to rely on the statements made herein because one or more sales to the Transferee may be in reliance on Rule 144A.

___	___	Will the Transferee be purchasing the
Yes	No	Notes only for the Transferee's own account?

(vi) If the answer to the foregoing question is "no", then in each case where the Transferee is purchasing for an account other than its own, such account belongs to a third party that is itself a "qualified institutional buyer" within the meaning of Rule 144A, and the "qualified institutional buyer" status of such third party has been established by the Transferee through one or more of the appropriate methods contemplated by Rule 144A.

(vii) The Transferee will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice is given, the Transferee's purchase of the Notes will constitute a reaffirmation of this certification as of the date of such purchase. In addition, if the Transferee is a bank or savings and loan as provided above, the Transferee agrees that it will furnish to such parties any updated annual financial statements that become available on or before the date of such purchase, promptly after they become available.

Print Name of Transferee:

By:

Name:

Title:

Date:

ANNEX 2 TO EXHIBIT 1

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Transferees That Are Registered Investment Companies]

The undersigned hereby certifies as follows to [name of Transferor] (the "Transferor") and Bank One Trust Company, N.A., as Trustee, with respect to the Notes (the "Notes") described in the Transferee Certificate to which this certification relates and to which this certification is an Annex:

1. As indicated below, the undersigned is the chief financial officer, a person fulfilling an equivalent function, or other executive officer of the entity purchasing the Notes (the "Transferee") or, if the Transferee is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because the Transferee is part of a Family of Investment Companies (as defined below), is an executive officer of the investment adviser (the "Adviser").

2. The Transferee is a "qualified institutional buyer" as defined in Rule 144A because (i) the Transferee is an investment company registered under the Investment Company Act of 1940, and (ii) as marked below, the Transferee alone owned and/or invested on a discretionary basis, or the Transferee's Family of Investment Companies owned, at least $100,000,000 in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year. For purposes of determining the amount of securities owned by the Transferee or the Transferee's Family of Investment Companies, the cost of such securities was used, unless the Transferee or any member of the Transferee's Family of Investment Companies, as the case may be, reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published, in which case the securities of such entity were valued at market.

___ The Transferee owned and/or invested on a discretionary basis $_____ in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

___ The Transferee is part of a Family of Investment Companies which owned in the aggregate $_____ in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

3. The term "FAMILY OF INVESTMENT COMPANIES" as used herein means two or more registered investment companies (or series thereof) that have

the same investment adviser or investment advisers that are affiliated (by virtue of being majority owned subsidiaries of the same parent or because one investment adviser is a majority owned subsidiary of the other).

4. The term "SECURITIES" as used herein does not include (i) securities of issuers that are affiliated with the Transferee or are part of the Transferee's Family of Investment Companies, (ii) bank deposit notes and certificates of deposit, (iii) loan participations, (iv) repurchase agreements, (v) securities owned but subject to a repurchase agreement and (vi) currency, interest rate and commodity swaps. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Transferee, or owned by the Transferee's Family of Investment Companies, the securities referred to in this paragraph were excluded.

5. The Transferee is familiar with Rule 144A and understands that the parties to which this certification is being made are relying and will continue to rely on the statements made herein because one or more sales to the Transferee will be in reliance on Rule 144A.

___	___	Will the Transferee be purchasing the Notes
Yes	No	only for the Transferee's own account?

6. If the answer to the foregoing question is "no", then in each case where the Transferee is purchasing for an account other than its own, such account belongs to a third party that is itself a "qualified institutional buyer" within the meaning of Rule 144A, and the "qualified institutional buyer" status of such third party has been established by the Transferee through one or more of the appropriate methods contemplated by Rule 144A.

7. The undersigned will notify the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice, the Transferee's purchase of the Notes will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

Print Name of Transferee or Adviser:

_____

By: _____
Name:_____
Title:_____

IF AN ADVISER:

Print Name of Transferee:

_____

EXHIBIT 4.8

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MFN AUTO RECEIVABLES TRUST 2002-A

Class A-1 3.809% Asset Backed Notes
Class A-2 4.918% Asset Backed Notes

INDENTURE

Dated as of March 1, 2002

Between

MFN AUTO RECEIVABLES TRUST 2002-A

and

BANK ONE TRUST COMPANY, N.A.
Trustee and Trust Collateral Agent

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INDENTURE dated as of March 1, 2002, between MFN AUTO RECEIVABLES TRUST 2002-A, a Delaware business trust (the "ISSUER"), and BANK ONE TRUST COMPANY, N.A., a national banking association, as trustee (the "TRUSTEE") and Trust Collateral Agent (as defined below).

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Issuer's Class A-1 3.809% Asset Backed Notes (the "CLASS A-1 NOTES") and the Class A-2 4.918% Asset Backed Notes (the "CLASS A-2 NOTES" and together with the Class A-1 Notes, the "NOTES").

XL Capital Assurance Inc. (the "INSURER") has issued and delivered a financial guaranty insurance policy, dated the Closing Date (with endorsements, the "NOTE POLICY"), pursuant to which the Insurer guarantees Scheduled Payments, as defined in the Note Policy.

As an inducement to the Insurer to issue and deliver the Note Policy, the Issuer and the Insurer have executed and delivered the Insurance and Indemnity Agreement, dated as of March 1, 2002 (as amended from time to time, the "INSURANCE AGREEMENT"), among the Insurer, the Issuer, Mercury Finance Company LLC, MFN Financial Corporation, MFN Securitization LLC, Bank One Trust Company, N.A., and First Union Trust Company, National Association.

As an additional inducement to the Insurer to issue the Note Policy, and as security for the performance by the Issuer of the Insurer Issuer Secured Obligations and as security for the performance by the Issuer of the Trustee Issuer Secured Obligations, the Issuer has agreed to assign the Collateral (as defined below) as collateral to the Trust Collateral Agent for the benefit of the Issuer Secured Parties, as their respective interests may appear.

GRANTING CLAUSE

The Issuer hereby Grants to the Trust Collateral Agent at the Closing Date, for the benefit of the Issuer Secured Parties, all of the Issuer's right, title and interest in and to (a) the Receivables and all moneys received thereon after the Cutoff Date; (b) the security interests in the Financed Vehicles granted by Obligors pursuant to the Receivables and any other interest of the Issuer in such Financed Vehicles; (c) any proceeds and the right to receive proceeds with respect to the Receivables from claims on any physical damage, credit life or disability insurance policies or other insurance policies covering Financed Vehicles or Obligors and any proceeds from the liquidation of the Receivables; (d) its rights against Dealers pursuant to Dealer Agreements; (e) its rights to receive proceeds from Liquidated Receivables; (f) its rights under any Service Contracts on the related Financed Vehicles; (g) the related Receivables Files; (h) the Trust Accounts and all funds on deposit from time to time in the Trust Accounts, and in all investments and proceeds thereof and all rights of the Issuer therein (including all income thereon); (i) its rights and benefits, but none of its obligations or burdens, under the Purchase Agreement including the delivery requirements, representations and warranties of, the indemnification from, and the cure and repurchase obligations of MFC under the Purchase Agreement; (j) the its rights and benefits, but none of its obligations or burdens, under the Sale and Servicing Agreement (including all rights of the Seller under the Purchase Agreement assigned to the Issuer pursuant to the Sale and Servicing Agreement) including, without limitation, the Issuer's rights and

benefits under Article XIII of the Sale and Servicing Agreement; and (k) all present and future claims, demands, causes and choses of action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the "COLLATERAL").

The foregoing Grant is made in trust to the Trust Collateral Agent, for the benefit of the Trustee on behalf of the Noteholders and for the benefit of the Insurer. The Trust Collateral Agent hereby acknowledges such Grant, accepts the trusts under this Indenture in accordance with the provisions of this Indenture and agrees to perform its duties required in this Indenture to the end that the interests of such parties, recognizing the priorities of their respective interests may be adequately and effectively protected.

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1 DEFINITIONS. Except as otherwise specified herein, the following terms have the respective meanings set forth below for all purposes of this Indenture.

"ACT" has the meaning specified in Section 11.3(a).

"AFFILIATE" means, with respect to any specified Person, 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" and "controlled" have meanings correlative to the foregoing. A Person shall not be deemed to be an Affiliate of any person solely because such other Person has the contractual right or obligation to manage such Person unless such other Person controls such Person through equity ownership or otherwise.

"APPLICABLE PROCEDURES" has the meaning specified in Section 2.2.

"AUTHORIZED OFFICER" means, with respect to the Issuer and the Servicer, any officer or agent acting pursuant to a power of attorney of the Owner Trustee or the Servicer, as applicable, who is authorized to act for the Owner Trustee or the Servicer, as applicable, in matters relating to the Issuer and who is identified on the list of Authorized Officers delivered by each of the Owner Trustee and the Servicer to the Trustee on the Closing Date (as such list may be modified or supplemented from time to time thereafter).

"BANK ONE" means Bank One Trust Company, N.A., a national banking association.

"BASIC DOCUMENTS" has the meaning specified in the Sale and Servicing Agreement.

"BOOK-ENTRY NOTES" means a beneficial interest in the Notes, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 2.2.

"BUSINESS DAY" means (i) with respect to the Note Policy, any day other than a Saturday, Sunday, legal holiday or other day on which commercial banking institutions in Wilmington, Delaware, New York, New York or Phoenix, Arizona or Chicago, Illinois or any other location of any successor Servicer, successor Owner Trustee or successor Trust Collateral Agent are authorized or obligated by law, executive order or governmental decree to be closed and (ii) otherwise, a day other than a Saturday, a Sunday or other day on which commercial banks located in the states of Delaware, New York, Arizona or Illinois are authorized or obligated to be closed.

"CERTIFICATE" means a trust certificate evidencing the beneficial interest of a Certificateholder in the Trust.

"CERTIFICATEHOLDER" means the Person in whose name a Certificate is registered on the Certificate Register.

"CERTIFICATE OF TRUST" means the Amended and Restated Certificate of Trust of the Issuer substantially in the form of Exhibit B to the Trust Agreement.

"CLASS A-1 INTEREST RATE" means 3.809% per annum (computed on the basis of a 360-day year of twelve 30-day months).

"CLASS A-1 NOTES" means the Class A-1 3.809% Asset Backed Notes, substantially in the form of Exhibit A-1.

"CLASS A-2 INTEREST RATE" means 4.918% per annum (computed on the basis of a 360-day year of twelve 30-day months).

"CLASS A-2 NOTES" means the Class A-2 4.918% Asset Backed Notes, substantially in the form of Exhibit A-2.

"CLEARING AGENCY" means, initially, DTC, and any successor organization or organizations registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"CLEARING AGENCY PARTICIPANT" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"CLOSING DATE" means March 8, 2002.

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

"COLLATERAL" has the meaning specified in the Granting Clause of this Indenture.

"CONTROLLING PARTY" has the meaning specified in the Sale and Servicing Agreement.

"CORPORATE TRUST OFFICE" means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered which office at date of the execution of this Agreement is located at 201 North Central Avenue, 26th Floor, Phoenix, Arizona 85004; Facsimile: (602) 221-1711; Attention: Structured Finance-MFN Auto Receivables Trust 2002-A, or at such other address as the Trustee may designate from time to time by notice to the Noteholders, the Insurer, the Servicer and the Issuer, or the principal corporate trust office of any successor Trustee (the address of which the successor Trustee will notify the Noteholders and the Issuer).

"DEFAULT" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"DEFINITIVE NOTES" has the meaning specified in Section 2.7.

"DISTRIBUTION DATE" has the meaning specified in the Sale and Servicing Agreement.

"ERISA" has the meaning specified in Section 2.4.

"EVENT OF DEFAULT" has the meaning specified in Section 5.1.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"EXECUTIVE OFFICER" means, with respect to any corporation, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, any Executive Vice President, any Vice President, the Secretary or the Treasurer of such corporation; and with respect to any partnership, any general partner thereof.

"GLOBAL NOTE" has the meaning specified in Section 2.1(d).

"GRANT" means mortgage, pledge, bargain, warrant, alienate, remise, release, convey, assign, transfer, create, grant a lien upon and a security interest in and right of set-off against, deposit, set over and confirm pursuant to this Indenture. A Grant of the Collateral or of any other agreement or instrument shall include all rights, powers and options (but none of the obligations) of the Granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for principal and interest payments in respect of the Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring proceedings in the name of the Granting party or otherwise and generally to do and receive anything that the Granting party is or may be entitled to do or receive thereunder or with respect thereto.

"HOLDER" or "NOTEHOLDER" means the Person in whose name a Note is registered on the Note Register.

"INDEBTEDNESS" means, with respect to any Person at any time, (a) indebtedness or liability of such Person for borrowed money whether or not evidenced by bonds, debentures, notes or other instruments, or for the deferred purchase price of property or services (including trade obligations); (b) obligations of such Person as lessee under leases which should have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases; (c) current liabilities of such Person in respect of unfunded vested benefits under plans covered by Title IV of ERISA; (d) obligations issued for or liabilities incurred on the account of such Person; (e) obligations or liabilities of such Person arising under acceptance facilities; (f) obligations of such Person under any guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; (g) obligations of such Person secured by any lien on property or assets of such Person, whether or not the obligations have been assumed by such Person; or (h) obligations of such Person under any interest rate or currency exchange agreement.

"INDENTURE" means this Indenture as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"INDEPENDENT" means, when used with respect to any specified Person, that the person (a) is in fact independent of the Issuer, any other obligor upon the Notes, the Seller and any Affiliate of any of the foregoing persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor, the Seller or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

"INDEPENDENT CERTIFICATE" means a certificate or opinion to be delivered to the Trust Collateral Agent under the circumstances described in, and otherwise complying with, the applicable requirements of Section 11.1, prepared by an Independent appraiser or other expert appointed by an Issuer Order and approved by the Trust Collateral Agent in the exercise of reasonable care, and such opinion or certificate shall state that the signer has read the definition of "Independent" in this Indenture and that the signer is Independent within the meaning thereof.

"INSTITUTIONAL ACCREDITED INVESTOR" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Registration D under the Securities Act.

"INSURER DEFAULT" has the meaning specified in the Insurance Agreement.

"INSURER ISSUER SECURED OBLIGATIONS" means all amounts and obligations which the Issuer may at any time owe to or on behalf of the Insurer under this Indenture, the Insurance Agreement or any other Basic Document.

"INTEREST RATE" means, with respect to the (i) Class A-1 Notes, the Class A-1 Interest Rate, and (ii) Class A-2 Notes, the Class A-2 Interest Rate.

"ISSUER" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein, each other obligor on the Notes.

"ISSUER ORDER" and "ISSUER REQUEST" means a written order or request signed in the name of the Issuer by any one of its Authorized Officers and delivered to the Trustee.

"ISSUER SECURED OBLIGATIONS" means the Insurer Issuer Secured Obligations and the Trustee Issuer Secured Obligations.

"ISSUER SECURED PARTIES" means each of the Trustee for the benefit of the Noteholders in respect of the Trustee Issuer Secured Obligations and the Insurer in respect of the Insurer Issuer Secured Obligations.

"MEMORANDUM" means the Private Placement Memorandum for the Notes, dated March 8, 2002.

"MFC" means Mercury Finance Company LLC, a Delaware limited liability company.

"MFN TRANSACTION" has the meaning specified in the Insurance Agreement.

"NOTE" means a Class A-1 Note or a Class A-2 Note.

"NON-DRAW OPTION" has the meaning specified in Section 2.16(a).

"NON-DRAW OPTION PRICE" has the meaning specified in Section 2.16(a).

"NOTE OWNER" means, with respect to a Book-Entry Note, the person who is the owner of such Book-Entry Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency), and, with respect to a Definitive Note, the person whose name is reflected in the Note Register as the registered owner of such Definitive Note.

"NOTE PAYING AGENT" means the Trustee or any other Person that meets the eligibility standards for the Trustee specified in Section 6.11 and is authorized by the Issuer to make the payments to and distributions from the Collection Account and the Note Distribution Account, including payment of principal of or interest on the Notes on behalf of the Issuer.

"NOTE POLICY" means the insurance policy issued by the Insurer with respect to the Notes, including any endorsements thereto.

"NOTE POLICY CLAIM AMOUNT" has the meaning specified in the Sale and Servicing Agreement.

"NOTE REGISTER" and "NOTE REGISTRAR" have the respective meanings specified in Section 2.6.

"NOTICE OF CLAIM" has the meaning specified in the Sale and Servicing Agreement.

"OFFICER'S CERTIFICATE" means a certificate signed by any Authorized Officer of the Owner Trustee and delivered to the Trustee. Unless otherwise specified, any reference in this Indenture to an Officer's Certificate shall be to an Officer's Certificate of any Authorized Officer of the Issuer.

"OPINION OF COUNSEL" means one or more written opinions of counsel who may, except as otherwise expressly provided in this Indenture, be employees of or counsel to the Issuer and who shall be satisfactory to the Trustee and, if addressed to the Insurer, satisfactory to the Insurer, and which shall comply with any applicable requirements of Section 11.1, and shall be in form and substance satisfactory to the Trustee, and if addressed to the Insurer, satisfactory to the Insurer.

"OTHER ASSETS" shall have the meaning assigned to that term in Section 11.20.

"OUTSTANDING" means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture except:

(i) Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation;

(ii) Notes or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Trustee or any Note Paying Agent in trust for the Noteholders (PROVIDED, HOWEVER, that if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor, satisfactory to the Trustee); and

(iii) Notes in exchange for or in lieu of other Notes which have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Trustee is presented that any such Notes are held by a bona fide purchaser;

PROVIDED, HOWEVER, that Notes which have been paid with proceeds of the Note Policy shall continue to remain Outstanding for purposes of this Indenture until the Insurer has been paid as subrogee hereunder or reimbursed pursuant to the Insurance Agreement as evidenced by a written notice from the Insurer delivered to the Trustee, and the Insurer shall be deemed to be the Holder thereof to the extent of any payments thereon made by the Insurer; PROVIDED, FURTHER, that in determining whether the Holders of the requisite Outstanding Amount of the Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Notes owned by the Issuer, any other obligor upon the Notes, the Seller or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a Responsible Officer of the Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer, any other obligor upon the Notes, the Seller or any Affiliate of any of the foregoing Persons.

"OUTSTANDING AMOUNT" means the aggregate principal amount of all Notes, or class of Notes, as applicable, Outstanding at the date of determination.

"PREDECESSOR NOTE" means, with respect to any particular Note, every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purpose of this definition, any Note authenticated and delivered under Section 2.5 in lieu of a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

"PREFERENCE CLAIM" has the meaning specified in the Sale and Servicing Agreement.

"PROCEEDING" means any suit in equity, action at law or other judicial or administrative proceeding.

"QIB" means a qualified institutional buyer as defined in Rule 144A.

"RATING AGENCY" means each of Moody's, Fitch and Standard & Poor's, so long as such Persons maintain a rating on the Notes; and if any of Moody's, Fitch or Standard & Poor's no longer maintains a rating on the Notes, such other nationally recognized statistical rating organization selected by the Seller and (so long as an Insurer Default shall not have occurred and be continuing) acceptable to the Insurer.

"RATING AGENCY CONDITION" means, with respect to any action, that each Rating Agency shall have been given 10 days (or such shorter period as shall be acceptable to each Rating Agency) prior notice thereof and that each of the Rating Agencies shall have notified the Seller, the Servicer, the Insurer, the Trustee, the Owner Trustee and the Issuer in writing that such action will not result in a reduction or withdrawal of the then current rating of the Notes.

"RECORD DATE" means, with respect to a Distribution Date or Redemption Date, the last day of the immediately preceding calendar month.

"REDEMPTION DATE" means in the case of a redemption of the Notes pursuant to Section 10.1(a) the Distribution Date specified by the Servicer or the Issuer pursuant to Section 10.1(a).

"REDEMPTION PRICE" means in the case of a redemption of the Notes pursuant to Section 10.1(a), an amount equal to the unpaid principal amount of the then outstanding principal amount of each class of Notes being redeemed plus accrued and unpaid interest thereon to but excluding the Redemption Date.

"RESPONSIBLE OFFICER" means, with respect to the Trustee or the Trust Collateral Agent, any officer within the Corporate Trust Office of the Trustee, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, or any other officer of the Trustee or the Trust Collateral Agent customarily performing functions similar to those performed by any of the

above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"RESTRICTED LEGEND" has the meaning specified in Section 2.4.

"RULE 144A" means Rule 144A under the Securities Act and any successor rule thereto.

"SALE AND SERVICING AGREEMENT" means the Sale and Servicing Agreement dated as of March 1, 2002, among the Issuer, the Seller, the Servicer, Bank One, as Trust Collateral Agent, and Systems & Services Technologies, Inc., as Backup Servicer, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"SCHEDULED PAYMENTS" has the meaning specified in the Note Policy.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"STATE" means any one of the 50 states of the United States of America or the District of Columbia.

"TERMINATION DATE" means the latest of (i) the expiration of the Note Policy and the return of the Note Policy to the Insurer for cancellation, (ii) the date on which the Insurer shall have received payment and performance of all Insurer Issuer Secured Obligations and (iii) the date on which the Trustee and the Noteholders shall have received payment and performance of all Trustee Issuer Secured Obligations.

"TRUST COLLATERAL AGENT" means, initially, Bank One, in its capacity as collateral agent on behalf of the Issuer Secured Parties, including its successors-in-interest, until and unless a successor Person shall have become the Trust Collateral Agent pursuant to Section 6.17 hereof, and thereafter "Trust Collateral Agent" shall mean such successor Person.

"TRUST ESTATE" means all money, instruments, rights and other property that are subject or intended to be subject to the lien and security interest of this Indenture for the benefit of the Issuer Secured Parties (including all property and interests Granted to the Trust Collateral Agent), including all proceeds thereof.

"TRUSTEE" means Bank One, not in its individual capacity but as trustee under this Indenture, or any successor trustee under this Indenture.

"TRUSTEE ISSUER SECURED OBLIGATIONS" means all amounts and obligations which the Issuer may at any time owe to or on behalf of the Trustee for the benefit of the Noteholders under this Indenture, the Notes or any other Basic Document.

"UCC" means, unless the context otherwise requires, the Uniform Commercial Code, as in effect in the relevant jurisdiction, as amended from time to time.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Sale and Servicing Agreement or the Trust Agreement.

SECTION 1.2 RULES OF CONSTRUCTION. Unless the context otherwise requires: a term has the meaning assigned to it;

(i) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles as in effect from time to time;

(ii) "or" is not exclusive;

(iii) "including" means including without limitation; and

(iv) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

THE NOTES

SECTION 2.1 FORM, DENOMINATION AND EXECUTION OF THE NOTES.

(a) The Seller hereby directs the Trustee to issue the Notes in fully registered form without coupons substantially in the form attached hereto as EXHIBIT A, with such omissions, variations and insertions as are permitted by this Indenture, which may have such letters, numbers or other marks of identification and such legends or endorsements printed, lithographed or engraved thereon, as may be required to comply with the rules of any securities exchange on which the Notes may be listed or to conform to any usage in respect thereof, or as may, consistently herewith, be prescribed by the Trustee or by the officer executing such Notes, such determination by said officer to be evidenced by his signing the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note. The Definitive Notes shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the officer executing such Notes, as evidenced by his execution of such Notes.

(b) The Notes shall be issued in minimum denominations of $100,000 and in integral multiples of $1,000 in excess thereof, except that one Note may be issued in a denomination greater than $100,000 but in an integral multiple of other than $1,000.

(c) The Notes shall be executed on behalf of the Issuer by manual or facsimile signature of any officer of the Owner Trustee who is duly authorized to act for and on behalf of the Owner Trustee in matters relating to the Issuer and who is identified on a list of authorized officers delivered by the Owner Trustee on the Closing Date. Notes bearing the manual or facsimile signature of an individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Issuer shall be valid and binding obligations of the Trust, notwithstanding that such individual has ceased to be so authorized prior to the authentication and delivery of such Notes or did not

hold such office at the date of such Notes. The Notes shall be authenticated by the Trustee in accordance with the provisions of Section 2.5. All Notes shall be dated the date of their authentication.

(d) The Notes offered and sold to QIBs in reliance on Rule 144A shall be issued initially in the form of one Global Note (the "Global Note"), which shall be deposited on behalf of the purchasers of the Book-Entry Notes represented thereby with the Trustee, as custodian for DTC, and registered in the name of DTC or a nominee of DTC, duly executed and authenticated by the Trustee as herein provided. The aggregate principal amount of the Global Note may from time to time be increased or decreased by adjustments made on the records of the Note Registrar and DTC or its nominee as hereinafter provided. The Note Registrar shall not be liable for any error or omission by DTC in making such record adjustments and the records of the Note Registrar shall be controlling with regard to aggregate outstanding principal amount of the Notes hereunder.

The Global Note shall provide that it shall represent the aggregate amount of outstanding Book-Entry Notes from time to time endorsed thereon and that the aggregate amount of outstanding Book-Entry Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of the Global Note to reflect the amount of any increase or decrease in the amount of outstanding Book-Entry Notes represented thereby shall be made by the Trustee, or by the custodian at the direction of the Trustee, in accordance with instructions given by the holder thereof as required by Section 2.3.

Except as set forth in Section 2.3, the Global Note may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

(e) The Notes offered and sold to Institutional Accredited Investors shall be issued in the form of Definitive Notes. Such Definitive Notes may be delivered to Institutional Accredited Investors only upon the execution and delivery to the Issuer and the Trustee of a letter substantially in the form attached as Annex B to the Memorandum (an "Accredited Investor Letter").

SECTION 2.2 BOOK ENTRY PROVISIONS. This Section 2.2 shall apply only to Global Note deposited with or on behalf of DTC.

The Trustee shall execute, authenticate and deliver the Global Note which (i) shall be registered in the name of DTC or the nominee of DTC and (ii) shall be delivered by the Trustee to DTC or pursuant to DTC's instructions or held by the Trustee as custodian for DTC or its nominee.

Clearing Agency Participants shall have no rights either under this Indenture with respect to the Global Note held on their behalf by DTC or by the Trustee as custodian for DTC or under such Global Note, and DTC may be treated by the Trustee, the Note Registrar and any agent of the Trustee or the Note Registrar as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trustee, the Note Registrar or any agent of the Trustee or the Note Registrar from giving

effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its Clearing Agency Participants, the operation of customary practices of such Clearing Agency governing the exercise of the rights of an owner of a beneficial interest in the Global Note.

The Note Registrar and the Trustee shall be entitled to deal with DTC for all purposes of this Indenture (including the payment of principal of and interest on the Notes and the giving of instructions, notices or directions hereunder) as the sole Noteholder of the Global Note registered in its name, or in the name of its nominee, and shall have no obligation to the Note Owners.

The rights of Note Owners owning a beneficial interest in a Global Note shall be exercised only through DTC and shall be limited to those established by law and agreements between such Note Owners and DTC and/or the Clearing Agency Participants. DTC will make book-entry transfers among the Clearing Agency Participants and receive and transmit payments of principal of and interest on the Notes to such Clearing Agency Participants with respect to such Global Note. The procedures described in this paragraph, to the extent relating to actions to be taken with respect to the Global Note shall be the "Applicable Procedures" for such actions.

Whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Noteholders evidencing a specified percentage interest of the Notes, DTC shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Note Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage interest in the Notes and has delivered such instructions to the Trustee.

SECTION 2.3 TRANSFER RESTRICTIONS.

(a) TRANSFER AND EXCHANGE OF GLOBAL NOTES. The transfer and exchange of the Global Note or beneficial interests therein shall be effected through DTC, in accordance with this Indenture and the procedures of DTC therefor, which shall include restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Beneficial interests in the Global Note may be transferred to persons who take delivery thereof in the form of a beneficial interest in the same Global Note in accordance with the transfer restrictions set forth in the legend referred to in Section 2.4.

(b) TRANSFER AND EXCHANGE OF A DEFINITIVE NOTE FOR A BENEFICIAL INTEREST IN THE GLOBAL NOTE. The transfer and exchange of a Definitive Note for a beneficial interest in the Global Note shall be effected in accordance with this Indenture and the procedures of DTC therefor, which shall include restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. If, at any time a holder of a Definitive Note wishes to transfer its interest in such Note to a person who is required or permitted to take delivery thereof in the form of a beneficial interest in the Global Note, such Noteholder shall, subject to the Applicable Procedures, exchange or cause the exchange of such Definitive Note for an equivalent beneficial interest in the Global Note as provided in this Section. Upon receipt by the Trustee of (1) the Definitive Notes for registration of transfer or exchange duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Trustee duly executed by such Noteholder or by his attorney, duly authorized in writing, (2) the written instructions from DTC, directing the Trustee, as Note Registrar, to credit or cause to be credited

a beneficial interest in the Global Note equal to the Definitive Note to be exchanged, such instructions to contain information regarding the participant account with DTC to be credited with such increase, and (3) a written order given in accordance with the Applicable Procedures containing information regarding the participant account of DTC, then the Trustee, as Note Registrar, shall instruct DTC to increase or cause to be increased the outstanding principal amount of the Global Note by the outstanding principal amount of the Definitive Note to be exchanged, and the Trustee, as Note Registrar, shall instruct DTC, concurrently with such increase, to credit or cause to be credited to the account of the person specified in such instructions a beneficial interest in the Global Note equal to the outstanding principal amount of such Definitive Note being transferred.

Each transferee of any Definitive Note pursuant to this Section shall be required to deliver to the Issuer and the Trustee a certificate to the effect that such transferee is a QIB and as to the other representations and warranties listed in Section 2.8 hereof.

(c) TRANSFER OF A BENEFICIAL INTEREST IN THE GLOBAL NOTE FOR A DEFINITIVE NOTE. Any person having a beneficial interest in the Global Note may, only upon satisfaction of the requirements of Section 2.7 and subject to the Applicable Procedures, transfer its interest thereon to an Institutional Accredited Investor which delivers to the Issuer and the Trustee an Accredited Investor Letter and an Opinion of Counsel (in form and substance satisfactory to the Issuer and the Trustee) to the effect that such transfer is in compliance with the Securities Act, in each case in accordance with any applicable securities or "Blue Sky" laws of any state of the United States. Any person having a beneficial interest in the Global Note may, only upon satisfaction of the requirements of Section 2.7 and subject to the Applicable Procedures, exchange such beneficial interest for a Definitive Note. Upon receipt by the Trustee of written instructions or such other form of instructions as is customary for DTC, from DTC or its nominee on behalf of any Person having a beneficial interest in the Global Note, then the Trustee or the custodian, at the direction of the Trustee, shall, in accordance with the standing instructions and procedures existing between DTC and the custodian, cause the outstanding principal amount of the Global Note, as applicable, to be reduced accordingly and, following such reduction, the Trustee shall authenticate and deliver to the transferee a Definitive Note in the appropriate principal amount.

Definitive Notes issued in exchange for a beneficial interest in the Global Note, as applicable, pursuant to this Section shall be registered in such names and in such authorized denominations as DTC, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Note Registrar. The Note Registrar shall deliver such Definitive Notes to the persons in whose names such Notes are so registered. Following any such issuance of Definitive Notes, the Note Registrar shall instruct DTC to reduce or cause to be reduced the outstanding principal amount of the applicable Global Note to reflect the transfer.

(d) RESTRICTIONS ON TRANSFER AND EXCHANGE OF GLOBAL NOTES. Notwithstanding any other provision of this Indenture, the Global Note may not be transferred as a whole except by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor Clearing Agency or a nominee of such successor Clearing Agency.

SECTION 2.4 LEGENDING OF NOTES. (a) (i) the Global Note and each Definitive Note will bear a legend (the "Restricted Legend") in substantially the following form, unless the Trustee determines otherwise in accordance with applicable law:

"THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND IS NOT EXPECTED TO BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES OR "BLUE SKY" LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE OWNER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") AND IS ACQUIRING SUCH NOTE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS, (WHICH OTHERS ARE ALSO QIBS) TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (B) IT IS AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT OR (C) IS OTHERWISE ACQUIRING THIS NOTE IN A TRANSACTION EXEMPT FROM THE SECURITIES ACT AND, IN THE CASE OF CLAUSES (B) AND (C) ONLY, SUBJECT TO THE RECEIPT BY THE TRUSTEE AND THE ISSUER OF A CERTIFICATION OF THE TRANSFEROR AND THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE TRUSTEE) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT,

(2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) SO LONG AS THIS NOTE IS ELIGIBLE FOR TRANSFER PURSUANT TO RULE 144A, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (B) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT OR OTHERWISE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSES (B) AND (D) ONLY, SUBJECT TO THE RECEIPT BY

THE TRUSTEE AND THE ISSUER OF A CERTIFICATION OF THE TRANSFEROR AND THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE TRUSTEE) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES OR "BLUE SKY" LAWS OF ANY STATE OF THE UNITED STATES,

(3) ACKNOWLEDGES THAT ANY ATTEMPTED TRANSFER IN CONTRAVENTION OF THE IMMEDIATELY PRECEDING RESTRICTIONS WILL BE VOID AB INITIO AND THE PURPORTED TRANSFEROR WILL CONTINUE TO BE TREATED AS THE OWNER OF THIS NOTE FOR ALL PURPOSES,

THE INDENTURE UNDER WHICH THIS NOTE WAS ISSUED CONTAINS A PROVISION REQUIRING THE TRUSTEE (OR NOTE REGISTRAR APPOINTED BY THE TRUSTEE) TO REFUSE TO REGISTER ANY TRANSFER OF THIS OFFERED NOTE IN VIOLATION OF THE FOREGOING."

BY ITS PURCHASE OF A NOTE, EACH PURCHASER SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING SUCH NOTE OR INTEREST THEREIN WITH THE "PLAN ASSETS" OF ANY "EMPLOYEE BENEFIT PLAN" SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR "PLAN" DESCRIBED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE");OR (II) THE ACQUISITION AND HOLDING OF SUCH NOTE WILL NOT GIVE RISE TO A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406(a) OF ERISA OR SECTION 4975 OF THE CODE BECAUSE THE PURCHASER IS ELIGIBLE FOR, AND THE ACQUISITION AND HOLDING OF SUCH NOTE SATISFY ALL OF THE REQUIREMENTS OF, ONE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("PTCEs"): PTCE 96-23, PTCE 95-60, PTCE 91-38, PTCE 90-1 or PTCE 84-14.

(ii) the Global Note will bear a legend in substantially the following form:

"UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE, AS DEFINED HEREIN, OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS

WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(b) The Initial Purchaser shall not be required to deliver, and neither the Trustee nor the Note Registrar shall demand therefrom, any of the certifications described in Section 2.3 in connection with the initial issuance of the Notes and the delivery thereof by the Note Registrar on the Closing Date.

SECTION 2.5 AUTHENTICATION OF NOTES. (a) The Trustee shall duly authenticate and deliver the Notes in authorized denominations equaling the aggregate principal amount of the Notes to be purchased by the Initial Purchaser pursuant to the Note Purchase Agreement.

(b) No Note shall be entitled to any benefit under this Indenture, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form set forth in EXHIBIT A hereto executed by the Trustee by the manual signature of a Responsible Officer of the Trustee which is one of its authorized signatories, and such executed certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

SECTION 2.6 REGISTRATION OF TRANSFER AND EXCHANGE OF NOTES. The Trustee shall cause to be kept at the office or agency to be maintained by it a register (the "Note Register") for the Notes in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of the Notes and of transfers and exchanges of such Notes as herein provided. The Trustee shall initially be the registrar (the "Note Registrar") for the purpose of registering the Notes and transfers and exchanges of such Notes as herein provided.

If a Person other than the Trustee is appointed by the Seller as the Note Registrar, the Seller will give the Trustee prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location, of the Note Register, and the Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof, and the Trustee shall have the right to conclusively rely upon an officers' certificate executed on behalf of the Note Registrar as to the names and addresses of the Noteholders and the principal amounts and numbers of such Notes.

Upon surrender for registration of transfer of any Note at the Corporate Trust Office or such other office or agency, the Trustee shall execute, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes in authorized denominations of a like aggregate principal amount.

At the option of a Noteholder, Notes may be exchanged for other Notes, in authorized denominations and of a like aggregate principal amount, upon surrender of the Notes to be exchanged at any such office or agency. Whenever any Notes are so surrendered for exchange, the Trustee shall execute, authenticate and deliver the Notes that the Noteholder making the exchange is entitled to receive.

All Notes issued upon any registration of transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer stating the name of the proposed transferee and otherwise complying with the terms of this Indenture, including evidence of compliance with any restrictions on transfer, in form satisfactory to the Trustee and the Note Registrar duly executed by the Noteholder thereof or its attorney duly authorized in writing. No such transfer shall be effected until, and such transferee shall succeed to the rights of an Noteholder only upon, final acceptance and registration of the transfer by the Note Registrar in the Note Register. Prior to the registration of any transfer by an Noteholder as provided herein, the Trustee shall treat the person in whose name the Note is registered as the owner thereof for all purposes, and the Trustee shall not be affected by notice to the contrary. When Notes are presented to the Note Registrar with a request to register the transfer or to exchange them for an equal face amount of Notes of other authorized denominations, the Note Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met. To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Trustee shall execute and authenticate Notes at the Note Registrar's request.

No service charge shall be made to a Noteholder for any registration of transfer or exchange of Notes, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Notes. All Notes surrendered for registration of transfer and exchange shall be canceled and subsequently destroyed by the Trustee.

SECTION 2.7 DEFINITIVE NOTES. (a) Notes may be delivered to Note Owners in the form of Definitive Notes (each, a "Definitive Note"), in the case of a transfer to any Institutional Accredited Investor, subject to the requirements of Section 2.3, and shall be issued to Note Owners owning a beneficial interest in the Global Note in the following circumstances:

(1) the Clearing Agency advises the Trustee that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Notes;

(2) the Servicer, at its option, advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency; or

(3) after the occurrence of an Event of Default or a default by the Servicer under the Sale and Servicing Agreement, the Note Owners evidencing not less than a majority of the Outstanding Amount of the Notes advises the Trustee in writing that the continuation of a book-entry system through such Clearing Agency is no longer in the best interests of Note Owners.

If any of these events in (1) though (3) above occur, the Trustee shall notify or cause to be notified all beneficial owners of the Global Note of the occurrence of any such event and of the availability of Definitive Notes.

(b) [RESERVED]

(c) In connection with the transfer of the entire Global Note to the beneficial owners thereof pursuant to paragraph (a)(1) through (3) of this Section 2.7, upon surrender for cancellation to the Trustee of the Global Note by the Clearing Agency, accompanied by registration instructions from the Clearing Agency for registration, the Trustee shall execute, authenticate and deliver, to each beneficial owner identified by the Clearing Agency in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Definitive Notes of authorized denominations. None of the Seller, the Note Registrar, the Paying Agent 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 registration instructions. Upon the issuance of Definitive Notes, the Trustee shall recognize the Person in whose name the Definitive Notes are registered in the Note Register as Noteholders hereunder. Neither the Seller nor the Trustee shall be liable if the Trustee or the Seller is unable to locate a qualified successor Clearing Agency.

(d) Any Definitive Note delivered in exchange for an interest in the Global Note pursuant to paragraph (a) of this Section 2.7 shall bear the Restricted Legend.

(e) [Reserved].

(f) The registered holder of the Global Note may grant proxies and otherwise authorize any Person, including Clearing Agency Participants and Persons that may hold interests through Clearing Agency Participants, to take any action which an Noteholder is entitled to take under this Indenture or the Notes.

SECTION 2.8 TRANSFER PROVISIONS. (a) By acceptance of any Note, each Note Owner, by its acceptance of any beneficial interest therein, will be deemed to have acknowledged, represented to and agreed as follows:

(1) The Notes have not been and will not be registered under the Securities Act or the securities laws of any jurisdiction. Consequently, the Notes are not transferable other than pursuant to an exemption from the registration requirements of the Securities Act.

(2) It is either (i) a QIB and is acquiring the Notes for its own account (and not for the account of others) or as a fiduciary or agent for others (which others also are QIBs) or (ii) an Institutional Accredited Investor. It is familiar with Rule 144A or Regulation D, as applicable, and is aware that the Issuer and the Initial Purchaser intend to rely on the deemed representations (and, in the case of an Institutional Accredited Investor, the certificate delivered in connection with such transfer) made by it and the exemption from the registration requirements of the Securities Act provided by Rule 144A or Regulation D, as applicable. It is aware that it (or any account for which it is purchasing) may

be required to bear the economic risk of an investment in the Notes for an indefinite period, and it is (or such account is) able to bear such risk for an indefinite period.

(3) It will not make any sale, pledge or other transfer of any Note unless either (i) so long as the Notes are eligible for resale pursuant to Rule 144A, such sale, pledge or other transfer is made to a person whom it reasonably believes, after due inquiry, is a QIB acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others also are QIBs) to whom notice is given that the sale, pledge or transfer is being made in reliance on Rule 144A, (ii) pursuant to an effective registration statement under the Securities Act, (iii) in an offshore transaction complying with Rule 904 of Regulation S under the Securities Act, or (iv) such sale, pledge or other transfer is made to an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act or otherwise in a transaction exempt from the registration requirements of the Securities Act, and, in the case of clause (iii) or (iv), (a) the Trustee will require that both the prospective transferor and the prospective transferee certify to the Trustee and the Issuer in writing the facts surrounding such transfer, which certification shall be in form and substance satisfactory to the Trustee, and (b) the Trustee shall require a written Opinion of Counsel (which shall not be at the expense of the Trustee or the Trust) satisfactory to the Issuer and the Trustee to the effect that such transfer will not violate the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within our or their control and subject in each of the foregoing cases to the applicable securities laws of any state of the United States.

(4) It acknowledges that none of the Issuer or the Initial Purchaser, any of their respective Affiliates or any person representing any of them has made any representation to it with respect to any of them or the offering or sale of any Notes, other than, in the case of a transferee acquiring an interest in a Note directly from the Initial Purchaser, the information contained in the Memorandum, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. In addition, it acknowledges that no representation or warranty is made by any Initial Purchaser as to the accuracy or completeness of such materials. It has had access to such financial and other information concerning the Issuer, the Notes and such other matters as it has deemed necessary in connection with its decision to purchase the Notes, including an opportunity to ask questions of and request information from the Trustee, the Issuer, the Seller and the Initial Purchaser, and it has been afforded an opportunity to request from the Trustee, the Issuer, the Seller and the Initial Purchaser and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of the information

herein. It is either (i) not acquiring the Notes or any interest therein with the "plan assets" of any "employee benefit plan" subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or "plan" described in section 4975 of the Internal Revenue Code of 1986, as amended (the "CODE"); or (ii) the acquisition and holding of the Notes will not give rise to a nonexempt prohibited transaction under section 406(a) of ERISA or section 4975 of the Code because they are eligible for, and satisfy all of the requirements of, one of the following Prohibited Transaction Class Exemptions ("PTCEs"): PTCE 96-23, PTCE 95-60, PTCE 91-38, PTCE 90-1 or PTCE 84-14.

(5) It understands and agrees that the Global Note and each Definitive Note will bear a legend in substantially the form set forth in Section 2.4(a).

(6) It understands and agrees that the Book-Entry Notes will be represented by beneficial interests in the Global Note in accordance with DTC rules, as described in the Memorandum.

(b) Until such time as no Notes remain Outstanding, the Note Registrar shall retain copies of all letters, notices and other written communications received pursuant to the Agreement. The Trustee, if not the Note Registrar at such time, shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Note Registrar.

SECTION 2.9 MUTILATED, DESTROYED, LOST OR STOLEN NOTES. If (a) any mutilated Note is surrendered to the Note Registrar, or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Note Registrar and the Trustee such security, indemnity or bond, as may be required by them to save each of them harmless, then, in the absence of notice to the Note Registrar or the Trustee that such Note has been acquired by a bona fide purchaser the Trustee shall execute, authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note or Notes, in authorized denominations and of like principal amount. In connection with the issuance of any new Note under this Section 2.9, the Trustee shall 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 (including the fees and expenses of the Trustee and the Note Registrar) connected therewith.

SECTION 2.10 PERSONS DEEMED OWNERS. Prior to due presentation of an Note for registration of transfer, the Trustee, the Note Registrar, and any Paying Agent of the Trustee shall treat the person in whose name any Note is registered as the owner of such Note for the purpose of receiving distributions pursuant to the Sale and Servicing Agreement and for all other purposes whatsoever, and neither the Trustee, the Note Registrar, nor any Paying Agent of the Trustee shall be affected by any notice to the contrary.

SECTION 2.11 CANCELLATION. All Notes surrendered for payment or transfer or exchange shall, if surrendered to any Person party hereto other than the Note Registrar, be delivered to the Note Registrar for cancellation. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 2.11, except as expressly permitted by this Indenture. All canceled Notes held by the Note Registrar shall be destroyed and a certification of their destruction delivered to the Trustee.

SECTION 2.12 TEMPORARY NOTES. Pending the preparation of Definitive Notes, the Trustee may execute, authenticate and deliver temporary Notes which are printed, lithographed, typewritten, or otherwise produced, in any denomination, containing substantially the same terms and provisions as set forth in Exhibit A hereto, except for such appropriate insertions, omissions, substitutions and other variations relating to their temporary nature as the officer executing such temporary Notes may determine, as evidenced by its execution of such temporary Notes.

If temporary Notes are issued, the Seller will cause Definitive Notes to be prepared without unreasonable delay. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of such temporary Notes at the Corporate Trust Office of the Trustee, or at the office or agency of the Trustee, without charge to the holder. Upon surrender for cancellation of any one or more temporary Notes, the Trustee shall execute, authenticate and deliver in exchange therefor Definitive Notes in authorized denominations and of a like aggregate principal amount. Until so exchanged, such temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

SECTION 2.13 LIMITATION OF LIABILITY FOR PAYMENTS. All payments or distributions made to Noteholders under this Indenture shall be made only from the Trust Estate and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article IV of this Indenture. Each Note Owner, by its acceptance of an interest in the Notes, agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to such Note Owner as provided in this Indenture. Nothing in this Indenture shall be construed as an agreement, or otherwise creating an obligation, of the Seller to pay any of the principal, premium, if any, or interest due from time to time under the Note.

SECTION 2.14 RELEASE OF COLLATERAL. The Trust Collateral Agent shall, on or after the Termination Date, release any remaining portion of the Trust Estate from the lien created by this Indenture and deposit in the Collection Account any funds then on deposit in any other Trust Account. The Trust Collateral Agent shall release property from the lien created by this Indenture pursuant to this Section 2.14 only upon receipt of an Trust Request accompanied by an Officer's Certificate and an Opinion of Counsel that the Termination Date has occurred.

SECTION 2.15 NOTICES TO CLEARING AGENCY. Whenever a notice or other communication to the Noteholders is required under this Indenture, unless and until Definitive Notes shall have been issued to Note Owners pursuant to Section 2.7, the Trustee shall give all such notices and communications specified herein to be given to the Noteholders to the Clearing Agency, and shall have no obligation to the Note Owners.

SECTION 2.16 OPTION TO PURCHASE IN LIEU OF A DRAW.

(a) Each Noteholder by its acceptance of a Note shall be deemed to have granted to the Insurer (or its designee, and each reference in this Section 2.16 to the Insurer shall also be deemed to be a reference to such designee, as the context may require) the option in lieu of making a payment under the Policy on the presentation of the Notice under the Policy pursuant to Section 6.1(a) of the Sale and Servicing Agreement, to purchase all (but not less than all) of the Noteholders' rights and title to, and interest in, such Notes (such option, the "Non-Draw Option"), at a price (the "Non-Draw Option Price") equal to the amount the Insurer would pay in connection with a draw under the Policy in respect of such Notes if the applicable Distribution Date is the Final Scheduled Distribution Date for such class of Notes. Payment made by the Insurer of the Non-Draw Option Price shall be made in immediately available funds by 12:00 p.m. New York City time on the later of (a) the third Business Day following receipt by the Insurer, at its designated offices, of a Notice pursuant to Section 6.1(a) of the Sale and Servicing Agreement and (b) the date on which payment under the Policy for such Final Scheduled Distribution Date pursuant to such Notice would have been due in respect of the Notes. All calculations required to determine the Non-Draw Option Price, shall be made by the Insurer as of the draw date specified in the relevant Notice for payment under the Policy delivered pursuant to Section 6.1(a) of the Sale and Servicing Agreement. The Insurer may exercise the Non-Draw Option by telephone notice confirmed in writing by the Insurer to the Trust Collateral Agent immediately thereafter.

(b) Simultaneously with the payment of the Non-Draw Option Price, the Noteholders shall deliver to the Insurer such transfer documents as shall be necessary pursuant to the terms of this Indenture to assign to the Insurer the Notes purchased pursuant to the Non-Draw Option and take any and all other actions as may be required by the terms of this Agreement or this Indenture (including but not limited to causing to be provided any legal opinion, certificate or other legal document that may be required by the Trust Collateral Agent or this Indenture in connection with such transfer), or otherwise, to cause a transfer of such Notes to the Insurer.

ARTICLE III

COVENANTS

SECTION 3.1 PAYMENT OF PRINCIPAL AND INTEREST. The Issuer will duly and punctually pay the principal of and interest on the Notes in accordance with the terms of the Notes and this Indenture. Without limiting the foregoing, the Issuer will cause to be distributed all amounts on deposit in the Note Distribution Account on a Distribution Date deposited therein pursuant to the Sale and Servicing Agreement (i) for the benefit of the Class A-l Notes, to Class A-1 Noteholders and, (ii) for the benefit of the Class A-2 Notes, to Class A-2 Noteholders. Amounts properly withheld under the Code by any Person from a payment to any Noteholder of interest and/or principal shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

SECTION 3.2 MAINTENANCE OF OFFICE OR AGENCY. The Issuer will maintain in New York, New York, an office or agency where Notes may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer

hereby initially appoints the Trustee to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Trustee with the address thereof, such surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Issuer hereby appoints the Trustee as its agent to receive all such surrenders, notices and demands.

SECTION 3.3 MONEY FOR PAYMENTS TO BE HELD IN TRUST. On or before each Distribution Date and Redemption Date, the Issuer shall deposit or cause to be deposited in the Note Distribution Account from the Collection Account an aggregate sum sufficient to pay the amounts then becoming due under the Notes, such sum to be held in trust for the benefit of the Persons entitled thereto and (unless the Note Paying Agent is the Trustee) shall promptly notify the Trustee of its action or failure so to act.

The Issuer will cause each Note Paying Agent other than the Trustee to execute and deliver to the Trustee and the Insurer an instrument in which such Note Paying Agent shall agree with the Trustee (and if the Trustee acts as Note Paying Agent, it hereby so agrees), subject to the provisions of this Section, that such Note Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Trustee notice of any default by the Issuer (or any other obligor upon the Notes) of which it has actual knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Note Paying Agent;

(iv) immediately resign as a Note Paying Agent and forthwith pay to the Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Note Paying Agent at the time of its appointment; and

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order direct any Note Paying Agent to pay to the Trustee all sums held in trust by such Note Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which the sums were held by such Note Paying Agent; and

upon such a payment by any Note Paying Agent to the Trustee, such Note Paying Agent shall be released from all further liability with respect to such money.

Subject to applicable laws with respect to the escheat of funds, any money held by the Trustee or any Note Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Request with the consent of the Insurer (unless an Insurer Default shall have occurred and be continuing), which consent shall not be unreasonably withheld, and shall be deposited by the Trustee in the Collection Account; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Trustee or such Note Paying Agent with respect to such trust money shall thereupon cease; PROVIDED, HOWEVER, that if such money or any portion thereof had been previously deposited by the Insurer or the Trust Collateral Agent with the Trustee for the payment of principal or interest on the Notes, to the extent any amounts are owing to the Insurer, such amounts shall be paid promptly to the Insurer upon the Trustee's receipt of a written request by the Insurer to such effect; and PROVIDED, FURTHER, that the Trustee or such Note Paying Agent, before being required to make any such repayment, shall at the expense of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in New York, New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer.

The Trustee shall also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment (including, but not limited to, mailing notice of such repayment to Holders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Trustee or of any Note Paying Agent, at the last address of record for each such Holder).

SECTION 3.4 EXISTENCE. Since its formation, the Issuer has kept, and except as otherwise permitted by the provisions of Section 3.10, the Issuer will keep in full effect its existence, rights and franchises as a business trust under the laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the laws of any other state or of the United States of America, in which case the Issuer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes, the Collateral and each other instrument or agreement included in the Trust Estate.

SECTION 3.5 PROTECTION OF TRUST ESTATE. The Issuer intends the security interest Granted pursuant to this Indenture in favor of the Issuer Secured Parties to be prior to all other liens in respect of the Trust Estate, and the Issuer shall take all actions necessary to obtain and maintain, in favor of the Trust Collateral Agent, for the benefit of the Issuer Secured Parties, a first lien on and a first priority, perfected security interest in the Trust Estate. The Issuer will from time to time prepare (or shall cause to be prepared),

execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

(i) Grant more effectively all or any portion of the Trust Estate;

(ii) maintain or preserve the lien and security interest (and the priority thereof) in favor of the Trust Collateral Agent for the benefit of the Issuer Secured Parties created by this Indenture or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(iv) enforce any of the Collateral;

(v) preserve and defend title to the Trust Estate and the rights of the Trust Collateral Agent in such Trust Estate against the claims of all persons and parties; and

(vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

The Issuer hereby designates the Trust Collateral Agent its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required by the Trust Collateral Agent pursuant to this Section; PROVIDED, HOWEVER, that the Trust Collateral Agent shall not be obligated to execute or file such instruments except upon written instruction from the Servicer or the Insurer or, if an Insurer Default has occurred and is continuing, a Note Majority, to execute such instruments, except, that such instruction need not be in writing if delivered with respect to instruments to be executed by the Trust Collateral Agent on the Closing Date.

SECTION 3.6 OPINIONS AS TO TRUST ESTATE.

(a) On the Closing Date and on the date of execution of any Indenture Supplement hereto, the Issuer shall furnish to the Trustee, the Trust Collateral Agent and the Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto, and any other requisite documents, and with respect to the authorization and filing of any financing statements and continuation statements, as are necessary to perfect and make effective the first priority lien and security interest in favor of the Trust Collateral Agent, for the benefit of the Issuer Secured Parties, created by this Indenture and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make such lien and security interest effective.

(b) Within 120 days after the beginning of each calendar year, beginning with the first calendar year beginning more than six months after the Closing Date, the Issuer shall furnish to the Trustee, Trust Collateral Agent and the Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing,

re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and with respect to the execution and filing of any financing statements and continuation statements as are necessary to maintain the lien and security interest created by this Indenture and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain such lien and security interest. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to maintain the lien and security interest of this Indenture until June 1 in the following calendar year.

SECTION 3.7 PERFORMANCE OF OBLIGATIONS; SERVICING OF RECEIVABLES.

(a) The Issuer will not take any action and will use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or obligations under any instrument or agreement included in the Trust Estate or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except as ordered by any bankruptcy or other court or as expressly provided in this Indenture, the other Basic Documents to which it is a party or such other instrument or agreement.

(b) The Issuer may contract with other Persons acceptable to the Insurer (so long as no Insurer Default shall have occurred and be continuing) to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Trustee and the Insurer in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicer to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the other Basic Documents to which it is a party and in the instruments and agreements included in the Trust Estate, including, but not limited to, preparing (or causing to prepared) and filing (or causing to be filed) all UCC financing statements and continuation statements required to be filed by the terms of this Indenture and the Sale and Servicing Agreement in accordance with and within the time periods provided for herein and therein. Except as otherwise expressly provided therein, the Issuer shall not waive, amend, modify, supplement or terminate any Basic Document or any provision thereof without the consent of the Trustee, the Insurer or the Holders of at least a majority of the Outstanding Amount of the Notes.

(d) If a responsible officer of the Owner Trustee shall have actual knowledge of the occurrence of a Servicer Termination Event under the Sale and Servicing Agreement, the Issuer shall promptly notify the Trustee, the Insurer and the Rating Agencies thereof in accordance with Section 11.4, and shall specify in such notice the action, if any, the Issuer is taking in respect of such default. If a Servicer Termination Event shall arise from the failure of the Servicer to perform any of its duties or obligations under the Sale and

Servicing Agreement with respect to the Receivables, the Issuer shall take all reasonable steps available to it to remedy such failure.

(e) The Issuer agrees that it will not waive timely performance or observance by the Servicer or the Seller of their respective duties under the Basic Documents (x) without the prior consent of the Insurer (unless an Insurer Default shall have occurred and be continuing) or (y) if the effect thereof would adversely affect the Holders of the Notes.

SECTION 3.8 NEGATIVE COVENANTS. So long as any Notes are Outstanding, the Issuer shall not:

(i) except as expressly permitted by this Indenture or the other Basic Documents to which it is a party, sell, transfer, exchange or otherwise dispose of any of the properties or assets of the Issuer, including those included in the Trust Estate, unless directed to do so by the Controlling Party;

(ii) claim any credit on, or make any reduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under the Code) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Trust Estate; or

(iii) (A) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien in favor of the Trust Collateral Agent created by this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Notes under this Indenture except as may be expressly permitted hereby, (B) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden the Trust Estate or any part thereof or any interest therein or the proceeds thereof (other than tax liens, mechanics' liens and other liens that arise by operation of law, in each case on a Financed Vehicle and arising solely as a result of an action or omission of the related Obligor), (C) permit the lien of this Indenture not to constitute a valid first priority (other than with respect to any such tax, mechanics' or other lien) security interest in the Trust Estate or (D) amend, modify or fail to comply in all material respects with the provisions of the Basic Documents to which it is a party without the prior written consent of the Controlling Party.

(iv) change its jurisdiction of organization without sixty (60) days prior written notice to the Trust Collateral Agent and Insurer (so long as an Insurer Default shall not have occurred and continuing), if as a result of such relocation, the applicable provisions of the UCC would require to filing of any amendment of my previously filed financing or continuation statement or of any new financing statements.

SECTION 3.9 ANNUAL STATEMENT AS TO COMPLIANCE. The Issuer will deliver to the Trustee and the Insurer, within 120 days after the end of each fiscal

year of the Issuer (commencing with the fiscal year ended December 31, 2002) an Officer's Certificate stating, as to the Authorized Officer signing such Officer's Certificate, that

(i) a review of the activities of the Issuer during such year and of performance under this Indenture has been made under such Authorized Officer's supervision; and

(ii) to the best of such Authorized Officer's knowledge, based on such review, the Issuer has complied with all conditions and covenants under this Indenture and the other Basic Documents to which it is a party throughout such year, or, if there has been a default in the compliance of any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

SECTION 3.10 ISSUER MAY CONSOLIDATE, ETC. ONLY ON CERTAIN TERMS.

(a) The Issuer shall not consolidate or merge with or into any other Person, unless

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall be a Person organized and existing under the laws of the United States of America or any state and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee and the Insurer (so long as no Insurer Default shall have occurred and be continuing), the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee and the Insurer (so long as no Insurer Default shall have occurred and be continuing)) to the effect that such transaction will not have any material adverse tax consequence to the Trust, the Insurer, any Noteholder or the Certificateholder;

(v) any action as is necessary to maintain the lien and security interest created by this Indenture shall, as evidenced by an Opinion of Counsel, have been taken;

(vi) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation or merger and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(vii) so long as no Insurer Default shall have occurred and be continuing, the Issuer shall have given the Insurer written notice of such consolidation or merger at least 20 Business Days prior to the consummation of such action and shall have received the prior written approval of the Insurer of such consolidation or merger.

(b) The Issuer shall not convey or transfer all or substantially all of its properties or assets, including those included in the Trust Estate, to any Person, unless

(i) the Person that acquires by conveyance or transfer the properties and assets of the Issuer the conveyance or transfer of which is hereby restricted shall (A) be a United States citizen or a Person organized and existing under the laws of the United States of America or any state, (B) expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, and the Insurer (so long as no Insurer Default shall have occurred and be continuing), the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture and each of the Basic Documents on the part of the Issuer to be performed or observed, all as provided herein or therein, (C) expressly agree by means of such supplemental indenture that all right, title and interest so conveyed or transferred shall be subject and subordinate to the rights of Holders of the Notes, and (D) unless otherwise provided in such supplemental indenture, expressly agree to indemnify, defend and hold harmless the Issuer against and from any loss, liability or expense arising under or related to this Indenture and the Notes;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee and the Insurer (so long as no Insurer Default shall have occurred and be continuing)) to the effect that such transaction will not have any material adverse tax consequence to the Trust, the Insurer, any Noteholder or the Certificateholder;

(v) any action as is necessary to maintain the lien and security interest created by this Indenture shall, as evidenced by an Opinion of Counsel, have been taken;

(vi) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that such conveyance or transfer and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(vii) so long as no Insurer Default shall have occurred and be continuing, the Issuer shall have given the Insurer written notice of such conveyance or transfer at least 20 Business Days prior to the consummation of such action and shall have received the prior written approval of the Insurer of such conveyance or transfer.

SECTION 3.11 SUCCESSOR OR TRANSFEREE.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.10(a), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(b) Upon a conveyance or transfer of all the assets and properties of the Issuer pursuant to Section 3.10(b), MFN Auto Receivables Trust 2002-A will be released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with respect to the Notes immediately upon the delivery of written notice to the Trustee stating that MFN Auto Receivables Trust 2002-A is to be so released.

SECTION 3.12 NO OTHER BUSINESS. The Issuer shall not engage in any business other than financing, purchasing, owning, selling and managing the Receivables in the manner contemplated by this Indenture and the other Basic Documents to which it is a party and activities incidental thereto. After the Closing Date, the Issuer shall not fund the purchase of any additional Receivables.

SECTION 3.13 NO BORROWING. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any Indebtedness except for (i) the Notes, (ii) obligations owing from time to time to the Insurer under the Insurance Agreement and (iii) any other Indebtedness permitted by or arising under the Basic Documents to which it is a party. The Notes shall be issued as partial consideration for the Issuer's purchase of the Receivables and the other assets specified in the Sale and Servicing Agreement.

SECTION 3.14 SERVICER'S OBLIGATIONS. The Issuer shall cause the Servicer to comply with Sections 4.9, 4.10 and 4.11 of the Sale and Servicing Agreement.

SECTION 3.15 GUARANTEES, LOANS, ADVANCES AND OTHER LIABILITIES. Except as contemplated by the Sale and Servicing Agreement or this Indenture, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

SECTION 3.16 CAPITAL EXPENDITURES. The Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

SECTION 3.17 COMPLIANCE WITH LAWS. The Issuer shall comply with the requirements of all applicable laws, the non-compliance with which would, individually or in the aggregate, materially and adversely affect the ability of the Issuer to perform its obligations under the Notes, this Indenture or any other Basic Document to which it is a party.

SECTION 3.18 RESTRICTED PAYMENTS. The Issuer shall not, directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to the Owner Trustee or any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest or security in or of the Issuer or to the Servicer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (iii) set aside or otherwise segregate any amounts for any such purpose; PROVIDED, HOWEVER, that the Issuer may make, or cause to be made, distributions to the Servicer, the Owner Trustee, the Trustee, the Insurer, the Noteholders and the Certificateholders as permitted by, and to the extent funds are available for such purpose under, the Sale and Servicing Agreement, Trust Agreement and this Indenture. The Issuer will not, directly or indirectly, make payments to or distributions from the Collection Account except in accordance with this Indenture and the other Basic Documents to which it is a party.

SECTION 3.19 NOTICE OF EVENTS OF DEFAULT. Upon a responsible officer of the Owner Trustee having actual knowledge thereof, the Issuer agrees to give the Trustee, the Insurer and the Rating Agencies prompt written notice of each Event of Default hereunder and each default on the part of the Servicer or the Seller of its obligations under the Sale and Servicing Agreement.

SECTION 3.20 FURTHER INSTRUMENTS AND ACTS. Upon request of the Trustee or the Insurer, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 3.21 AMENDMENTS OF SALE AND SERVICING AGREEMENT AND TRUST AGREEMENT. The Issuer shall not agree to any amendment to Section 12.1 of the Sale and Servicing Agreement or Section 10.1 of the Trust Agreement to eliminate the requirements thereunder that the Trustee or the Holders of the Notes consent to amendments thereto as provided therein.

SECTION 3.22 INCOME TAX CHARACTERIZATION. For purposes of federal income, state and local income and franchise and any other income taxes, the Issuer will treat the Notes as indebtedness and hereby instructs the Trustee to treat the Notes as indebtedness for all applicable tax reporting purposes.

ARTICLE IV

SATISFACTION AND DISCHARGE

SECTION 4.1 SATISFACTION AND DISCHARGE OF INDENTURE. This Indenture shall cease to be of further effect with respect to the Notes except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Sections 3.3, 3.4, 3.5, 3.8, 3.10, 3.12, 3.13, 3.20, 3.21, 3.22, and 11.17 (v) the rights, obligations and immunities of the Trustee hereunder (including the rights of the Trustee under Section 6.7 and the obligations of the Trustee under Section 4.2) and (vi) the rights of Noteholders as beneficiaries hereof with respect to the property so

deposited with the Trustee payable to all or any of them, and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes, when

(A) either

(1) all Notes theretofore authenticated and delivered (other than (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.9 and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.3) have been delivered to the Trustee for cancellation and the Note Policy has expired and been returned to the Insurer for cancellation; or

(2) all Notes not theretofore delivered to the Trustee for cancellation

(i) have become due and payable,

(ii) will become due and payable at their respective Final Scheduled Distribution Dates within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer,

and the Issuer, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be irrevocably deposited with the Trust Collateral Agent cash or direct obligations of or obligations guaranteed by the United States of America (which will mature prior to the date such amounts are payable), in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation when due to the Final Scheduled Distribution Date or Redemption Date (if Notes shall have been called for redemption pursuant to Section 10.1(a)), as the case may be;

(A) the Issuer has paid or caused to be paid all Insurer Issuer Secured Obligations and all Trustee Issuer Secured Obligations; and

(B) the Issuer has delivered to the Trustee, the Trust Collateral Agent and the Insurer an Officer's Certificate, an Opinion of Counsel and if required by the Trustee, the Trust Collateral Agent or the Insurer (so long as an Insurer Default shall not have occurred and be continuing) an Independent Certificate from a firm of certified public accountants, each meeting the applicable requirements of Section 11.1(a) and each stating that all conditions precedent

herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

SECTION 4.2 APPLICATION OF TRUST MONEY. All moneys deposited with the Trustee pursuant to Section 4.1 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes, this Indenture and the other Basic Documents, to the payment, either directly or through any Note Paying Agent, as the Trustee may determine, to the Holders of the particular Notes for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such moneys need not be segregated from other funds except to the extent required herein or in the Sale and Servicing Agreement or required by law.

SECTION 4.3 REPAYMENT OF MONEYS HELD BY NOTE PAYING AGENT. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Note Paying Agent other than the Trustee under the provisions of this Indenture with respect to such Notes shall, upon demand of the Issuer, be paid to the Trustee to be held and applied according to Section 3.3 and thereupon such Note Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE V

REMEDIES

SECTION 5.1 EVENTS OF DEFAULT. "EVENT OF DEFAULT", wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) default in the payment of any interest on any Note when the same becomes due and payable, and such default shall continue for a period of five days (solely for purposes of this clause, a payment on the Notes funded by the Insurer or the Collateral Agent pursuant to the Spread Account Agreement shall be deemed to be a payment made by the Issuer); or

(ii) default in the payment of the principal of or any installment of the principal of any Note when the same becomes due and payable (solely for purposes of this clause, a payment on the Notes funded by the Insurer or the Collateral Agent pursuant to the Spread Account Agreement, shall be deemed to be a payment made by the Issuer); or

(iii) a demand for payment is made under the Note Policy; or

(iv) default in the observance or performance in any material respect of any covenant or agreement of the Issuer made in this Indenture (other than a covenant or agreement, a default in the observance or performance of which is elsewhere in this Section specifically dealt with), or any representation or warranty of the Issuer made in this Indenture, in any Basic Document or in any certificate or any other writing delivered pursuant hereto or in

connection herewith proving to have been incorrect in any material respect as of the time when the same shall have been made, and such default shall continue or not be cured, or the circumstance or condition in respect of which such misrepresentation or warranty was incorrect shall not have been eliminated or otherwise cured, for a period of 30 days after the giving of written notice of the default or incorrect representation or warranty to the Issuer and the Indenture Trustee by the Insurer; or

(v) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Issuer or any substantial part of the Trust Estate in an involuntary case under any applicable federal or State 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 Issuer or for any substantial part of the Trust Estate, or ordering the winding-up or liquidation of the Issuer's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(vi) the commencement by the Issuer of a voluntary case under any applicable federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by the Issuer to the entry of an order for relief in an involuntary case under any such law, or the consent by the Issuer to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Trust Estate, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the Issuer generally to pay its debts as such debts become due, or the taking of action by the Issuer in furtherance of any of the foregoing; or

(vii) the Issuer becomes taxable as an association or a publicly traded partnership taxable as a corporation for federal or state income tax purposes or the Notes are not deemed to be debt for tax purposes; or

(viii) on any Distribution Date, after taking into account the application of the sum of Available Funds for the related Collection Period plus the Deficiency Claim Amount for the related Distribution Date, any amounts listed in Sections 5.7(b)(i), (ii), (iii) and (v) of the Sale and Servicing Agreement has not been paid in full; or

(ix) the occurrence of a Level II Trigger Event; or

(x) a CPS Default, as defined in the Sale and Servicing Agreement, shall have occurred; or

(xi) a Servicer Termination Event arising from a breach of Section 9.1(a), (c), (d), (e) or (f) of the Sale and Servicing Agreement; provided, however, that the occurrence of an event under this clause (xi) may not form the basis of an Event of Default unless the Controlling Party shall have delivered to the Issuer and the Trustee and not rescinded a written notice specifying that such event constitutes an Event of Default under the Indenture; or

(xii) an Event of Default as set forth in Section 5.1(i) of the Insurance Agreement has occurred and the Insurer has given the Trust Collateral Agent written notice pursuant to Section 5.2(v) of the Insurance Agreement; or

(xiii) (x) the occurrence or existence of a default, event of default or other similar condition or event (however described) in respect of CPS or any Affiliate of CPS under one or more agreements or instruments relating to Indebtedness in an aggregate amount of not less than $500,000 which has resulted in such Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (y) the occurrence or existence of a default, event of default or other similar condition or event (however described) in respect of CPS or any Affiliate of CPS under one or more agreements or instruments relating to Receivables serviced by CPS or any Affiliate of CPS in an aggregate amount of not less than $500,000 which has resulted either (x) in the Indebtedness secured by such Receivables becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (y) CPS or any Affiliate of CPS being terminated, or being capable of being terminated as such servicer under such agreements or instruments but excluding in each case any such default, event of default or other similar condition or event that has been waived in accordance with the terms of any applicable agreement on or prior to the Closing Date.

SECTION 5.2 RIGHTS UPON EVENT OF DEFAULT.

(a) If an Insurer Default shall not have occurred and be continuing and an Event of Default shall have occurred and be continuing, upon the written direction of the Insurer, the Notes shall become immediately due and payable at par, together with accrued interest thereon. If an Event of Default shall have occurred and be continuing, the Controlling Party may exercise any of the remedies specified in Section 5.4(a). In the event of any acceleration of any Notes by operation of this Section 5.2, the Trustee shall continue to be entitled to make claims under the Note Policy pursuant to the Sale and Servicing Agreement for Scheduled Payments on the Notes. Payments under the Note Policy following acceleration of any Notes shall be applied by the Trustee:

FIRST: to Noteholders for amounts due and unpaid on the Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for interest; and

SECOND: to Noteholders for amounts due and unpaid on the Notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal.

(b) In the event any Notes are accelerated due to an Event of Default, the Insurer shall have the right (in addition to its obligation to pay Scheduled Payments on the Notes in accordance with the Note Policy), but not the obligation, to make payments under the Note Policy or otherwise of interest and

principal due on such Notes, in whole or in part, on any date or dates following such acceleration as the Insurer, in its sole discretion, shall elect.

(c) If an Insurer Default shall have occurred and be continuing and an Event of Default shall have occurred and be continuing, the Trustee in its discretion may, or if so requested in writing by Holders holding Notes representing not less than a majority of the Outstanding Amount of the Notes, declare by written notice to the Issuer that the Notes become, whereupon they shall become, immediately due and payable at par, together with accrued interest thereon.

(d) If an Insurer Default shall have occurred and be continuing, then at any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article V provided, the Noteholders representing a majority of the Outstanding Amount of the Notes, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(A) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 5.12.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

SECTION 5.3 COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

(a) The Issuer covenants that if (i) default is made in the payment of any interest on any Note when the same becomes due and payable, and such default continues for a period of five days, or (ii) default is made in the payment of the principal of or any installment of the principal of any Note when the same becomes due and payable, the Issuer will pay to the Trustee, for the benefit of the Holders of the Notes, the whole amount then due and payable on such Notes for principal and interest, with interest upon the overdue principal, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the applicable Interest Rate and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel.

(b) Each Issuer Secured Party hereby irrevocably and unconditionally appoints the Controlling Party as the true and lawful attorney-in-fact of such Issuer Secured Party for so long as such Issuer Secured Party is not the Controlling Party, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, pleading or instrument and to do in the name of the Controlling Party as well as in the name, place and stead of such Issuer Secured Party such acts, things and deeds for or on behalf of and in the name of such Issuer Secured Party under this Indenture (including specifically under Section 5.4) and under the Basic Documents which such Issuer Secured Party could or might do or which may be necessary, desirable or convenient in such Controlling Party's sole discretion to effect the purposes contemplated hereunder and under the Basic Documents and, without limitation, following the occurrence of an Event of Default, exercise full right, power and authority to take, or defer from taking, any and all acts with respect to the administration, maintenance or disposition of the Trust Estate.

(c) If an Event of Default occurs and is continuing, the Trustee may in its discretion but with the consent of the Controlling Party and shall, at the direction of the Controlling Party, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate Proceedings as the Trustee or the Controlling Party shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Indenture or by law.

(d) [Reserved].

(e) In case there shall be pending, relative to the Issuer or any other obligor upon the Notes or any Person having or claiming an ownership interest in the Trust Estate, proceedings under Title 11 of the United States Code or any other applicable federal or State bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Notes, or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence, bad faith or willful misconduct) and of the Noteholders allowed in such proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Noteholders in any election of a trustee, a standby trustee or person performing similar functions in any such proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders and of the Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee or the Noteholders allowed in any judicial proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Noteholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to such Noteholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence, bad faith or willful misconduct.

(f) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such Proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar person.

(g) All rights of action and of asserting claims under this Indenture, the Spread Account Agreement or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceedings relative thereto, and any such action or Proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Notes.

(h) In any Proceedings brought by the Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture or the Spread Account Agreement), the Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any Noteholder a party to any such proceedings.

SECTION 5.4 REMEDIES.

(a) If an Event of Default shall have occurred and be continuing, the Controlling Party may do one or more of the following (subject to Section 5.5):

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under this Indenture with respect thereto, whether by

declaration or otherwise, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Notes moneys adjudged due;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Trust Estate;

(iii) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Trustee and the Holders of the Notes; and

(iv) direct the Trust Collateral Agent to sell the Trust Estate or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law and to apply the proceeds of such sales as provided in Section 5.6; PROVIDED, HOWEVER, that

(A) if the Insurer is the Controlling Party, the Insurer may not sell or otherwise liquidate the Trust Estate following an Event of Default unless

(I) such Event of Default arises from a claim being made on the Note Policy or from the insolvency of the Trust, MFN, the Servicer or the Seller, or

(II) the proceeds of such sale or liquidation distributable to the Noteholders are sufficient to discharge in full all amounts then due and unpaid upon such Notes for principal and interest; or

(B) if the Trustee is the Controlling Party, the Trustee may not sell or otherwise liquidate the Trust Estate following an Event of Default unless

(I) such Event of Default is of the type described in Section 5.1(i) or (ii), or

(II) either

(x) the Holders of 100% of the Outstanding Amount of the Notes consent thereto, or

(y) the proceeds of such sale or liquidation distributable to the Noteholders are sufficient to discharge in full all amounts then due and unpaid upon such Notes for principal and interest, or

(z) the Trustee determines that the Trust Estate will not continue to provide sufficient funds for the payment of principal of and interest on the Notes as they would have become due if the Notes had not been declared due and payable, and the Trustee provides prior written notice to the Rating Agencies and obtains the consent of

Holders of 66-2/3% of the Outstanding Amount of the Notes.

In determining such sufficiency or insufficiency with respect to clause (y) and (z), the Trustee may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose.

SECTION 5.5 OPTIONAL PRESERVATION OF THE RECEIVABLES. If the Trustee is the Controlling Party and if the Notes have been declared to be due and payable under Section 5.2 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Trustee may, but need not, elect to direct the Trust Collateral Agent to maintain possession of the Trust Estate. It is the desire of the parties hereto and the Noteholders that there be at all times sufficient funds for the payment of principal of and interest on the Notes, and the Trustee shall take such desire into account when determining whether or not to direct the Trust Collateral Agent to maintain possession of the Trust Estate. In determining whether to direct the Trust Collateral Agent to maintain possession of the Trust Estate, the Trustee may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose.

SECTION 5.6 PRIORITIES.

(a) Following (1) the acceleration of the Notes pursuant to Section 5.2 or (2) if an Insurer Default shall have occurred and be continuing, the occurrence of an Event of Default pursuant to Section 5.1(i), 5.1(ii), 5.1(iv), 5.1(v) or 5.1(vi) of this Indenture or (3) the receipt of Insolvency Proceeds pursuant to Section 10.1(b) of the Sale and Servicing Agreement, any money or property collected pursuant to Section 5.4 of this Indenture and any such Insolvency Proceeds, shall be applied by the Trust Collateral Agent on the related Distribution Date in the following order of priority:

FIRST: amounts due and owing and required to be distributed to the Servicer (provided there is no Servicer Event of Default), the Owner Trustee, the Trustee, the Trust Collateral Agent and the Backup Servicer, respectively, pursuant to priorities (i) and (ii) of Section 5.7(b) of the Sale and Servicing Agreement and not previously distributed, in the order of such priorities as set forth therein and without limitation, preference or priority of any kind within such priorities;

SECOND: to Noteholders for amounts due and unpaid on the Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for interest;

THIRD: to Noteholders for amounts due and unpaid on the Notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal;

FOURTH: amounts due and owing and required to be distributed to the Insurer pursuant to priority (v) and (viii) of Section 5.7(b) of the Sale and Servicing Agreement, the Insurance Agreement or any other Basic Document and not previously distributed; and

FIFTH: to the Trust Collateral Agent to be applied as provided in the Master Spread Account Agreement.

(b) The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section 5.6. At least 15 days before such record date the Issuer shall mail to each Noteholder and the Trustee a notice that states the record date, the payment date and the amount to be paid.

SECTION 5.7 LIMITATION OF SUITS. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(ii) the Holders of not less than 25% of the Outstanding Amount of the Notes have made written request to the Trustee to institute such Proceeding in respect of such Event of Default in its own name as Trustee hereunder;

(iii) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute such Proceedings;

(v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority of the Outstanding Amount of the Notes; and

(vi) an Insurer Default shall have occurred and be continuing;

it being understood and intended that no one or more Noteholders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholders or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

In the event the Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Noteholders, each representing less than a majority of the Outstanding Amount of the Notes, the Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.8 UNCONDITIONAL RIGHTS OF NOTEHOLDERS TO RECEIVE PRINCIPAL AND INTEREST. Notwithstanding any other provisions in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Note on or after the respective due dates thereof expressed in such Note or in this Indenture (or, in the case of redemption, on or after the Redemption Date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.9 RESTORATION OF RIGHTS AND REMEDIES. If the Controlling Party or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Issuer, the Trustee, the Insurer and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee, the Insurer and the Noteholders shall continue as though no such Proceeding had been instituted.

SECTION 5.10 RIGHTS AND REMEDIES CUMULATIVE. No right or remedy herein conferred upon or reserved to the Controlling Party, the Insurer or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11 DELAY OR OMISSION NOT A WAIVER. No delay or omission of the Trustee, the Controlling Party, the Insurer or any Holder of any Note to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee, the Insurer or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee, the Insurer or by the Noteholders, as the case may be.

SECTION 5.12 CONTROL BY NOTEHOLDERS. If the Trustee is the Controlling Party, the Holders of a majority of the Outstanding Amount of the Notes shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Trustee with respect to the Notes or exercising any trust or power conferred on the Trustee; provided that

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) subject to the express terms of Section 5.4, any direction to the Trustee to sell or liquidate the Trust Estate shall be by the Noteholders representing not less than 100% of the Outstanding Amount of the Notes;

(iii) if the conditions set forth in Section 5.5 have been satisfied and the Trustee elects to retain the Trust Estate pursuant to such Section, then any direction to the Trustee by Noteholders representing less than 100% of the Outstanding Amount of the Notes to sell or liquidate the Trust Estate shall be of no force and effect; and

(iv) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction;

PROVIDED, HOWEVER, that, subject to Article VI, the Trustee need not take any action that it determines might involve it in liability, financial or otherwise, without receiving indemnity satisfactory to it, or might materially adversely affect the rights of any Noteholders not consenting to such action.

SECTION 5.13 WAIVER OF PAST DEFAULTS. If an Insurer Default shall have occurred and be continuing, prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 5.4, the Noteholders of not less than a majority of the Outstanding Amount of the Notes may waive any past Default or Event of Default and its consequences except a Default (a) in payment of principal of or interest on any of the Notes or (b) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Note. In the case of any such waiver, the Issuer, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 5.14 UNDERTAKING FOR COSTS. All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to (a) any suit instituted by the Trustee, (b) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 10% of the Outstanding Amount of the Notes or (c) any suit instituted by any Noteholder for the enforcement of the payment of principal of or interest on any Note on or after the respective due dates expressed in such Note and in this Indenture (or, in the case of redemption, on or after the Redemption Date).

SECTION 5.15 WAIVER OF STAY OR EXTENSION LAWS. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of,

any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.16 ACTION ON NOTES. The Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the lien of this Indenture nor any rights or remedies of the Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Trust Estate or upon any of the assets of the Issuer.

SECTION 5.17 PERFORMANCE AND ENFORCEMENT OF CERTAIN OBLIGATIONS.

(a) Promptly following a request from the Trustee to do so and at the Servicer's expense, the Issuer agrees to take all such lawful action as the Trustee may request to compel or secure the performance and observance by the Seller and the Servicer, as applicable, of each of their obligations to the Issuer under or in connection with the Sale and Servicing Agreement in accordance with the terms thereof, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Sale and Servicing Agreement to the extent and in the manner directed by the Trustee, including the transmission of notices of default on the part of the Seller or the Servicer thereunder and the institution of legal or administrative actions or Proceedings to compel or secure performance by the Seller or the Servicer of each of their obligations under the Sale and Servicing Agreement.

(b) If the Trustee is a Controlling Party and if an Event of Default has occurred and is continuing, the Trustee may, and, at the written direction of the Holders of 66-2/3% of the Outstanding Amount of the Notes shall, subject to Article VI, exercise all rights, remedies, powers, privileges and claims of the Issuer against the Seller or the Servicer under or in connection with the Sale and Servicing Agreement, including the right or power to take any action to compel or secure performance or observance by the Seller or the Servicer of each of their obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Sale and Servicing Agreement, and any right of the Issuer to take such action shall be suspended.

(c) Notwithstanding anything contained herein to the contrary, if an Event of Default has occurred and is continuing, so long as there has been no Insurer Default, the Insurer shall have the sole right (to the exclusion of the Noteholders) to direct the Trust Collateral Agent and Trustee, as applicable, as to any and all remedies to be sought or taken under this Indenture and the Trust Collateral Agent and Trustee, as applicable, shall not exercise any such remedies unless directed by the Insurer. Each Noteholder, by its purchase of a Note, shall be deemed to have consented to the Insurer's rights hereunder with respect to an Event of Default. At such time as there exists and is continuing an Insurer Default, the Trust Collateral Agent and

Trustee, as applicable, shall not be bound to continue to comply with any term or condition of this Agreement that requires the consent of or approval or direction from the Insurer.

(d) The Insurer is an express third-party beneficiary of this Indenture.

(e) The Trust Collateral Agent and the Trustee shall provide to the Insurer copies of any report, notice, Opinion of Counsel, Officer's Certificate, request for consent or request for amendment to any document related hereto promptly upon the Trust Collateral Agent's and Trustee's production or receipt thereof.

(f) The Insurer shall, to the extent it makes any payments with respect to the Notes, become subrogated to the rights of the recipients of such payments to the extent and subject to the terms and conditions set forth in Section 6.1(c) of the Sale and Servicing Agreement.

(g) So long as there has been no Insurer Default, the Insurer shall have the right to exercise all of its rights in its capacity as the Insurer or Controlling Party hereunder, as applicable, without the consent of any of the Noteholders, and the Noteholders may exercise such rights of the Insurer only with the consent of the Insurer.

ARTICLE VI

THE TRUSTEE AND THE TRUST COLLATERAL AGENT

SECTION 6.1 DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and the other Basic Documents to which it is a party and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; however, the Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

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

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.12.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law or the terms of this Indenture or the Sale and Servicing Agreement.

(f) No provision of this Indenture shall require the Trustee 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 it shall have reasonable grounds to believe that repayment of such funds or indemnity reasonably satisfactory to it against such risk or liability is not assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.1.

(h) The Trustee shall, upon two Business Days' prior notice to the Trustee, permit any representative of the Insurer at the expense of the Trust, during the Trustee's normal business hours, to examine all books of account, records, reports and other papers of the Trustee relating to the Notes, to make copies and extracts therefrom and to discuss the Trustee's affairs and actions, as such affairs and actions relate to the Trustee's duties with respect to the Notes, with the Trustee's officers and employees responsible for carrying out the Trustee's duties with respect to the Notes.

(i) The Trustee shall, and hereby agrees that it will, perform all of the obligations and duties required of it under the Sale and Servicing Agreement.

(j) The Trustee shall, and hereby agrees that it will, hold the Note Policy in trust, and will hold any proceeds of any claim on the Note Policy in trust solely for the use and benefit of the Noteholders.

(k) Without limiting the generality of this Section 6.1, the Trustee shall have no duty (i) to see to any recording, filing or depositing of this Indenture or any agreement referred to herein or any financing statement evidencing a security interest in the Financed Vehicles, or to see to the maintenance of any such recording or filing or depositing or to any recording, refiling or redepositing of any thereof, (ii) to see to any insurance of the

Financed Vehicles or Obligors or to effect or maintain any such insurance, (iii) to see to the payment or discharge of any tax, assessment or other governmental charge or any Lien or encumbrance of any kind owing with respect to, assessed or levied against any part of the Trust, (iv) to confirm or verify the contents of any reports or certificates delivered to the Trustee pursuant to this Indenture or the Sale and Servicing Agreement believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties, or (v) to inspect the Financed Vehicles at any time or ascertain or inquire as to the performance of observance of any of the Issuer's, the Seller's or the Servicer's representations, warranties or covenants or the Servicer's duties and obligations as Servicer and as custodian of the Receivable Files under the Sale and Servicing Agreement.

(l) In no event shall Bank One, in any of its capacities hereunder, be deemed to have assumed any duties of the Owner Trustee under the Delaware Business Trust Statute, common law, or the Trust Agreement.

SECTION 6.2 RIGHTS OF TRUSTEE.

(a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document; however, the Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officer's Certificate or Opinion of Counsel.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, MFC, or any other such agent, attorney, custodian or nominee appointed with due care by it hereunder.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; PROVIDED, HOWEVER, that the Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(e) The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall be under no obligation to institute, conduct or defend any litigation under this Indenture or in relation to this Indenture, at the request, order or direction of any of the Noteholders or the Controlling Party, pursuant to the provisions of this Indenture, unless such Noteholders or the Controlling Party shall have offered to the Trustee

reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby; PROVIDED, HOWEVER, that the Trustee shall, upon the occurrence of an Event of Default (that has not been cured), exercise the rights and powers vested in it by this Indenture with the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(g) 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 to do so by the Insurer (so long as no Insurer Default shall have occurred and be continuing) or (if an Insurer Default shall have occurred and be continuing) by the Noteholders evidencing not less than 25% of the Outstanding Amount thereof; 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 Indenture or the Sale and Servicing 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 Person making such request, or, if paid by the Trustee, shall be reimbursed by the Person making such request upon demand.

(h) The Trustee shall not be liable for any losses on investments except for losses resulting from the failure of the Trustee to make an investment in accordance with instructions given in accordance hereunder. If the Trustee acts as the Note Paying Agent or Note Registrar, the rights and protections afforded to the Trustee shall be afforded to the Note Paying Agent and Note Registrar.

(i) Unless otherwise provided for herein, delivery of any reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its representations, warranties or covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers's Certificates).

SECTION 6.3 INDIVIDUAL RIGHTS OF TRUSTEE. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee. Any Note Paying Agent, Note Registrar, co-registrar or co-Note Paying Agent may do the same with like rights. However, the Trustee must comply with Section 6.11.

SECTION 6.4 TRUSTEE'S DISCLAIMER. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Trust Estate or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in the Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

SECTION 6.5 NOTICE OF DEFAULTS. If any Event of Default or a Servicing Termination Event occurs and is continuing and if it is either known by, or written notice of the existence thereof has been delivered to, a Responsible Officer of the Trustee, the Trustee shall mail to each Noteholder notice of the Event of Default or Servicer Termination Event within ninety (90) days after such knowledge or notice occurs. Except in the case of a Default in payment of principal of or interest on any Note (including payments pursuant to the mandatory redemption provisions of such Note), the Trustee may withhold the notice if and so long as a committee of two or more of its Responsible Officers in good faith determines that withholding the notice is in the interest of Noteholders.

SECTION 6.6 REPORTS BY TRUSTEE TO HOLDERS. The Trustee shall deliver to each Noteholder such information as may be reasonably required to enable such Holder to prepare its federal and State income tax returns.

SECTION 6.7 COMPENSATION AND INDEMNITY.

(a) Pursuant to Section 5.7(b) of the Sale and Servicing Agreement, the Issuer shall, or shall cause the Servicer to, pay to the Trustee from time to time compensation for its services. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall cause the Servicer to reimburse the Trustee and the Trust Collateral Agent for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's, the Collateral Agent's and the Trust Collateral Agent's agents, counsel, accountants and experts. The Trustee or Trust Collateral Agent shall notify the Issuer and the Servicer promptly of any claim for which it may seek indemnity. Failure by the Trustee or Trust Collateral Agent to so notify the Issuer and the Servicer shall not relieve the Issuer of its obligations hereunder or the Servicer of its obligations under Article XI of the Sale and Servicing Agreement. The Issuer shall cause the Servicer to defend the claim, and the Trustee, Trust Collateral Agent or the Collateral Agent may have separate counsel and the Issuer shall cause the Servicer to pay the fees and expenses of such counsel. Neither the Issuer nor the Servicer need reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee or Trust Collateral Agent through the Trustee's or Trust Collateral Agent's own willful misconduct, negligence or bad faith.

(b) The Issuer's payment obligations to the Trustee pursuant to this Section shall survive the discharge of this Indenture or the earlier resignation or removal of the Trustee or the Trust Collateral Agent or the Collateral Agent. When the Trustee, the Trust Collateral Agent or the Collateral Agent incurs expenses after the occurrence of a Default specified in Section 5.1(v) or (vi) with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable federal or State bankruptcy, insolvency or similar law. Notwithstanding anything else set forth in this Indenture or the other Basic Documents to which the Trustee is a party, the Trustee agrees that the obligations of the Issuer (but not the Servicer) to the Trustee hereunder and under the other Basic Documents to which it is a party shall be recourse to the Trust Estate only and specifically shall not be recourse to the assets of the Certificateholder or any Noteholder. In addition, the Trustee agrees that its recourse to the Issuer, the Trust Estate, the Seller, the Servicer and amounts

held pursuant to the Spread Account Agreement shall be limited to the right to receive the distributions referred to in Section 5.7(b) of the Sale and Servicing Agreement.

SECTION 6.8 REPLACEMENT OF TRUSTEE. The Trustee may resign at any time by so notifying the Issuer and the Insurer. The Issuer may and, at the request of the Insurer (unless an Insurer Default shall have occurred and be continuing) shall, remove the Trustee, if:

(i) the Trustee fails to comply with Section 6.11;

(ii) a court having jurisdiction in the premises in respect of the Trustee in an involuntary case or proceeding under federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, shall have entered a decree or order granting relief or appointing a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or similar official) for the Trustee or for any substantial part of the Trustee's property, or ordering the winding-up or liquidation of the Trustee's affairs;

(iii) an involuntary case under the federal bankruptcy laws, as now or hereafter in effect, or another present or future federal or state bankruptcy, insolvency or similar law is commenced with respect to the Trustee and such case is not dismissed within 60 days;

(iv) the Trustee commences a voluntary case under any federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or other similar official) for the Trustee or for any substantial part of the Trustee's property, or makes any assignment for the benefit of creditors or fails generally to pay its debts as such debts become due or takes any corporate action in furtherance of any of the foregoing; or

(v) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee acceptable to the Insurer (so long as an Insurer Default shall not have occurred and be continuing). If the Issuer fails to appoint such a successor Trustee, the Insurer may appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee, the Insurer (provided that no Insurer Default shall have occurred and be continuing) and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the retiring Trustee under this Indenture subject to satisfaction of the Rating Agency Condition. The successor Trustee shall mail a notice of its succession to Noteholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of a majority in Outstanding Amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 6.11, any Noteholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Trustee pursuant to Section 6.8 and payment of all fees and expenses owed to the outgoing Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuer's and the Servicer's obligations under Section 6.7 shall continue for the benefit of the retiring Trustee.

SECTION 6.9 SUCCESSOR TRUSTEE BY MERGER. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee. The Trustee shall provide the Rating Agencies and the Insurer prior written notice of any such transaction.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 6.10 APPOINTMENT OF CO-TRUSTEE OR SEPARATE TRUSTEE.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Trust may at the time be located, the Trustee with the consent of the Insurer (so long as an Insurer Default shall not have occurred and be continuing) shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to the Trust, or any part hereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.11 and no notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 6.8 hereof.

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

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

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, including acts or omissions of predecessor or successor trustees; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

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

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

(e) Any and all amounts relating to the fees and expenses of the co-trustee or separate trustee will be borne by the Trust Estate.

SECTION 6.11 TRUSTEE QUALIFICATIONS. The Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition and it shall have a long term debt rating of BBB-, or an equivalent rating, or better by the Rating Agencies. The Trustee shall provide copies of such reports to the Insurer upon request.

SECTION 6.12 REPRESENTATIONS AND WARRANTIES OF THE TRUSTEE. The Trustee represents and warrants to the Issuer and to each Issuer Secured Party as follows:

(a) DUE ORGANIZATION. The Trustee is a national banking association and is duly authorized and licensed under applicable law to conduct its business as presently conducted.

(b) POWER AND AUTHORITY. The Trustee has all requisite right, power and authority to execute and deliver this Indenture and to perform all of its duties as Trustee hereunder.

(c) DUE AUTHORIZATION. The execution and delivery by the Trustee of this Indenture and the other Basic Documents to which it is a party, and the performance by the Trustee of its duties hereunder and thereunder, have been duly authorized by all necessary proceedings and no further approvals or filings, including any governmental approvals, are required for the valid execution and delivery by the Trustee, or the performance by the Trustee, of this Indenture and such other Basic Documents.

(d) VALID AND BINDING INDENTURE. The Trustee has duly executed and delivered this Indenture and each other Basic Document to which it is a party, and each of this Indenture and each such other Basic Document constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as (i) such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws relating to or affecting the enforcement of creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

SECTION 6.13 APPOINTMENT AND POWERS. Subject to the terms and conditions hereof, each of the Issuer Secured Parties hereby appoints Bank One as the Trust Collateral Agent with respect to the Collateral, and Bank One hereby accepts such appointment and agrees to act as Trust Collateral Agent with respect to the Collateral for the Issuer Secured Parties, to maintain custody and possession of such Collateral (except as otherwise provided hereunder) and to perform the other duties of the Trust Collateral Agent in accordance with the provisions of this Indenture and the other Basic Documents. Each Issuer Secured Party hereby authorizes the Trust Collateral Agent to take such action on its behalf, and to exercise such rights, remedies, powers and privileges hereunder, as the Controlling Party may direct and as are specifically authorized to be exercised by the Trust Collateral Agent by the terms hereof, together with such actions, rights, remedies, powers and privileges as are reasonably incidental thereto, including, but not limited to, the execution of any powers of attorney. The Trust Collateral Agent shall act upon and in compliance with the written instructions of the Controlling Party delivered pursuant to this Indenture promptly following receipt of such written instructions; provided that the Trust Collateral Agent shall not act in accordance with any instructions (i) which are not authorized by, or in violation of the provisions of, this Indenture, (ii) which are in violation of any applicable law, rule or regulation or (iii) for which the Trust Collateral Agent has not received reasonable indemnity. Receipt of such instructions shall not be a condition to the exercise by the Trust Collateral Agent of its express duties hereunder, except where this Indenture provides that the Trust Collateral Agent is permitted to act only following and in accordance with such instructions.

SECTION 6.14 PERFORMANCE OF DUTIES. The Trust Collateral Agent shall have no duties or responsibilities except those expressly set forth in this Indenture and the other Basic Documents to which the Trust Collateral Agent is a party or as directed by the Controlling Party in accordance with this Indenture. The Trust Collateral Agent shall not be required to take any discretionary actions hereunder except at the written direction and with the indemnification of the Controlling Party. The Trust Collateral Agent shall, and hereby agrees that it will, subject to this Article, perform all of the duties and obligations required of it under the Sale and Servicing Agreement.

SECTION 6.15 LIMITATION ON LIABILITY. Neither the Trust Collateral Agent nor any of its directors, officers or employees shall be liable for any action taken or omitted to be taken by it or them hereunder, or in connection herewith, except that the Trust Collateral Agent shall be liable for its negligence, bad faith or willful misconduct; nor shall the Trust Collateral Agent be responsible for the validity, effectiveness, value, sufficiency or enforceability against the Issuer of this Indenture or any of the Collateral (or any part thereof). Notwithstanding any term or provision of this Indenture, the Trust Collateral Agent shall incur no liability to the Issuer or the Issuer Secured Parties for any action taken or omitted by the Trust Collateral Agent in connection with the Collateral, except for the negligence, bad faith or willful misconduct on the part of the Trust Collateral Agent, and, further, shall incur no liability to the Issuer Secured Parties except for negligence, bad faith or willful misconduct in carrying out its duties to the Issuer Secured Parties. The Trust Collateral Agent shall be protected and shall incur no liability to any such party in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness of any notice, demand, certificate, signature, instrument or other document reasonably believed by the Trust Collateral Agent to be genuine and to have been duly executed by the appropriate signatory, and (absent actual knowledge to the contrary by a Responsible Officer of the Trust Collateral Agent) the Trust Collateral Agent shall not be required to make any independent investigation with respect thereto. The Trust Collateral Agent shall at all times be free independently to establish to its reasonable satisfaction, but shall have no duty to independently verify, the existence or nonexistence of facts that are a condition to the exercise or enforcement of any right or remedy hereunder or under any of the Basic Documents. The Trust Collateral Agent may consult with counsel, and shall not be liable for any action taken or omitted to be taken by it hereunder in good faith and in accordance with the advice of such counsel. The Trust Collateral Agent shall not be under any obligation to exercise any of the remedial rights or powers vested in it by this Indenture or to follow any direction from the Controlling Party or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder unless it shall have received reasonable security or indemnity satisfactory to the Trust Collateral Agent against the costs, expenses and liabilities which might be incurred by it.

SECTION 6.16 RELIANCE UPON DOCUMENTS. In the absence of gross negligence, bad faith or willful misconduct on its part, the Trust Collateral Agent shall be entitled to conclusively rely on any communication, instrument, paper or other document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons and shall have no liability in acting, or omitting to act, where such action or omission to act is in reasonable reliance upon any statement or opinion contained in any such document or instrument.

SECTION 6.17 SUCCESSOR TRUST COLLATERAL AGENT.

(a) MERGER. Any Person into which the Trust Collateral Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, merger, consolidation, sale or transfer to which the Trust Collateral Agent is a party, shall (provided it is otherwise qualified to serve as the Trust Collateral Agent hereunder) be and become a successor Trust Collateral Agent hereunder and be vested with all of the title to and interest in the Collateral and all of the trusts, powers, discretions, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, except to the extent, if any, that any such action is necessary to perfect, or continue the perfection of, the security interest of the Issuer Secured Parties in the Collateral; provided that any such successor shall also be the successor Trustee under Section 6.9.

(b) RESIGNATION. The Trust Collateral Agent and any successor Trust Collateral Agent may resign at any time by so notifying the Issuer and the Insurer; provided that the Trust Collateral Agent shall not so resign unless it shall also resign as Trustee hereunder.

(c) REMOVAL. The Trust Collateral Agent may be removed by the Controlling Party at any time (and should be removed at any time that the Trustee has been removed), with or without cause, by an instrument or concurrent instruments in writing delivered to the Trust Collateral Agent, the other Issuer Secured Party and the Issuer. A temporary successor may be removed at any time to allow a successor Trust Collateral Agent to be appointed pursuant to subsection (d) below. Any removal pursuant to the provisions of this subsection (c) shall take effect only upon the date which is the latest of (i) the effective date of the appointment of a successor Trust Collateral Agent and the acceptance in writing by such successor Trust Collateral Agent of such appointment and of its obligation to perform its duties hereunder in accordance with the provisions hereof, and (ii) receipt by the Controlling Party of an Opinion of Counsel to the effect described in Section 3.6.

(d) ACCEPTANCE BY SUCCESSOR. The Controlling Party shall have the sole right to appoint each successor Trust Collateral Agent. Every temporary or permanent successor Trust Collateral Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Trustee, each Issuer Secured Party and the Issuer an instrument in writing accepting such appointment hereunder and the relevant predecessor shall execute, acknowledge and deliver such other documents and instruments as will effectuate the delivery of all Collateral to the successor Trust Collateral Agent, whereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of either Issuer Secured Party or the Issuer, execute and deliver an instrument transferring to such successor all the estates, properties, rights and powers of such predecessor hereunder. In the event that any instrument in writing from the Issuer or an Issuer Secured Party is reasonably required by a successor Trust Collateral Agent to more fully and certainly vest in such successor the estates, properties, rights, powers, duties and obligations vested or intended to be vested hereunder in the Trust Collateral Agent, any and all such written instruments shall, at the request of the temporary or permanent successor Trust Collateral Agent, be forthwith executed, acknowledged and delivered by the

Trustee or the Issuer, as the case may be. The designation of any successor Trust Collateral Agent and the instrument or instruments removing any Trust Collateral Agent and appointing a successor hereunder, together with all other instruments provided for herein, shall be maintained with the records relating to the Collateral and, to the extent required by applicable law, filed or recorded by the successor Trust Collateral Agent in each place where such filing or recording is necessary to effect the transfer of the Collateral to the successor Trust Collateral Agent or to protect or continue the perfection of the security interests granted hereunder.

SECTION 6.18 COMPENSATION. The Trust Collateral Agent shall not be entitled to any compensation for the performance of its duties hereunder other than the compensation it is entitled to receive in its capacity as Trustee.

SECTION 6.19 REPRESENTATIONS AND WARRANTIES OF THE TRUST COLLATERAL AGENT. The Trust Collateral Agent represents and warrants to the Issuer and to each Issuer Secured Party as follows:

(a) DUE ORGANIZATION. The Trust Collateral Agent is a national banking association and is duly authorized and licensed under applicable law to conduct its business as presently conducted.

(b) POWER AND AUTHORITY. The Trust Collateral Agent has all requisite right, power and authority to execute and deliver this Indenture and to perform all of its duties as Trust Collateral Agent hereunder.

(c) DUE AUTHORIZATION. The execution and delivery by the Trust Collateral Agent of this Indenture and the other Basic Documents to which it is a party, and the performance by the Trust Collateral Agent of its duties hereunder and thereunder, have been duly authorized by all necessary proceedings and no further approvals or filings, including any governmental approvals, are required for the valid execution and delivery by the Trust Collateral Agent, or the performance by the Trust Collateral Agent, of this Indenture and such other Basic Documents.

(d) VALID AND BINDING INDENTURE. The Trust Collateral Agent has duly executed and delivered this Indenture and each other Basic Document to which it is a party, and each of this Indenture and each such other Basic Document constitutes the legal, valid and binding obligation of the Trust Collateral Agent, enforceable against the Trust Collateral Agent in accordance with its terms, except as (i) such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws relating to or affecting the enforcement of creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

SECTION 6.20 WAIVER OF SETOFFS. The Trust Collateral Agent hereby expressly waives any and all rights of setoff that the Trust Collateral Agent may otherwise at any time have under applicable law with respect to any Trust Account and agrees that amounts in the Trust Accounts shall at all times be held and applied solely in accordance with the provisions hereof.

SECTION 6.21 CONTROL BY THE CONTROLLING PARTY. The Trust Collateral Agent shall comply with notices and instructions given by the Issuer only if accompanied by the written consent of the Controlling Party, except that if any Event of Default shall have occurred and be continuing, the Trust Collateral Agent shall act upon and comply with notices and instructions given by the Controlling Party alone in the place and stead of the Issuer.

ARTICLE VII

NOTEHOLDERS' LISTS AND REPORTS

SECTION 7.1 ISSUER TO FURNISH TO TRUSTEE NAMES AND ADDRESSES OF NOTEHOLDERS. The Note Registrar will furnish or cause to be furnished to the Trustee (a) not more than five days after the earlier of (i) each Record Date and (ii) three months after the last Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, (b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; PROVIDED, HOWEVER, that so long as the Trustee is the Note Registrar, no such list shall be required to be furnished. The Note Registrar or the Issuer shall furnish to the Insurer in writing on an annual basis on each June 30 and at such other times as the Insurer may request a copy of the list.

SECTION 7.2 PRESERVATION OF INFORMATION. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Trustee in its capacity as Note Registrar. The Trustee may destroy any list furnished to it as provided in such Section 7.1 upon receipt of a new list so furnished.

SECTION 7.3 FISCAL YEAR. Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year.

ARTICLE VIII

ACCOUNTS, DISBURSEMENTS AND RELEASES

SECTION 8.1 COLLECTION OF MONEY. Except as otherwise expressly provided herein, the Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Trust Collateral Agent pursuant to this Indenture and the Sale and Servicing Agreement. The Trustee shall apply all such money received by it, or cause the Trust Collateral Agent to apply all money received by it as provided in this Indenture and the Sale and Servicing Agreement. Except as otherwise expressly provided in this Indenture or in the Sale and Servicing Agreement, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Trust Estate, the Trustee may take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate proceedings. Any such action shall be

without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

SECTION 8.2 RELEASE OF TRUST ESTATE.

(a) Subject to the payment of its fees and expenses and other amounts pursuant to Section 6.7, the Trust Collateral Agent may, and when required by the provisions of this Indenture shall, execute instruments to release property from the lien of this Indenture, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Trust Collateral Agent as provided in this Article VIII shall be bound to ascertain the Trust Collateral Agent's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

(b) The Trust Collateral Agent shall, at such time after the Termination Date as there are no Notes outstanding and all sums due the Trustee pursuant to Section 6.7 have been paid, release any remaining portion of the Trust Estate that secured the Notes from the lien of this Indenture and release to the Issuer or any other Person entitled thereto any funds then on deposit in the Trust Accounts. The Trustee shall release property from the lien of this Indenture pursuant to this Section 8.2(b) only upon receipt of an Issuer Request accompanied by an Officer's Certificate and an Opinion of Counsel.

SECTION 8.3 OPINION OF COUNSEL. The Trust Collateral Agent shall receive at least seven days' notice when requested by the Issuer to take any action pursuant to Section 8.2(a), accompanied by copies of any instruments involved, and the Trustee shall also require as a condition to such action, an Opinion of Counsel in form and substance satisfactory to the Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely impair the security for the Notes or the rights of the Noteholders or the Insurer in contravention of the provisions of this Indenture; PROVIDED, HOWEVER, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the Trust Estate. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Trustee in connection with any such action.

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF NOTEHOLDERS. Without the consent of the Holders of any Notes but with the consent of the Insurer (unless an Insurer Default shall have occurred and be continuing and the supplemental indentures described below do not adversely affect in any material respect the rights or obligations of the Insurer) and with prior notice to the Rating Agencies by the Issuer, as evidenced to the Trustee, the Issuer and the Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trust Collateral Agent any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Trust Collateral Agent;

(v) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture which may be inconsistent with any other provision herein or in any supplemental indenture or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; PROVIDED that such action shall not adversely affect the interests of the Holders of the Notes; or

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

(b) The Issuer and the Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Notes but with the consent of the Insurer (unless both (i) an Insurer Default shall have occurred and be continuing and (ii) the proposed supplemental indenture would not materially adversely affect the interests of the Insurer) and with prior notice to the Rating Agencies by the Issuer, as evidenced to the Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; PROVIDED, HOWEVER, that such action shall not, as evidenced by an Opinion of Counsel, adversely affect in any material respect the interests of any Noteholder.

SECTION 9.2 SUPPLEMENTAL INDENTURES WITH CONSENT OF NOTEHOLDERS. The Issuer and the Trustee, when authorized by an Issuer Order, also may, with prior notice to the Rating Agencies, with the consent of the Insurer (unless both (i) an Insurer Default shall have occurred and be continuing and (ii) the proposed supplemental indenture would not materially adversely affect the interests of the Insurer) and with the consent of the Holders of not less than a majority of the Outstanding Amount of the Notes, by Act of such Holders delivered to the

Issuer and the Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; PROVIDED, HOWEVER, that, subject to the express rights of the Insurer under the Basic Documents, no such supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby:

(i) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal amount thereof, the interest rate thereon or the Redemption Price with respect thereto, change the provision of this Indenture relating to the application of collections on, or the proceeds of the sale of, the Trust Estate to payment of principal of or interest on the Notes, or change any place of payment where, or the coin or currency in which, any Note or the interest thereon is payable;

(ii) impair the right to institute suit for the enforcement of the provisions of this Indenture requiring the application of funds available therefor, as provided in Article V, to the payment of any such amount due on the Notes on or after the respective due dates thereof (or, in the case of redemption, on or after the Redemption Date);

(iii) reduce the percentage of the Outstanding Amount of the Notes, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iv) modify or alter the provisions of the proviso to the definition of the term "OUTSTANDING";

(v) reduce the percentage of the Outstanding Amount of the Notes required to direct the Trustee to direct the Issuer to sell or liquidate the Trust Estate pursuant to Section 5.4;

(vi) modify any provision of this Section except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the Basic Documents cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

(vii) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest or principal due on any Note on any Distribution Date (including the calculation of any of the individual components of such calculation) or to affect the rights of the Noteholders to the benefit of any provisions for the mandatory redemption of the Notes contained herein; or

(viii) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Trust Estate or, except as otherwise permitted or contemplated herein or in any of the Basic Documents, terminate the lien of this

Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security provided by the lien of this Indenture.

The Trustee may determine whether or not any Notes would be affected by any supplemental indenture and any such determination shall be conclusive upon the Holders of all Notes, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Act of Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to this Section, the Trustee shall mail to the Holders of the Notes to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.3 EXECUTION OF SUPPLEMENTAL INDENTURES. In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the amendments or modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 9.4 EFFECT OF SUPPLEMENTAL INDENTURE. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Trustee, the Issuer and the Holders of the Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.5 [RESERVED].

SECTION 9.6 REFERENCE IN NOTES TO SUPPLEMENTAL INDENTURES. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE X

REDEMPTION OF NOTES

SECTION 10.1 REDEMPTION.

(a) The Notes are subject to redemption in whole, but not in part, at the direction of the Seller pursuant to Section 10.1(a) of the Sale and Servicing Agreement, on any Distribution Date on which the Seller exercises its option to purchase the Trust Estate pursuant to said Section 10.1(a), for a purchase price equal to the Redemption Price; PROVIDED, HOWEVER, that the Issuer has available funds sufficient to pay the Redemption Price. The Servicer or the Issuer shall furnish the Insurer and the Rating Agencies notice of such redemption. If the Notes are to be redeemed pursuant to this Section 10.1(a), the Servicer or the Issuer shall furnish notice of such election to the Trustee not later than 35 days prior to the Redemption Date and the Issuer shall deposit with the Trustee in the Note Distribution Account the Redemption Price of the Notes to be redeemed whereupon all such Notes shall be due and payable on the Redemption Date upon the furnishing of a notice complying with Section 10.2 to each Holder of Notes.

(b) [RESERVED]

(c) In the event that the assets of the Trust are distributed pursuant to Section 8.1 of the Trust Agreement, all amounts on deposit in the Note Distribution Account shall be paid to the Noteholders up to the Outstanding Amount of the Notes and all accrued and unpaid interest thereon. If amounts are to be paid to Noteholders pursuant to this Section 10.1(c), the Servicer or the Issuer shall, to the extent practicable, furnish notice of such event to the Trustee not later than 45 days prior to the Redemption Date whereupon all such amounts shall be payable on the Redemption Date.

SECTION 10.2 FORM OF REDEMPTION NOTICE.

(a) Notice of redemption under Section 10.1(a) shall be given by the Trustee by facsimile or by first-class mail, postage prepaid, transmitted or mailed prior to the applicable Redemption Date to each Holder of Notes, as of the close of business on the Record Date preceding the applicable Redemption Date, at such Holder's address appearing in the Note Register.

(b) All notices of redemption shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) that the Record Date otherwise applicable to such Redemption Date is not applicable and that payments shall be made only upon presentation and surrender of such Notes and the place where such Notes are to be surrendered for payment of the Redemption Price (which shall be the office or agency of the Issuer to be maintained as provided in Section 3.2); and

(iv) that interest on the Notes shall cease to accrue on the Redemption Date.

(c) Notice of redemption of the Notes shall be given by the Trustee in the name and at the expense of the Issuer. Failure to give notice of redemption, or any defect therein, to any Holder of any Note shall not impair or affect the validity of the redemption of any other Note.

SECTION 10.3 NOTES PAYABLE ON REDEMPTION DATE. The Notes to be redeemed shall, following notice of redemption as required by Section 10.2 (in the case of redemption pursuant to Section 10.1(a)), on the Redemption Date become due and payable at the Redemption Price and (unless the Issuer shall default in the payment of the Redemption Price) no interest shall accrue on the Redemption Price for any period after the date to which accrued interest is calculated for purposes of calculating the Redemption Price.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1 COMPLIANCE CERTIFICATES AND OPINIONS, ETC. Upon any application or request by the Issuer to the Trustee or the Trust Collateral Agent to take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee or the Trust Collateral Agent, as the case may be, and to the Insurer if the application or request is made to the Trust Collateral Agent (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and (ii) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

(a) Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether, in the opinion of each such signatory such condition or covenant has been complied with.

(b) (i) Prior to the deposit of any Collateral or other property or securities with the Trust Collateral Agent that is to be made the basis for the release of any property or securities subject to the lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 11.1(a) or elsewhere in this Indenture, furnish to the Trust Collateral Agent and the Insurer an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such deposit) to the Issuer of the Collateral or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Trust Collateral Agent and the Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Trust Collateral Agent and the Insurer an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii), is 10% or more of the Outstanding Amount of the Notes, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than $25,000 or less than 1% percent of the Outstanding Amount of the Notes.

(iii) Other than with respect to the release of any Purchased Receivables or Liquidated Receivables, whenever any property or securities are to be released from the lien of this Indenture, the Issuer shall also furnish to the Trust Collateral Agent and the Insurer an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Trustee and the Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the Trust Collateral Agent and the Insurer an Independent Certificate as to the same matters if the fair value of the property or securities and of all other property other than Purchased Receivables and Defaulted Receivables, or securities released from the lien of this Indenture since the commencement of the then current calendar year, as set forth in the certificates required by clause (iii) above and this clause (iv), equals 10% or more of the Outstanding Amount of the Notes, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than $25,000 or less than 1 percent of the then Outstanding Amount of the Notes.

(v) Notwithstanding Section 2.14 or any other provision of this Section, the Issuer may (A) collect, liquidate, sell or otherwise dispose of Receivables as and to the extent permitted or required by the Basic Documents and (B) make cash payments out of the Trust

Accounts as and to the extent permitted or required by the Basic Documents.

SECTION 11.2 FORM OF DOCUMENTS DELIVERED TO TRUSTEE. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicer, the Seller or the Issuer, stating that the information with respect to such factual matters is in the possession of the Servicer, the Seller or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

SECTION 11.3 ACTS OF NOTEHOLDERS.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents 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 it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "ACT" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient

for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved in any customary manner of the Trustee.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

SECTION 11.4 NOTICES, ETC., TO TRUSTEE, ISSUER AND RATING AGENCIES. Any request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture to be made upon, given or furnished to or filed with:

(a) The Trustee by any Noteholder or by the Issuer shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall be deemed to have been duly given upon receipt to the Trustee at its Corporate Trust Office, or

(b) The Issuer by the Trustee or by any Noteholder shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall deemed to have been duly given upon receipt to the Issuer addressed to: MFN Auto Receivables Trust 2002-A, in care of First Union Trust Company, National Association, One Rodney Square, 920 King Street, Suite 102, Wilmington, Delaware 19801 Attention: Corporate Trust Administration, or at any other address previously furnished in writing to the Trustee by Issuer. The Issuer shall promptly transmit any notice received by it from the Noteholders to the Trustee.

(c) The Insurer by the Issuer or the Trustee shall be sufficient for any purpose hereunder if in writing and mailed by registered mail or personally delivered or telexed or telecopied to the recipient as follows:

To the Insurer: XL Capital Assurance Inc.
250 Park Avenue, 19th Floor
New York, NY 10177
Attention: Surveillance
Confirmation: (646) 658-5900
Facsimile: (646) 658-5955

(In each case in which notice or other communication to the Insurer refers to an Event of Default, a claim on the Note Policy or with respect to which failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the General Counsel and the Head--Financial Guaranty Group "URGENT MATERIAL ENCLOSED.")

Notices required to be given to the Rating Agencies by the Issuer, the Trustee or the Owner Trustee shall be in writing, personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested to (i) in the case of Moody's, at the following address: Moody's Investors Service, 99 Church Street, New York, New York 10007; (ii) in the case of Fitch, at the following address: Fitch, Inc., One State Street Plaza, New York, New York 10004 and (iii) in the case of S&P, at the following address: Standard & Poor's, A Division of the McGraw-Hill Companies, 55 Water Street, 40th Floor, New York, New York 10041, Attention of Asset Backed Surveillance Department; or as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

SECTION 11.5 NOTICES TO NOTEHOLDERS; WAIVER. Where this Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid to each Noteholder affected by such event, at his address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner here in provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agencies, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute a Default or Event of Default.

SECTION 11.6 [RESERVED]

SECTION 11.7 [RESERVED].

SECTION 11.8 EFFECT OF HEADINGS AND TABLE OF CONTENTS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 11.9 SUCCESSORS AND ASSIGNS. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of the Trust Collateral Agent in this Indenture shall bind its successors.

SECTION 11.10 SEPARABILITY. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.11 BENEFITS OF INDENTURE. The Insurer and its successors and assigns shall be a third-party beneficiary to the provisions of this Indenture, and shall be entitled to rely upon and directly to enforce such provisions of this Indenture so long as no Insurer Default shall have occurred and be continuing. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Noteholders, and any other party secured hereunder, and any other person with an Ownership interest in any part of the Trust Estate, any benefit or any legal or equitable right, remedy or claim under this Indenture. The Insurer may disclaim any of its rights and powers under this Indenture (in which case the Trustee may exercise such right or power hereunder), but not its duties and obligations under the Note Policy, upon delivery of a written notice to the Trustee.

SECTION 11.12 LEGAL HOLIDAYS. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date an which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 11.13 GOVERNING LAW. THIS INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 11.14 COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 11.15 RECORDING OF INDENTURE. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel to the Trustee or any other counsel reasonably acceptable to the Trustee and the Insurer) to the effect that such recording is necessary either for the protection of the Noteholders or any other person secured hereunder or for the enforcement of any right or remedy granted to the Trustee or the Trust Collateral Agent under this Indenture or the Collateral Agent under the Spread Account Agreement.

SECTION 11.16 TRUST OBLIGATION. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Servicer, the Owner Trustee, the Trust Collateral Agent or the Trustee on the Notes or under this Indenture, any other Basic Document or any certificate or other writing delivered in connection herewith or therewith, against (i) the Seller, the Servicer, the Trustee, the Trust Collateral Agent or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director,

employee or agent of the Seller, the Servicer, the Trustee, the Trust Collateral Agent or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Owner Trustee, the Trust Collateral Agent or the Trustee or of any successor or assign of the Seller, the Servicer, the Trustee, the Trust Collateral Agent or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee, the Trust Collateral Agent and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity. For all purposes of this Indenture, in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Article VI, VII and VIII of the Trust Agreement.

SECTION 11.17 [RESERVED].

SECTION 11.18 INSPECTION. The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Trustee or of the Insurer, during the Issuer's normal business hours, to examine all the books of account, records, reports, and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited by independent certified public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees, and independent certified public accountants, all at such reasonable times and as often as may be reasonably requested. Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known, (ii) disclosure of any and all information (A) if required to do so by any applicable statute, law, rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any respects of the Trustee's business or that of its affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Trustee or an affiliate or an officer, director, employer or shareholder thereof is a party, (D) in any preliminary or final offering circular, registration statement or contract or other document pertaining to the transactions contemplated by the Indenture approved in advance by the Servicer or the Issuer or (E) to any independent or internal auditor, agent, employee or attorney of the Trustee having a need to know the same, provided that the Trustee advises such recipient of the confidential nature of the information being disclosed, or (iii) any other disclosure authorized by the Servicer or the Issuer.

SECTION 11.19 NO PETITION. The Trust Collateral Agent, by entering into this Indenture, and each Noteholder, by accepting a Note, hereby covenants and agrees that it will not at any time institute against the Seller or the Issuer, or solicit or join in or cooperate with or encourage any institution against the Seller or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, this Indenture or any of the Basic Documents. The foregoing shall not (a) limit the rights of the Trust Collateral Agent to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted against the Issuer by any Person other than the Trust Collateral

Agent, or (b) require the Collateral Agent or the Noteholders to resist any legal process.

SECTION 11.20 SUBORDINATION. (a) Issuer and each Noteholder by accepting a Note acknowledge and agree that such Note represents indebtedness of Issuer and does not represent an interest in any assets (other than the Trust Estate) of Seller (including by virtue of any deficiency claim in respect of obligations not paid or otherwise satisfied from the Trust Estate and proceeds thereof). In furtherance of and not in derogation of the foregoing, to the extent Seller enters into other securitization transactions, Issuer as well as each Noteholder by accepting a Note acknowledge and agree that it shall have no right, title or interest in or to any assets (or interests therein) (other than Trust Estate) conveyed or purported to be conveyed by Seller to another securitization trust or other Person or Persons in connection therewith (whether by way of a sale, capital contribution or by virtue of the granting of a lien) ("Other Assets"). To the extent that, notwithstanding the agreements and provisions contained in the preceding sentences of this subsection, Issuer or any Noteholder either (i) asserts an interest or claim to, or benefit from, Other Assets, whether asserted against or through Seller or any other Person owned by Seller, or (ii) is deemed to have any such interest, claim or benefit in or from Other Assets, whether by operation of law, legal process, pursuant to applicable provisions of insolvency laws or otherwise (including by virtue of Section 1111(b) of the Federal Bankruptcy Code or any successor provision having similar effect under the Bankruptcy Code), and whether deemed asserted against or through Seller or any other Person owned by Seller, then Issuer and each Noteholder by accepting a Note further acknowledges and agrees that any such interest, claim or benefit in or from Other Assets is and shall be expressly subordinated to the indefeasible payment in full of all obligations and liabilities of Seller which, under the terms of the relevant documents relating to the securitization of such Other Assets, are entitled to be paid from, entitled to the benefits of, or otherwise secured by such Other Assets (whether or not any such entitlement or security interest is legally perfected or otherwise entitled to a priority of distribution or application under applicable law, including insolvency laws, and whether asserted against Seller or any other Person owned by Seller), including, the payment of post-petition interest on such other obligations and liabilities. This subordination agreement shall be deemed a subordination agreement within the meaning of Section 510(a) of the Bankruptcy Code. Each Noteholder further acknowledges and agrees that no adequate remedy at law exists for a breach of this Section 11.20 and the terms of this Section 11.20 may be enforced by an action for specific performance.

(b) The provisions of this Section 11.20 shall be for the third party benefit of those entitled to rely thereon and shall survive the termination of this Indenture.

SECTION 11.21 NO RECOURSE. Each Noteholder, by accepting a Note, acknowledges that the Notes represent obligations of the Trust only and do not represent interests in or obligations of the Seller, the Servicer, the Trustee or any Affiliate thereof and no recourse may be had against such parties or their assets, except as may be expressly set forth or contemplated in this Indenture, the Notes or the Basic Documents.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be duly executed by their respective officers, hereunto duly authorized, all as of the day and year first above written.

MFN AUTO RECEIVABLES
TRUST 2002-A,

By: First Union Trust Company, National Association, not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:

BANK ONE TRUST COMPANY, N.A., not in its individual capacity but solely as Trustee and Trust Collateral Agent

By: _____
Name: Gregory G. Cross
Title: Vice President

EXHIBIT A-1

REGISTERED $83,500,000
No. RB-A-1

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. 55274D AC 8

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND IS NOT EXPECTED TO BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES OR "BLUE SKY" LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED , EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE OWNER:

(A) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") AND IS ACQUIRING SUCH NOTE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS, (WHICH OTHERS ARE ALSO QIBS) TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (B) IT IS AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT OR (C) IS OTHERWISE ACQUIRING THIS NOTE IN A TRANSACTION EXEMPT FROM THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (B) OR (C) ABOVE, SUBJECT TO THE RECEIPT BY THE ISSUER AND THE TRUSTEE OF A CERTIFICATION OF THE TRANSFEROR AND THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE TRUSTEE) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT,

(B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) SO LONG AS THIS NOTE IS ELIGIBLE FOR TRANSFER PURSUANT TO RULE 144A, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (B) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT OR OTHERWISE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (B) AND (D), SUBJECT TO THE RECEIPT BY THE ISSUER AND THE TRUSTEE OF A CERTIFICATION OF THE TRANSFEROR AND THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE TRUSTEE) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES OR "BLUE SKY" LAWS OF ANY STATE OF THE UNITED STATES, AND

(C) ACKNOWLEDGES THAT ANY ATTEMPTED TRANSFER IN CONTRAVENTION OF THE IMMEDIATELY PRECEDING RESTRICTIONS WILL BE VOID AB INITIO AND THE PURPORTED TRANSFEROR WILL CONTINUE TO BE TREATED AS THE OWNER OF THIS NOTE FOR ALL PURPOSES,

THE INDENTURE UNDER WHICH THIS NOTE WAS ISSUED CONTAINS A PROVISION REQUIRING THE TRUSTEE (OR NOTE REGISTRAR APPOINTED BY THE TRUSTEE) TO REFUSE TO REGISTER ANY TRANSFER OF THIS OFFERED NOTE IN VIOLATION OF THE FOREGOING.

BY ITS PURCHASE OF A NOTE, EACH PURCHASER SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING SUCH NOTE OR INTEREST THEREIN WITH THE "PLAN ASSETS" OF ANY "EMPLOYEE BENEFIT PLAN" SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR A "PLAN" DESCRIBED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE");OR (II) THE ACQUISITION AND HOLDING OF SUCH NOTE WILL NOT GIVE RISE TO A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406(a) OF ERISA OR SECTION 4975 OF THE CODE BECAUSE THE PURCHASER IS ELIGIBLE FOR, AND THE PURCHASE AND HOLDING SATISFY ALL OF THE REQUIREMENTS OF, ONE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("PTCEs"): PTCE 96-23, PTCE 95-60, PTCE 91-38, PTCE 90-1 or PTCE 84-14.

[UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE, AS DEFINED HEREIN, OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."]

THE PRINCIPAL OF THIS NOTE IS PAYABLE IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

MFN AUTO RECEIVABLES TRUST 2002-A

CLASS A-1 3.809% ASSET-BACKED NOTE

MFN Auto Receivables Trust 2002-A, a business trust organized and existing under the laws of the State of Delaware (herein referred to as the "ISSUER"), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of EIGHTY-THREE MILLION FIVE HUNDRED THOUSAND DOLLARS payable on each Distribution Date in an amount equal to the result obtained by multiplying (i) a fraction the numerator of which is $83,500,000 and the denominator of which is $83,500,000 by (ii) the aggregate amount, if any, payable from the Note Distribution Account in respect of principal on the Class A-1 Notes pursuant to the Indenture; PROVIDED, HOWEVER, that the entire unpaid principal amount of this Note shall be due and payable on the January, 2005 Distribution Date (the "FINAL SCHEDULED DISTRIBUTION DATE"). The Issuer will pay interest on this Note at the rate per annum shown above on each Distribution Date until the principal of this Note is paid or made available for payment. Interest on this Note will accrue for each Distribution Date from the most recent Distribution Date on which interest has been paid to but excluding such Distribution Date or, if no interest has yet been paid, from March ___, 2002. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "NOTE POLICY") issued by XL Capital Assurance Inc. (the "INSURER"), pursuant to which the Insurer has unconditionally guaranteed payments of the Noteholders' Interest Distributable Amount and the Noteholders' Parity Deficit Amount with respect to each Distribution Date will be paid on or prior to such Distribution Date, all as more fully set forth in the Indenture and the Sale and Servicing Agreement. The Record Date applicable to any Distribution Date is the Record Date applicable to such Distribution Date.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

MFN AUTO RECEIVABLES
TRUST 2002-A

By: First Union Trust Company, National Association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes designated above and referred to in the within-mentioned Indenture.

Date: March ___, 2002

BANK ONE TRUST COMPANY, N.A., not in its individual capacity but solely as Trustee

By: _____
Authorized Signer

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Class A-1 3.809% Asset-Backed Notes (herein called the "CLASS A-1 NOTES"), all issued under an Indenture dated as of March 1, 2002 (such indenture, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof is herein called the "INDENTURE"), between the Issuer and Bank One Trust Company, N.A., as trustee (the "TRUSTEE", which term includes any successor Trustee under the Indenture) and as trust collateral agent (the "TRUST COLLATERAL AGENT"), which term includes any successor Trust Collateral Agent) to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes and the Class A-2 Notes (together, the "NOTES") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture.

Principal of the Class A-1 Notes will be payable on each Distribution Date in an amount described on the face hereof. "DISTRIBUTION DATE" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing April 15, 2002. The term "DISTRIBUTION DATE," shall be deemed to include the applicable Final Scheduled Distribution Date.

As described in the Indenture, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Final Scheduled Distribution Date specified herein and the Redemption Date, if any, pursuant to the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) if an Insurer Default shall not have occurred and be continuing and an Event of Default shall have occurred and be continuing, upon the written direction of the Insurer or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or the Holders of the Notes representing not less than a majority of the Outstanding Amount of the Notes have declared the Notes to be immediately due and payable in the manner provided in the Indenture. All principal payments on the Class A-1 Notes shall be made pro rata to the Class A-1 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) on the Note Register as of the close of business on each Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note (or any

one or more Predecessor Notes) effected by any payments made on any Distribution Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Distribution Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Distribution Date by notice mailed prior to such Distribution Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in New York, New York.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, Stamp, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees (i) that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (a) the Seller, the Servicer, the Trustee or the Owner Trustee in its individual capacity, (b) any owner of a beneficial interest in the Issuer or (c) any partner, owner, beneficiary, agent, officer, director or employee of the Seller, the Servicer, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Owner Trustee or the Trustee or of any successor or assign of the Seller, the Servicer, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity, and (ii) to treat the Notes as indebtedness for purposes of federal income, state and local income and franchise and any other income taxes.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Insurer and any agent of the Issuer, the Trustee or the Insurer may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is

registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer with the consent of the Insurer and of the Noteholders representing a majority of the Outstanding Amount of all Notes at the time Outstanding. The Indenture also contains provisions permitting the Noteholders representing specified percentages of the Outstanding Amount of the Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note (or any one of more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "ISSUER" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the other Basic Documents, neither First Union Trust Company, National Association in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the

Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; PROVIDED, HOWEVER, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

The Insurer shall, to the extent it makes any payments with respect to this Note, become subrogated to the rights of the recipients of such payments to the extent and subject to the terms and conditions set forth in Section 6.1(c) of the Sale and Servicing Agreement.

Each Noteholder, by accepting a Note, hereby covenants and agrees that it will not at any time institute against the Seller or the Issuer, or solicit or join in or cooperate with or encourage any institution against the Seller or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or any of the Basic Documents.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____ (1) _____

Signature Guaranteed:

_____ _____

_____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

In connection with any transfer of this Note occurring prior to the second anniversary of the original issuance of this Note, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

1. [ ] to the Issuer; or

2. [ ] pursuant to and in compliance with Rule 144A under the Securities Act; or

3. [ ] to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

4. [ ] outside the United States to a "foreign person" in compliance with Rule 904 of Regulation S under the Securities Act; or

5. [ ] Pursuant to the exemption from registration provided by Rule 144 the Securities Act; or

6. [ ] pursuant to an effective registration statement under the Securities Act; or

7. [ ] pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof; PROVIDED that if box (3), (4), (5) or (7) is checked, the Trustee and the Issuer may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee and the Issuer may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to , the registration requirements of the Securities Act.

If none of the foregoing boxes is check, the Trustee or Security Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture shall have been satisfied.

Date: _____ Signed: _____
(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "QUALIFIED INSTITUTIONAL BUYER" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transfer is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: _____ Signed: _____
NOTICE: To be executed by an executive officer.

EXHIBIT A-2

REGISTERED $16,454,425

No. RB-A-2

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. 55274D AD 6

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND IS NOT EXPECTED TO BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES OR "BLUE SKY" LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE OWNER:

(A) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") AND IS ACQUIRING SUCH NOTE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS, (WHICH OTHERS ARE ALSO QIBS) TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (B) IT IS AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT OR (C) IS OTHERWISE ACQUIRING THIS NOTE IN A TRANSACTION EXEMPT FROM THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (B) OR (C) ABOVE, SUBJECT TO THE RECEIPT BY THE ISSUER AND THE TRUSTEE OF A CERTIFICATION OF THE TRANSFEROR AND THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE TRUSTEE) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT,

(B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) SO LONG AS THIS NOTE IS ELIGIBLE FOR TRANSFER PURSUANT TO RULE 144A, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (B) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT OR OTHERWISE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN THE CASE OF CLAUSE (B) AND (D), SUBJECT TO THE RECEIPT BY THE ISSUER AND THE TRUSTEE OF A CERTIFICATION OF THE TRANSFEROR AND THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE TRUSTEE) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES OR "BLUE SKY" LAWS OF ANY STATE OF THE UNITED STATES, AND

(C) ACKNOWLEDGES THAT ANY ATTEMPTED TRANSFER IN CONTRAVENTION OF THE IMMEDIATELY PRECEDING RESTRICTIONS WILL BE VOID AB INITIO AND THE PURPORTED TRANSFEROR WILL CONTINUE TO BE TREATED AS THE OWNER OF THIS NOTE FOR ALL PURPOSES,

THE INDENTURE UNDER WHICH THIS NOTE WAS ISSUED CONTAINS A PROVISION REQUIRING THE TRUSTEE (OR NOTE REGISTRAR APPOINTED BY THE TRUSTEE) TO REFUSE TO REGISTER ANY TRANSFER OF THIS OFFERED NOTE IN VIOLATION OF THE FOREGOING.

BY ITS PURCHASE OF A NOTE, EACH PURCHASER SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT ACQUIRING SUCH NOTE OR INTEREST THEREIN WITH THE "PLAN ASSETS" OF ANY "EMPLOYEE BENEFIT PLAN" SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR A "PLAN" DESCRIBED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE");OR (II) THE ACQUISITION AND HOLDING OF SUCH NOTE WILL NOT GIVE RISE TO A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406(a) OF ERISA OR SECTION 4975 OF THE CODE BECAUSE THE PURCHASER IS ELIGIBLE FOR, AND THE PURCHASE AND HOLDING SATISFY ALL OF THE REQUIREMENTS OF, ONE OF THE FOLLOWING PROHIBITED TRANSACTION CLASS EXEMPTIONS ("PTCEs"): PTCE 96-23, PTCE 95-60, PTCE 91-38, PTCE 90-1 or PTCE 84-14.

[UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE, AS DEFINED HEREIN, OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

THE PRINCIPAL OF THIS NOTE IS PAYABLE IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

MFN AUTO RECEIVABLES TRUST 2002-A
CLASS A-2 4.918% ASSET-BACKED NOTE

MFN Auto Receivables Trust 2002-A, a business trust organized and existing under the laws of the State of Delaware (herein referred to as the "ISSUER"), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of SIXTEEN MILLION FOUR HUNDRED FIFTY-FOUR THOUSAND FOUR HUNDRED TWENTY-FIVE DOLLARS payable on each Distribution Date in an amount equal to the result obtained by multiplying (i) a fraction the numerator of which is $16,454,425 and the denominator of which is $16,454,425 by (ii) the aggregate amount, if any, payable from the Note Distribution Account in respect of principal on the Class A-2 Notes pursuant to the Indenture; PROVIDED, HOWEVER, that the entire unpaid principal amount of this Note shall be due and payable on the March, 2008 Distribution Date (the "FINAL SCHEDULED DISTRIBUTION DATE"). The Issuer will pay interest on this Note at the rate per annum shown above on each Distribution Date until the principal of this Note is paid or made available for payment. Interest on this Note will accrue for each Distribution Date from the most recent Distribution Date on which interest has been paid to but excluding such Distribution Date or, if no interest has yet been paid, from March __, 2002. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "NOTE POLICY") issued by XL Capital Assurance Inc. (the "INSURER"), pursuant to which the Insurer has unconditionally guaranteed payments of the Noteholders' Interest Distributable Amount and the Noteholders' Parity Deficit Amount with respect to each Distribution Date will be paid on or prior to such Distribution Date, all as more fully set forth in the Indenture and the Sale and Servicing Agreement. The Record Date applicable to any Distribution Date is the Record Date applicable to such Distribution Date.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

MFN AUTO RECEIVABLES
TRUST 2002-A

By: First Union Trust Company, National Association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes designated above and referred to in the within-mentioned indenture.

Date: March ___, 2002

BANK ONE TRUST COMPANY, N.A., not in its individual capacity but solely as Trustee

By: _____
Authorized Signer

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Class A-2 4.918% Asset-Backed Notes (herein called the "CLASS A-2 NOTES"), all issued under an Indenture dated as of March 1, 2002 (such indenture, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof is herein called the "INDENTURE"), between the Issuer and Bank One Trust Company, National Association, as trustee (the "TRUSTEE", which term includes any successor Trustee under the Indenture) and as trust collateral agent (the "TRUST COLLATERAL AGENT"), which term includes any successor Trust Collateral Agent) to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes and the Class A-2 Notes (together, the "NOTES") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture.

Principal of the Class A-2 Notes will be payable on each Distribution Date in an amount described on the face hereof. "DISTRIBUTION DATE" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing April 15, 2002. The term "DISTRIBUTION DATE," shall be deemed to include the applicable Final Scheduled Distribution Date.

As described in the Indenture, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Final Scheduled Distribution Date and the Redemption Date, if any, pursuant to the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) so long as an Insurer Default shall not have occurred and be continuing and an Event of Default shall have occurred and be continuing, upon the written direction of the Insurer or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or the Holders of the Notes representing not less than a majority of the Outstanding Amount of the Notes have declared the Notes to be immediately due and payable in the manner provided in the Indenture. All principal payments on the Class A-2 Notes shall be made pro rata to the Class A-2 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Distribution Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) on the Note Register as of the close of business on each Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for

notation of payment. Any reduction in the principal amount of this Note (or any one or more Predecessor Notes) effected by any payments made on any Distribution Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Distribution Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Distribution Date by notice mailed prior to such Distribution Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in New York, New York.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, Stamp, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees (i) that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (a) the Seller, the Servicer, the Trustee or the Owner Trustee in its individual capacity, (b) any owner of a beneficial interest in the Issuer or (c) any partner, owner, beneficiary, agent, officer, director or employee of the Seller, the Servicer, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Owner Trustee or the Trustee or of any successor or assign of the Seller, the Servicer, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity, and (ii) to treat the Notes as indebtedness for purposes of federal income, state and local income and franchise and any other income taxes.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Insurer and any agent of the Issuer, the Trustee or the Insurer may treat the Person in whose name this Note (as of the day of

determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer with the consent of the Insurer and of the Noteholders representing a majority of the Outstanding Amount of all Notes at the time Outstanding. The Indenture also contains provisions permitting the Noteholders representing specified percentages of the Outstanding Amount of the Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note (or any one of more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "ISSUER" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the other Basic Documents, neither First Union Trust Company, National Association in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the

sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; PROVIDED, HOWEVER, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

The Insurer shall, to the extent it makes any payments with respect to this Note, become subrogated to the rights of the recipients of such payments to the extent and subject to the terms and conditions set forth in Section 6.1(c) of the Sale and Servicing Agreement.

Each Noteholder, by accepting a Note, hereby covenants and agrees that it will not at any time institute against the Seller or the Issuer, or solicit or join in or cooperate with or encourage any institution against the Seller or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or any of the Basic Documents.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____ (1) _____

Signature Guaranteed:

_____ _____

_____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

In connection with any transfer of this Note occurring prior to the second anniversary of the original issuance of this Note, the undersigned confirms that it has not utilized any general solicitation or general advertising in connection with the transfer and that this Note is being transferred:

[Check One]

1. [ ] to the Issuer; or

2. [ ] pursuant to and in compliance with Rule 144A under the Securities Act; or

3. [ ] to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or

4. [ ] outside the United States to a "foreign person" in compliance with Rule 904 of Regulation S under the Securities Act; or

5. [ ] Pursuant to the exemption from registration provided by Rule 144 the Securities Act; or

6. [ ] pursuant to an effective registration statement under the Securities Act; or

7. [ ] pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof; PROVIDED that if box (3), (4), (5) or (7) is checked, the Trustee and the Issuer may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications (including an investment letter in the case of box (3) or (4)) and other information as the Trustee and the Issuer may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to , the registration requirements of the Securities Act.

If none of the foregoing boxes is check, the Trustee or Security Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture shall have been satisfied.

Date: _____ Signed: _____
(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "QUALIFIED INSTITUTIONAL BUYER" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transfer is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: _____ Signed: _____
NOTICE: To be executed by an executive officer.

EXHIBIT 99.3

Press Release

SOURCE: CONSUMER PORTFOLIO SERVICES INC.

CONSUMER PORTFOLIO SERVICES INC. COMPLETES ACQUISITION OF MFN FINANCIAL CORP.

OPENS $100 MILLION WAREHOUSE CREDIT FACILITY

IRVINE, Calif.--(BUSINESS WIRE)--March 12, 2002--Consumer Portfolio Services Inc. (Nasdaq:CPSS - news) today announced it has acquired MFN Financial Corp. (formerly OTCBB:MFNF.OB). The acquisition was pursuant to the terms of a previously described plan of merger, in which MFN Financial shareholders will receive $10 cash for each share of MFN Financial stock they now own.

Consumer Portfolio Services also announced that it has opened a new $100 million warehouse credit facility. The new warehouse credit is a structured finance facility involving sales of receivables to a special-purpose entity and borrowings from a commercial paper conduit. XL Capital Assurance Inc. is providing credit enhancement.

The warehouse credit facility will enable Consumer Portfolio Services, through its subsidiary, to borrow up to $100 million to purchase and hold automotive receivables, pending their ultimate disposition in future securitization transactions or otherwise.

"This merger and the closing of our new warehouse line move the company one step closer to being an industry leader, capable of providing superior customer service and equally outstanding returns to shareholders," said Charles E. Bradley, Jr., president and chief executive officer of Consumer Portfolio Services.

Bradley continued, "Having acquired MFN, we are in a position to take advantage of exceptional opportunities, given the synergies and complementary nature of the separate business lines."

Consumer Portfolio Services purchases, sells and services retail installment sales contracts originated predominantly by franchised dealers for new and late model used cars. The company finances automobile purchases through dealers under contract across the United States.

This news release contains "forward-looking information" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking information includes the anticipation that the company will repay amounts drawn under its warehouse credit facility by securitization of receivables placed into such facility, that synergies will develop from the acquisition, and that outstanding returns to stockholders may result. There can be no assurance that securitization transactions will be effected to repay warehouse borrowings, that synergies will develop from the acquisition, or that outstanding returns to stockholders will result. Some of the factors that may adversely affect those possibilities are as follows: As to the warehouse credit facility, it may be impracticable to repay warehouse indebtedness and thus to revolve credit availability under such facility due to the terms available in the future in the market for securitizations, which terms may be affected by (i) prevailing interest rates, (ii) credit performance of receivables originated by Consumer Portfolio Services and held within or without such credit facility, (iii) credit performance of automotive receivables originated by other firms, (iv) credit evaluation policies of rating agencies, and (v) competitive conditions in the market for financial guaranty insurance. As to the acquisition, anticipated synergies may not develop as anticipated due to (i) possible difficulties in integration of systems, (ii) personnel costs related to restructurings, and (iii) possible difficulties in integrating personnel. As to future outstanding returns to stockholders, any such statement is necessarily speculative. Principal factors that might affect fulfillment include (i) the credit quality of receivables originated by the combined company in the past or in the future,

(ii) the effectiveness of collection efforts, (iii) legal risks related to liabilities as yet unanticipated, (iv) prevailing interest rates and (v) effective management of costs.

CONTACT:

Consumer Portfolio Services Inc., Irvine

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