UNITED STATES
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): AUGUST 25, 2004

CREDIT ACCEPTANCE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Commission File Number 000-20202

MICHIGAN	38-1999511
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
25505 W. TWELVE MILE ROAD, SUITE 3000 SOUTHFIELD, MICHIGAN (Address of Principal Executive Offices)	48034-8339 (Zip Code)

(Registrant's telephone number, including area code): (248) 353-2700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written Communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

SECTION 2 - FINANCIAL INFORMATION

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF- BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

On August 25, 2004, Credit Acceptance Corporation (the "Company") entered into a $100 million asset-backed non-recourse secured financing. The terms and conditions of this transaction are summarized in a press release issued by the Company on August 25, 2004, which is attached as Exhibit 99(a) and is incorporated herein by reference.

The secured financing creates a loan for which the Company's special purpose trust created for the transaction is liable and which is secured by all the assets of the trust and of another subsidiary created for the transaction. Such loans are non-recourse to the Company, even though the trust, the subsidiary and the Company are consolidated for financial reporting purposes. Except for the Company's servicing fee and payments due to dealer-partners, the Company does not receive, or have any rights in, any portion of such collections until the trust's underlying indebtedness is paid in full, either through collections or through a prepayment of the indebtedness. Thereafter, remaining collections would be paid over to the subsidiary as the sole beneficiary of the trust where they would be available to be distributed to the Company as the sole member of subsidiary, or the Company may choose to cause the subsidiary to repurchase the remaining dealer-partner advances from the trust and then dissolve, whereby the Company would become the owner of such remaining collections.

The financing may be accelerated upon the occurrence of an "indenture event of default." An "indenture event of default" includes: a default by the trust in the payment of interest or principal when due; any breach of covenant or any material breach of representation or warranty that is not cured within the specified time following notice; the occurrence of certain bankruptcy or insolvency events involving the trust or the subsidiary; a draw on one of the financial insurance policies; the failure of collections on the transferred assets to be more than a threshold percentage of projected collections for three consecutive collection periods; a transfer by the subsidiary of its ownership of the trust; the failure of the trustee to have a valid and perfected first priority security interest in the trust property if such failure has not been cured within ten business days; and the cessation of any transaction document to be in full force and effect.

The agreements the Company entered into related to this transaction are attached as Exhibits (f)(57) through (f)(62) and are incorporated herein by reference.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

4(f)57	Indenture dated August 25, 2004 between Credit Acceptance Auto Dealer Loan Trust 2004-1 and JPMorgan Chase Bank
4(f)58	Sales and Servicing Agreement dated August 25, 2004 among the Company, Credit Acceptance Auto Dealer Loan Trust 2004-1, Credit Acceptance Funding LLC 2004-1, JPMorgan Chase Bank, and Systems & Services Technologies, Inc.
4(f)59	Backup Servicing Agreement dated August 25, 2004 among the Company, Credit Acceptance Funding 2004-1, Credit Acceptance Auto Dealer Loan Trust 2004-1, Systems & Services Technologies, Inc., Radian Asset Assurance Inc., XL Capital Assurance Inc., and JPMorgan Chase Bank
4(f)60	Amended and Restated Trust Agreement dated August 25, 2004 between Credit Acceptance Funding LLC 2004-1 and Wachovia Bank of Delaware, National Association
4(f)61	Contribution Agreement dated August 25, 2004 between the Company and Credit Acceptance Funding LLC 2004-1
4(f)62	Intercreditor Agreement dated August 25, 2004 among the Company, CAC Warehouse Funding Corporation II, Credit Acceptance Funding LLC 2003-1, Credit Acceptance Auto Dealer Loan Trust 2003-1, Credit Acceptance Funding LLC 2004-1, Credit Acceptance Auto Dealer Loan Trust 2004-1, Wachovia Capital Markets, LLC, as agent, JPMorgan Chase Bank, as agent, and Comerica Bank, as agent
99(a)	Press Release dated August 25, 2004

SIGNATURES

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.

CREDIT ACCEPTANCE CORPORATION
(Registrant)

By: /s/ Douglas W. Busk

Douglas W. Busk
Treasurer
August 30, 2004

INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
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99(a)	Press Release dated August 25, 2004

EXHIBIT 4(f)57

EXECUTION COPY

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CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1
$100,000,000 Class A Asset Backed Notes

INDENTURE

Dated as of August 25, 2004

JPMORGAN CHASE BANK
as the Trust Collateral Agent/Indenture Trustee

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1
as the Issuer

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INDENTURE dated as of August 25, 2004, between CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1, a Delaware statutory trust (the "Issuer"), and JPMORGAN CHASE BANK, a New York banking corporation, as trust collateral agent (the "Trust Collateral Agent") and as indenture trustee (the "Indenture 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 $100,000,000 Class A 2.53% Asset Backed Notes (the "Class A Notes"), the Class A Insurer and the Backup Insurer:

GRANTING CLAUSE

The Issuer hereby grants to the Indenture Trustee for the benefit of itself, the Class A Insurer, the Backup Insurer and the Class A Noteholders, as their respective interests may appear, a first-priority perfected security interest in all property of the Issuer, including all of the Issuer's right, title and interest in and to the following collateral (the "Collateral") now owned or hereafter acquired, which Collateral shall be held by the Trust Collateral Agent on behalf of the Indenture Trustee, subject to the lien of this Indenture:

(i) all right, title, and interest of the Issuer in and to the Dealer Loans listed on Schedule A to the Sale and Servicing Agreement, and listed on any addendum to Schedule A delivered by the Seller during the Revolving Period; and proceeds thereof;

(ii) certain rights under the Dealer Agreements listed on Schedule A to the Sale and Servicing Agreement, and listed on any addendum to Schedule A delivered by the Seller during the Revolving Period, including Credit Acceptance's right to service the Dealer Loans and Contracts and receive the related servicing fee and receive reimbursement of certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements (other than the Excluded Dealer Agreement Rights);

(iii) Collections (other than Dealer Collections) after the applicable Cut-off Date;

(iv) a security interest in each Contract listed on Schedule A to the Sale and Servicing Agreement, and listed on any addendum to Schedule A delivered by the Seller during the Revolving Period;

(v) all records and documents relating to the Dealer Loans and the Contracts;

(vi) all security interests purporting to secure payment of the Dealer Loans;

(vii) all security interests purporting to secure payment of the Contracts (including a security interest in each Financed Vehicle);

(viii) all guarantees, insurance (including insurance insuring the priority or perfection of any Contract) or other agreements or arrangements securing the Contracts;

(ix) all rights under the Contribution Agreement;

(x) the Collection Account, the Reserve Account, the Principal Collection Account and the Note Distribution Account, amounts on deposit in those accounts and Eligible Investments of amounts in deposit in those accounts;

(xi) the Issuer's rights under the Sale and Servicing Agreement; and

(xii) all proceeds of the foregoing.

Such grant shall include all rights, powers and options (but none of the obligations) of the Issuer, 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 Issuer or otherwise and generally to do and receive anything that the Issuer is or may be entitled to do or receive thereunder or with respect thereto.

The Indenture 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 required in this Indenture to the best of its ability to the end that the interests of the parties and the Class A Noteholders, the Class A Insurer and the Backup Insurer, recognizing the priorities of their respective interests, may be adequately and effectively protected.

The Indenture Trustee, solely in its capacity as the named secured party or assignee of secured party on financing statements naming Credit Acceptance, the Seller or the Issuer as debtor or seller, acknowledges that in that capacity it is acting as a representative, within the meaning of Section 9-502(a)(2) of the UCC, for itself, the Trust Collateral Agent, the Class A Noteholders, the Class A Insurer, the Backup Insurer, the Issuer and the Seller, to the extent and as their interests as secured parties with security interests in the collateral indicated on such financing statements may be.

It is the intention of the Issuer and the Indenture Trustee that this grant constitutes a grant or assignment of a valid, first priority security interest in the Issuer's rights in the Collateral, free and clear of all Liens (other than the security interest granted herein) to the Indenture Trustee. This Agreement shall be deemed to create a security interest and deemed to be a security agreement with respect to the Collateral within the meaning of Article 1, Article 8 and Article 9 of the Uniform Commercial Code as in effect in the States of New York and Michigan and under the law of all jurisdictions governing the creation and perfection of security interests in the Collateral.

ARTICLE I
Definitions and Incorporation by Reference

SECTION 1.1 Definitions.

(a)Except as otherwise specified herein, the following terms have the respective meanings set forth below for all purposes of this Indenture.

(b) 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.

"Act" has the meaning specified in Section 11.3(a).

"Authorized Officer" means, with respect to the Issuer, any officer or agent acting pursuant to a power of attorney of the Owner Trustee or, with respect to the Servicer, any officer or agent of the Servicer, and who is identified on the list of Authorized Officers delivered by each of the Owner Trustee and the Servicer to the Indenture Trustee, the Backup Servicer, the Class A Insurer and the Backup Insurer on the Closing Date (as such list may be modified or supplemented from time to time thereafter).

"Class A Termination Date" means the date on which: (i) all amounts owing to the Class A Noteholders and, as certified in writing by the relevant party to the Owner Trustee, the Class A Insurer, the Indenture Trustee, the Trust Collateral Agent, the Owner Trustee, the Backup Servicer and the Backup Insurer under the Basic Documents are paid in full; and (ii) the Class A Note Insurance Policy and the Backup Insurance Policy have expired in accordance with their respective terms and have been returned to the Class A Insurer and the Backup Insurer, as applicable, for cancellation.

"Class A Notes" means the 2.53% Class A Asset Backed Notes of the Issuer, substantially in the form of Exhibit A hereto.

"Class A Note Rate" means 2.53% per annum (computed on the basis of a 360-day year of twelve 30-day months and assuming the Distribution Date is on the 15th of each month).

"Clearing Agency" means the Depository Trust Company or its successor, which shall be an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

"Clearing Agency Participant" means the Depository Trust Company, and its successors, each of which shall be a broker, dealer, bank or 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.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and treasury regulations promulgated thereunder.

"Collateral" has the meaning set forth in Granting Clause.

"Controlling Party" means, prior to the Class A Termination Date: (i) so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer; and (ii) after the occurrence and during the continuance of a Class A Insurer Default, so long as no Backup Insurer Default has occurred and is continuing, the Backup Insurer.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Dealer Agreement Rights" means, with respect to any Dealer Agreement listed on Schedule A to the Sale and Servicing Agreement, or listed on any addendum thereto, the rights of Credit Acceptance thereunder related to loans made to the related Dealer which are not Dealer Loans owned by the Issuer, including rights of set-off and rights of indemnification, related to such loans.

"Executive Officer" means, with respect to any corporation, the Chairman of the Board, the Vice Chairman, Chief Executive Officer, Chief Financial Officer, President, Executive Vice President, any Vice President, the Secretary, Assistant Secretary, the Treasurer, Assistant Treasurer, or Controller of such corporation; and with respect to any partnership, any general partner thereof.

"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; provided that the amount of such indebtedness if not so assumed shall in no event be deemed to be greater than the fair market value from time to time (as reasonably determined in good faith by the Issuer) of the property subject to such lien; or (h) obligations of such Person under any interest rate or currency exchange agreement.

"Indenture" means this Indenture as amended and supplemented from time to time.

"Indenture Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Indenture Event of Default.

"Indenture Event of Default" has the meaning given such term in Section 5.1 herein.

"Indenture Trustee" means JPMorgan Chase Bank, a New York banking corporation, not in its individual capacity but as trustee under this Indenture, or any successor trustee under this Indenture.

"Independent" means, when used with respect to any specified Person, that the Person (a) is in fact independent of the Issuer, the Originator, any other obligor upon the Class A 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, the Originator, any such

other obligor, the Seller or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, the Originator, 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 Indenture Trustee, the Class A Insurer and the Backup Insurer 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 Indenture Trustee, and prior to the Class A Termination Date, the Controlling Party, in the exercise of reasonable care, which 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.

"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 Class A 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 Indenture Trustee a copy of which shall be delivered to the Class A Insurer and the Backup Insurer.

"Issuer Secured Obligations" means all amounts and obligations which the Issuer may at any time owe to or on behalf of the Class A Insurer, the Backup Insurer and the Indenture Trustee for the benefit of the Indenture Trustee and the Class A Noteholders under this Indenture, the Class A Notes or the other Basic Documents.

"Majority Noteholders" means the Holders of a majority by principal amount of the outstanding Class A Notes.

"Note" means a Class A Note.

"Note Owner" means, with respect to any Note registered in the name of the Clearing Agency or its nominee, the Person who is the beneficial owner of such Class A Note, as reflected on the books of the 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 Register" and "Note Registrar" mean the register maintained and the registrar appointed pursuant to Section 2.3 hereof.

"Noteholder", "Holder" or "Class A Noteholder" means the Person in whose name a Class A Note shall be registered in the Note Register, except that, solely for the purposes of giving any consent, waiver, request, or demand pursuant to the Basic Documents, the interest evidenced by any Class A Note registered in the name of the Seller, the Servicer, or any person controlling, controlled by, or under common control with the Seller or the Servicer, shall not be taken into account in determining whether the requisite percentage necessary to effect any such consent, waiver, request, or demand shall have been obtained.

"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 hereof.

"Opinion of Counsel" means one or more written opinions of counsel who may, except as otherwise expressly provided in this Indenture, or as otherwise required by the Indenture Trustee or the Controlling Party, be employees of or counsel to the Issuer and who shall be reasonably satisfactory to the Indenture Trustee and the Controlling Party, and which shall comply with any applicable requirements of Section 11.1 hereof, and shall be in form and substance reasonably satisfactory to the Indenture Trustee and the Controlling Party.

"Outstanding" means, as of the date of determination, all Class A Notes theretofore authenticated and delivered under this Indenture except:

(i) Class A Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation;

(ii) Class A Notes or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Notes (provided, however, that if such Class A Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture); and

(iii) Class A Notes in exchange for or in lieu of other Class A Notes which have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Class A Notes are held by a bona fide purchaser;

provided, however, that (x) in determining whether the Holders of the requisite Outstanding Amount of the Class A Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Class A Notes owned by the Issuer, the Servicer, any other obligor upon the Class A 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 Indenture Trustee shall be fully protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Class A Notes that a Responsible Officer of the Indenture Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded; provided, further, however, that Class A Notes which have been paid with proceeds of the Class A Note Insurance Policy or the Backup Insurance Policy shall continue to remain outstanding until the Class A Insurer or the Backup Insurer, as applicable, has been paid as subrogee hereunder or reimbursed pursuant to the Insurance Agreement, and the Class A Insurer or the Backup Insurer, as applicable, shall be deemed to be the Holder thereof to the extent of any payments thereon made by the Class A Insurer or the Backup Insurer, as applicable. Class A Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture 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 Class A Notes, the Seller or any Affiliate of any of the foregoing Persons and (y) to the extent that the Indenture Trustee is a Class A Noteholder, Class

A Notes owned by the Indenture Trustee shall be disregarded for purposes of Section 6.8(b) hereof.

"Outstanding Amount" means the aggregate principal amount of all Class A Notes Outstanding at the date of determination.

"Paying Agent" means the Indenture Trustee or any other Person that meets the eligibility standards for the Indenture Trustee specified in Section 6.12 and is authorized by the Issuer to make the payments to and distributions from the Collection Account, the Note Distribution Account, the Reserve Account, the Principal Distribution Account and the Certificate Distribution Account including payment of principal of or interest on the Class A Notes on behalf of the Issuer.

"Predecessor Note" means, with respect to any particular Class A Note, every previous Class A Note evidencing all or a portion of the same debt as that evidenced by such particular Class A Note; and, for the purpose of this definition, any Class A Note authenticated and delivered under Section 2.4 in lieu of a mutilated, lost, destroyed or stolen Class A Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Class A Note.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"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 such Rating Agency) prior notice thereof and that such Rating Agency shall have notified the Seller, the Servicer, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Backup Insurer and the Issuer that such action will not result in a reduction or withdrawal of its then current rating of the Class A Notes, without regard to the Class A Note Insurance Policy or the Backup Insurance Policy.

"Record Date" means, with respect to a Distribution Date, (i) if the Class A Notes are held in book-entry form, the day immediately preceding such Distribution Date; or (ii) if the Class A Notes are held in definitive form, the last day of the calendar month preceding such Distribution Date; provided that the Record Date with respect to the First Distribution Date shall be the Closing Date.

"Redemption Date" means, in the case of a redemption of the Class A Notes pursuant to Section 10.1(a) hereof, the Distribution Date specified by the Servicer or the Issuer pursuant to Section 10.1(a) hereof.

"Redemption Price" means in the case of a redemption of the Class A Notes pursuant to Section 10.1(a) hereof an amount equal to the unpaid principal amount of the outstanding Class A Notes being redeemed plus accrued and unpaid interest thereon to but excluding the Redemption Date plus all amounts due to the Class A Insurer, the Backup Insurer, the Indenture Trustee, the Backup Servicer and the Owner Trustee under the Basic Documents.

"Related Security" means the property described in clauses (ii) through (xii) of the Granting Clause.

"Required Long-Term Debt Rating" shall be a rating on long-term unsecured debt obligations of "Aa3" by Moody's and "AA-" by S&P (or other equivalent rating by a nationally recognized rating agency), and any requirement that long-term unsecured debt obligations have the "Required Long-Term Debt Rating" shall mean that such long-term unsecured debt obligations have the foregoing required rating.

"Responsible Officer" means, with respect to the Indenture Trustee, the Trust Collateral Agent, the Paying Agent or the Owner Trustee, any officer within the Corporate Trust Office of the Indenture Trustee, the Trust Collateral Agent, the Paying Agent, or the Owner Trustee, as the case may be, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, Associate, Corporate Trust Officer or any other officer of the Indenture Trustee, the Trust Collateral Agent, the Paying Agent, or the Owner 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.

"Rule 144A" means Rule 144A of the Securities Act.

"Sale and Servicing Agreement" means the Sale and Servicing Agreement dated as of August 25, 2004, among the Issuer, the Seller, Credit Acceptance Corporation, in its individual capacity and as the Servicer, the Trust Collateral Agent/Indenture Trustee and the Backup Servicer, as the same may be amended or supplemented from time to time in accordance with its terms.

"Subsidiary" means, with respect to any Person, any corporation or other Person (a) of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by such Person or (b) that is directly or indirectly controlled by such Person within the meaning of control under Section 15 of the Securities Act.

"Trust Collateral Agent" means, initially, JPMorgan Chase Bank, in its capacity as collateral agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholders, the Class A Insurer and the Backup Insurer, including its successors-in-interest, until and unless a successor Person shall have become the Trust Collateral Agent pursuant to the Sale and Servicing Agreement, and thereafter "Trust Collateral Agent" shall mean such successor Person.

"Trust Property" has the meaning set forth in the Trust Agreement.

SECTION 1.2 Rules of Construction.

Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) 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;

(iii) "or" is not exclusive;

(iv) "including" means including without limitation; and

(v) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

The Notes

SECTION 2.1 Form.

The Class A Notes together with the Indenture Trustee's certificate of authentication, shall be in definitive registered form in substantially the form set forth in Exhibit A hereto, 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 Class A Notes, as evidenced by their execution of the Class A Notes. Any portion of the text of any Class A Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Class A Note.

The Class A 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 Class A Notes, as evidenced by their execution of such Class A Notes.

Each Class A Note shall be dated the date of its authentication. The terms of the Class A Notes set forth in Exhibit A hereto are part of the terms of this Indenture.

SECTION 2.2 Execution, Authentication and Delivery.

The Class A Notes shall be executed on behalf of the Issuer by any of the Authorized Officers of the Owner Trustee. The signature of any such Authorized Officer on the Class A Notes may be manual or facsimile.

Class A 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 Class A Notes or did not hold such offices at the date of such Class A Notes.

The Indenture Trustee shall upon receipt of the Issuer Order authenticate and deliver the Class A Notes for original issue in an aggregate principal amount of $100,000,000.

The aggregate outstanding principal balance of the Class A Notes at any time may not exceed such amount.

Each Class A Note shall be dated the date of its authentication. The Class A Notes shall be issuable as registered Class A Notes in the minimum denomination of $100,000 and integral multiples of $1,000 thereafter.

It is intended that the Class A Notes be registered so as to participate in a book-entry system with the Clearing Agency as set forth herein. The Class A Notes shall be initially issued in the form of a single fully-registered note with a denomination equal to the original principal balance of the Class A Notes. Upon initial issuance, the ownership of such Notes shall be registered in the Note Register in the name of Cede & Co., or any successor thereto, as nominee for the Clearing Agency.

No Class A Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Class A Note a certificate of authentication substantially in the form provided for herein executed by the Indenture Trustee by the manual signature of one of its Responsible Officers, and such certificate upon any Class A Note shall be conclusive evidence, and the only evidence, that such Class A Note has been duly authenticated and delivered hereunder.

SECTION 2.3 Registration of Transfer and Exchange of Class A Notes.

(a) The Note Registrar shall keep or cause to be kept, at the office or agency maintained pursuant to Section 2.7, a Note Register in which, subject to such reasonable regulations as it may prescribe, the Indenture Trustee shall provide for the registration of Notes and of transfers and exchanges of Class A Notes as herein provided. The Indenture Trustee shall be the initial Note Registrar. In the event that, subsequent to the Closing Date, the Indenture Trustee notifies the Seller, the Class A Insurer and the Backup Insurer that it is unable to act as Note Registrar, the Seller shall appoint another bank or trust company, having an office or agency located in the Borough of Manhattan, The City of New York, agreeing to act in accordance with the provisions of this Indenture applicable to it, and otherwise acceptable to the Indenture Trustee and, prior to the Class A Termination Date, the Controlling Party, to act as successor Note Registrar under this Indenture. If at any time the Indenture Trustee is not the Note Registrar, the Note Registrar shall make available to the Indenture Trustee ten (10) days prior to each Distribution Date and at such other times as the Indenture Trustee may reasonably request the names and addresses of the Holders as they appear in the Note Register.

No sale, pledge or other transfer of a Class A Note shall be made unless such sale, pledge or other transfer is (A) pursuant to an effective registration statement under the Securities Act, (B) for so long as the Class A Notes are eligible for resale pursuant to Rule 144A to a Person the transferor reasonably believes after due inquiry is a "qualified institutional buyer" as defined in Rule 144A that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A, or (C) pursuant to another available exemption from the registration requirements of the Securities Act, the Investment Company Act of 1940, as amended and any applicable state securities and blue sky laws or is made in accordance with said Act and state laws. The Indenture

Trustee may require an opinion of counsel to be delivered to it in connection with any transfer of the Class A Notes pursuant to clauses (A) or (C) above.

Under no circumstances may an institutional "accredited investor" within Regulation D of the Securities Act take delivery in the form of a beneficial interest in a book-entry Class A Note if such purchaser is not a "qualified institutional buyer" as defined under Rule 144A under the Securities Act.

If definitive Class A Notes are issued, the Class A Notes may not be transferred, directly or indirectly, to any Person unless (A) the transferee of the Class A Note certifies in a certificate to the Issuer and the Indenture Trustee that such Person is a "qualified institutional buyer" as defined in Rule 144A or (B) the transferee of the Class A Note delivers to the Indenture Trustee and the Issuer an opinion of counsel that such transfer is permitted pursuant to clause (A) or (C) above.

All opinions of counsel required in connection with any transfer shall be by counsel reasonably acceptable to the Indenture Trustee.

The transferee of each Class A Note shall be deemed to represent and warrant that, with respect to the source of funds to be used by such transferee to acquire this Class A Note (the "Source") either (a) such Source is not an "employee benefit plan" (within the meaning of Section 3(3) of ERISA), a "plan" (within the meaning of Section 4975(e)(1) of the Code) or a plan that is subject to any substantively similar provision of any federal, state or local law, or a person using assets of any such plan, or (b) the acquisition and holding of the Class A Notes by such Source will not constitute or result in a nonexempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any substantively similar provision of any federal, state or local law.

Neither the Issuer nor the Indenture Trustee is obligated to register the Class A Notes under the Securities Act or any other securities law. Any transfer in violation of the provisions of this Section 2.3 shall be void ab initio.

(b) If an election is made to hold Class A Notes in book-entry form, the Class A Notes shall be registered in the name of a nominee designated by the Clearing Agency (and may be aggregated as to denominations with other Class A Notes held by the Clearing Agency). With respect to Class A Notes held in book-entry form:

(i) the Note Registrar, the Class A Insurer, the Backup Insurer, the Trust Collateral Agent and the Indenture Trustee will be entitled to deal with the Clearing Agency for all purposes of this Indenture (including the payment of principal of and interest on the Class A Notes and the giving of instructions or directions hereunder) as the sole holder of the Class A Notes, and shall have no obligation to the Note Owners;

(ii) the rights of Note Owners will be exercised only through the Clearing Agency and will be limited to those established by law and agreements between such Note Owners and the Clearing Agency and/or the Clearing Agency Participants pursuant to the Depository Agreement;

(iii) whenever this Indenture or any of the Basic Documents requires or permits actions to be taken based upon instructions or directions of Holders of Class A Notes evidencing a specified percentage of the Class A Note Balance, the Clearing Agency will 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 Class A Notes and has delivered such instructions to the Indenture Trustee; and

(iv) without the consent of the Seller and the Indenture Trustee, no such Class A Note may be transferred by the Clearing Agency except to a successor Clearing Agency that agrees to hold such Note for the account of the Note Owners or except upon the election of the Note Owner thereof or a subsequent transferee to hold such Class A Note in physical form.

None of the Indenture Trustee, the Note Registrar, the Class A Insurer or the Backup Insurer shall have any responsibility to monitor or restrict the transfer of beneficial ownership in any Note an interest in which is transferable through the facilities of the Clearing Agency.

If (i)(A) the Issuer advises the Indenture Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Class A Notes as described in the Depository Agreement and (B) the Issuer is unable to locate a qualified successor, (ii) the Issuer at its option advises the Indenture Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency, or (iii) Note Owners representing beneficial interests in Class A Notes aggregating not less than a majority of the Class A Note Balance advise the Indenture Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency with respect to such class is no longer in the best interests of the related Note Owners, then the Indenture Trustee shall notify all such Note Owners, through the Clearing Agency, and the Class A Insurer and the Backup Insurer of the occurrence of any such event and of the availability of definitive Class A Notes to such Note Owners requesting the same. Upon surrender to the Indenture Trustee of the related Class A Notes by the Clearing Agency accompanied by registration instructions from the Clearing Agency, the Indenture Trustee shall issue definitive Class A Notes and deliver such definitive Notes in accordance with the instructions of the Clearing Agency. None of the Issuer, the Note Registrar, the Class A Insurer, the Backup Insurer nor the Indenture 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 Class A Notes, the Indenture Trustee shall recognize the Holders of the definitive Class A Notes as Noteholders hereunder. The Indenture Trustee shall not be liable if the Seller is unable to locate a qualified successor Clearing Agency.

(c)In order to preserve the exemption for resales and transfers provided by Rule 144A, the Issuer shall provide to any Holder of a Class A Note and any prospective purchaser designated by such Holder, upon request of such Holder or such prospective purchaser, such information required by Rule 144A as will enable the resale of such Class A Note to be made pursuant to Rule 144A. The Servicer and the Indenture Trustee shall cooperate

with the Issuer in providing the Issuer such information regarding the Class A Notes, the Collateral and other matters regarding the Trust as the Issuer shall reasonably request to meet its obligations under the preceding sentence.

(d) Upon surrender for registration of transfer of any Class A Note at the Corporate Trust Office, the Indenture Trustee shall, subject to Section 2.3(a), authenticate, and deliver, in the name of the designated transferee or transferees, one or more new Class A Notes in authorized denominations of a like aggregate amount dated the date of authentication by the Indenture Trustee. At the option of a Holder, Class A Notes may be exchanged for other Class A Notes of authorized denominations of a like aggregate amount upon surrender of the Class A Notes to be exchanged at the Corporate Trust Office.

(e) Every Class A Note presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee and the Note Registrar duly executed by the Holder or his attorney duly authorized in writing. Each Class A Note surrendered for registration of transfer or exchange shall be cancelled and subsequently disposed of by the Indenture Trustee in accordance with its customary practice.

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

(g)Subject to Article IX hereof, the Class A Notes and this Indenture may be amended or supplemented from time to time, prior to the Class A Termination Date, with the consent of the Controlling Party, and in certain circumstances the Backup Insurer, but without the consent of any of the Class A Noteholders, to modify restrictions on and procedures for resale and other transfers of the Class A Notes to reflect any change in applicable law or regulations (or the interpretation thereof) or practices relating to the resale or transfer of restricted securities generally.

SECTION 2.4 Mutilated, Destroyed, Lost, or Stolen Notes.

If (a) any mutilated Class A Note shall be surrendered to the Note Registrar, or if the Note Registrar shall receive evidence to its satisfaction of the destruction, loss, or theft of any Class A Note and (b) there shall be delivered to the Note Registrar, the Class A Insurer, the Backup Insurer, the Issuer and the Indenture Trustee such security or indemnity (an unsecured indemnity agreement of a Class A Noteholder with a net worth at least equal to $200,000,000 containing terms reasonably satisfactory to the Indenture Trustee and the Controlling Party being sufficient for such security or indemnity requirement), as may be required by them to save each of them and the Issuer harmless, then in the absence of notice that such Note shall have been acquired by a bona fide purchaser, the Owner Trustee on behalf of the Issuer shall execute and the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Class A Note, a new Class A Note of like tenor and denomination. In connection with the issuance of any new Class A Note under this Section, the Indenture Trustee and the Note Registrar may require the payment of a sum sufficient to cover any tax or other

governmental charge that may be imposed in connection therewith. The Indenture Trustee may charge such Holder for its expenses (including without limitation the fees and expenses of its counsel) in replacing a Class A Note. Any duplicate Class A Note issued pursuant to this Section shall constitute conclusive evidence of ownership of such Class A Note, as if originally issued, whether or not the lost, stolen, or destroyed Class A Note shall be found at any time.

SECTION 2.5 Persons Deemed Owners.

The Issuer, the Indenture Trustee, the Trust Collateral Agent, the Note Registrar and any agent of the Issuer, the Indenture Trustee or the Note Registrar may treat the Person in whose name any Class A Note shall be registered as the owner of such Class A Note for the purpose of receiving distributions pursuant to Section 5.08 of the Sale and Servicing Agreement and Section 5.2 hereof and for all other purposes whatsoever, and neither the Issuer, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer nor the Note Registrar nor any such agent shall be bound by any notice to the contrary.

SECTION 2.6 Access to List of Noteholders' Names and Addresses.

The Indenture Trustee shall furnish or cause to be furnished to the Servicer, the Class A Insurer or the Backup Insurer, within 15 days after receipt by the Indenture Trustee of a request therefor from the Servicer, the Class A Insurer or the Backup Insurer in writing, a list, in such form as the Servicer, Class A Insurer or the Backup Insurer may reasonably require, of the names and addresses of the Class A Noteholders as of the most recent Record Date. If three or more Class A Noteholders, or one or more Holders of Notes aggregating not less than 10% of the Class A Note Balance, apply in writing to the Indenture Trustee, and such application states that the applicants desire to communicate with other Noteholders with respect to their rights under this Indenture or under the Class A Notes and such application shall be accompanied by a copy of the communication that such applicants propose to transmit, then the Indenture Trustee shall, within five Business Days after the receipt of such application, make available to such Class A Noteholders access during normal business hours to the current list of Class A Noteholders. Each Holder, by receiving and holding a Class A Note, shall be deemed to have agreed to hold none of the Servicer, the Class A Insurer, the Backup Insurer nor the Indenture Trustee accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 2.7 Maintenance of Office or Agency.

The Indenture Trustee shall maintain in New York, New York, an office or offices or agency or agencies where Class A Notes may be surrendered for registration of transfer or exchange and an office in New York, New York, where notices and demands to or upon the Indenture Trustee in respect of the Class A Notes and this Indenture may be served. The Indenture Trustee initially designates the Corporate Trust Office as specified in this Indenture as its office for such purposes. The Indenture Trustee shall give prompt written notice to the Servicer, the Class A Insurer, the Backup Insurer and to Class A Noteholders of any change in the location of the Note Register or any such office or agency.

SECTION 2.8 Payment of Principal and Interest; Defaulted Interest.

(a) The Class A Notes shall accrue interest as provided in the form of the Class A Note set forth in Exhibit A hereto and such interest shall be due and payable on each Distribution Date as specified therein. Any installment of interest or principal, if any, payable on any Class A Note which is punctually paid or duly provided for by the Issuer on the applicable Distribution Date or on the Stated Final Maturity shall be paid as set forth in Section 5.09(a) of the Sale and Servicing Agreement.

(b) The principal of each Class A Note shall be payable in installments on each Distribution Date as provided in the form of the Class A Note set forth in Exhibit A hereto. Notwithstanding the foregoing, the entire unpaid principal amount of the Class A Notes, and all accrued interest thereon, shall become due and payable, if not previously paid, upon the acceleration thereof after the occurrence of an Indenture Event of Default in the manner provided in Section 5.2. All principal payments on the Class A Notes shall be made as provided in Section 5.2 and in Section 5.09(a) of the Sale and Servicing Agreement, as applicable. Upon written notice from the Issuer, the Indenture Trustee shall notify the Person in whose name a Class A Note is registered at the close of business on the Record Date preceding the Distribution Date on which the Issuer expects that the final installment of principal of and interest on such Class A Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Class A Note and shall specify the place where such Class A Note may be presented and surrendered for payment of such installment. Notices in connection with redemptions of Class A Notes shall be mailed to Noteholders as provided in Section 10.2.

(c) If the Issuer defaults in a payment of interest on the Class A Notes, such defaulted interest shall itself bear interest (to the extent lawful) at the Class A Note Rate. Such defaulted interest (and such interest thereon) shall be paid on subsequent Distribution Dates pursuant to Section 5.09 of the Sale and Servicing Agreement, or as otherwise set forth below.

SECTION 2.9 Release of Collateral.

The Indenture Trustee shall, on or after the Class A Termination Date, release and shall cause the Trust Collateral Agent to release any remaining portion of the Trust Property from the lien created by this Indenture and shall cause the Trust Collateral Agent to deposit in the Collection Account any funds then on deposit in any other Trust Account. The Indenture Trustee shall release property from the lien created by this Indenture pursuant to this Section only upon receipt by the Indenture Trustee, the Class A Insurer and the Backup Insurer of an Issuer Request accompanied by an Officer's Certificate and an Opinion of Counsel meeting the applicable requirements of Section 11.1.

ARTICLE III

Covenants, Representations and Warranties

SECTION 3.1 Payment of Principal and Interest.

The Issuer will duly and punctually pay the principal of and interest on the Class A Notes in accordance with the terms of the Class A Notes and this Indenture. Without limiting the foregoing and in accordance with the terms set forth in Section 5.09(a) of the Sale and Servicing Agreement, the Issuer will cause to be distributed to the Class A Noteholders all amounts on deposit in the Note Distribution Account on each Distribution Date deposited therein pursuant to the Sale and Servicing Agreement for the benefit of the Class A Notes, to the Class A Noteholders. Amounts properly withheld under the Code by any Person from a payment to any Class A Noteholder of interest and/or principal shall be considered as having been paid by the Issuer to such Class A Noteholder for all purposes of this Indenture.

SECTION 3.2 Maintenance of Office or Agency.

For so long as the Indenture Trustee is the transfer agent, the Issuer will maintain in New York, New York, an office or agency where Class A Notes may be surrendered for registration of transfer or exchange, and an office in New York, New York where notices and demands to or upon the Issuer in respect of the Class A Notes and this Indenture may be served. The Issuer hereby initially appoints the Indenture Trustee to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Indenture Trustee, the Class A Insurer and the Backup Insurer 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 Indenture Trustee or the Class A Insurer and the Backup Insurer 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 Indenture 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, a sum sufficient to pay the amounts then becoming due under the Class A Notes, such sum to be held in trust for the benefit of the Persons entitled thereto and (unless the Paying Agent is the Indenture Trustee) shall promptly notify the Indenture Trustee of its action or failure so to act.

The Issuer will cause each Paying Agent other than the Indenture Trustee to execute and deliver to the Indenture Trustee, the Class A Insurer and the Backup Insurer an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section, that such Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Class A 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 Indenture Trustee, the Class A Insurer and the Backup Insurer written notice of any default by the Issuer of which a Responsible Officer has

actual knowledge (or any other obligor upon the Class A Notes) in the making of any payment required to be made with respect to the Class A Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Indenture Trustee, or, prior to the Class A Termination Date, the Controlling Party, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(iv) immediately resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Class A Notes if at any time it ceases to meet the standards required to be met by a 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 Class A Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith in each case, as instructed by the Issuer.

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 Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such a payment by any Paying Agent to the Indenture Trustee, such 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 Indenture Trustee or any Paying Agent in trust for the payment of any amount due with respect to any Class A 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 written consent of the Controlling Party if the Class A Termination Date has not occurred; and the Holder of such Class A 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 Indenture Trustee or such Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Indenture Trustee or such 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 Indenture 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 Class A 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 Indenture Trustee or of any 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 statutory trust under the laws of the State of Delaware 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 Class A Notes, the Collateral and each other instrument or agreement included in the Trust Property.

SECTION 3.5 Protection of Trust Property.

The Issuer intends the security interest granted pursuant to this Indenture in favor of the Indenture Trustee, the Class A Noteholders, the Class A Insurer and the Backup Insurer to be prior to all other liens in respect of the Trust Property, and the Issuer shall take all actions necessary to obtain and maintain, in favor of the Indenture Trustee, for the benefit of the Class A Noteholders, the Class A Insurer and the Backup Insurer, a first lien on and a first priority, perfected security interest in the Trust Property. The Issuer will from time to time prepare (or shall cause to be prepared), execute, file 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 Property;

(ii) maintain or preserve the lien and security interest (and the priority thereof) in favor of the Indenture Trustee for the benefit of the Class A Noteholders, the Class A Insurer and the Backup Insurer 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 Trust Property;

(v) preserve and defend title to the Trust Property and the rights of the Indenture Trustee in such Trust Property against the claims of all persons and parties; and

(vi) pay all taxes or assessments levied or assessed upon the Trust Property when due.

The Issuer hereby designates and authorizes the Indenture Trustee its agent and attorney-in-fact to execute, upon Issuer request, any financing statement, continuation statement or other instrument required to be executed by the Issuer pursuant to this Section.

SECTION 3.6 Opinions as to Trust Property.

(a)On the Closing Date, the Issuer shall furnish to the Indenture Trustee, the Class A Insurer and the Backup Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to this Indenture with respect to the 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 Indenture Trustee, 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 Closing Date, the Issuer shall furnish to the Indenture Trustee, the Class A Insurer and the Backup 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 with respect to the 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 the 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 the 90th day to occur in the following calendar year.

SECTION 3.7 Performance of Obligations; Servicing of Contracts.

(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 Property 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 Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Indenture Trustee, to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Indenture Trustee and the Controlling Party in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer. Initially, the Servicer has agreed 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 Property, including, but not limited to, preparing (or causing to be 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.

(d)Upon a Responsible Officer of the Owner Trustee having actual knowledge or written notice thereof, the Issuer shall promptly notify the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Rating Agencies of the occurrence of a Servicer Default in accordance with Section 11.4 hereof, and shall specify in such notice the action, if

any, the Issuer is taking in respect of such default. If a Servicer Default 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 Dealer Loans or Contracts, 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) prior to the Class A Termination Date without the prior written consent of the Controlling Party, or (y) if the effect thereof would adversely affect the Holders of the Class A Notes.

SECTION 3.8 Negative Covenants.

So long as any Class A 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 Property, 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 Class A 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 Property; or

(iii) (A) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien in favor of the Indenture 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 Class A 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 Property 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 perfected first priority security interest in the Trust Property, (D) change its name, identity, state of organization or structure as a statutory trust in any manner that would, could or might make any financing statement or continuation statement filed with respect to it seriously misleading within the meaning of Section 9-507 of the UCC or (E) waive, amend, modify, supplement or terminate any Basic Document or any provision thereof, or fail to comply with the provisions of the Basic Documents, in each case, prior to the Class A Termination Date, without the prior written consent of the Controlling Party.

SECTION 3.9 Annual Statement as to Compliance.

The Issuer will deliver to the Indenture Trustee, the Rating Agencies, the Class A Insurer, the Backup Insurer and the Noteholders on or before April 30th of each year beginning in the year 2005, an Officer's Certificate dated as of the previous December 31st stating, as to the Authorized Officer signing such Officer's Certificate, that

(i) a review of the activities of the Issuer during the preceding 12-month period (or, for the initial certificate, for such shorter period as may have elapsed from the initial issuance of the Class A Notes to such December 31st) 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 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 Indenture Trustee, in form satisfactory to the Indenture Trustee, and prior to the Class A Termination Date, the Controlling Party, 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 Early Amortization Event, Indenture Default or Indenture 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 Indenture Trustee, the Class A Insurer and the Backup Insurer) to the effect that such transaction will not have any material adverse tax consequence to the Trust, any Class A Noteholder, the Class A Insurer, the Backup Insurer 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) prior to the Class A Termination Date, the Issuer shall have given the Class A Insurer and the Backup Insurer written notice of such proposed consolidation or merger at least 30 Business Days prior to its proposed consummation, and the Controlling Party has given its prior written consent of such consolidation or merger; and

(vii) the Issuer shall have delivered to the Indenture Trustee, the Class A Insurer and the Backup Insurer an Officer's Certificate and an Opinion of Counsel each stating that such consolidation or merger and such supplemental indenture comply with this Section 3.10(a) and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) The Issuer shall not convey or transfer all or substantially all of its properties or assets, including those included in the Trust Property, 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 Indenture Trustee, in form satisfactory to the Indenture Trustee, and prior to the Class A Termination Date the Controlling Party, the due and punctual payment of the principal of and interest on all Class A 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 securities 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 Class A Notes;

(ii) immediately after giving effect to such transaction, no Early Amortization Event, Indenture Default or Indenture 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 Indenture Trustee, the Class A Insurer and the Backup Insurer) to the effect that such transaction will not have any material adverse tax consequence to the Trust, any Class A Noteholder, the Class A Insurer, the Backup Insurer or any Certificate holder;

(v) any action as is necessary to maintain the Lien and security interest created by this Indenture shall have been taken;

(vi) prior to the Class A Termination Date, the Issuer shall have given the Class A Insurer and the Backup Insurer written notice of such proposed action at least 30 Business Days prior to its proposed consummation, and the Controlling Party shall have given its prior written consent to such action; and

(vii) the Issuer shall have delivered to the Indenture Trustee, the Class A Insurer and the Backup Insurer an Officer's Certificate and an Opinion of Counsel each stating that such conveyance or transfer and such supplemental indenture comply with this Section 3.10(b) and that all conditions precedent herein provided for relating to such transaction have been complied with.

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), Credit Acceptance Auto Dealer Loan Trust 2004-1 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 Class A Notes immediately upon the delivery of written notice from the Issuer to the Indenture Trustee, the Class A Insurer and the Backup Insurer stating that Credit Acceptance Auto Dealer Loan Trust 2004-1 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 Contracts in the manner contemplated by this Indenture and the Basic Documents and activities incidental thereto and any other activities permitted under the Trust Agreement.

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 Class A Notes; (ii) obligations owing from time to time to the Class A Insurer and the Backup Insurer; and (iii) any other Indebtedness permitted by or arising under the Basic Documents. The proceeds of the Class A Notes shall be used exclusively to fund the Issuer's purchase of the Dealer Loans and the other assets specified in the Sale and Servicing Agreement, to fund the Reserve Account and to pay the Issuer's organizational, transactional and start-up expenses.

SECTION 3.14 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 3.15 Capital Expenditures.

The Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty) except as contemplated by the Basic Documents.

SECTION 3.16 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 Class A Notes, this Indenture or any Basic Document.

SECTION 3.17 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 Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer and the Certificateholders as permitted by, and to the extent funds are available for such purpose under, the Sale and Servicing Agreement and the Trust Agreement. 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 3.18 Notice of Indenture Events of Default.

Upon a Responsible Officer of the Owner Trustee having actual knowledge or receipt of written notice thereof, the Issuer agrees to give the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer and the Rating Agency prompt written notice of each Indenture 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 3.19 Further Instruments and Acts.

Upon request of the Indenture Trustee or the Controlling Party, 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 3.20 Amendments of Sale and Servicing Agreement and Trust Agreement.

The Issuer shall not agree to any amendment to Section 11.01 of the Sale and Servicing Agreement or Section 11.1 of the Trust Agreement to eliminate the requirements thereunder that

the Indenture Trustee or the Holders of the Class A Notes consent to amendments thereto as provided therein.

SECTION 3.21 Income Tax Characterization.

For purposes of federal income, state and local income and franchise and any other income taxes, the Issuer will, and each Class A Noteholder by such Class A Noteholder's acceptance thereof agrees to, treat the Class A Notes as indebtedness and hereby instructs the Issuer to treat the Class A Notes as indebtedness for federal, state and other tax reporting purposes.

SECTION 3.22 Perfection Representations, Warranties and Covenants.

The perfection representations, warranties and covenants made by the Issuer and set forth on Schedule A hereto shall be a part of this Indenture for all 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 Class A Notes except as to: (i) rights of registration of transfer and exchange; (ii) substitution of mutilated, destroyed, lost or stolen Class A Notes; (iii) rights of Class A Noteholders to receive payments of principal thereof and interest thereon; (iv) Sections 3.3, 3.4, 3.5, 3.7, 3.8, 3.10, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.19, 3.20 and 3.21; (v) the rights, obligations and immunities of the Indenture Trustee hereunder (including the rights of the Indenture Trustee under Section 6.7 and the obligations of the Indenture Trustee under Section 4.2); and (vi) the rights of Class A Noteholders, the Class A Insurer and the Backup Insurer as beneficiaries hereof with respect to the property so deposited with the Indenture Trustee, or the Trust Collateral Agent, payable to all or any of them, and the Indenture Trustee, on written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Class A Notes, when

(A) either

(1) all Class A Notes theretofore authenticated and delivered (other than (i) Class A Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.4 and (ii) Class A 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 Indenture Trustee for cancellation; or

(2) all Class A Notes not theretofore delivered to the Indenture Trustee for cancellation

(i) have become due and payable,

(ii) will become due and payable at the Stated Final Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Indenture Trustee for the giving of notice of redemption by the Indenture Trustee in the name, and at the expense, of the Issuer,

and the Issuer, in the case of (i), (ii) or (iii) of this clause (2), 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 Class A Notes not theretofore delivered to the Indenture Trustee for cancellation when due to the Stated Final Maturity or Redemption Date (if Class A Notes shall have been called for redemption pursuant to Section 10.1(a)), as the case may be;

(B) the Issuer has paid or caused to be paid all Issuer Secured Obligations;

(C) the Issuer has delivered to the Indenture Trustee, the Class A Insurer and the Backup Insurer an Officer's Certificate, an Opinion of Counsel and if required by the Indenture Trustee or the Controlling Party 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; and

(D) upon the satisfaction and discharge of the Indenture pursuant to this Section 4.1, the Indenture Trustee shall deliver to the Owner Trustee, the Class A Insurer and the Backup Insurer a certificate of a Responsible Officer stating that the Class A Noteholders, the Class A Insurer, the Backup Insurer and the Indenture Trustee have been paid all amounts owed to them.

SECTION 4.2. Application of Trust Money.

All moneys deposited with the Indenture Trustee pursuant to Section 4.1 hereof shall be held in trust and applied by it, in accordance with the provisions of the Class A Notes and this Indenture, to the payment, either directly or through any Paying Agent, as the Indenture Trustee may determine, to the Holders of the particular Class A Notes for the payment or redemption of which such moneys have been deposited with the Indenture 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 Paying Agent.

In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Paying Agent other than the Indenture Trustee under the provisions of

this Indenture with respect to such Class A Notes shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 3.3 and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE V

Remedies

SECTION 5.1. Indenture Events of Default.

"Indenture Event of Default", wherever used herein or in the other Basic Documents, means any one of the following events (whatever the reason for such Indenture 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 by the Issuer in the payment of any interest on the Class A Notes when the same becomes due and payable, and such default shall continue for a period of five (5) days or more (it being understood that any payment by the Class A Insurer under the Class A Note Insurance Policy or by the Backup Insurer under the Backup Insurance Policy shall not constitute payment by the Issuer); or

(ii) default by the Issuer in the payment of the principal of or any installment of the principal of the Class A Notes when the same becomes due and payable on the Stated Final Maturity (it being understood that any payment by the Class A Insurer under the Class A Note Insurance Policy or by the Backup Insurer under the Backup Insurance Policy shall not constitute payment by the Issuer); or

(iii) default in the observance or performance of any covenant or agreement of the Issuer made under this Indenture (other than a covenant or agreement, a default in the observance or performance of which is specifically dealt with elsewhere in this Section 5.1), or any representation or warranty of the Issuer made in this Indenture or in any certificate or other writing delivered pursuant to this Indenture or in connection with this Indenture 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 a longer period, not in excess of 60 days as may be reasonably necessary to remedy such default, if the default is capable of remedy within 60 days or less, and the Servicer, on behalf of the Issuer, delivers an officer's certificate to the Indenture Trustee to the effect that the Issuer has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy the default) after there shall have been given to the Issuer by either Insurer, or if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Indenture Trustee at the direction of Class A Noteholders representing at least 25% of the outstanding Class A Note Balance, 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" pursuant to this Indenture; or

(iv) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Seller, the Issuer or any substantial part of the Trust 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 of the Seller or the Issuer, as applicable, or for any substantial part of the Trust Property, or ordering the winding-up or liquidation of the Seller's affairs or the Issuer's affairs, as applicable, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(v) the commencement by the Seller or 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 Seller or Issuer, as applicable, or for any substantial part of the Trust Property, or the making by the Seller or Issuer, as applicable, of any general assignment for the benefit of creditors, or the failure by the Seller or Issuer, as applicable, 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

(vi) a draw is made on either the Class A Note Insurance Policy or the Backup Insurance Policy; or

(vii) cumulative Collections through the end of the related Collection Period, expressed as a percentage of the cumulative Forecasted Collections through the end of the related Collection Period, is less than 65.0% for any three (3) consecutive Collection Periods; or

(viii) the Seller sells or otherwise transfers ownership of the Certificate except as permitted by the Basic Documents; or

(ix) the Seller, fails to observe or perform in any material respect any of its separateness or limited purpose covenants in the Basic Documents to which it is a party (after notice and after giving effect to any applicable grace periods set forth therein) or its organizational documents; or

(x) the Indenture Trustee ceases to have a valid and perfected first priority security interest in the Trust Property and such failure has not been remedied within ten (10) Business Days; or

(xi) any Transaction Document (in its entirety) ceases to be in full force and effect.

SECTION 5.2. Rights Upon Indenture Event of Default.

(a) If an Indenture Event of Default described in clause (iv) or (v) of Section 5.1 shall have occurred, the entire unpaid principal balance of the Class A Notes, all interest accrued and unpaid thereon and all other amounts payable under this Indenture and the Basic Documents shall automatically become immediately due and payable. If any other Indenture Event of Default shall have occurred, the Indenture Trustee, if so requested in writing by: (x) the Controlling Party, or (y) if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, shall declare by written notice to the Issuer that the entire principal balance of the Class A Notes, all interest accrued and unpaid thereon and all other amounts payable under this Indenture and the other Basic Documents to be immediately due and payable.

(b) If an Indenture Event of Default occurs and the Class A Notes have been accelerated, the Indenture Trustee may exercise any of the remedies specified in Section 5.4(a). Payments in accordance with Section 5.2(a) hereof following acceleration of the Class A Notes shall be applied by the Indenture Trustee:

FIRST: (x) pro rata, to the Servicer or the Backup Servicer, the Servicing Fee and any indemnification amounts owed to the Backup Servicer, and to the Trust Collateral Agent, the Indenture Trustee and the Owner Trustee, their related accrued and unpaid fees, indemnification amounts and expenses and (y) to any successor servicer, any unpaid Transition Expenses which may be due to it pursuant to the terms of the Sale and Servicing Agreement;

SECOND: to Class A Noteholders for amounts due and unpaid on the Class A Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Class A Notes for interest;

THIRD: to each Insurer, in accordance with the terms of the Insurance Agreement, its respective Premium due pursuant to the Insurance Agreement;

FOURTH: to Class A Noteholders for amounts due and unpaid on the Class A Notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Class A Notes for principal until the Class A Note Balance has been reduced to zero; and

FIFTH: to each Insurer, in accordance with the terms of the Insurance Agreement, its respective Reimbursement Obligations.

(c) At any time after declaration of acceleration of maturity has been made in accordance with Section 5.2(a) hereof and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article V provided, the Controlling Party, or the Majority Noteholders, as the case may be, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all payments of principal of and interest on all Class A Notes and all other amounts that would then be due hereunder or upon such Class A Notes if the Indenture Event of Default giving rise to such acceleration had not occurred, which funds shall be deposited into the Note Distribution Account;

(B) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel, which funds shall be deposited into the Collection Account; and

(C) all sums (including any Premium) paid or advanced by or due to the Class A Insurer and the Backup Insurer, which funds shall be paid to the Class A Insurer or the Backup Insurer in accordance with the terms of the Insurance Agreement; and

(ii) all Indenture Events of Default, other than the nonpayment of the interest on or the principal of the Class A 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.

(d) In the event the Class A Notes have been accelerated in accordance with Section 5.2(a) hereof, each Insurer shall have the right, but not the obligation, to make payments under the Class A Note Insurance Policy or Backup Insurance Policy, as applicable, or otherwise, of principal and interest due on the Class A Notes, in whole or in part, on any date or dates following such acceleration, as such Insurer, in its sole discretion, may elect.

SECTION 5.3. Collection of Indebtedness and Suits for Enforcement by Indenture Trustee.

(a) The Issuer hereby irrevocably and unconditionally appoints the Indenture Trustee as the true and lawful attorney-in-fact of the Issuer, 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 Indenture Trustee as well as in the name, place and stead of the Issuer such acts, things and deeds for or on behalf of and in the name of the Issuer under this Indenture (including specifically under Section 5.4) and under the Basic Documents which the Issuer could or might do or which may be necessary, desirable or convenient in the Indenture Trustee's sole discretion to effect the purposes contemplated hereunder and under the Basic Documents and, without limitation, following the occurrence of an Indenture Event of Default, acting at the instruction or with the consent of the Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, in accordance with the terms of Article V hereof, 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 Property.

(b) Notwithstanding anything to the contrary contained in this Indenture (including, without limitation, Sections 5.4(a), 5.12, 5.13 and 5.16), the Indenture Trustee, prior

to the Class A Termination Date, may with the prior written consent of the Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, or shall, at the direction of the Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, and thereafter may at its discretion, proceed to protect and enforce its rights and the rights of the Class A Noteholders, the Class A Insurer and the Backup Insurer by such appropriate proceedings as the Indenture Trustee or the Controlling Party (or the Majority Noteholders, if applicable) shall deem most effective to protect and enforce any such rights, whether for specific performance 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 Indenture Trustee by this Indenture or by law.

(c) In case there shall be pending, relative to the Issuer or any other obligor upon the Class A Notes or any Person having or claiming an ownership interest in the Trust Property, 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 Class A Notes, or to the creditors or property of the Issuer or such other obligor, the Indenture Trustee, irrespective of whether the principal of any Class A Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, at the expense of the Seller 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 Class A Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence, bad faith or willful misconduct), the Class A Insurer, the Backup Insurer and of the Class A Noteholders allowed in such proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of Class A 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 Class A Noteholders, the Class A Insurer, the Backup Insurer and the Indenture 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 Indenture Trustee, the Class A Insurer, the Backup Insurer or the Holders of Class A 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 Class A Noteholders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Class A Noteholders, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence, bad faith or willful misconduct.

(d) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Class A Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Class A Notes or the rights of any Holder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Class A Noteholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar person.

(e) All rights of action and of asserting claims under this Indenture or under any of the Class A Notes, may be enforced by the Indenture Trustee without the possession of any of the Class A Notes or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Indenture 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 Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Class A Notes, the Class A Insurer and the Backup Insurer.

(f) In any proceedings brought by the Indenture Trustee (and also any proceedings involving the interpretation of any provision of this Indenture), the Indenture Trustee shall be held to represent all the Holders of the Class A Notes, and it shall not be necessary to make any Class A Noteholder a party to any such proceedings.

SECTION 5.4. Remedies.

(a) If an Indenture Event of Default shall have occurred and be continuing, the Controlling Party or the Indenture Trustee at the written direction of the Controlling Party or, if both a Class A Insurer Default and Backup Insurer Default have occurred and are continuing, the Majority Noteholders may do any one or more of the following:

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable to the Class A Insurer and the Backup Insurer or on the Class A 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 Class A 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 Property;

(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 Indenture Trustee, the Holders of the Class A Notes, the Class A Insurer and the Backup Insurer; and

(iv) direct the Indenture Trustee to sell the Trust Property 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 the Indenture Trustee shall not, and shall not be directed by the Controlling Party or the Majority Noteholders, as the case may be, to, sell or otherwise liquidate the Trust Property following an Indenture Event of Default unless:

(A) the proceeds of such sale or liquidation distributable to the Class A Noteholders, together with amounts to be paid to the Insurers concurrently therewith, are anticipated to be sufficient to discharge in full all amounts then due and unpaid upon the Class A Notes for principal and interest due thereon, in the event such direction is from the Controlling Party; or

(B) in the event that both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Indenture Trustee, if so directed by the Majority Holders in accordance with the terms of this Indenture, may not sell or otherwise liquidate the Trust Property following an Indenture Event of Default unless:

(I) such Indenture Event of Default is of the type described in Section 5.1(iv) or (v),

(II) such Indenture Event of Default is of the type described in any other clause of Section 5.1 and the Class A Noteholders consent thereto in writing, or

(III) either (i) the proceeds of such sale or liquidation would be in an amount sufficient to discharge in full all amounts then due and unpaid upon such Class A Notes for principal and interest or (ii) the Indenture Trustee determines that the Trust Property will not continue to provide sufficient funds for the payment of principal of and interest on the Class A Notes as they would have become due if they had not been declared due and payable (it being understood that for purposes of making such a determination, the Indenture Trustee may conclusively rely on an independent auditor);

provided, however, that, subject to Section 6.1, the Indenture Trustee shall have the right to decline to follow any such direction if it, being advised by counsel, determines that the action so directed may not lawfully be taken, or if it, in good faith shall, by a Responsible Officer, determine that the proceedings so directed would be illegal or subject it to personal liability.

(b) If the Indenture Trustee sells all or a portion of the Trust Property, following an Indenture Event of Default, the Trust Collateral Agent shall give Credit Acceptance at least ten (10) days' prior notice of such sale, and Credit Acceptance may, but is not required to, make a bid for the portion, or all, of the Trust Property being sold by the Indenture Trustee.

SECTION 5.5. Optional Preservation of the Trust Property.

If the Class A Notes have been declared to be due and payable under Section 5.2 following an Indenture Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee may, with the prior written consent of the Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, but need not unless directed in writing by the Controlling Party or, if both a Class A Insurer Default and Backup Insurer Default have occurred and are continuing, the Majority Noteholders, maintain possession of the Trust Property which is in its possession and elect to direct the Trust Collateral Agent to maintain possession of the Trust Property which is in the possession of the Trust Collateral Agent. It is the desire of the parties hereto and the Class A Noteholders that there be at all times sufficient funds for the payment of principal of and interest on the Class A Notes, and the Controlling Party, or the Majority Noteholders, as the case may be, shall take such desire into account when determining whether or not to direct the Indenture Trustee or the Trust Collateral Agent, as applicable, to maintain possession of the Trust Property. In determining whether to direct the Indenture Trustee or the Trust Collateral Agent, as applicable, to obtain possession of the Trust Property, the Controlling Party, or the Majority Noteholders, as the case may be, may, but need not maintain 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 Property for such purpose.

SECTION 5.6. [Reserved].

SECTION 5.7. Limitation of Suits.

Subject to Section 5.8 and Section 6.8, no Holder of any Class A 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 Indenture Trustee of a continuing Indenture Event of Default;

(ii) (A) the Indenture Event of Default arises from the Seller's or the Servicer's failure to remit payments under the Sale and Servicing Agreement when due or (B) the Majority Noteholders shall have made written request to the Indenture Trustee to institute such proceeding in respect of such Indenture Event of Default in its own name as Indenture Trustee hereunder;

(iii) such Holder or Holders have offered to the Indenture Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Indenture Trustee for 30 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 Indenture Trustee during such 30-day period; and

(vi) the Controlling Party has given its prior written consent.

it being understood and intended that no one or more Holders of Class A 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 and for the equal, ratable and common benefit of all Class A Noteholders.

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Class A Notes, each representing less than a majority of the Outstanding Amount of the Class A Notes, the Indenture 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 Class A Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Class A Note on or after the respective due dates thereof expressed in such Class A 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 Indenture Trustee, the Class A Insurer, the Backup Insurer or any Class A 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 Indenture Trustee, the Class A Insurer, the Backup Insurer or such Class A Noteholder, then and in every such case the Issuer, the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Class A 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 Indenture Trustee, the Class A Insurer, the Backup Insurer and the Class A Noteholders shall continue as though no such proceeding had been instituted.

SECTION 5.10. Rights and Remedies Cumulative.

Except as provided in Section 5.7, no right or remedy herein conferred upon or reserved to the Indenture Trustee, the Class A Insurer, the Backup Insurer or the Class A 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 Indenture Trustee, the Class A Insurer, the Backup Insurer or any Holder of any Class A Note to exercise any right or remedy accruing upon any Indenture Default or Indenture Event of Default shall impair any such right or remedy or constitute a waiver of any such Indenture Default or Indenture Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Indenture Trustee, the Class A Insurer, the Backup Insurer or to the Class A Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee, the Class A Insurer, the Backup Insurer or by the Class A Noteholders, as the case may be.

SECTION 5.12. Control by the Controlling Party.

Prior to the Class A Termination Date, the Controlling Party, so long as both a Class A Insurer Default and a Backup Insurer Default have not occurred and are not continuing, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee with respect to the Class A Notes or exercising any trust or power conferred on the Indenture Trustee;

provided, however, that, the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction; and subject to Section 6.1, the Indenture Trustee shall have the right to decline to follow any direction of the Controlling Party if the Indenture Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Indenture Trustee in good faith shall, by a Responsible Officer, determine that the proceedings so directed would be illegal or subject it to personal liability or be unduly prejudicial to the rights of Class A Noteholders not parties to such direction.

SECTION 5.13. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Class A 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 Indenture Trustee for any action taken, suffered or omitted by it as Indenture 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.

SECTION 5.14. 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 Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.15. Action on Class A Notes.

The Indenture 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 Indenture Trustee or the Class A Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Trust Property or upon any of the assets of the Issuer.

SECTION 5.16. Performance and Enforcement of Certain Obligations.

(a) Promptly following a request from the Indenture Trustee or the Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, to do so and at the Issuer's expense, the Issuer agrees to take all such lawful action as the Indenture Trustee or the Controlling Party, as the case may be, 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 Indenture Trustee, or prior to the Class A Termination Date, the Controlling Party, 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 an Indenture Event of Default has occurred, the Indenture Trustee may, with the prior written consent of the Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, but need not unless directed in writing by the Controlling Party or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Majority Noteholders, 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.

SECTION 5.17. Subrogation. Any and all proceeds of claims paid by the Class A Insurer or the Backup Insurer under the Class A Note Insurance Policy or the Backup Insurance Policy, as the case may be, and disbursed by the Indenture Trustee or the Trust Collateral Agent shall not be considered payment by the Issuer with respect to the Class A Notes,

and shall not discharge the obligations of the Issuer with respect thereto. The Class A Insurer or the Backup Insurer, as the case may be, shall, to the extent it makes any payment with respect to the Class A 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 Class A Notes by or on behalf of either the Class A Insurer or the Backup Insurer, each Class A Noteholder shall be deemed, without further action, to have directed the Indenture Trustee or the Trust Collateral Agent to assign to the Insurer which made such payment all rights to the payment of interest or principal with respect to the Class A Notes which are then due for payment to the extent of all payments made by such Insurer and such Insurer may exercise any option, vote, right, power or the like with respect to the Class A Notes to the extent that it has made payment pursuant to the Class A Note Insurance Policy or the Backup Insurance Policy, as the case may be. To evidence such subrogation, the Note Registrar shall note such Insurer's rights as subrogee upon the Class A Note Register upon receipt from such Insurer of proof of payment by the Insurer of any Class A Interest Distributable Amount or Class A Principal Distributable Amount.

ARTICLE VI

The Indenture Trustee

SECTION 6.1. Duties of Indenture Trustee.

(a) If an Indenture Event of Default has occurred and is continuing, the Indenture Trustee shall follow such instructions and directions as it may receive pursuant to Section 5.2 hereof 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 Indenture Event of Default:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the Basic Documents and no implied covenants or obligations shall be read into this Indenture or the Basic Documents against the Indenture Trustee; and

(ii) in the absence of bad faith, the Indenture 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 Indenture Trustee and conforming to the requirements of this Indenture and the Basic Documents; however, the Indenture Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture and the Basic Documents.

(c) The Indenture Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own bad faith or willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

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

(iii) the Indenture 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) Money held in trust by the Indenture Trustee need not be segregated from other funds except to the extent required by law or the terms of this Indenture.

(e) No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur liability (financial or otherwise) 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 satisfactory to it against such risk or liability is not reasonably assured to it.

(f) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section.

(g) Without limiting the generality of this Section, the Indenture Trustee shall have no duty (A) to see to any recording, filing or depositing of this Indenture or any agreement referred to herein or any financing statement or continuation 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 rerecording, refiling or redepositing of any thereof, (B) to see to any insurance on the Financed Vehicles or Obligors or to effect or maintain any such insurance, (C) 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, (D) to confirm or verify the contents of any reports or certificates delivered to the Indenture Trustee pursuant to this Indenture or the Sale and Servicing Agreement believed by the Indenture Trustee to be genuine and to have been signed or presented by the proper party or parties, or (E) to inspect the Financed Vehicles at any time or ascertain or inquire as to the performance or 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 original Certificates of Title of the Financed Vehicles under the Sale and Servicing Agreement.

(h) In no event shall JPMorgan Chase Bank, in any of its capacities hereunder, be deemed to have assumed any duties of the Owner Trustee under the Delaware Statutory Trust Act, common law, or the Trust Agreement.

(i) The Indenture Trustee shall, upon reasonable prior written notice to the Indenture Trustee by the Class A Insurer or the Backup Insurer, permit any representative of the Class A Insurer or the Backup Insurer, during the Indenture Trustee's normal business hours, at its offices, to examine all books of account, records, reports and other papers of the Indenture Trustee relating to the Class A Notes or the Collateral, to make copies and extracts therefrom and

to discuss the Indenture Trustee's affairs and actions, as such affairs and actions relate to the Indenture Trustee's duties with respect to the Class A Notes or the Collateral, with the Indenture Trustee's officers and employees responsible for carrying out the Indenture Trustee's duties with respect to the Collateral or the Class A Notes. Any expenses incurred in connection with such examination shall be payable by the Issuer to the Class A Insurer, the Backup Insurer or the Indenture Trustee, as applicable, in accordance with Section 5.08(a) of the Sale and Servicing Agreement.

(j) The Indenture Trustee shall, and agrees that it will hold any proceeds of any claim under the Class A Note Insurance Policy or Backup Insurance Policy in trust, solely for the use and benefit of the Class A Noteholders.

SECTION 6.2. Rights of Indenture Trustee.

Except as otherwise provided in Section 6.1:

(a) Before the Indenture Trustee acts or refrains from acting, it may require an Officer's Certificate and/or an Opinion of Counsel. The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.

(b) The Indenture 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 shall not be responsible for the misconduct or negligence of any agent, attorney, custodian or nominee appointed with due care.

(c) The Indenture 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 Indenture Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(d) The Indenture Trustee shall not be deemed to have knowledge of an Indenture Event of Default unless a Responsible Officer of the Indenture Trustee has actual knowledge or has received written notice of such Indenture Event of Default.

(e) The Indenture Trustee may consult with counsel, and the written advice or opinion of counsel with respect to legal matters relating to this Indenture and the Class A 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 written advice or opinion of such counsel.

(f) The Indenture Trustee shall be under no obligation to exercise any of the rights and powers vested in it by this Indenture or the other Basic Documents, or 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 Class A Notes, pursuant to the provisions of this Indenture, unless it shall have been offered security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby; provided, however, that the Indenture Trustee shall, upon the occurrence of an Indenture 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) Except during the continuance of an Indenture Event of Default, the Indenture 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 Majority Noteholders or the Controlling Party; provided, however, that if the payment within a reasonable time to the Indenture 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 Indenture Trustee, not reasonably assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture, the Indenture Trustee may require indemnity reasonably satisfactory to the Indenture Trustee against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the requesting Holders or the instructing party, as the case may be, or, if paid by the Indenture Trustee, shall be reimbursed by the requesting Holders or the instructing party, as the case may be, upon demand.

(h) In no event shall the Indenture Trustee be liable for any indirect, consequential, punitive or special damages, regardless of the form of action and whether or not any such damages were foreseeable or contemplated.

(i) Delivery of any reports, information and documents to the Indenture Trustee provided for herein is for informational purposes only (unless otherwise expressly stated herein) and the Indenture 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 Indenture Trustee is entitled to rely exclusively on Officers' Certificates).

(j) The Indenture Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(k) In the event the Indenture Trustee is also acting in the capacity of Paying Agent, transfer agent or Note Registrar, it shall be afforded all of the rights, protections, immunities and indemnities afforded to the Indenture Trustee hereunder in each of its capacities hereunder.

(l) In no event shall the Indenture Trustee be liable for any act or omission on the part of the Issuer, the Seller or the Servicer or any other Person. The Indenture Trustee shall not be responsible for monitoring or supervising the Issuer, the Seller or the Servicer.

SECTION 6.3. Individual Rights of Indenture Trustee.

The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Class A Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Indenture Trustee. Any Paying Agent, Note Registrar, co-registrar or

co-paying agent may do the same with like rights. However, the Indenture Trustee must comply with Section 6.15.

SECTION 6.4. Indenture Trustee's Disclaimer.

The Indenture Trustee shall not be responsible for and makes no representation as to the validity, sufficiency or adequacy of this Indenture, the Trust Property or the Class A Notes, shall not be accountable for the Issuer's use of the proceeds from the Class A Notes, and 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 Class A Notes or in the Class A Notes other than, the Indenture Trustee's certificate of authentication.

SECTION 6.5. Notice of Indenture Events of Default.

If an Indenture Event of Default occurs and is continuing and if written notice of the existence thereof has been delivered to a Responsible Officer of the Indenture Trustee or a Responsible Officer of the Indenture Trustee has actual knowledge thereof, the Indenture Trustee shall mail to the Class A Insurer, the Backup Insurer, the Rating Agencies and each Class A Noteholder notice of the Indenture Event of Default within five (5) Business Days after such knowledge or notice occurs.

SECTION 6.6. Reports by Indenture Trustee to Holders.

The Indenture Trustee shall on behalf of the Issuer deliver to each Class A Noteholder such information as may be reasonably required to enable such Holder to prepare its federal and state income tax returns. Such obligation shall be satisfied if the Indenture Trustee provides such Class A Noteholder a form 1099.

SECTION 6.7. Compensation.

(a) The Issuer shall pay to the Indenture Trustee from time to time compensation for its services as agreed in writing and in accordance with Section 5.08(a) of the Sale and Servicing Agreement. The Indenture Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Indenture Trustee for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services, except any such expense as may be attributable to its willful misconduct, negligence or bad faith. Such expenses shall include securities transaction charges relating to the investment of funds (net of investment earnings) on behalf of the Indenture Trustee or the Trust Collateral Agent on deposit in the Trust Accounts (except for the Certificate Distribution Account) and the reasonable compensation and reasonable expenses, disbursements and advances of the Indenture Trustee's counsel and of all persons not regularly in its employ; provided, however, that the securities transaction charges referred to above shall, in the case of certain Eligible Investments selected by the Servicer, be waived for a particular investment in the event that any amounts are received by the Trust Collateral Agent from a financial institution in connection with the purchase of such Eligible Investments. The Issuer agrees to indemnify the Indenture Trustee and Trust Collateral Agent as set forth in Section 6.05 of the Sale and Servicing Agreement. The Indenture Trustee agrees that its recourse to the Issuer, the Seller and the Trust Property shall be limited to the right to receive

distributions in accordance with Section 5.08(a) of the Sale and Servicing Agreement and Article V hereof and shall not be recourse to the assets of any Class A Noteholder.

(b) The Issuer's payment obligations to the Indenture Trustee pursuant to this Section shall survive the discharge of this Indenture and the earlier resignation or removal of the Indenture Trustee. When the Indenture Trustee incurs expenses after the occurrence of an Indenture Event of Default specified in Section 5.1(iv) or (v) 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 Indenture Trustee agrees that the obligations of the Issuer to the Indenture Trustee hereunder and under the Basic Documents shall not be recourse to the assets of any Class A Noteholder.

SECTION 6.8. Replacement of Indenture Trustee.

(a) The Indenture Trustee may resign at any time by so notifying the Issuer, the Class A Insurer and the Backup Insurer in writing at least sixty days prior and upon the appointment and assumption of its obligations by a successor Indenture Trustee which shall be acceptable to the Controlling Party if such succession occurs prior to the Class A Termination Date.

(b) The Issuer, prior to the Class A Termination Date with the prior written consent of the Controlling Party, may remove the Indenture Trustee by written notice if:

(i) the Indenture Trustee fails to comply with Section 6.17 hereof;

(ii) a court having jurisdiction in the premises in respect of the Indenture 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 Indenture Trustee or for any substantial part of the Indenture Trustee's property, or ordering the winding-up or liquidation of the Indenture 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 Indenture Trustee and such case is not dismissed within 60 days;

(iv) the Indenture 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 Indenture Trustee or for any substantial part of the Indenture 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;

(v) failure to comply with any material covenant hereunder; or

(vi) the Indenture Trustee otherwise becomes legally incapable of acting.

(c) The Controlling Party may remove the Indenture Trustee for any reason by 30 days' prior written notice.

(d) If the Indenture Trustee resigns or is removed or if a vacancy exists in the office of Indenture Trustee for any reason (the Indenture Trustee in such event being referred to herein as the retiring Indenture Trustee), prior to the Class A Termination Date the Controlling Party may appoint a successor Indenture Trustee and if it fails to, the Issuer shall promptly appoint a successor Indenture Trustee acceptable to the Controlling Party. After the Class A Termination Date, the Issuer may appoint a successor Indenture Trustee without the consent of the Controlling Party.

A successor Indenture Trustee shall deliver a written acceptance of its appointment to the retiring Indenture Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Indenture Trustee shall become effective, and the successor Indenture Trustee shall have all the rights, powers and duties of the retiring Indenture Trustee under this Indenture subject to satisfaction of the Rating Agency Condition. The successor Indenture Trustee shall mail a notice of its succession to Class A Noteholders, the Class A Insurer, the Backup Insurer and the Rating Agencies. The retiring Indenture Trustee shall promptly transfer all property held by it as Indenture Trustee to the successor Indenture Trustee.

If a successor Indenture Trustee that is, prior to the Class A Termination Date, acceptable to the Controlling Party does not take office within 60 days after the retiring Indenture Trustee resigns or is removed, the retiring Indenture Trustee or the Controlling Party may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee that meets the eligibility requirements set forth in Section 6.12 hereof.

If the Indenture Trustee fails to comply with Section 6.15, any Noteholder, prior to the Class A Termination Date with the prior written consent of the Controlling Party, may petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee acceptable to the Controlling Party.

Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Indenture Trustee acceptable to the Controlling Party pursuant to this Section 6.8 and payment of all fees and expenses owed to the outgoing Indenture Trustee by the Servicer and the Issuer.

Notwithstanding the replacement of the Indenture 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 Indenture Trustee.

SECTION 6.9. Successor Indenture Trustee by Merger.

If the Indenture 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, provided it meets the eligibility requirements of Section 6.12, without any further act shall be the successor Indenture Trustee. The Indenture Trustee shall provide the Rating Agencies, the Class A Insurer and the Backup Insurer written notice of any such transaction.

In case at the time such successor or successors by merger, conversion or consolidation to the Indenture 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 Indenture 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 Indenture Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Indenture 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 Indenture Trustee shall have.

SECTION 6.10. Appointment of Trust Collateral Agent.

The Issuer and the Indenture Trustee do hereby appoint JPMorgan Chase Bank to act as the initial trust collateral agent on behalf of the Indenture Trustee and JPMorgan Chase Bank hereby accepts such appointment.

SECTION 6.11. Appointment of Co-Indenture Trustee or Separate Indenture 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 Issuer and the Indenture Trustee acting jointly and at the expense of the Issuer, prior to the Class A Termination Date with the consent of the Controlling Party, 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 Class A Noteholders, the Class A Insurer and the Backup Insurer, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Issuer and the Indenture 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 6.12 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 Indenture Trustee shall be conferred or imposed upon and exercised or

performed by the Indenture 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 Indenture 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 Indenture 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 Indenture 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 Indenture 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 Indenture 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 Indenture 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 Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture 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 vest in and be exercised by the Indenture Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

SECTION 6.12. Eligibility.

The Indenture Trustee under this Indenture shall at all times be a corporation or banking association acceptable to the Controlling Party having an office in the same state as the location of the Corporate Trust Office as specified in this Indenture; organized and doing business under the laws of such state or the United States of America; authorized under such laws to exercise corporate trust powers; having a combined capital and surplus of at least $100,000,000; having long-term unsecured debt obligations which have at least the Required Long-Term Debt Rating and subject to supervision or examination by federal or state authorities. If such corporation shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined

capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section, the Indenture Trustee shall resign immediately.

SECTION 6.13. Trust Collateral Agent to Follow Indenture Trustee's Directions.

The Indenture Trustee 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 Indenture Trustee 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.

SECTION 6.14. Representations and Warranties of the Indenture Trustee.

The Indenture Trustee represents and warrants to the Issuer as follows:

(i) The Indenture Trustee is a banking corporation, duly organized and validly existing under the laws of New York and is authorized and licensed to conduct and engage in a banking and trust business under such laws.

(ii) The Indenture Trustee has full corporate power, authority, and legal right to execute, deliver, and perform this Indenture, and has taken all necessary action to authorize the execution, delivery, and performance by it of this Indenture and the other Basic Documents to which it is a party.

(iii) Each of this Indenture, and the other Basic Documents to which it is a party, has been duly executed and delivered by the Indenture Trustee.

(iv) Each of this Indenture, and the other Basic Documents to which it is a party, is a legal, valid and binding obligation of the Indenture Trustee enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

(v) The execution, delivery and performance of this Indenture, and each other Basic Document to which it is a party, by the Indenture Trustee will not constitute a violation, to the best of the Indenture Trustee's knowledge, with respect to any order or decree of any court or any order, regulation or demand of any federal, State, municipal or governmental agency binding on the Indenture Trustee, which violation might have consequences that would materially and adversely affect the performance of its duties under this Indenture.

(vi) The execution, delivery and performance of this Indenture, and each other Basic Document to which it is a party, by the Indenture Trustee do not require any approval or consent of any Person, do not conflict with the articles of incorporation or bylaws of the Indenture Trustee.

SECTION 6.15. Waiver of Setoffs. Each of the Indenture Trustee and the Trust Collateral Agent hereby expressly waives any and all rights of setoff that the Indenture Trustee or 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 and the Sale and Servicing Agreement or under Article V hereunder.

SECTION 6.16. Controlling Party. Subject to the terms of Section 11.21 hereof and the definition of "Controlling Party," and unless otherwise specifically set forth herein, the Indenture Trustee and the Trust Collateral Agent shall comply with notices and instructions given by the Issuer prior to the Class A Termination Date only if accompanied by the prior written consent of the Controlling Party, except that if any Indenture Event of Default shall have occurred and be continuing, the Indenture Trustee and 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. On or after the Class A Termination Date, any consent, control and voting rights of the Controlling Party hereunder shall terminate.

SECTION 6.17. Disqualification of the Indenture Trustee.

If the Indenture Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act of 1939, as amended, the Indenture Trustee shall either eliminate such interest or resign to the extent in the manner provided by and subject to the provisions of this Indenture.

SECTION 6.18. Authorization and Direction.

The Issuer hereby authorizes and directs the Indenture Trustee to execute the Basic Documents to which it is a party.

SECTION 6.19. Action under the Intercreditor Agreement.

Before taking or omitting to take any action under the Intercreditor Agreement, the Indenture Trustee may request and shall be entitled to receive direction from the Controlling Party with respect to any action required to be taken by it thereunder. The Indenture Trustee shall not be required to take any action or omit to take any action in the absence of such consent.

ARTICLE VII

Noteholders' Lists and Reports

SECTION 7.1. Issuer To Furnish To Indenture Trustee Names and Addresses of Noteholders.

The Issuer will furnish or cause to be furnished to the Indenture Trustee (a) not more than five days after each Record Date, a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, (b) at such other times as the Indenture 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 Indenture Trustee is the Note Registrar, no such list shall be required to be furnished.

SECTION 7.2. Preservation of Information; Communications to Noteholders.

The Indenture 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 Indenture Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided in such Section 7.1 upon receipt of a new list so furnished.

ARTICLE VIII

Accounts, Disbursements and Releases

SECTION 8.1. Collection of Money.

Except as otherwise expressly provided herein, the Indenture 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 the Sale and Servicing Agreement. The Indenture 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 Property, the Indenture Trustee may at the expense of the Issuer 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 an Indenture Default or Indenture Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

SECTION 8.2. Release of Trust Property.

Subject to the payment of its fees and expenses pursuant to Section 6.7, the Indenture Trustee may after the Class A Termination Date, and when required by the provisions of this Indenture shall, and shall cause the Trust Collateral Agent to 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 Indenture Trustee as provided in this Article VIII shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

SECTION 8.3. Opinion of Counsel.

The Indenture Trustee, the Class A Insurer and the Backup Insurer shall receive at least seven days' written notice when requested by the Issuer to take any action pursuant to Section 8.2, accompanied by copies of any instruments involved, and the Indenture Trustee and the

Controlling Party shall also require as a condition to such action, an Opinion of Counsel in form and substance satisfactory to the Indenture Trustee, and prior to the Class A Termination Date, to the Controlling Party, 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 Class A Notes or the rights of each of the Class A Noteholders, the Class A Insurer and the Backup 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 Property. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Indenture 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 Class A Notes but, prior to the Class A Termination Date, with the prior written consent of the Controlling Party, and with prior notice to the Rating Agencies by the Issuer, as evidenced to the Indenture Trustee, the Issuer and the Indenture 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 Indenture Trustee, and prior to the Class A Termination Date, the Controlling Party, for any of the purposes set forth in clauses (i)-(vi) below; provided, however, if any party to this Indenture is unable to sign any amendment due to its dissolution, winding up or comparable circumstances, then the consent of the Noteholders and Certificate holders representing at least 51% of the total current outstanding Class A Note Balance and at least 51% of the current total Certificate Interest, respectively and the consent of the Controlling Party shall be sufficient to amend this Agreement 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 Indenture 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 Class A Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Class A Notes, the Class A Insurer and the Backup Insurer, 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 add 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 Class A Notes; or

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor Indenture 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 Indenture Trustee, pursuant to the requirements of Article VI.

The Indenture 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 provided that such action shall not adversely affect the interests of the Holders of the Notes.

(b) The Issuer and the Indenture Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Class A Notes but, prior to the Class A Termination Date with the prior written consent of the Controlling Party, and with prior notice to the Rating Agency by the Issuer, as evidenced to the Indenture 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 Class A 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.

(c) Notwithstanding anything in this Indenture to the contrary, the Backup Insurer must consent to all amendments to this Indenture which have an adverse effect on the Backup Insurer.

SECTION 9.2. Supplemental Indentures with Consent of Noteholders.

The Issuer and the Indenture Trustee, when authorized by an Issuer Order, also may, with prior notice to the Rating Agencies and with the consent of the Controlling Party, or if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, with the consent of the Majority Noteholders, enter into an indenture or indentures supplemental hereto for the purpose of modifying in any manner the rights of the Holders of the Class A Notes under this Indenture; provided, however, if any party to this Indenture is unable to sign any amendment due to its dissolution, winding up or comparable circumstances, then the consent of the Class A Noteholders representing at least 51% of the total current outstanding Class A Note Balance or the consent of the Controlling Party shall be sufficient to amend this Agreement without such party's signature; provided further, however, that, no such supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby:

(i) change the time of payment of any installment of principal of or interest on any Class A 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 Property to payment of principal of or interest on the Class A Notes;

(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 Class A 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 Class A 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 Amount";

(v) reduce the percentage of the Outstanding Amount of the Class A Notes required to direct the Indenture Trustee to direct the Issuer to sell or liquidate the Trust Property 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 Holders of Class A Notes to the benefit of any provisions for the mandatory redemption of the Class A 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 Property 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 Issuer may determine whether or not any Class A Notes would be affected by any supplemental indenture and any such determination shall be conclusive upon the Holders of all Class A Notes, whether theretofore or thereafter authenticated and delivered hereunder. The Indenture Trustee shall not be liable for any such determination made in good faith.

Notwithstanding anything in this Indenture to the contrary, the Backup Insurer must consent to all amendments to this Indenture which have an adverse effect on the Backup Insurer.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture pursuant to this Section, the Indenture Trustee shall mail to the Class A Insurer, the Backup Insurer and the Holders of the Class A 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 Indenture 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 Class A Insurer, the Backup Insurer and the Indenture 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 Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture 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 Class A Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Indenture Trustee, the Issuer and the Holders of the Class A 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. Reference in Class A Notes to Supplemental Indentures.

Class A Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Indenture Trustee shall, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the Indenture Trustee shall so determine, new Class A Notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

ARTICLE X

Redemption of Notes

SECTION 10.1. Redemption.

(a) The Class A Notes are subject to redemption in whole, but not in part, at the direction of the Seller or the Servicer pursuant to Section 10.01(a) of the Sale and Servicing Agreement, on any Distribution Date on which the Servicer or the Seller exercises its option to redeem the Trust Property pursuant to Section 10.01(a) of the Sale and Servicing Agreement for a redemption price equal to the Redemption Price; provided, however, that the Indenture Trustee on behalf of the Issuer has received funds sufficient to pay the Redemption Price. The Issuer shall furnish the Class A Insurer, the Backup Insurer and the Rating Agencies notice of such redemption. If the Class A Notes are to be redeemed pursuant to this Section, the Issuer shall furnish notice of such election to the Class A Insurer, the Backup Insurer, the Trust Collateral Agent and the Indenture Trustee not later than 45 days prior to the Redemption Date and promptly upon giving such notice, the Issuer shall deposit or cause to be deposited with the Indenture Trustee in the Note Distribution Account the Redemption Price of the Class A Notes to be redeemed whereupon all such Class A Notes shall be due and payable on the Redemption Date, together with other amounts due and owing at such time under the Basic Documents, upon the furnishing of a notice complying with Section 10.2 to each Holder of Notes, the Class A Insurer and the Backup Insurer.

(b) [Reserved]

(c) If amounts are to be paid to Class A Noteholders pursuant to Section 10.01(a), the Issuer shall, to the extent practicable, furnish notice of such event to the Indenture Trustee, the Class A Insurer and the Backup Insurer 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.

Notice of redemption under Section 10.1(a) shall be given by the Indenture Trustee by facsimile or by first-class mail, postage prepaid, transmitted or mailed prior to the applicable Redemption Date to each Holder of the Class A 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 Class A Notes and the place where such Class A 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 2.7); and

(iv) that interest on the Class A Notes shall cease to accrue on the Redemption Date.

Notice of redemption of the Class A Notes shall be given by the Indenture 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 Class A Note shall not impair or affect the validity of the redemption of any other Note.

SECTION 10.3. Class A Notes Payable on Redemption Date.

The Class A 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.

(a) Upon any application or request by the Issuer or the Controlling Party to the Indenture Trustee or the Trust Collateral Agent to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee, or the Trust Collateral Agent, as the case may be, and to the Class A Insurer and the Backup Insurer, if such request is made by the Issuer, and if such request is made by the Controlling Party, to the Insurer not then acting as Controlling Party, 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.

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 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

(iii) a statement as to whether, in the opinion of each such signatory, such condition or covenant has been complied with.

(b) 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 Indenture Trustee, the Class A Insurer, the Backup Insurer and the Trust Collateral Agent an Officer's Certificate certifying or stating the opinion of each person signing such certificate (which may be based upon a

certification of the Seller or the Servicer) 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.

(c) Whenever the Issuer is required to furnish to the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Trust Collateral Agent an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (b) above, the Issuer shall also deliver to the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Trust Collateral Agent 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 (b) above and this clause (c), is 10% or more of the Outstanding Amount of the Class A 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.

(d) Other than with respect to the release of any Purchased Loans, 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, the Class A Insurer and the Backup 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.

(e) Whenever the Issuer is required to furnish to the Indenture Trustee, the Class A Insurer and the Backup Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (d) above, the Issuer shall also furnish to the Trust Collateral Agent, the Class A Insurer and the Backup 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 Loans, 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 (d) above and this clause (e), 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.

(f) Notwithstanding Section 2.9 or any other provision of this Section, the Issuer may, without delivering any Officer's Certificates or Independent Certificates (A) collect, liquidate, sell or otherwise dispose of Contracts as and to the extent required by the Basic Documents and (B) instruct the Trust Collateral Agent to 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 Indenture 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 Indenture 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 Indenture Trustee's right to conclusively 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 Class A Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Class A 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 Indenture 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 Class A 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 Indenture 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 Indenture Trustee.

(c) The ownership of Class A 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 Class A Notes shall bind the Holder of every Class A 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 Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Class A Note.

SECTION 11.4. Notices, etc. to Indenture Trustee, Class A Insurer, Backup Insurer, Issuer and Rating Agencies.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Class A Noteholders or other documents provided or permitted by this Indenture to be made upon, given or furnished to or filed with:

(a) The Indenture Trustee by any Class A Noteholder, the Class A Insurer, the Backup Insurer or by the Issuer shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier, mailed certified mail, return receipt requested or by telecopy to: JPMorgan Chase Bank, 4 New York Plaza, 6th Floor, New York, NY 10004, Attention: Institutional Trust Services/Structured Finance, Telephone: (212) 623-5600, Telecopy: (212) 623-5932 and shall be deemed to have been duly given upon receipt to the Indenture Trustee at its principal Corporate Trust Office, or

(b) The Issuer by the Indenture Trustee, the Class A Insurer, the Backup Insurer or by any Class A Noteholder shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier, mailed certified mail, return receipt requested or by telecopy to: Credit Acceptance Corporation, Silver Triangle Building, 25505 West Twelve Mile Road, Suite 3000, Southfield, Michigan 48034-8339, Attention: Wendy Rummler, Telephone: (248) 353-2700 (ext. 217), Telecopy: (866) 249-3138. The Issuer shall promptly transmit any notice received by it from the Class A Noteholders to the Indenture Trustee, the Class A Insurer and the Backup Insurer.

(c) Notices required to be given to the Class A Insurer by the Issuer, the Indenture Trustee or the Owner Trustee shall be in writing, personally delivered, delivered by overnight courier, mailed certified mail, return receipt requested to the following address: Radian Asset Assurance Inc., 335 Madison Avenue, New York, New York 10017, Attention: Chief Risk Officer and Chief Legal Officer; "Urgent Material Enclosed", and all reporting information required to be provided to the Class A Insurer shall also be sent by electronic mail to ABSRM@radian.biz.

(d) Notices required to be given to the Backup Insurer by the Issuer, the Indenture Trustee or the Owner Trustee shall be in writing, personally delivered, delivered by overnight courier, mailed certified mail, return receipt requested to the following address: XL Capital Assurance Inc., Surveillance, 1221 Avenue of the Americas, New York, New York 10020.

(e) Notices required to be given to the Rating Agencies by the Issuer, the Indenture Trustee or the Owner Trustee shall be in writing, personally delivered, delivered by

overnight courier, or mailed certified mail, return receipt requested to the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, NY 10007; Standard & Poor's Rating Services, 55 Water Street, New York, New York 10041.

or, in each case, to such other address as shall be designated by written notice from the applicable notice party to the other parties.

SECTION 11.5. Notices to Noteholders; Waiver.

Where this Indenture provides for notice to Class A 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 Class A 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 Class A Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Class A 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.

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 Indenture 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 Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agency, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute an Indenture Default or Indenture Event of Default.

SECTION 11.6. Alternate Payment and Notice Provisions.

Notwithstanding any provision of this Indenture or any of the Class A Notes to the contrary, the Issuer may enter into any agreement with any Holder of a Class A Note providing for a method of payment, or notice by the Indenture Trustee or any 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 Indenture Trustee (which consent shall not be unreasonably withheld). The Issuer will furnish to the Indenture Trustee, the Class A Insurer and the Backup Insurer a copy of each such agreement and the Indenture Trustee will cause payments to be made and notices to be given in accordance with such agreements.

SECTION 11.7. 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 11.8. Successors and Assigns.

All covenants and agreements in this Indenture and the Class A Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors.

SECTION 11.9. Separability.

In case any provision in this Indenture or in the Class A 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 11.10. Benefits of Indenture.

Nothing in this Indenture or in the Class A Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Class A Noteholders, and any other party secured hereunder, and any other person with an Ownership interest in any part of the Trust Property, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 11.11. 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 Class A 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 11.12. GOVERNING LAW.

THIS INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW BUT OTHERWISE 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 11.13. 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 11.14. 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 Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee) to the effect that such recording is necessary either for the protection of the Class A Noteholders or any other person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture.

SECTION 11.15. Trust Obligation.

No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Owner Trustee, the Trust Collateral Agent or the Indenture Trustee on the Class A Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against: (i) the Seller, the Indenture Trustee or 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 Issuer, the Seller, the Servicer, the Indenture Trustee or the Trust Collateral Agent or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer or of any successor or assign of the Seller, the Servicer, the Indenture Trustee or 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 Indenture Trustee or 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 11.16. No Petition.

The Indenture Trustee, by entering into this Indenture, and each Class A Noteholder, by accepting a Class A Note, hereby covenant and agree that they will not at any time institute against the Seller or the Issuer, or join in 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.

SECTION 11.17. Inspection.

The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Indenture Trustee, the Class A Insurer or the Backup 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 Indenture Trustee shall and shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law or in connection with litigation, and except to the extent that the Indenture

Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder and under the Basic Documents.

SECTION 11.18. Maximum Interest Payable.

The Issuer, the Indenture Trustee and the Holders of the Class A Notes specifically intend and agree to limit contractually the amount of interest payable under this Indenture, the Class A Notes and all other instruments and agreements related hereto and thereto to the maximum amount of interest lawfully permitted to be charged under applicable law. Therefore, none of the terms of this Indenture, the Class A Notes or any instrument pertaining to or relating to or executed in connection with this Indenture or the Class A Notes shall ever be construed to create a contract to pay interest (or amounts deemed to be interest under applicable law) at a rate in excess of the maximum rate permitted to be charged under applicable law, and neither the Issuer nor any other party liable or to become liable hereunder, under the Class A Notes or under any other instruments and agreements related hereto and thereto shall ever be liable for interest in excess of the amount determined at such maximum rate, and the provisions of this Section shall control over all other provisions of this Indenture, the Class A Notes or any other instrument pertaining to or relating to the transactions herein or therein contemplated. If any amount of interest taken or received by the Indenture Trustee or any Holder of a Class A Note shall be in excess of said maximum amount of interest which, under applicable law, could lawfully have been collected by the Indenture Trustee or such Holder incident to such transactions, then such excess shall be deemed to have been the result of a mathematical error by all parties hereto and shall be automatically applied to the reduction of the principal amount owing under the Class A Notes or if such excessive interest exceeds the unpaid principal balance of the Class A Notes, such excess shall be refunded promptly by the Person receiving such amount to the party paying such amount. All amounts paid or agreed to be paid in connection with such transactions which would under applicable law be deemed "interest" shall, to the extent permitted by such applicable law, be amortized, prorated, allocated and spread throughout the stated term of the Indenture. "Applicable law" as used in this paragraph means that law in effect from time to time which permits the charging and collection of the highest permissible lawful, nonusurious rate of interest on the transactions herein contemplated including laws of each State which may be held to be applicable and of the United States of America, and "maximum rate" as used in this paragraph means, with respect to each of the Class A Notes, the maximum lawful, nonusurious rates of interest (if any) which under applicable law may be charged to the Issuer from time to time with respect to such Class A Notes.

SECTION 11.19. No Legal Title in Holders.

No Holder of a Class A Note shall have legal title to any part of the Trust Property. No transfer, by operation of law or otherwise, of any Note or other right, title and interest of any Holder of a Class A Note in and to the Trust Property or hereunder shall operate to terminate this Indenture or the trusts hereunder or entitle any successor or transferee of such Holder to an accounting or to the transfer to it of legal title to any part of the Trust Property.

SECTION 11.20. Third Party Beneficiary.

The parties hereto acknowledge and agree that the Class A Insurer, the Backup Insurer and the Class A Noteholders are each an express third party beneficiary of this Indenture.

SECTION 11.21. Control Rights.

So long as any Class A Note is outstanding, the Controlling Party shall have the power to exercise the voting, consent and control rights granted to the Class A Noteholders, except as set forth in Sections 9.1 and 9.2 hereof; provided, however, that after the occurrence and during the continuance of a Class A Insurer Default, all voting, consent or control rights of the Class A Insurer shall be suspended and the Backup Insurer shall be the Controlling Party. Upon the cure of a Class A Insurer Default, such voting, consent and control rights shall be reinstated and the Backup Insurer shall no longer be the Controlling Party. If the Backup Insurer is the Controlling Party, after the occurrence and during the continuance of a Backup Insurer Default, any voting, consent or control rights granted to the Backup Insurer shall be suspended. Upon the cure of any such Backup Insurer Default, the Backup Insurer's voting, consent and control rights shall be reinstated.

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IN WITNESS WHEREOF, the Issuer and the Indenture 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.

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1

By: Wachovia Bank of Delaware, National Association, not in its individual capacity but solely as Owner Trustee,

By: _____
Name:
Title:

JPMORGAN CHASE BANK, not in its individual capacity but solely as Indenture Trustee,

By: _____
Name:
Title:

EXHIBIT A

FORM OF CLASS A NOTE

SEE ATTACHED PAGES FOR CERTAIN DEFINITIONS

UNLESS THIS CLASS A 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 CLASS A 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.

THIS CLASS A NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE APPLICABLE SECURITIES LAWS OF ANY STATE. ACCORDINGLY, TRANSFER OF THIS CLASS A NOTE IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THE INDENTURE. BY ITS ACCEPTANCE OF THIS CLASS A NOTE THE HOLDER OF THIS CLASS A NOTE IS DEEMED TO REPRESENT TO THE SELLER AND THE INDENTURE TRUSTEE THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS).

NO SALE, PLEDGE OR OTHER TRANSFER OF A CLASS A NOTE SHALL BE MADE UNLESS SUCH SALE, PLEDGE OR OTHER TRANSFER IS (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) FOR SO LONG AS THE CLASS A NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THE TRANSFEROR REASONABLY BELIEVES AFTER DUE INQUIRY IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (C) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND IN EACH OF THE FOREGOING CASES, IS MADE IN ACCORDANCE WITH SAID ACT AND THE APPLICABLE STATE SECURITIES AND BLUE SKY LAWS. THE INDENTURE TRUSTEE MAY REQUIRE AN OPINION OF COUNSEL TO BE DELIVERED TO IT IN CONNECTION WITH ANY TRANSFER OF THE NOTES PURSUANT TO CLAUSES (A) OR (C) ABOVE. ALL OPINIONS OF COUNSEL

REQUIRED IN CONNECTION WITH ANY TRANSFER SHALL BE BY COUNSEL REASONABLY ACCEPTABLE TO THE INDENTURE TRUSTEE.

EACH TRANSFEREE OF THIS CLASS A NOTE IS DEEMED TO REPRESENT AND WARRANT THAT, WITH RESPECT TO THE SOURCE OF FUNDS TO BE USED BY SUCH TRANSFEREE TO ACQUIRE THIS CLASS A NOTE (THE "SOURCE") EITHER (A) SUCH SOURCE IS NOT AN "EMPLOYEE BENEFIT PLAN" (WITHIN THE MEANING OF SECTION 3(3) OF ERISA), A "PLAN" (WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE CODE) OR A PLAN THAT IS SUBJECT TO ANY SUBSTANTIALLY SIMILAR PROVISION OF ANY FEDERAL, STATE OR LOCAL LAW, OR A PERSON USING ASSETS OF ANY SUCH PLAN, OR (B) THE ACQUISITION AND HOLDING OF THIS CLASS A NOTE BY SUCH SOURCE WILL NOT CONSTITUTE OR RESULT IN A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA, SECTION 4975 OF THE CODE OR ANY SUBSTANTIALLY SIMILAR PROVISION OF ANY FEDERAL, STATE OR LOCAL LAW.

REGISTERED

CUSIP 22530MAB0

No. A-1

THE PRINCIPAL OF THIS CLASS A NOTE IS PAYABLE IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CLASS A NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1

2.53% CLASS A ASSET BACKED NOTES

Credit Acceptance Auto Dealer Loan Trust 2004-1, a statutory 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 ONE HUNDRED MILLION DOLLARS ($100,000,000) payable on each Distribution 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 Notes pursuant to Section 3.1 of the Indenture and Section 5.09 of the Sale and Servicing Agreement until the Class A Note Balance is reduced to zero; provided, however, that the entire unpaid principal amount of this Class A Note shall be due and payable on August 17, 2009 (the "Stated Final Maturity"). The Issuer will pay interest on this Class A Note at the rate per annum shown above (the "Class A Note Rate"), which shall be due and payable on each Distribution Date until the principal of this Class A Note is paid, on the principal amount of this Class A Note outstanding on the last day of the immediately preceding Collection Period. Interest on this Class A Note will accrue for each Distribution Date from the preceding Distribution Date to (or, in the case of the initial Distribution Date, from the Closing Date) but excluding the current Distribution Date. Interest will be computed on the basis of a 360-day year and twelve thirty day months.

This Class A Note is one of a duly authorized issue of notes of the Issuer, designated as its 2.53% Class A Asset Backed Notes (the "Class A Notes"), issued under an Indenture dated as of August 25, 2004 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and JPMorgan Chase Bank, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture 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 Indenture Trustee and the Holders of the Class A Notes. The Class A Notes are subject to all terms of the Indenture and the Sale and Servicing Agreement. All terms used in this Class A 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 Notes are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture.

On each Distribution Date, Holders of the Class A Notes will be entitled to the Class A Interest Distributable Amount and its Class A Principal Distributable Amount in accordance with the terms of the Indenture. "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 September 15, 2004.

The Class A Notes are entitled to the benefits of the Class A Note Insurance Policy issued by Radian Asset Assurance Inc. (the "Class A Insurer") and the Backup Insurance Policy issued by XL Capital Assurance Inc. (the "Backup Insurer"). The Class A Insurer is obligated to pay in accordance with the terms of the Class A Note Insurance Policy and the Backup Insurer is obligated to pay in accordance with the terms of the Backup Insurance Policy as described in the "Statements of Insurance" attached hereto.

As described above, the entire unpaid principal amount of this Class A Note shall be due and payable on the earlier of the Stated Final Maturity and the Redemption Date, if any, pursuant to Section 10.1(a) of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Class A Notes shall be due and payable if an Indenture Event of Default shall have occurred and be continuing, and the Class A Notes have been accelerated subject to the terms of the Indenture.

All principal payments on the Class A Notes shall be made pro rata to the Class A Noteholders entitled thereto.

Upon written notice from the Issuer, the Indenture Trustee shall notify the Person in whose name a Class A Note is registered at the close of business on the Record Date preceding the Distribution Date on which the Issuer expects that the final installment of principal of and interest on such Class A Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Distribution Date and shall specify that such final installment will be payable only upon presentation and surrender of such Class A Note and shall specify the place where such Class A Note may be presented and surrendered for payment of such installment. Notices in connection with purchases of Class A Notes shall be mailed to Class A Noteholders as provided in the Indenture.

Distributions required to be made to Class A Noteholders on any Distribution Date shall be made to each Class A 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 Class A Noteholder shall have provided to the Note Registrar appropriate written instructions at least ten (10) Business Days prior to such Distribution Date and such Holder's Notes in the aggregate evidence a denomination of not less than $100,000 and integral multiples of $1,000 or (ii) such Class A Noteholder is the Seller, or an Affiliate thereof, or, if not, by check mailed to such Class A Noteholder at the address of such holder appearing in the Note Register.

The Issuer shall pay interest on overdue installments of interest on the Class A Notes at the Class A Note Rate to the extent lawful.

As provided in the Indenture, the Class A Notes may be redeemed pursuant to Section 10.1(a) of the Indenture, in whole, but not in part, at the option of the Servicer or the Seller, on any Distribution Date on or after the date on which the Class A Note Balance is less than or equal to 15% of the initial Class A Note Balance.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Class A Note may be registered on the Note Register upon surrender of this Class A Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee and the Note Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and (ii) accompanied by such other documents as the Indenture Trustee may require, and thereupon one or more new Class A 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 Class A Note, but the Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such transfer or exchange of the Class A Notes.

Each Noteholder, by acceptance of a Class A Note covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Servicer, the Owner Trustee, the Indenture Trustee or the Trust Collateral Agent under the Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Seller, the Servicer, the Indenture Trustee or the Trust Collateral Agent or the Owner Trustee, (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 Indenture Trustee or 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 or the Indenture Trustee or the Trust Collateral Agent or of any successor or assign of the Seller, the Servicer, the Indenture Trustee, the Owner Trustee in its individual capacity, or the Trust Collateral Agent except as any such Person may have expressly agreed (it being understood that the Indenture Trustee or 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.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Class A Noteholder will not at any time institute against the Seller or the Issuer or join in 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 Class A Notes, the Indenture or the Basic Documents. In addition, each Class A Noteholder, by acceptance of a Class A Note, agrees to treat the Class A Notes as indebtedness of the Issuer.

Prior to the due presentment for registration of transfer of this Class A Note, the Issuer, the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Note Registrar and any agent of the Issuer, the Indenture Trustee, the Class A Insurer, the Backup Insurer and the

Note Registrar may treat the Person in whose name this Class A 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 Class A Note be overdue, and neither the Issuer, the Indenture Trustee, the Note Registrar, the Class A Insurer, the Backup Insurer nor any such agent shall be bound by notice to the contrary.

The term "Issuer" as used in this Class A 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 Indenture Trustee, the Class A Insurer, the Backup Insurer and the Holders of Class A Notes under the Indenture.

The Class A Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Class A 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 Class A 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 Class A 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 Wachovia Bank of Delaware, 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 Class A 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 Class A Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Indenture Event of Default, 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 Class A Note.

The principal of and interest on this Class A 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 Class A Note shall be applied first to interest due and payable on this Class A Note as provided above and then to the unpaid principal of this Class A Note.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Class A 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.

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1

By: WACHOVIA BANK OF DELAWARE, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee under the Trust Agreement

By: _____
Name:
Title:

Dated: _____

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Class A Notes designated above and referred to in the within-mentioned Indenture.

Date:

JPMORGAN CHASE BANK, not in its individual capacity but solely as Indenture Trustee,

by: _____
Authorized Signatory

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 Class A Note and all rights thereunder, and hereby irrevocably constitutes and appoints, attorney, to transfer said Class A Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____(1)

- ------------------

(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 Class A Note in every particular, without alteration, enlargement or any change whatsoever.

STATEMENT OF INSURANCE

[Class A Note Insurance Policy]

STATEMENT OF INSURANCE

[Backup Insurance Policy]

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SCHEDULE A
to Indenture

PERFECTION REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to the representations, warranties and covenants contained in the Indenture, the Issuer hereby represents, warrants, and covenants to the Trust, the Trust Collateral Agent and the Indenture Trustee as follows on the Closing Date and on each Distribution Date on which the Trust purchases Dealer Loans, in each case only with respect to the Collateral pledged to the Indenture Trustee on the Closing Date or the relevant Distribution Date:

GENERAL

1. The Indenture creates a valid and continuing security interest (as defined in UCC Section 9-102) in the Collateral in favor of the Indenture Trustee, which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from and assignees of the Trust.

2. Each Contract constitutes "tangible chattel paper" or a "payment intangible", within the meaning of UCC Section 9-102. Each Dealer Loan constitutes a "payment intangible" or a "general intangible" within the meaning of UCC Section 9-102.

3. Each Dealer Agreement constitutes either a "general intangible" or "tangible chattel paper" within the meaning of UCC Section 9-102.

4. The Trust has taken or will take all steps necessary actions with respect to the Dealer Loans to perfect its security interest in the Dealer Loans and in the property securing the Dealer Loans.

CREATION

1. The Trust owns and has good and marketable title to the Collateral, free and clear of any Lien, claim or encumbrance of any Person, excepting only liens for taxes, assessments or similar governmental charges or levies incurred in the ordinary course of business that are not yet due and payable or as to which any applicable grace period shall not have expired, or that are being contested in good faith by proper proceedings and for which adequate reserves have been established, but only so long as foreclosure with respect to such a lien is not imminent and the use and value of the property to which the Lien attaches is not impaired during the pendency of such proceeding.

PERFECTION

1. The Trust has caused or will have caused, within ten days after the effective date of the Indenture, 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 Collateral granted to the Indenture Trustee under the Indenture.

2. With respect to Collateral that constitutes tangible chattel paper, such tangible chattel paper is in the possession of the Servicer, in its capacity as custodian for the Trust and the Trust Collateral Agent, and the Trust Collateral Agent has received a written acknowledgment from the Servicer, in its capacity as custodian, that it is holding such tangible chattel paper solely on its behalf and for the benefit of the Trust Collateral Agent, the Seller, the Trust and the relevant Dealer(s). All financing statements filed or to be filed against the Trust in favor of the Indenture Trustee in connection with this Indenture 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 the Secured Party."

PRIORITY

1. Other than the security interest granted to the Indenture Trustee pursuant to this Indenture, the Trust has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Property. None of the Originator, the Servicer nor the Seller has authorized the filing of, or is aware of any financing statements against either the Seller, the Originator or the Trust that includes a description of the Collateral and proceeds related thereto other than any financing statement: (i) relating to the sale of the Originator Property by the Originator to the Seller under the Contribution Agreement; (ii) relating to the security interest granted to the Trust under the Sale and Servicing Agreement; (iii) relating to the security interest granted to the Indenture Trustee under the Indenture; or (iv) that has been terminated or amended to reflect a release of the Collateral.

2. Neither the Seller, the Originator nor the Trust is aware of any judgment, ERISA or tax lien filings against either the Seller, the Originator or the Trust.

3. None of the tangible chattel paper that constitutes or evidences the Contracts or the Dealer Agreements has any marks or notations indicating that it has been pledged, assigned or otherwise conveyed to any Person other than the Originator, the Servicer, the Seller, the Trust, a collection agent or the Indenture Trustee.

SURVIVAL OF PERFECTION REPRESENTATIONS

1. Notwithstanding any other provision of the Agreement, the Contribution Agreement, the Indenture or any other Basic Document, the Perfection Representations, Warranties and Covenants contained in this Schedule shall be continuing, and remain in full force and effect (notwithstanding any replacement of the Servicer or termination of Servicer's rights to act as such) until such time as all obligations under the Sale and Servicing Agreement, Contribution Agreement and the Indenture have been finally and fully paid and performed.

NO WAIVER

1. The parties hereto: (i) shall not, without obtaining a confirmation of the then-current ratings of the Class A Notes (without giving effect to the Class A Note Insurance Policy or the Backup Insurance Policy), waive any of the Perfection Representations, Warranties or Covenants; (ii) shall provide the Rating Agencies with prompt written notice of any breach of the Perfection Representations, Warranties or Covenants, and shall not, without obtaining a confirmation of the then-current rating of the Class A Notes (without giving effect to the Class A

Note Insurance Policy or the Backup Insurance Policy) as determined after any adjustment or withdrawal of the ratings following notice of such breach, waive a breach of any of the Perfection Representations, Warranties or Covenants.

EXHIBIT 4(f)58

EXECUTION COPY

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1
CLASS A ASSET BACKED NOTES

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1,
as the Issuer

CREDIT ACCEPTANCE FUNDING LLC 2004-1,
as the Seller

CREDIT ACCEPTANCE CORPORATION,
as the Servicer and in its individual capacity

JPMORGAN CHASE BANK,
as the Trust Collateral Agent/Indenture Trustee

SYSTEMS & SERVICES TECHNOLOGIES, INC.,
as the Backup Servicer

SALE AND SERVICING AGREEMENT

Dated as of August 25, 2004

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SCHEDULES

This Sale and Servicing Agreement, dated as of August 25, 2004, among CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1 (the "Issuer" or the "Trust"), CREDIT ACCEPTANCE FUNDING LLC 2004-1, a Delaware limited liability company, as Seller (the "Seller"), CREDIT ACCEPTANCE CORPORATION, a Michigan corporation, in its individual capacity ("Credit Acceptance") and as Servicer (the "Servicer"), JPMORGAN CHASE BANK, a New York banking corporation, in its capacity as Trust Collateral Agent and Indenture Trustee (the "Trust Collateral Agent" and the "Indenture Trustee"), and SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation, as Backup Servicer (the "Backup Servicer").

WITNESSETH THAT: In consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings. Terms used herein but not defined herein shall have the meaning given such terms in the Indenture.

"Adjusted Collateral Amount" means, on any Distribution Date, during the Revolving Period, an amount equal to the sum of: (i) the Collateral Amount; and (ii) the amount on deposit in the Principal Collection Account.

"Advance Rate" means, on any Distribution Date, the ratio, expressed as a percentage, where the numerator is equal to the Class A Note Balance and the denominator is equal to the Collateral Amount.

"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 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.

"Agreement" means this Sale and Servicing Agreement, as the same may be amended or supplemented from time to time.

"Aggregate Outstanding Eligible Loan Balance" means, on any date of determination, the sum of the Outstanding Balances of all Eligible Loans on such day.

"Aggregate Outstanding Net Eligible Loan Balance" means, on any date of determination, the Aggregate Outstanding Eligible Loan Balance less the related Loan Loss Reserves at the end of the most recent Collection Period.

"Amortization Period" means the period of time beginning on the earlier of (i) the close of business on the February 2005 Distribution Date, and (ii) the automatic occurrence or declaration of an Early Amortization Event pursuant to Section 2.02 hereof.

"Amortization Period Additional Contract Collateral Amount" has the meaning assigned to such term in Section 3.02(d)(i) hereof.

"Amortization Period Additional Loan Collateral Amount" has the meaning assigned to such term in Section 3.02(d)(i) hereof.

"Amortization Period Payment Obligations" has the meaning assigned to such term in Section 3.02(d)(ii) hereof.

"Applicable Law" means, for any Person, all existing and future applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority, and applicable judgments, decrees, injunctions, writs, orders, or line action of any Court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

"Automatic Amortization Event" has the meaning assigned to such term in Section 2.02(b) hereof.

"Available Funds" means, with respect to any Distribution Date: (i) all Collections (other than Dealer Collections and Repossession Expenses) received by the Servicer, the Seller or the Originator during the related Collection Period, (ii) all Purchase Amounts paid by the Seller, the Servicer or the Originator and any amounts paid by the Originator in respect of the Limited Repurchase Option during the related Collection Period, (iii) all investment earnings and interest on amounts on deposit in the Reserve Account, the Principal Collection Account and the Collection Account during the related Collection Period, (iv) any amounts remaining in the Principal Collection Account after the conclusion of the Revolving Period, and (v) on any Distribution Date, any amounts on deposit in the Reserve Account in excess of the Reserve Account Requirement, after giving effect to all deposits to and withdrawals from the Reserve Account on such Distribution Date.

"Backup Insurance Policy" means the note guaranty insurance policy issued by the Backup Insurer to the Trust Collateral Agent for the benefit of the Class A Noteholders with respect to the Class A Notes.

"Backup Insurer" means XL Capital Assurance Inc., a New York corporation.

"Backup Insurer Default" means: (i) failure by the Backup Insurer to make a payment required under the Backup Insurance Policy in accordance with its terms; (ii) the occurrence of an involuntary insolvency event with respect to the Backup Insurer which remains

unstayed for 60 consecutive days; (iii) consent by the Backup Insurer to the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, readjustment of debt, marshaling of assets and liabilities, rehabilitation or similar proceedings of or relating to the Backup Insurer or of or relating to all or substantially all of its property; or (iv) the Backup Insurer admits in writing its inability to pay its debts generally as they become due, files a petition to take advantage of or otherwise voluntarily commences a case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar statute, makes an assignment for the benefit of its creditors, or voluntarily suspends payments of its obligations.

"Backup Insurer Preference Amount" has the meaning set forth in Section 5.07(c)(i) hereof.

"Backup Insurer Premium" has the meaning given such term in the Insurance Agreement.

"Backup Insurer Premium Letter" means the premium letter, dated the date hereof, among the Backup Insurer, the Servicer, the Issuer and the Trust Collateral Agent.

"Backup Insurer Reimbursement Obligations" means any overdue Backup Insurer Premium amounts payable pursuant to the Insurance Agreement, and any payments made on the Backup Insurance Policy, and any other amounts owing to the Backup Insurer under the Insurance Agreement, the Backup Insurer Premium Letter or any other Basic Document, in each case, together with interest thereon at the Prime Rate (as defined in the Insurance Agreement) plus 2.0%.

"Backup Servicer" means SST.

"Backup Servicing Agreement" means the Backup Servicing Agreement dated as of the date hereof, among the Backup Servicer, the Class A Insurer, the Backup Insurer, Credit Acceptance, the Seller, the Issuer and the Trust Collateral Agent.

"Backup Servicing Fee" means, as to each Distribution Date, $4,000; provided, however, that if the Backup Servicer becomes the successor Servicer, such fee shall no longer be paid.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. Section 101, et seq.), as amended from time to time.

"Basic Documents" means this Agreement, the Certificate of Trust (as defined in the Trust Agreement), the Trust Agreement, the Backup Servicing Agreement, the Indenture, the Contribution Agreement, the Insurance Agreement, the Initial Purchaser Agreement, the Intercreditor Agreement, the Class A Insurer Premium Letter, the Backup Insurer Premium Letter, the Class A Notes and all other documents and certificates delivered in connection therewith.

"Benefit Plan" has the meaning given such term in the Trust Agreement.

"Business Day" means any day other than a Saturday or a Sunday on which banking institutions are not required or authorized to be closed in New York, New York or Detroit, Michigan (or, if the Backup Servicer has become the successor Servicer, Missouri or Indiana).

"Capped Backup Servicer and Trustee Fees and Expenses" means, with respect to any Distribution Date, in respect of fees, indemnification amounts and expenses due to the Backup Servicer in its capacity as Backup Servicer, the Owner Trustee, the Indenture Trustee and the Trust Collateral Agent: (i) prior to the occurrence of an Indenture Event of Default, an amount not to exceed $15,000 for any Distribution Date, in the aggregate; and (ii) after the occurrence of an Indenture Event of Default, but prior to the acceleration of the Class A Notes, (A) to the Backup Servicer, the Indenture Trustee and the Trust Collateral Agent, an amount not to exceed $20,850 for any Distribution Date, in the aggregate; and (B) to the Owner Trustee, an amount not to exceed $5,000 for any Distribution Date.

"Capped Servicing Fee" means, with respect to the Servicing Fee payable to the Backup Servicer if it has become Servicer and any Distribution Date, an amount equal to the product of 10.00% and Collections for the related Collection Period.

"Certificate" has the meaning given such term in the Trust Agreement.

"Certificate Distribution Account" has the meaning assigned to such term in Section 5.01(a)(iii) hereof.

"Certificateholder" has the meaning given such term in the Trust Agreement.

"Certificate Interest" means the allocable percentage interest of a Certificate held by a Certificateholder.

"Certificate of Title" means, with respect to any Financed Vehicle, the certificate of title or other documentary evidence of ownership of such Financed Vehicle as issued by the department, agency or official of the jurisdiction (whether in paper or electronic form) in which such Financed Vehicle is titled, responsible for accepting applications for, and maintaining records regarding, certificates of title and liens thereon.

"Certificate Register" and "Certificate Registrar" means the register mentioned and the registrar appointed pursuant to Section 3.4 of the Trust Agreement.

"Class A Insurer" means Radian Asset Assurance Inc., a New York stock insurance company.

"Class A Insurer Default" means: (i) failure by the Class A Insurer to make a payment required under the Class A Note Insurance Policy in accordance with its terms; (ii) the occurrence of an involuntary insolvency event with respect to the Class A Insurer which remains unstayed for 60 consecutive days; (iii) consent by the Class A Insurer to the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, readjustment of debt, marshaling of assets and liabilities, rehabilitation or similar proceedings of or relating to the Class A Insurer or of or relating to all or substantially all of its property; (iv) the Backup Insurer

makes a payment under the Backup Insurance Policy in accordance with its terms; or (v) the Class A Insurer admits in writing its inability to pay its debts generally as they become due, files a petition to take advantage of or otherwise voluntarily commences a case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar statute, makes an assignment for the benefit of its creditors, or voluntarily suspends payments of its obligations.

"Class A Insurer Interest Shortfall Payment" has the meaning set forth in Section 5.06(a)(iii) hereof.

"Class A Insurer Preference Payment" has the meaning set forth in Section 5.06(c)(i) hereof.

"Class A Insurer Premium" has the meaning given such term in the Insurance Agreement.

"Class A Insurer Premium Letter" means the premium letter, dated the date hereof, among the Class A Insurer, the Servicer, the Issuer and the Trust Collateral Agent.

"Class A Insurer Premium Supplement" has the meaning set forth in the Class A Insurer Premium Letter.

"Class A Insurer Principal Payment" has the meaning set forth in Section 5.06(a)(iii) hereof.

"Class A Insurer Reimbursement Obligations" means any overdue Class A Insurer Premium and Class A Insurer Premium Supplement amounts payable pursuant to the Insurance Agreement, and any payments made on the Class A Note Insurance Policy, and any other amounts owing to the Class A Insurer under the Insurance Agreement, the Class A Insurer Premium Letter or any other Basic Document, in each case, together with interest thereon at the Prime Rate (as defined in the Insurance Agreement) plus 2.0%.

"Class A Interest Carryover Shortfall" means, as of the close of business on any Distribution Date, the excess of the Class A Interest Distributable Amount for such Distribution Date plus any outstanding Class A Interest Carryover Shortfall from the preceding Distribution Date plus interest on such outstanding Class A Interest Carryover Shortfall, to the extent permitted by law, at the Class A Note Rate from and including such preceding Distribution Date to but excluding the current Distribution Date, over the amount in respect of interest on the Class A Notes that was actually deposited in the Class A Note Distribution Account on such current Distribution Date.

"Class A Interest Distributable Amount" means, with respect to any Distribution Date, interest accrued from and including the preceding Distribution Date (or, in the case of the first Distribution Date, from the Closing Date) to, but excluding, the current Distribution Date, at the Class A Note Rate on the Class A Note Balance immediately prior to such Distribution Date.

"Class A Note Balance" equals, initially, $100,000,000 and thereafter equals the initial Class A Note Balance reduced by all amounts allocable to principal previously distributed to Class A Noteholders.

"Class A Note Distribution Account" means the Class A Note Distribution Account established and maintained pursuant to Section 5.01(a)(ii) hereof.

"Class A Note Insurance Policy" means the note guaranty insurance policy issued by the Class A Insurer to the Trust Collateral Agent for the benefit of the Class A Noteholders and the Backup Insurer with respect to the Class A Notes.

"Class A Principal Distributable Amount" means, for any Distribution Date (A) during the Revolving Period, $0; and (B) during the Amortization Period, an amount equal to the lesser of: (i) Available Funds remaining after payment of the amounts set forth in clauses (i) through (vi) of Section 5.08(a) hereto; and (ii) the Class A Note Balance; provided, however, on the Stated Final Maturity, the Class A Principal Distributable Amount will equal the Class A Note Balance.

"Closing Date" means August 25, 2004.

"Collateral Amount" means, on any Distribution Date, an amount equal to the Aggregate Outstanding Net Eligible Loan Balance (less the aggregate of the Overconcentration Loan Amounts and the aggregate of the Dealer Loan Excess Advance Amounts, if any), after giving effect to all purchases of Dealer Loans on such date. Solely for purposes of calculating the "Collateral Amount", the determination of whether a Dealer Loan is an "Eligible Loan" shall be made as if such Dealer Loan were transferred on the date of such calculation.

"Collection Account" means the account designated as such, established and maintained pursuant to Section 5.01(a)(i) hereof.

"Collection Guidelines" means, with respect to Credit Acceptance, the policies and procedures of the Servicer in effect on the Closing Date relating to the collection of amounts due on the Contracts and the Dealer Loans and as amended from time to time in accordance with the Basic Documents, and with respect to the Backup Servicer, as successor Servicer, the servicing policies and procedures set forth in the Backup Servicing Agreement.

"Collection Period" means, with respect to each Distribution Date, the preceding calendar month. Any amount stated "as of the close of business on the last day of a Collection Period" shall give effect to all collections, charge-offs, reserve adjustments and other account activity during such Collection Period.

"Collections" means, with respect to any Collection Period, all payments (including Income Collections, Principal Collections, Dealer Collections, Recoveries, credit-related insurance proceeds and proceeds of the Related Security and, so long as Credit Acceptance is the Servicer, excluding certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements) received by the Servicer, the Originator, the Issuer or the Seller on or after the Cut-off Date in respect of the Dealer Loans and Contracts in the form of cash, checks, wire transfers or other form of payment in accordance with the Dealer Loans, the Dealer Agreements and the Contracts.

"Comerica Credit Agreement" means that certain Third Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 9, 2004, with Comerica

Bank, as administrative agent and collateral agent, and Banc of America Securities, LLC, as sole lead arranger and sole book manager.

"Computer Tape" means a computer tape or diskette (or other means of electronic transmission acceptable to the Backup Servicer and the Controlling Party) in a readable format acceptable to the Backup Servicer and the Controlling Party.

"Continued Errors" has the meaning set forth in Section 4.09(b)(iv) hereof.

"Contract" means any retail installment sales contract, in substantially one of the forms attached hereto as Exhibit F, relating to the sale of a new or used automobile, light-duty truck, minivan or sport utility vehicle originated by a Dealer and in which Credit Acceptance shall have been granted a security interest and shall have acquired certain other ownership rights under the related Dealer Agreement to secure the related Dealer's obligation to repay one or more related Dealer Loans.

"Contract Buy-Back Rate" means on any date of determination, a fraction, expressed as a percentage, the numerator of which is the Class A Note Balance as of the last day of the preceding Collection Period and the denominator of which is the Outstanding Balance of all Eligible Contracts as of the last day of the preceding Collection Period.

"Contract File" means with respect to each Contract, the physical and/or electronic files in which Credit Acceptance maintains the fully executed original counterpart (for UCC purposes) of the Contract (to the extent required in accordance with Section 3.03 of this Agreement), either a standard assurance in the form commonly used in the industry relating to the provision of a certificate of title or other evidence of lien, the original instruments modifying the terms and conditions of such Contract and the original endorsements or assignments of such Contract.

"Contribution Agreement" means the Contribution Agreement dated as of even date herewith, relating to the contribution by Credit Acceptance to the Seller of the Contributed Property, as defined therein.

"Corporate Trust Office" has the meaning given such term in the Trust Agreement.

"Credit Acceptance" means Credit Acceptance Corporation, a Michigan corporation.

"Credit Guidelines" means the policies and procedures of Credit Acceptance, relating to the extension of credit to automobile, light-duty truck, minivan and/or sport utility dealers in respect of retail installment contracts for the sale of automobiles, light-duty trucks, minivans and/or sport utility vehicles including, without limitation, the policies and procedures for determining the creditworthiness of Dealers and relating to the extension of credit to such Dealers and the maintenance of installment sale contracts, as in effect on the Cut-off Date and as amended from time to time in accordance with the Basic Documents, attached hereto as Exhibit H.

"Cut-off Date" means, (i) with respect to Dealer Loans and related collateral to be transferred to the Issuer on the Closing Date, the close of business on June 30, 2004, and (ii) with respect to Dealer Loans and related collateral purchased by the Issuer on each Distribution Date during the Revolving Period, the close of business on the last day of the immediately preceding Collection Period.

"Dealer" means any new or used automobile, light-duty truck, minivan and/or sport utility vehicle dealer who has entered into a Dealer Agreement with Credit Acceptance.

"Dealer Agreement" means, each Dealer Agreement between the Originator and the related Dealer substantially in the form of Exhibit D attached hereto; provided, however, that the term "Dealer Agreement" shall, for the purposes of this Agreement, include only those Dealer Agreements identified from time to time on Schedule A hereto, as amended or supplemented from time to time in accordance herewith.

"Dealer Collections" means, with respect to any Collection Period, the Collections received by the Servicer during such Collection Period which pursuant to the terms of any Dealer Agreement, are required to be remitted to the applicable Dealer.

"Dealer Concentration Limit" means, with respect to any Dealer, an amount equal to: (A) with respect to the Closing Date, 2.5% of the Aggregate Outstanding Net Eligible Loan Balance as of the initial Cut-off Date and (B) with respect to each Distribution Date during the Revolving Period on which Dealer Loans are purchased by the Issuer, 2.5% of the Aggregate Outstanding Net Eligible Loan Balance as of such Distribution Date, after giving effect to all Collections received during the related Collection Period and the purchase of Dealer Loans on such Distribution Date; provided, that for the ten largest Dealers (measured by the Aggregate Outstanding Net Eligible Loan Balance of each such Dealer), such limit shall be equal to 18.0% of the Aggregate Outstanding Net Eligible Loan Balance of all Dealer Loans on the initial Cut-off Date or each Distribution Date during the Revolving Period on which Dealer Loans are purchased by the Issuer, as the case may be.

"Dealer Loan" means a group of advances made by the Originator to a Dealer in respect of an identified group of Contracts, all of which secure repayment thereof; provided, however, that the term "Dealer Loan" shall, for the purposes of this Agreement, include only those Dealer Loans identified from time to time on Schedule A hereto, as amended or supplemented from time to time in accordance with the terms of this Agreement.

"Dealer Loan Excess Advance Amount" means, with respect to any Eligible Loan on any Distribution Date, the amount by which the Net Loan Balance of such Eligible Loan, on the date it was originated, exceeds 70% of the Outstanding Balance of the related Eligible Contracts on their dates of origination.

"Defaulted Contract" means each Contract for which the amounts due thereunder should be charged off in accordance with the Servicer's accounting policies in effect from time to time. A Contract shall become a Defaulted Contract on the day on which the amounts due under such Contract are recorded as charged off on the Servicer's master file of Contracts, but, in any event, shall be deemed a Defaulted Contract no later than the earlier of (x) the day it

becomes 90 days delinquent, based on the date the last payment thereon was received by the Servicer and (y) the day on which an auction check is posted to the relevant account.

"Delivery" when used with respect to property forming a part of a Trust Account means:

(a) with respect to bankers' acceptances, commercial paper, negotiable certificates of deposit and other obligations that constitute "instruments" within the meaning of Section 9-102(a)(47) of the UCC and are susceptible of physical delivery, transfer thereof by physical delivery to the Trust Collateral Agent indorsed to, or registered in the name of, the Trust Collateral Agent or its nominee or indorsed in blank, and, with respect to a certificated security (as defined in Section 8-102 of the UCC) transfer thereof (i) by delivery of such certificated security to the Trust Collateral Agent or by delivery of such certificated security to a securities intermediary indorsed to, or registered in the name of, the Trust Collateral Agent or its nominee or indorsed in blank to a securities intermediary (as defined in Section 8-102(a)(14) of the UCC) and the making by such securities intermediary of entries on its books and records identifying such certificated securities as belonging to the Trust Collateral Agent and the sending by such securities intermediary of a confirmation of the purchase of such certificated security by the Trust Collateral Agent, or (ii) by delivery thereof to a "clearing corporation" (as defined in Section 8-102(a)(5) of the UCC) and the making by such clearing corporation of appropriate entries on its books reducing the appropriate securities account of the originator and increasing the appropriate securities account of a securities intermediary by the amount of such certificated security, the identification by the clearing corporation of the certificated securities for the sole and exclusive account of the securities intermediary, the maintenance of such certificated securities by such clearing corporation or its nominee subject to the clearing corporation's exclusive control, the sending of a confirmation by the securities intermediary of the purchase by the Trust Collateral Agent of such securities and the making by such securities intermediary of entries on its books and records identifying such certificated securities as belonging to the Trust Collateral Agent (all of the foregoing, "Physical Property"), and, in any event, any such Physical Property in registered form shall be registered in the name of the Trust Collateral Agent or its nominee or endorsed in blank; and such additional or alternative procedures as may hereafter become appropriate to effect the complete transfer of ownership of any such Eligible Investment to the Trust Collateral Agent, consistent with changes in applicable law or regulations or the interpretation thereof;

(b) with respect to any security issued by the U.S. Treasury, the Federal Home Loan Mortgage Corporation or by the Federal National Mortgage Association that is a book-entry security held through the Federal Reserve System pursuant to Federal book-entry regulations, the following procedures, all in accordance with applicable law, including applicable federal regulations and Articles 8 and 9 of the UCC: book-entry registration of such Eligible Investment to an appropriate book-entry account maintained with a Federal Reserve Bank by a securities intermediary which is also a "depositary" pursuant to applicable federal regulations and issuance by such securities intermediary of a deposit advice or other written confirmation of such book-entry registration to the Trust

Collateral Agent of the purchase by the Trust Collateral Agent of such book-entry securities; the making by such securities intermediary of entries in its books and records identifying such book-entry security held through the Federal Reserve System pursuant to Federal book-entry regulations as belonging to the Trust Collateral Agent and indicating that such securities intermediary holds such Eligible Investment solely as agent for the Trust Collateral Agent; and such additional or alternative procedures as may hereafter become appropriate to effect complete transfer of ownership of any such Eligible Investment to the Trust Collateral Agent, consistent with changes in applicable law or regulations or the interpretation thereof; and

(c) with respect to any Eligible Investment that is an uncertificated security under Article 8 of the UCC and that is not governed by clause (b) above, registration on the books and records of the issuer thereof in the name of the Trust Collateral Agent or its nominee or the securities intermediary, the sending of a confirmation by the securities intermediary of the purchase by the Trust Collateral Agent or its nominee of such uncertificated security, and the making by such securities intermediary of entries on its books and records identifying such uncertificated certificates as belonging to the Trust Collateral Agent.

In furtherance of the foregoing, any Eligible Investments held by the Trust Collateral Agent through a securities intermediary shall be held only pursuant to a control agreement entered into among the Seller, the Trust Collateral Agent and the securities intermediary, pursuant to which the securities intermediary agrees to credit all financial assets (as defined in Section 8-102(a)(9) of the UCC) purchased (as defined in Section 1-201(32) of the UCC) at the direction of the Trust Collateral Agent to the securities account maintained by the securities intermediary for the benefit of the Trust Collateral Agent and agrees to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) of the Trust Collateral Agent without the further consent of the Seller and pursuant to which the securities intermediary waives any prior lien on all financial assets credited to such securities account to which it might otherwise be entitled. Such control agreement shall initially be governed by New York law and the Trust Collateral Agent shall not amend the initial control agreement or enter into a control agreement with a successor securities intermediary which in either event provides that the laws of a state other than New York shall govern, without first obtaining a continuation of perfection and priority opinion under the laws of such new state which is, acceptable to the Controlling Party.

"Determination Date" means the fifth Business Day prior to the related Distribution Date.

"Discretionary Amortization Event" has the meaning assigned to such term in Section 2.02(c) hereof.

"Distribution Date" means, for each Collection Period, the 15th day of the following month, or if the 15th day is not a Business Day, the next following Business Day, commencing with the First Distribution Date.

"Early Amortization Event" means, collectively, Automatic Amortization Events and Discretionary Amortization Events.

"Eligible Account" shall mean a non-interest bearing segregated trust account or accounts maintained with an institution whose deposits are insured by the FDIC, the unsecured and uncollateralized long term debt obligations of which institution shall be rated "AA-" or higher by S&P and "Aa3" or higher by Moody's and in the highest short term rating category by the Rating Agencies, and which is (i) a federal savings and loan association duly organized, validly existing and in good standing under the federal banking laws, (ii) an institution duly organized, validly existing and in good standing under the applicable banking laws of any state, (iii) a national banking association duly organized, validly existing and in good standing under the federal banking laws, (iv) a principal subsidiary of a bank holding company, or (v) approved in writing by the Controlling Party, and, as confirmed in writing by the Rating Agencies, will not result in the downgrade of the ratings of the Class A Notes, without regard to the Class A Note Insurance Policy or the Backup Insurance Policy.

"Eligible Contract" means each Contract which at the time of its pledge by the applicable Dealer to the Originator satisfied the requirements for a "Qualifying Receivable" set forth in the related Dealer Agreement; provided, however, that a Contract that has become subject to the payment of a Purchase Amount in accordance with Section 3.02 hereof or Section 4.07 hereof (regardless of whether such Purchase Amount is actually paid) shall not constitute an "Eligible Contract".

"Eligible Dealer Agreement" means each Dealer Agreement:

(a) which was originated by the Originator in compliance with all applicable requirements of law and which complies with all applicable requirements of law;

(b) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Seller, by the Originator or by the Servicer in connection with the origination of such Dealer Agreement or the execution, delivery and performance by the Seller, by the Originator or by the Servicer of such Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(c) as to which at the time of the sale of rights thereunder to the Trust, the Seller will have good and marketable title thereto, free and clear of all Liens;

(d) the Originator's rights under which have been the subject of a valid grant by the Originator of a first priority perfected security interest in such rights and in the proceeds thereof in favor of the Seller;

(e) which will at all times be the legal, valid and binding obligation of the Dealer party thereto (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Dealer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now

or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(f) which constitutes either a "general intangible" or "tangible chattel paper" under and as defined in Article 9 of the UCC;

(g) which, at the time of the sale of the rights to payment thereunder to the Trust, no rights to payment thereunder have been waived or modified;

(h) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(i) as to which the Originator, the Servicer and the Seller have satisfied all obligations to be fulfilled at the time the rights to payment thereunder are transferred to the Trust;

(j) as to which the related Dealer has not asserted that such agreement is void or unenforceable;

(k) as to which the related Dealer is not an Affiliate of an executive of Credit Acceptance or an Affiliate of Credit Acceptance;

(l) as to which the related Dealer is located in the United States;

(m) as to which the related Dealer is not bankrupt or insolvent; and

(n) as to which none of the Originator, the Servicer nor the Seller has done anything, at the time of its sale to the Trust, to impair the rights of the Trust therein.

"Eligible Investments" mean any one or more of the following types of investments which mature no later than the Business Day preceding each Distribution Date:

(i) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America;

(ii) demand deposits, time deposits or certificates of deposit of any depository institution (including any Affiliate of the Seller, the Servicer, the Trust Collateral Agent, the Indenture Trustee or the Owner Trustee) or trust company incorporated under the laws of the United States of America or any state thereof or the District of Columbia (or any domestic branch of a foreign bank) and subject to supervision and examination by Federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (i) above or a portion of such obligation for the benefit of the holders of such depository receipts); provided, however, that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be

made again each time funds are reinvested following each Distribution Date), the commercial paper or other short-term senior 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) of such depository institution or trust company shall have a credit rating from Standard & Poor's of at least A-1+ and from Moody's of Prime-1;

(iii) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed 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 a depository institution or trust company (acting as principal) referred to in clause (ii) above;

(iv) commercial paper (including commercial paper of any affiliate of the Seller, the Servicer, the Trust Collateral Agent, the Indenture Trustee or the Owner Trustee) having, at the time of the investment or contractual commitment to invest therein, a rating from Standard & Poor's of at least A-1+ and from Moody's of Prime-1;

(v) investments in money market funds (including funds for which the Seller, the Servicer, the Trust Collateral Agent, the Indenture Trustee or Owner Trustee or any of their respective Affiliates is investment manager or advisor) having a rating from Standard & Poor's of AAA-m or AAAm-G and from Moody's of Aaa;

(vi) bankers' acceptances issued by any depository institution or trust company referred to in clause (ii) above; and

(vii) any other demand or time deposit, obligation, security or investment as may be acceptable, so long as both a Class A Insurer Default and Backup Insurer Default are not continuing, to the Controlling Party and, as confirmed in writing by the Rating Agencies, will not result in the downgrade of the ratings of the Class A Notes, without regard to the Class A Note Insurance Policy or the Backup Insurance Policy.

Any of the foregoing Eligible Investments may be purchased from, by or through the Owner Trustee, the Indenture Trustee or the Trust Collateral Agent or any of their respective Affiliates.

"Eligible Loan" means each Dealer Loan, at the time of its transfer to the Seller under the Contribution Agreement:

(a) which has arisen under a Dealer Agreement that, on the day the Dealer Loan was created, qualified as an Eligible Dealer Agreement;

(b) which was created in compliance with all applicable requirements of law and pursuant to an Eligible Dealer Agreement which complies with all applicable requirements of law;

(c) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority

required to be obtained, effected or given by the Originator, in connection with the creation of such Dealer Loan or the execution, delivery and performance by the Originator, of the related Eligible Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(d) as to which at the time of the sale of such Dealer Loan to the Trust, the Seller will have good and marketable title thereto, free and clear of all Liens;

(e) as to which a valid first priority perfected security interest in such Dealer Loan, related security and in the Proceeds thereof has been granted by the Originator in favor of the Seller, by the Seller in favor of the Issuer and by the Issuer in favor of the Indenture Trustee;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which constitutes a "general intangible" under and as defined in Article 9 of the UCC;

(h) which is denominated and payable in United States dollars;

(i) which, at the time of its sale to the Trust, has not been waived or modified;

(j) which is not subject to any right of rescission (subject to the rights of the related Dealer to repay the outstanding balance thereof and terminate the related Dealer Agreement), setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(k) as to which the Originator, the Servicer and the Seller have satisfied all obligations to be fulfilled at the time it is pledged to the Trust;

(l) as to which the related Dealer has not asserted that the related Dealer Agreement is void or unenforceable;

(m) as to which the related Dealer is not bankrupt or insolvent;

(n) as to which none of the Originator, the Servicer nor the Seller has done anything, at the time of its sale to the Trust and subsequent pledge to the Indenture Trustee, to impair the rights of the Trust or the Indenture Trustee, as the case may be;

(o) has not become subject to the payment of a Purchase Amount in accordance with Section 3.02 hereof or Section 4.07 hereof (regardless of whether such Purchase Amount is actually paid); and

(p) the proceeds of which were used to finance the purchases of new or used automobiles and/or light-duty trucks and related products.

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

"ERISA Affiliate" means Credit Acceptance and each entity, whether or not incorporated, which is affiliated with Credit Acceptance pursuant to Section 414(b), (c), (m) or (o) of the Code.

"Errors" has the meaning set forth in Section 4.09(a)(iv) hereof.

"Final Score" means the final output from the Originator's proprietary credit scoring process, which, when divided by 1,000, represents the Originator's expectations of the ultimate collection rate on a contract at inception.

"Financed Vehicle" means, with respect to a Contract, any new or used automobile, light-duty truck, minivan or sport utility vehicle, together with all accessories thereto, securing the related Obligor's indebtedness thereunder.

"Financial Covenants" means the financial covenants of the Servicer set forth on Schedule D hereto.

"First Distribution Date" means September 15, 2004.

"Forecasted Collections" means the expected amount of collections to be received with respect to the Contracts each month as determined by Credit Acceptance in accordance with its forecasting model, set forth on Schedule B hereto.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

"Income Collections" means, with respect to any Collection Period, all Collections received in respect of any servicing fee or finance charge as stated in, and determined in accordance with, each respective Dealer Agreement.

"Incomplete Contract" means any Contract the original of which is not contained in the related Contract File as of the date for the verification thereof set forth in Section 3.03(d) hereof.

"Indenture" means the Indenture dated as of the date hereof, between the Issuer and JPMorgan Chase Bank, as Indenture Trustee, as the same may be amended and supplemented from time to time.

"Independent" means a Person, who (1) is in fact independent of the Seller and any of its Affiliates, (2) does not have any direct financial interest or any material indirect financial interest in the Seller or in any Affiliate of the Seller, and (3) is not connected with the Seller or Affiliate as an officer, employee, promoter, underwriter, trustee, partner, director, or person performing similar functions.

"Independent Accountants" means a firm registered with the Public Company Accounting Oversight Board that is Independent and is acceptable to the Controlling Party.

"Ineligible Contract" means each contract other than an Eligible Contract.

"Ineligible Loan" means each Dealer Loan other than an Eligible Loan.

"Initial Purchaser Agreement" means the Initial Purchaser Agreement dated August 17, 2004, by and among the Issuer, Credit Acceptance, the Seller and Wachovia Capital Markets, LLC as the Initial Purchaser.

"Initial Reserve Amount" means an amount equal to 1.0% of the Aggregate Outstanding Net Eligible Loan Balance as of the initial Cut-off Date.

"Initial Seller Property" has the meaning given to such term in Section 2.01(a) hereof.

"Insolvency Proceeds" means the proceeds, after all payments and reserves from the sale of the assets of the Trust upon the dissolution of the Trust because of an insolvency of the Seller.

"Insurance Agreement" means the Insurance and Reimbursement Agreement dated as of the date hereof, among the Class A Insurer, the Backup Insurer, the Servicer, the Seller and the Issuer.

"Insurance Premium" means the Class A Insurer Insurance Premium and the Backup Insurer Insurance Premium.

"Insurer Default" means a Class A Insurer Default or a Backup Insurer Default, as the case may be.

"Insurers" means the Class A Insurer and the Backup Insurer.

"Intercreditor Agreement" means the Intercreditor Agreement dated as of the date hereof among Credit Acceptance, CAC Warehouse Funding Corporation II, Credit Acceptance Funding LLC 2003-1, Credit Acceptance Auto Dealer Loan Trust 2003-1, the Seller, the Issuer, Wachovia Capital Markets, LLC, as agent, JPMorgan Chase Bank, as indenture trustee and trust collateral agent under the Indenture and under an indenture dated as of June 27, 2003 between JPMorgan Chase Bank and Credit Acceptance Auto Dealer Loan Trust 2003-1, Comerica Bank, and each other Person who becomes a party thereto after the date thereof.

"Issuer" or "Trust" means Credit Acceptance Auto Dealer Loan Trust 2004-1, a Delaware statutory trust.

"Late Fees" means if the Backup Servicer has become the successor Servicer, any late fees collected with respect to any Contract in accordance with the Collection Guidelines.

"Lien" means with respect to a Dealer Loan, Dealer Agreement or Contract or other property any security interest, lien, charge, pledge, equity, or encumbrance of any kind (other than tax liens, mechanics' liens, liens of collection attorneys or agents collecting the property subject to such tax or mechanics' lien, and any liens which attach thereto by operation of law).

"Limited Repurchase Option" means the one-time purchase option of Credit Acceptance in accordance with Section 10.01(c) hereof.

"Loan Loss Reserve" means the loan loss reserve, calculated in accordance with Credit Acceptance's periodic analysis of the performance of each Dealer, maintained against the Dealer Loans of such Dealer, consistent with the Servicer's historic practices as such practices may be modified in order to comply with generally accepted accounting principles in effect from time to time.

"Maximum Advance Rate" means 75.0%.

"Minimum Collateral Amount" means on any Distribution Date during the Revolving Period, an amount equal to the Class A Note Balance divided by the Maximum Advance Rate.

"Moody's" means Moody's Investors Service, Inc., and its successor and assigns.

"Multiemployer Plan" means a multiemployer plan (within the meaning of Section 400 1(a)(3) of ERISA) in respect of which an ERISA Affiliate makes contributions or has liability.

"Net Loan Balance" means, with respect to any Dealer Loan, the excess of the related Outstanding Balance over the related Loan Loss Reserve.

"Obligor" means, with respect to any Contract, the person or persons obligated to make payments with respect to such Contract, including any guarantor thereof.

"Officer's Certificate" means a certificate signed by the chairman of the board, the vice chairman, the president, the chief accounting officer, any executive vice president, any vice president, the treasurer, any assistant treasurer, the secretary, any assistant secretary or the controller of the Seller or the Servicer, as appropriate.

"Opinion of Counsel" means one or more written opinions of counsel who may, except as otherwise expressly provided in this Agreement or as otherwise required by the Trust Collateral Agent or the Controlling Party, be employees of or counsel to the Issuer and who shall be reasonably satisfactory to the Trust Collateral Agent and the Controlling Party, and which shall comply with any applicable requirements of Section 11.1 of the Indenture, and shall be in form and substance reasonably satisfactory to the Trust Collateral Agent and the Controlling Party.

"Optional Purchase" means the optional purchase of the Trust Property as set forth in Section 10.01 hereof.

"Original Advance Rate" means, with respect to any Dealer, the ratio, expressed as a percentage, where the numerator is equal to the sum of the Outstanding Balance of all Eligible Loans of such Dealer on the dates such Eligible Loans were originated and the denominator is equal to the sum of the Outstanding Balance of all Eligible Contracts related to such Dealer on their dates of origination.

"Original Certificate Interest" means the percentage interest in the Trust represented by the Certificate(s) initially authenticated and delivered by the Owner Trustee and which is 100%.

"Originator" means Credit Acceptance.

"Outstanding Balance" means (i) with respect to any Contract on any date of determination, all amounts owing under such Contract (whether considered principal or as finance charges), on such date of determination which shall be deemed to have been created at the end of the day on the date of processing of such Contract and which shall be greater than or equal to zero; and (ii) with respect to any Dealer Loan on any date of determination, the aggregate amount advanced under such Dealer Loan, less all Collections applied through such date of determination in accordance with the related Dealer Agreement to reduce the balance of such Dealer Loan plus or minus any adjustments to such Dealer Loan balance for other amounts owed by such Dealer to Credit Acceptance under the related Dealer Agreement which Credit Acceptance is entitled to make thereunder.

"Overconcentration Loan Amount" means, with respect to any Dealer, the amount by which the Net Loan Balance of such Dealer's Eligible Loans, as of the Closing Date or any Distribution Date during the Revolving Period on which the Issuer purchases one or more Dealer Loans, as the case may be, exceeds the Dealer Concentration Limit.

"Owner Trustee" means Wachovia Bank of Delaware, National Association, 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.

"Owner Trustee's Fees" means (i) for the year commencing with the Closing Date, $3,000, payable by the Issuer in advance to the Owner Trustee on the Closing Date and (ii) thereafter, an amount equal to $250 on each Distribution Date, payable by the Issuer to the Owner Trustee until the Class A Notes are paid in full, in each case, plus reasonable out of pocket expenses not to exceed $50,000 annually incurred by the Owner Trustee in fulfilling its duties under the Basic Documents.

"Person" means any individual, corporation, estate, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company, or government or any agency or political subdivision thereof.

"Permitted Incomplete Contracts" means (a) with respect to the 120th day after the Closing Date and the 120th day after each Distribution Date during the Revolving Period, 2.0% of the aggregate number of Contract Files required to be reviewed by each such date in accordance with Section 3.03(d)(i) hereof, and (b) with respect to the 180th day after the Closing Date and the 180th day after each Distribution Date during the Revolving Period, 2.0% of the aggregate number of Contract Files required to be reviewed by each such date in accordance with Section 3.03(d)(ii) hereof.

"Physical Property" has the meaning assigned to such term in the definition of "Delivery" above.

"Preference Amount" shall have the meaning given such term in Section 5.06(c)(i) hereof.

"Principal Collection Account" means the account designated as such, established and maintained pursuant to Section 5.01(a)(i) hereof.

"Principal Collections" means, with respect to any Collection Period, all Collections which are not Income Collections or Dealer Collections.

"Principal Deficiency" means, on any Distribution Date other than the Stated Final Maturity, the amount by which the Class A Note Balance (after taking into account all distributions of principal to be made from Available Funds on such Distribution Date plus amounts on deposit in the Reserve Account available for the payment of principal) exceeds the Outstanding Balance of all Eligible Contracts, other than Defaulted Contracts, as of the last day of the related Collection Period.

"Private Placement Memorandum" means the Private Placement Memorandum dated August 17, 2004, relating to the private placement of the Class A Notes.

"Proceeds" means, with respect to any portion of the Trust Property, all "proceeds", as such term is defined in Article 9 of the UCC, including whatever is receivable or received when such portion of Trust Property is sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating thereto.

"Program" has the meaning set forth in Section 4.11(a) hereof.

"Purchase Amount" means:

(i) with respect to an Ineligible Loan (or Dealer Loan with respect to which the payment of a Purchase Amount is required), an amount equal to the product of: (A) the Net Loan Balance related to such Ineligible Loan (or Dealer Loan with respect to which the payment of a Purchase Amount is required) as of the last day of the preceding Collection Period; and (B) the Advance Rate in effect on the Distribution Date during such preceding Collection Period;

(ii) with respect to any Ineligible Contract (other than any Incomplete Contract), the product of: (A) the Outstanding Balance of such Ineligible Contract; and (B) the Contract Buy-Back Rate;

(iii) with respect to a Contract for which payment is required to be made in accordance with Section 3.02(b)(i)(B) hereof and with respect to each review period described in Section 3.03(d)(ii) and (iii) hereof, the product of: (A) the Outstanding Balance as of the last day of the preceding Collection Period of all Incomplete Contracts for any such review period, divided by the aggregate number of Contracts required to be reviewed by the end of such review period, (B) the difference between (I) the total number of Incomplete Contracts for such review period, and (II) the number of Permitted Incomplete Contracts for such review period, and (C) the Contract Buy-Back Rate; and

(iv) with respect to a Contract for which payment is required to be made at the request of the Controlling Party in accordance with Section 3.02(b)(ii), the product of (A) the Outstanding Balance of the Contracts with respect to which the Controlling Party has required payment and (B) the Contract Buy-Back Rate,

in each case, payable in the manner set forth in Section 5.04 hereof.

"Purchased Loan" means a Dealer Loan with respect to which payment is required to be made by the Seller, the Servicer or Credit Acceptance in accordance with Section 3.02 or Section 4.07 hereof or Section 6.1 of the Contribution Agreement, as applicable.

"Rating Agencies" means, collectively Moody's, S&P and any other nationally recognized statistical rating agency requested by the Seller or an Affiliate thereof to rate any of the Class A Notes.

"Records" means the Dealer Agreements, Contracts, Contract Files and all other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related contracts, records and other media for storage of information) maintained with respect to the Dealer Loans and the Contracts and the related Obligors.

"Recoveries" means all amounts, if any, received in respect of the Trust Property by the Servicer, the Seller, the Issuer or the Originator with respect to Defaulted Contracts.

"Reimbursement Obligations" means the Class A Insurer Reimbursement Obligations and the Backup Insurer Reimbursement Obligations.

"Reliening Expenses" means any expenses incurred by the Backup Servicer, if it has become the successor Servicer, in accordance with Sections 3.03(h)(ii) and 4.05 hereof, in connection with the retitling or reliening of the Financed Vehicles.

"Repossession Expenses" means, for any Collection Period, any expenses payable pursuant to the terms of this Agreement, incurred by the Backup Servicer, if it has become the successor Servicer, in connection with the liquidation or repossession of any Financed Vehicle, in an aggregate amount not to exceed the cash proceeds received by the Backup Servicer, if it has become the successor Servicer from the disposition of such Financed Vehicles during the related Collection Period.

"Reserve Account" means the account established and maintained pursuant to Section 5.01(a)(iv) hereof.

"Reserve Account Requirement" means, with respect to any Distribution Date, an amount equal to the lesser of: (A) 2.0% of the original Class A Note Balance; and (B) the Class A Note Balance on such Distribution Date, before giving effect to the payment of principal on such Distribution Date.

"Revolving Period" means the period beginning on the Closing Date and terminating on the earlier of: (i) the close of business on February 15, 2005; and (ii) the automatic occurrence or declaration of an Early Amortization Event.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Securities" means the Class A Notes and the Certificates.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" means Credit Acceptance Funding LLC 2004-1 and any permitted successor thereto (in the same capacity).

"Seller Property" means, collectively, the Initial Seller Property and the Subsequent Seller Property.

"Servicer" means Credit Acceptance, as the Servicer of the Dealer Loans and the Contracts, and each successor to Credit Acceptance (in the same capacity) appointed pursuant to Section 7.03 or 8.02 hereof.

"Servicer Certificate" means a certificate substantially in the form of Exhibit B hereto completed and executed by the Servicer by the chairman of the board, the vice chairman, the president, any vice president, the treasurer, any assistant treasurer, the chief accounting officer, the chief financial officer, the secretary, any assistant secretary, the controller, or any assistant controller of the Servicer pursuant to Section 4.09 hereof.

"Servicer Default" is as defined in Section 8.01 hereof.

"Servicer Expenses" means any expenses incurred by the Backup Servicer, if it has become the successor Servicer hereunder, other than Repossession Expenses, Reliening Expenses or Transition Expenses.

"Servicer's Data Date" has the meaning set forth in Section 4.09(b) hereof.

"Servicer's Data File" has the meaning set forth in Section 4.09(b) hereof.

"Servicing Fee" means, for each Distribution Date, a fee payable to the Servicer for services rendered during the related Collection Period, equal to: (i) so long as Credit Acceptance is the Servicer, the product of (A) 6.00% and (B) the total Collections for the related Collection Period, and (ii) if the Backup Servicer is the Servicer, the sum of: (1) the greatest of: (a) the product of 10.0% and total Collections for the related Collection Period; (b) actual costs incurred by the Backup Servicer as successor Servicer; and (c) the product of (x) $30.00 and (y) the aggregate number of Contracts serviced by it during the related Collection Period, plus (2) without duplication, Late Fees and Servicer Expenses; provided, however, with respect to each Distribution Date on which the Backup Servicer is the Servicer, the Servicing Fee shall be at least equal to $5,000.

"SST" means Systems & Services Technologies, Inc., a Delaware corporation.

"State" means any state or commonwealth of the United States of America, or the District of Columbia.

"Stated Final Maturity" means, with respect to the Class A Notes, August 17, 2009.

"Subsequent Seller Property" has the meaning given to such term in Section 2.02(a) hereof.

"Subsequent Seller Property Purchase Price" means, as to the Subsequent Seller Property purchased by the Trust on any Distribution Date during the Revolving Period, an amount equal to the Aggregate Outstanding Net Eligible Loan Balance of the Dealer Loans transferred to the Trust on such Distribution Date, in the form of cash and/or capital contribution.

"Transaction Parties" means, collectively, the Originator, the Servicer, the Seller and the Issuer.

"Transition Expenses" means, if the Backup Servicer has become the successor Servicer, the sum of: (i) reasonable costs and expenses incurred by the Backup Servicer in connection with its assumption of the servicing obligations hereunder, related to travel, Obligor welcome letters, freight and file shipping plus (ii) a boarding fee equal to the sum of: (A) the product of $7.50 and the number of Contracts to be serviced with respect to the first 10,000 Contracts to be serviced; and (B) the product of $6.00 and the number of Contracts in excess of 10,000 to be serviced with respect to any additional Contracts to be serviced; provided, however, that the boarding fee shall not be less than $50,000.

"Treasury Regulations" shall mean regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"Trust Accounts" means the Collection Account, the Principal Collection Account, the Class A Note Distribution Account and the Reserve Account.

"Trust Agreement" means the Amended and Restated Trust Agreement dated as of the date hereof, between the Seller and the Owner Trustee, as the same may be amended and supplemented from time to time.

"Trust Property" means the assets conveyed to the Trust pursuant to Sections 2.01 and 2.02 hereof.

"UCC" means the Uniform Commercial Code as in effect in the respective jurisdiction, and with respect to the definition of "Delivery" hereunder, refers to the UCC as adopted by the State of New York.

"Weighted Average Original Advance Rate" means, with respect to each Distribution Date during the Revolving Period, the ratio, expressed as a percentage, where the numerator is equal to the aggregate for all Dealers of the product of: (i) the Original Advance Rate of each Dealer; and (ii) the aggregate outstanding Net Loan Balance of all Eligible Loans for such Dealer and the denominator is equal to the Aggregate Outstanding Net Eligible Loan Balance.

SECTION 1.02. Usage of Terms.

With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other gender; references to "writing" include printing, typing, lithography, and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

SECTION 1.03. Closing Date and Record Date.

All references to the Record Date prior to the first Distribution Date in the life of the Trust shall be to the Closing Date.

SECTION 1.04. Section References.

All section references shall be to Sections in this Agreement (unless otherwise provided).

SECTION 1.05. Compliance Certificates.

Upon any application or request by the Seller or the Servicer to the Trust Collateral Agent to take any action under any provision herein, the Seller or the Servicer (as the case may be) shall furnish to the Trust Collateral Agent, the Class A Insurer and the Backup Insurer an Officer's Certificate stating that all conditions precedent, if any, provided for herein relating to the proposed action have been complied with, except that in the case of any other such application or request as to which the furnishing of such documents is specifically required by any provision of this Agreement relating to such particular application or request, no additional certificate need be furnished.

Every certificate with respect to compliance with a condition or covenant provided herein shall include a statement that each individual signing such certificate has read such covenant or condition and the definitions herein relating thereto.

SECTION 1.06. Directions.

Unless otherwise specified herein, any directions required to be given hereunder by the Controlling Party shall, in the case of the occurrence and continuance of both a Class A Insurer Default and a Backup Insurer Default, be made by the Majority Noteholders.

ARTICLE II

CONVEYANCE OF SELLER PROPERTY; FURTHER ENCUMBRANCE THEREOF

SECTION 2.01. Sale of the Initial Seller Property to the Trust.

(a) In consideration of the Trust's delivery to, or upon the order of, the Seller on the Closing Date of the net proceeds from the sale of the Class A 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 convey, assign, sell and transfer without recourse, except as set forth herein, to the Trust all of its right, title and interest in and to: (i) the Dealer Loans listed on Schedule A hereto delivered to the Servicer, the Class A Insurer, the Backup Insurer, the Backup Servicer and the Trust Collateral Agent on the Closing Date; (ii) all rights under the Dealer Agreements related thereto (other than the Excluded Dealer Agreement Rights), including Credit Acceptance's right to service the Dealer Loans and the related Contracts and receive the related servicing fee and receive reimbursement of certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements; (iii) Collections (other than Dealer Collections) after the applicable Cut-off Date; (iv) a security interest in each Contract securing each Dealer Loan; (v) all records and documents relating to the Dealer Loans and the Contracts; (vi) all security interests purporting to secure payment of the Dealer Loans; (vii) all security interests purporting to secure payment of each Contract (including a security interest in each Financed Vehicle); (viii) all guarantees, insurance (including insurance insuring the priority or perfection of any Contract) or other agreements or arrangements securing the Contracts; (ix) the Seller's rights under the Contribution Agreement; and (x) all Proceeds of the foregoing (the "Initial Seller Property").

(b) Such sale shall be effective as of the Closing Date with respect to the Initial Seller Property.

(c) In consideration of the sale of the Initial Seller Property, the Trust shall (i) pay or cause to be paid to the Seller on the Closing Date a purchase price equal to the Aggregate Outstanding Net Eligible Loan Balance of the Dealer Loans transferred to the Trust on the Closing Date, in the form of cash (to the extent of the net proceeds from the sale of the Class A Notes) and capital contribution and (ii) deliver the Certificates to the Seller. The Seller directs that the Initial Reserve Amount be deposited in the Reserve Account from such purchase price.

(d) For the avoidance of doubt, the term "Initial Seller Property" with respect to any Dealer Loan includes all rights arising after the Closing Date under such Dealer Loans which rights are attributable to advances made under such Dealer Loans as the result of Contracts being added after the Closing Date to the identifiable group of Contracts to which such Dealer Loan relates.

SECTION 2.02. Revolving Period; Principal Collection Account.

(a) On each Distribution Date during the Revolving Period, the Issuer shall receive Available Funds after the payment of all amounts due and payable in Section 5.08(a)(i) through (v) and shall be required to use those amounts and any amounts on deposit in the Principal Collection Account to purchase additional Dealer Loans and all collateral related thereto from the Seller until the Collateral Amount equals the Minimum Collateral Amount. If on any Distribution Date during the Revolving Period there are not sufficient Eligible Dealer Loans for purchase by the Issuer to cause the Collateral Amount to equal the Minimum Collateral Amount, an amount necessary to cause the Adjusted Collateral Amount to equal the Minimum Collateral Amount will remain on deposit in the Principal Collection Account. Subject to the foregoing, and in consideration of the payment of the Subsequent Seller Property Purchase Price, the Seller agrees to convey, assign, sell and transfer without recourse, except as set forth in this Agreement, to the Trust all of its right, title and interest in and to: (i) the Dealer Loans listed on the schedule delivered to the Class A Insurer, the Backup Insurer, the Servicer and the Trust Collateral Agent on each Distribution Date during the Revolving Period; (ii) rights under the Dealer Agreements related thereto (other than the Excluded Dealer Agreement Rights), including Credit Acceptance's right to service the Dealer Loans and the related Contracts and receive the related servicing fee and receive reimbursement of certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements; (iii) Collections (other than Dealer Collections) after the applicable Cut-off Date; (iv) a security interest in each Contract securing each Dealer Loan; (v) all records and documents relating to the Dealer Loans and the Contracts; (vi) all security interests purporting to secure payment of the Dealer Loans; (vii) all security interests purporting to secure payment of each Contract (including a security interest in each Financed Vehicle); (viii) all guarantees, insurance (including insurance insuring the priority or perfection of any Contract) or other agreements or arrangements securing the Contracts; (ix) the Seller's rights under the Contribution Agreement; and (x) all Proceeds of the foregoing (the "Subsequent Seller Property").

On each Distribution Date during the Revolving Period on which the Issuer purchases Subsequent Seller Property, the Issuer shall deliver to the Servicer, the Backup Servicer, the

Trust Collateral Agent, the Class A Insurer and the Backup Insurer a supplement to Schedule A hereto listing the additional Dealer Loans purchased on such Distribution Date, and the Dealer Agreements and Contracts related thereto.

For the avoidance of doubt, the term "Subsequent Seller Property" with respect to any Dealer Loan includes all rights arising after the end of the Revolving Period under such Dealer Loans which rights are attributable to advances made under such Dealer Loans as the result of Contracts being added after the last day of the last full Collection Period during the Revolving Period to the identifiable group of Contracts to which such Dealer Loan relates.

(b) The occurrence of any one of the following events shall constitute an "Automatic Amortization Event":

(i) there is a draw on the Reserve Account;

(ii) a Servicer Default occurs;

(iii) an Indenture Event of Default occurs;

(iv) on any Distribution Date, after giving effect to all purchases of Dealer Loans on such date, the Adjusted Collateral Amount is less than the Minimum Collateral Amount, and such deficiency continues for two (2) or more Business Days;

(v) cumulative Collections through the end of the related Collection Period, expressed as a percentage of the cumulative Forecasted Collections through the end of the related Collection Period, is less than 90.0% for any two (2) consecutive Collection Periods;

(vi) on any Distribution Date, after giving effect to the purchase of additional Dealer Loans on such date, the amount on deposit in the Principal Collection Account is greater than 5.0% of the Adjusted Collateral Amount, and such excess continues for two (2) or more Business Days; or

(vii) on any Distribution Date, the Weighted Average Original Advance Rate exceeds 49.0%.

(c) The occurrence of any one of the following events shall constitute a "Discretionary Amortization Event" only if after any applicable grace or cure period either the Controlling Party, or if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Indenture Trustee, at the direction of the Majority Noteholders, upon written notice to the Issuer, the Servicer, the Backup Servicer and the Trust Collateral Agent, declares that an Early Amortization Event has occurred:

(i) the Issuer fails to make a payment or deposit when required under this Agreement or within any applicable grace or cure period;

(ii) the Issuer fails to observe or perform in any material respect any of its covenants or agreements set forth in this Agreement and that failure continues

unremedied for 30 days after written notice of such failure to the Issuer by either Insurer, or if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Indenture Trustee, at the direction of Majority Noteholders;

(iii) any representation or warranty made by the Issuer in this Agreement or in any certificate or document that the Issuer is required to deliver to the Indenture Trustee is incorrect in any material respect for 30 days after written notice of that breach to the Issuer by either Insurer, or if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Indenture Trustee, at the direction of the Majority Noteholders;

(iv) the Indenture Trustee does not have a valid and perfected first priority security interest in the Trust Property, or the Issuer or Credit Acceptance or an affiliate of Credit Acceptance makes that assertion;

(v) there is filed against Credit Acceptance, the Seller or the Issuer: (a) a notice of federal tax lien from the IRS, (b) a notice of lien from the Pension Benefit Guaranty Corporation under Section 412(n) of the tax code or Section 302(f) of ERISA for a failure to make a required installment or other payment to a pension plan to which either of those sections applies or (c) a notice of any other lien that, in the case of each of (a), (b) and (c), could reasonably be expected to have a material adverse effect on the business, operations or financial condition of the Issuer or the business, operations or financial condition of Credit Acceptance and the Seller;

(vi) one or more judgments or decrees are entered against the Seller or Credit Acceptance involving in the aggregate liability, not paid or fully covered by insurance, of $100,000 in the case of the Seller, and $5,000,000 in the case of Credit Acceptance, or more and those judgments or decrees have not been vacated, discharged or stayed within 30 days from their entry; or

(vii) any of the Basic Documents ceases for any reason to be in full force and effect other than in accordance with its terms.

(d) If a Responsible Officer of the Indenture Trustee shall have actual knowledge, or the Indenture Trustee shall receive written notice from an Insurer, or, if both a Class A Insurer Default and Backup Insurer Default have occurred and are continuing, the Majority Noteholders, that an Early Amortization Event has occurred, the Indenture Trustee shall promptly issue written notice of such Early Amortization Event to the Servicer, the Class A Insurer, the Backup Insurer, the Backup Servicer, the Rating Agencies, the Trust Collateral Agent and each of the Class A Noteholders, which notice shall advise them of the nature of the Early Amortization Event, to the extent actually known by the Indenture Trustee, and the date of the occurrence thereof.

(e) On the first Distribution Date during the Amortization Period, any amounts remaining on deposit in the Principal Collection Account shall be deposited into the Collection Account and treated as Available Funds.

SECTION 2.03. Title to Trust Property.

(a) Immediately upon the conveyance to the Trust by the Seller of any item of property pursuant to Section 2.01 or 2.02, all right, title and interest of the Seller in and to such item of 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 but only in accordance with the terms of the Basic Documents. Pursuant to the Indenture, the Trust shall grant a security interest in the Trust Property to the Indenture Trustee for the benefit of the Class A Insurer, the Backup Insurer and the Class A Noteholders to secure the repayment of the Class A Notes and amounts owed to the Class A Insurer and the Backup Insurer.

(c) It is the intention of the Seller that (i) the transfer and assignment contemplated by this Agreement shall constitute a sale of the Seller Property from the Seller to the Trust and (ii) the beneficial interest in and title to the Seller 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.

(d) Notwithstanding the foregoing, in the event that the Seller Property is held to be property of the Seller, or if for any reason this Agreement is held or deemed to create indebtedness or a security interest in the Seller Property, then it is intended that:

(i) This Agreement shall be deemed to be a security agreement within the meaning of Articles 8 and 9 of the UCC;

(ii) The conveyances provided for in Section 2.01 and Section 2.02 shall be deemed to be a grant by the Seller, and the Seller hereby grants, to the Trust a security interest in all of its right (including the power to convey title thereto), title and interest, whether now owned or hereafter acquired, in and to the Seller Property, to secure such indebtedness and the performance of the obligations of the Seller hereunder;

(iii) The possession by the Trust, or the Servicer as the Trust's agent, of the Dealer Agreements, Dealer Loans and Contract Files and any other property which constitute instruments, money, negotiable documents or chattel paper shall be deemed to be "possession by the secured party" or possession by the purchaser or a person designated by such purchaser, for purposes of perfecting the security interest pursuant to the UCC; and

(iv) Notifications to persons holding such property, and acknowledgments, receipts or confirmations from persons holding such property, shall be deemed to be notifications to, or acknowledgments, receipts or confirmations from, bailees or agents (as applicable) of the Trust for the purpose of perfecting such security interest under the UCC.

(e) At such time as there are no Class A Notes outstanding and all sums due to (i) the Indenture Trustee pursuant to Section 6.7 of the Indenture, (ii) the Trust Collateral Agent pursuant to Section 9.05 hereof, (iii) the Backup Servicer hereunder and under the Backup Servicing Agreement and (iv) the Class A Insurer in respect of the Class A Insurer Reimbursement Obligations and the Backup Insurer in respect of the Backup Insurer Reimbursement Obligations, in each case, have been paid, the Trust Collateral Agent shall, upon instructions from the Indenture Trustee pursuant to Section 8.2 of the Indenture, release any remaining portion of the Trust Property from the lien of the Indenture for distribution in accordance with the Trust Agreement.

ARTICLE III

THE DEALER LOANS AND THE CONTRACTS

SECTION 3.01. Representations and Warranties of Seller with respect to the Seller Property.

The Seller makes the following representations and warranties as to the Dealer Agreements, Dealer Loans and the Contracts on which each of the Trust Collateral Agent and the Backup Servicer relies in connection with performance of its obligations hereunder, the Class A Insurer relies in issuing the Class A Note Insurance Policy and the Backup Insurer relies in issuing the Backup Insurance Policy. Such representations and warranties speak as of the execution and delivery of this Agreement on the Closing Date and each Distribution Date on which the Trust purchases Seller Property, as the case may be, and only with respect to the Seller Property conveyed to the Trust at the time given or made (unless otherwise specified) but shall survive the sale, transfer, and assignment of the Seller Property to the Trust and the pledge thereof to the Indenture Trustee pursuant to the Indenture:

(i) Eligibility of Dealer Agreements. Each Dealer Agreement classified as an "Eligible Dealer Agreement" (or included in any aggregation of balances of "Eligible Dealer Agreements") by the Seller or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Agreement on the date so delivered.

(ii) Eligibility of Dealer Loans. Each Dealer Loan classified as an "Eligible Loan" (or included in any aggregation of balances of "Eligible Loans") by the Seller or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Loan on the date so delivered.

(iii) Eligibility of Contracts. Each Contract classified as an "Eligible Contract" (or included in any aggregation of balances of "Eligible Contracts") by the Seller or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Contract on the date so delivered.

(iv) Accuracy of Information. All information with respect to the Dealer Loans and other Seller Property provided to the Trust Collateral Agent, the Class A Insurer or the Backup Insurer by the Seller or the Servicer was true and correct in all

material respects as of the date such information was provided to the Trust Collateral Agent, the Class A Insurer or the Backup Insurer, as applicable.

(v) No Liens. Each Dealer Loan and the other Seller Property has been pledged to the Trust Collateral Agent free and clear of any Lien of any Person, and in compliance, in all material respects, with all Applicable Laws.

(vi) No Consents. With respect to each Dealer Loan and the other Seller Property, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Seller, in connection with the pledge of such Dealer Agreement, Dealer Loan, Contract or other Collateral to the Trust Collateral Agent have been duly obtained, effected or given and are in full force and effect;

(vii) Schedule A. Schedule A to this Agreement and each supplement or addendum thereto is and will be an accurate and complete listing of all Dealer Loans, the related Dealer Agreements and Contracts in all material respects on the date each such Dealer Loan and other Seller Property was transferred to the Trust hereunder, and the information contained therein is and will be true and correct in all material respects as of such date.

(viii) Adverse Selection. No selection procedure believed by the Seller to be adverse to the interests of the Class A Noteholders, the Class A Insurer or the Backup Insurer has been or will be used in selecting the Dealer Agreements, Dealer Loans or Contracts.

(ix) Contribution Agreement. The Contribution Agreement is the only agreement pursuant to which the Seller purchases Dealer Loans from the Originator.

(x) Security Interest. The Seller has granted a security interest (as defined in the UCC) to the Trust Collateral Agent, as agent for the Class A Noteholders, in the Seller Property, which is enforceable in accordance with Applicable Law upon the Closing Date. Upon the filing of UCC-1 financing statements naming the Trust Collateral Agent as secured party and the Seller as debtor, or upon the Trust Collateral Agent obtaining possession or control, in the case of that portion of the Seller Property which constitutes chattel paper or instruments, the Trust Collateral Agent, as agent for the Secured Parties, shall have a first priority perfected security interest in the Seller Property. All filings (including, without limitation, such UCC filings) as are necessary in any jurisdiction to perfect the interest of the Trust Collateral Agent, as agent for the Trust, in the Seller Property have been made.

(xi) Representations and Warranties in Contribution Agreement. The representations and warranties made by the Originator to the Seller in the Contribution Agreement are hereby remade by the Seller on each date to which they speak in the Contribution Agreement as if such representations and warranties were set forth herein. For purposes of this Section 3.01(xi), such representations and warranties are

incorporated herein by reference as if made by the Seller to the Trust Collateral Agent, the Class A Insurer and the Backup Insurer under the terms hereof mutatis mutandis.

(xii) Survival. The representations and warranties set forth in this Section 3.01 shall survive the Seller's transfer and assignment of the Seller Property to the Trust and the termination of the rights and obligations of the Servicer.

(xiii) Perfection Representations. The perfection representations, warranties and covenants made by the Seller and set forth on Schedule C hereto shall be a part of this Agreement for all purposes.

(xiv) Final Score. With respect to the purchase by the Issuer of Dealer Loans and related Seller Property on each Distribution Date during the Revolving Period, on each such Distribution Date, immediately after giving effect thereto, the weighted average of the Final Scores of all Contracts transferred on such Distribution Date is 700 or greater.

SECTION 3.02. Payment Upon Breach.

(a) The Seller, the Servicer, or the Trust Collateral Agent, as the case may be, shall inform the other parties to this Agreement, the Class A Insurer and the Backup Insurer promptly, in writing, upon the discovery (which, in the case of the Trust Collateral Agent shall mean actual knowledge of a Responsible Officer of the Trust Collateral Agent or receipt of written notice of such breach or failure): (i) of any breach of the Seller's representations and warranties pursuant to Section 3.01 hereof without regard to any limitation set forth therein concerning the knowledge of the Seller as to the facts stated therein; or (ii) with respect to each date by which a review is required to be performed pursuant to Section 3.03(d) hereof, that the aggregate number of Incomplete Contracts exceeds the number of Permitted Incomplete Contracts for such date.

(b) Unless any such breach of a representation or warranty described in clause (a)(i) of this Section 3.02 shall have been cured by, or the number of Incomplete Contracts with respect to any review period described in clause (a)(ii) of this Section 3.02 continues to exceed the number of Permitted Incomplete Contracts as of last day of the first full Collection Period following the discovery thereof: (i) the Seller shall have the obligation, and the Trust Collateral Agent shall, at the expense of the Seller, enforce such obligation of the Seller, and if necessary, the obligation of the Originator under the Contribution Agreement, to make a payment of the applicable Purchase Amount in respect of: (A) all Dealer Loans and Contracts with respect to which there is a breach of any such representations and warranties, and (B) the aggregate number of Incomplete Contracts which exceeds the number of Permitted Incomplete Contracts, which, in the case of each of (A) and (B), are materially and adversely affected by such event or which materially and adversely affects the interests of the Indenture Trustee or either Insurer as of such last day; and (ii) the Controlling Party shall have the right to demand the Seller, and if necessary, the Originator under the Contribution Agreement, and upon such demand the Seller and, if applicable, the Originator, shall have the obligation, to make a payment of the applicable Purchase Amount in respect of any Permitted Incomplete Contract which materially and

adversely affects such Contract or which materially and adversely affects the interest of the Indenture Trustee or either Insurer as of such last day.

(c) The sole remedy of the Trust Collateral Agent, the Trust, the Class A Noteholders and the Certificateholders with respect to a breach of the Seller's representations and warranties pursuant to Section 3.01 hereof which materially and adversely affects the interests of the Indenture Trustee or either Insurer shall be to require the Seller to make payments in respect of the related Dealer Loans pursuant to this Section or to enforce the obligation of Credit Acceptance to repurchase such Dealer Loans pursuant to the Contribution Agreement, and to require the Seller to make payments in respect of the related Contracts pursuant to this Section or to enforce the obligation of Credit Acceptance to make such payments pursuant to the Contribution Agreement. The Trust Collateral Agent shall have no duty to conduct any affirmative investigation as to the occurrence of any condition requiring the purchase of any Dealer Loan or payment in respect of any Contract pursuant to this Section. Any expenses incurred by the Trust Collateral Agent in enforcing the obligations of the Seller or Credit Acceptance shall be paid pursuant to Section 5.08(a) hereof.

(d) (i) Notwithstanding anything herein to the contrary, (A) during the Revolving Period such payments of Purchase Amounts pursuant to Section 3.02(b) of this Agreement shall not be required if the Adjusted Collateral Amount is equal to or greater than the Minimum Collateral Amount, and (B) during the Amortization Period, such payments of Purchase Amounts pursuant to Section 3.02(b) of this Agreement shall not be required: (x) with respect to any Dealer Loan, so long as the aggregate Net Loan Balance of all Dealer Loans which would be Ineligible Loans as a result of being subject to the foregoing payment obligations during the Amortization Period is less than the sum of: (1) the product of (i) the aggregate Net Loan Balance of all Eligible Loans transferred to the Issuer during the Amortization Period and (ii) the then effective Advance Rate; and (2) all Purchase Amounts which have been previously paid during the Amortization Period in respect of Ineligible Loans (such sum, the "Amortization Period Additional Loan Collateral Amount"); and (y) with respect to any Contract, so long as the aggregate Outstanding Balance of all Contracts which would be Ineligible Contracts as a result of being subject to the foregoing payment obligations during the Amortization Period is less than the sum of: (1) the product of (i) the aggregate Outstanding Balance of all Eligible Contracts an interest in which is transferred to the Issuer during the Amortization Period and (ii) a fraction, the numerator of which is equal to the Class A Note Balance and the denominator of which is equal to the Outstanding Balance of all Eligible Contracts; and (2) all Purchase Amounts which have been previously paid during the Amortization Period in respect of Ineligible Contracts (such sum, the "Amortization Period Additional Contract Collateral Amount").

(ii) If such payments are required in accordance with clause (d)(i) of this Section 3.02, they shall be made: (A) with respect to Ineligible Loans, to the extent and in the amount by which the aggregate Net Loan Balance of all Ineligible Loans which are subject to the foregoing payment obligations during the Amortization Period exceeds the Amortization Period Additional Loan Collateral Amount; and (B) with respect to Ineligible Contracts, to the extent and in the amount by which the aggregate Outstanding Balance of all Ineligible Contracts which are subject to the foregoing payment obligations

during the Amortization Period exceeds the Amortization Period Additional Contract Collateral Amount (the foregoing payment obligations, the "Amortization Period Payment Obligations").

(iii) Notwithstanding the foregoing, the Seller's obligation to make payments under Section 3.02 hereof may be waived with the prior written consent of the Controlling Party or the Indenture Trustee, at the direction of the Majority Noteholders, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing. Any such waiver by the Controlling Party or the Indenture Trustee, at the direction of the Majority Noteholders, as applicable, shall not require any further waiver, action or consent by any other party. The party providing such waiver shall give notice thereof to the Owner Trustee.

(e) Any Contract which is subject to a payment in accordance with Section 3.02(b), Section 3.03(d) or Section 4.07 of this Agreement shall be an Ineligible Contract. Any Dealer Loan which is subject to a payment in accordance with Section 3.02(b), Section 3.03(d) or Section 4.07 of this Agreement shall be an Ineligible Loan.

SECTION 3.03. Custody of Dealer Agreements and Contract Files.

(a) The Trust hereby revocably appoints Credit Acceptance as custodian of the Dealer Agreements, the Contract Files and the Certificates of Title related to the Financed Vehicles. Credit Acceptance hereby accepts such appointment and agrees to hold, or appoint an agent acceptable to the Controlling Party to hold, each Dealer Agreement, Contract File and, in states where it is required by applicable law, the original Certificate of Title related to each Financed Vehicle under this Agreement as custodian for the Trust and the Trust Collateral Agent.

(b) (i) On or prior to the Closing Date and each Distribution Date during the Revolving Period, the Servicer shall provide an Acknowledgment substantially in the form of Exhibit E hereto dated as of the Closing Date or such Distribution Date, as applicable, to the Owner Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer confirming that the Servicer has received and is in possession of the original of each Dealer Agreement listed on Schedule A hereto (or such amendment or supplement to Schedule A relating to each Distribution Date, as applicable).

(ii) If, on the 120th day after each Distribution Date during the Revolving Period, the Servicer has not verified the presence of the original Contract related to the Contracts listed on Schedule A hereto (or such amendment or supplement to Schedule A relating to each Distribution Date during the Revolving Period, as applicable) with respect to at least 98.0% of the number of Contract Files required to be reviewed by each such 120th day in accordance with Section 3.03(d) hereof, the Servicer shall provide notice to the Owner Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer dated as of such date indicating the number of Incomplete Contracts as of such date.

(iii) On or prior to the 120th day after the Closing Date, the 180th day after the Closing Date and the 180th day after each Distribution Date during the Revolving Period, the Servicer shall provide an Acknowledgment substantially in the form of Exhibit E hereto, dated as of such date, to the Owner Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer confirming that the Servicer has verified the presence of the original contract related to at least 98.0% of the Contract Files required to be reviewed by such date in accordance with Section 3.03(d) hereof.

(c) To assure uniform quality in servicing the Dealer Loans and Contracts and to reduce administrative costs, the Issuer hereby revocably appoints the Servicer and the Servicer hereby accepts such appointment, to act as the agent of the Issuer and the Trust Collateral Agent as custodian of the original Certificates of Title for each Financed Vehicle evidencing the security interest of the Trust Collateral Agent in the Financed Vehicle which are hereby constructively delivered to the Trust Collateral Agent as of the Closing Date. The Servicer agrees to maintain the Dealer Agreements, Contract Files, Certificates of Title and Records which are delivered to it at the offices of the Servicer as shall from time to time be identified to the Trust Collateral Agent, the Backup Servicer, the Class A Insurer and the Backup Insurer by written notice. The Servicer shall maintain, or shall appoint an agent acceptable to the Controlling Party to maintain, such Certificates of Title at its principal place of business located at Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339 or as otherwise notified in writing to the Trust Collateral Agent, the Backup Servicer, the Class A Insurer and the Backup Insurer.

(d) The Servicer shall within: (i) 120 days after the Closing Date and 120 days after each Distribution Date during the Revolving Period, review at least 75.0% of the Contract Files related to the Dealer Loans transferred to the Trust on the Closing Date or such Distribution Date, as applicable, to verify the presence of the original of the Contract; and (ii) 180 days after the Closing Date and 180 days after each Distribution Date during the Revolving Period, review the remainder of the Contract Files related to the Dealer Loans transferred to the Trust on the Closing Date or such Distribution Date, as applicable, to verify the presence of the original of the Contract therein; provided, however, that in the case of each of (i) and (ii) above, the Certificate of Title with respect to each Contract need not be verified. If the number of Incomplete Contracts (or the number of originals of Contracts that have not otherwise been delivered to the Servicer) exceeds the number of Permitted Incomplete Contracts as of any such 120th or 180th day, as applicable, the Seller shall make a payment only with respect to the excess number of Incomplete Contracts, in an amount equal to the related Purchase Amount, in accordance with the provisions of Section 3.02(b) hereof. Notwithstanding the foregoing sentence, but subject to the other limitations set forth herein, the Controlling Party may, in its sole discretion, require the Seller to remit the applicable Purchase Amount with respect to any Permitted Incomplete Contracts.

(e) Subject to the foregoing, Credit Acceptance may temporarily move individual Dealer Agreements, Contract Files or Records, or any portion thereof without notice as necessary to allow the Servicer to conduct collection and other servicing activities in accordance with its customary practices and procedures.

(f) The Servicer shall have and perform the following powers and duties:

(i) hold the Dealer Agreements, Contract Files and Records in trust for the benefit of the Trust Collateral Agent and the Trust and maintain a current inventory thereof; and

(ii) carry out such policies and procedures in accordance with its customary actions with respect to the handling and custody of the Dealer Agreements, Contract Files and Records so that the integrity and physical possession of the Dealer Agreements, Contract Files and Records will be maintained.

In performing its duties as custodian, the Servicer agrees to act with reasonable care, using that degree of skill and care that it exercises with respect to similar Dealer Agreements, Contracts or Dealer Loans owned or held by it.

(g) The Servicer shall have the obligation (i) to physically segregate the Contract Files from the other custodial files it is holding for its own account or on behalf of any other Person and (ii) to physically mark the Contract folders to demonstrate the transfer of Contract Files and the Trust Collateral Agent's security interest hereunder.

(h) (i) If a Servicer Default occurs, the Trust Collateral Agent shall have the rights set forth in Section 8.01 hereof, including, at the request of the Controlling Party, the right to terminate Credit Acceptance as the custodian hereunder and the Trust Collateral Agent shall have the right to appoint a successor custodian hereunder who shall assume all the rights and obligations of the "custodian" hereunder. On the effective date of the termination of Credit Acceptance as Servicer, Credit Acceptance shall be released of all of its obligations as custodian arising on or after such date. The Dealer Agreements, Contract Files and Records shall be delivered by Credit Acceptance to the successor custodian, on or before the date which is two (2) Business Days prior to such date.

(ii) During the continuance of a Servicer Default, the Servicer and the Seller shall, at the request of the Controlling Party or the Trust Collateral Agent, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, each in its sole discretion, take all steps necessary to cause the Certificate of Title of each Financed Vehicle to be revised to name the Trust Collateral Agent on behalf of the Trust as lienholder. Any costs associated with such revision of the Certificate of Title shall be paid by the Servicer and, and to the extent such costs are not paid by the Servicer such unpaid costs shall be recovered as described in Section 5.08 hereof. In no event shall the Trust Collateral Agent or the successor Servicer be required to expend funds in connection with this Section 3.03(h). If the Backup Servicer has become the successor Servicer, it shall be reimbursed for all Reliening Expenses (in accordance with the provisions of Section 5.08(a) hereof) for any retitling effort associated with the Financed Vehicles set forth in this Agreement.

(iii) The Servicer shall provide to the Trust Collateral Agent access to the Dealer Agreements, Contract Files and Records and all other documentation regarding the Dealer Agreements, Contracts and the Dealer Loans and the related Financed Vehicles in such cases where the Trust Collateral Agent is required in

connection with the enforcement of the rights or interests of the Trust, or by applicable statutes or regulations to review such documentation, such access being afforded without charge.

ARTICLE IV

ADMINISTRATION AND SERVICING OF DEALER LOANS AND CONTRACTS

SECTION 4.01. Appointment; Duties of Servicer.

(a) Servicing; Termination. The Seller, the Trust, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer hereby appoint Credit Acceptance as servicer hereunder and Credit Acceptance hereby accepts such appointment and agrees to manage, collect and administer each of the Dealer Loans as Servicer. Credit Acceptance shall be retained as Servicer for an initial twelve (12) month term commencing on the Closing Date. Upon the expiration of such twelve (12) month term, the Controlling Party, upon written notice to the Indenture Trustee, the Trust Collateral Agent, the Servicer, the Rating Agencies, the Insurer not then the Controlling Party and the Backup Servicer, may, at its option, renew the term of Credit Acceptance as Servicer for a subsequent term of three (3) months. Upon the expiration of any three month term, the Controlling Party, upon written notice to the Indenture Trustee, the Trust Collateral Agent, the Servicer, the Rating Agencies, the Insurer not then the Controlling Party and the Backup Servicer, may at its option, renew the term of Credit Acceptance as Servicer for an additional three (3) month term. If the Controlling Party does not renew any such servicing term in writing, the servicing term of Credit Acceptance shall automatically expire. If both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, and the twelve (12) month or any three (3) month servicing term, as the case may be, has expired, Credit Acceptance shall continue as Servicer unless and until it is terminated after the occurrence of a Servicer Default. Upon the occurrence of a Servicer Default, the Controlling Party shall have the rights set forth in Section 8.01 hereof. Notwithstanding anything herein to the contrary, the provisions of this Section 4.01(a) shall not apply to the Backup Servicer after it has become the successor Servicer.

(b) Standard of Care; Types of Duties. The Servicer shall manage, service, administer, and make collections on the Dealer Loans and the Contracts with reasonable care, using that degree of skill and attention that the servicers in the retail automobile financing industry exercise with respect to all comparable receivables that they service for themselves or others and the same degree of care that the Servicer exercises with respect to any comparable dealer loan or automobile contracts that it holds for its own account. The Servicer's duties shall include collection and posting of all payments, responding to inquiries of Dealers and of Obligors on such Contracts, investigating delinquencies, sending payment statements or coupons to Dealers and Obligors, reporting tax information to Dealers and Obligors, accounting for collections, and furnishing monthly and annual statements to the Trust Collateral Agent with respect to distributions. The Servicer shall follow prudent standards, policies, and procedures in performing its duties as Servicer. Without limiting the generality of the foregoing, the Servicer is hereby granted a limited power of attorney by the Trust Collateral Agent to execute and deliver, on behalf of itself, the Trust, the Class A Noteholders, or the Trust Collateral Agent or any of them, any and all instruments of satisfaction or cancellation, or partial or full release or

discharge, and all other comparable instruments, with respect to such Dealer Loans and Contracts or to the Financed Vehicles securing such Contracts in accordance with the terms of this Agreement. If the Servicer shall commence a legal proceeding to enforce a Dealer Loan or a Contract, the Trust Collateral Agent (in the case of a Dealer Loan other than a Purchased Loan) shall thereupon be deemed to have automatically assigned, solely for the purpose of collection, such Dealer Loan or Contract to the Servicer. The Servicer shall not make the Seller, the Trust, the Trust Collateral Agent, the Indenture Trustee, the Class A Insurer or the Backup Insurer a party to any such legal proceeding without such party's written consent. If in any enforcement suit or legal proceeding it shall be held that the Servicer may not enforce a Dealer Loan or a Contract on the ground that it shall not be a real party in interest or a holder entitled to enforce the Dealer Loan or Contract, the Trust Collateral Agent shall be deemed to have automatically assigned such Dealer Loan or Contract to the Servicer, solely for the purpose of collection. The Trust Collateral Agent shall furnish the Servicer with any powers of attorney and other documents prepared by the Servicer reasonably necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder. The Servicer, at its expense, shall obtain on behalf of the Trust all licenses, if any, required by the laws of any jurisdiction to be held by the Trust in connection with ownership of the Dealer Loans and its security interest in the Contracts which secure the Dealer Loans, and shall make all filings and pay all fees as may be required in connection therewith during the term hereof. The Seller shall assist the Backup Servicer, as successor Servicer, in connection with any reports related to distributions.

(c) Duties with Respect to the Basic Documents. Credit Acceptance shall perform all its duties and, unless otherwise specified, the administrative duties of the Issuer under the Basic Documents. In addition, Credit Acceptance shall consult with the Indenture Trustee and, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, the Controlling Party, as Credit Acceptance deems appropriate regarding the duties of the Issuer under the Basic Documents. Credit Acceptance shall monitor the performance of the Trust and shall advise the Owner Trustee and Indenture Trustee, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, and the Controlling Party, when action is necessary to comply with the Trust's duties under the Basic Documents. The Seller shall execute and deliver all Issuer Orders and Officer's Certificates required by the Trust under the Indenture. Notwithstanding anything herein to the contrary, the Backup Servicer, as successor Servicer, shall not have an obligation to perform such duties set forth in this Section 4.01(c).

(d) Duties with Respect to the Trust.

(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, shall execute and deliver all Issuer Orders and Officer's Certificates required of the Issuer under the Basic Documents, and shall prepare for execution by the Trust 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 Trust 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 shall take all appropriate action that it is the duty of the Trust to take pursuant to this Agreement or any

of the Basic Documents, including, without limitation, pursuant to Section 5.1 (with respect to the preparation and filing of tax returns) of the Trust Agreement.

(ii) 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 such delegation shall not relieve the Servicer of its obligations that the terms of any such transaction or dealings shall be in accordance with any directions received from the Trust and shall be, in the Servicer's opinion, no less favorable to the Trust in any material respect.

Notwithstanding anything herein to the contrary, in the event that the Backup Servicer is acting as successor Servicer, the Seller shall assist the Backup Servicer in performing the duties set forth in this Section 4.01(d).

(e) Records. The Servicer shall maintain appropriate books of account and records relating to its duties performed under Section 4.01(c) and (d) hereof, which books of account and records shall be accessible for inspection and copy by the Owner Trustee, the Indenture Trustee, the Class A Insurer, the Backup Insurer or the Trust Collateral Agent at any time during normal business hours at its offices and in a reasonable manner.

(f) Additional Information to be Furnished to the Trust. The Servicer shall furnish to the Owner Trustee, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer from time to time such additional information regarding the Trust or the Basic Documents as the Owner Trustee, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer or the Backup Insurer shall reasonably request.

(g) Servicer as Independent Contractor. All services, duties and responsibilities of the Servicer under this Agreement shall be performed and carried out by the Servicer as an independent contractor for the benefit of the Trust, the Class A Insurer and the Backup Insurer, and none of the provisions of this Agreement shall be deemed to make, authorize or appoint the Servicer as agent or representative of the Seller, the Trust Collateral Agent, the Trust, the Class A Insurer, the Backup Insurer or any Class A Noteholder except as provided in Section 3.03 hereof.

SECTION 4.02. Collection and Application of Payments on the Dealer Loans and Contracts.

The Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Dealer Loans and Contracts from time to time, all in accordance with Applicable Laws, with reasonable care and diligence, and in accordance with the Collection Guidelines, it being understood that there shall be no recourse to the Servicer with regard to the Dealer Loans and Contracts except as otherwise provided herein and in the other Basic Documents. In performing its duties as Servicer, the Servicer shall use the same degree of care and attention it employs with respect to similar contracts and loans which it services for itself or others. Each of the Issuer, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer hereby appoints as its agent the Servicer, from time to time designated pursuant to the terms hereof, to enforce its respective rights and interests in and under the Trust Property.

The Servicer shall hold in trust for the Issuer, the Trust Collateral Agent and the Class A Insurer and the Backup Insurer all Records and all Collections (other than Dealer Collections) and any other amounts it receives in respect of the Trust Property. In the event that a successor Servicer is appointed, the outgoing Servicer shall deliver to the successor Servicer and the successor Servicer shall hold in trust for the Issuer, the Trust Collateral Agent and the Class A Insurer and the Backup Insurer all records which evidence or relate to all or any part of the Trust Property.

SECTION 4.03. Realization Upon Contracts.

On behalf of the Trust, the Indenture Trustee, the Class A Insurer and the Backup Insurer, the Servicer shall use reasonable efforts, in accordance with the Collection Guidelines and prudent servicing procedures, to repossess or otherwise convert the ownership of the Financed Vehicle securing any Contract as to which the Servicer shall have determined eventual payment in full is unlikely, as soon as practicable after the Servicer makes such determination. The Servicer shall follow such prudent practices and procedures as would be deemed prudent in the servicing of comparable receivables, consistent with the standard of care required by Section 4.01(b) which may include reasonable efforts to sell the Financed Vehicle at public or private sale. If the Backup Servicer has become the Servicer, it shall be entitled to receive Repossession Expenses in accordance with Section 5.02 hereof.

SECTION 4.04. Physical Damage Insurance.

The Servicer, in accordance with prudent servicing procedures, shall require that each Obligor on a Contract shall have obtained physical damage insurance covering the Financed Vehicle as of the date of execution of the Contract, as may be required in accordance with the Credit Guidelines.

SECTION 4.05. Maintenance of Security Interests in Financed Vehicles.

The Servicer shall take such steps as are necessary to maintain perfection of the security interest created by each Contract in the related Financed Vehicle, including, without limitation, taking such steps as are reasonably necessary to maintain the Originator as noted lienholder on each Certificate of Title relating to a Financed Vehicle in all states where such notation is a means of perfection under applicable law. The Servicer shall take such steps as are necessary to reperfect such security interest on behalf of the Indenture Trustee in the event of the relocation of a Financed Vehicle or for any other reason. In the event that the assignment of a Contract to the Indenture Trustee is insufficient without a notation on 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 Indenture Trustee, the parties hereto agree that the Originator's designation as the secured party on the Certificate of Title is, with respect to each secured party, as applicable, in its capacity as agent of the Indenture Trustee. The Backup Servicer as successor Servicer shall be entitled to reimbursement for all expenses incurred in connection with its duties under this Section 4.05.

SECTION 4.06. Covenants of Servicer.

(a) Affirmative Covenants. From the date hereof until the Stated Final Maturity Date or, if earlier, the date the Class A Notes are paid in full:

(i) Compliance with Law. The Servicer will comply in all material respects with all Applicable Laws, including those with respect to the Dealer Loans, the Dealer Agreements the Contracts or any part thereof.

(ii) Preservation of Existence. The Servicer will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a material adverse effect on the Dealer Loans, the Dealer Agreements, the Contracts or the Class A Notes.

(iii) Obligations and Compliance with Dealer Loans and Dealer Agreements. The Servicer will duly fulfill and comply with all obligations on the part of the Seller to be fulfilled or complied with under or in connection with each Dealer Loan and each Dealer Agreement and will do nothing to impair the rights of the Trust Collateral Agent, the Indenture Trustee or the Class A Noteholders in, to and under the Trust Property. The Backup Servicer as successor Servicer shall not have an obligation to perform the obligations of the Servicer under this Section 4.06(a)(iii).

(iv) Keeping of Records and Books of Account. The Servicer will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records consistent with standards or practices in the industry evidencing the Dealer Loans and the Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Dealer Loans.

(v) Preservation of Security Interest. The Servicer will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the security interest of the Indenture Trustee for the benefit of the Class A Noteholders, the Class A Insurer and the Backup Insurer in, to and under the Trust Property. In its capacity as custodian, it will maintain possession of the Dealer Agreements and the Contract Files and Records, as custodian for the Trust and the Trust Collateral Agent, as set forth in Section 3.3(a).

(vi) Collection Guidelines. The Servicer will (A) comply in all material respects with the Collection Guidelines in regard to each Loan and Contract, and (B) furnish to the Trust Collateral Agent, the Class A Insurer and the Backup Insurer quarterly, prompt notice of any material change in the Collection Guidelines and will deliver a copy of such changes to the Trust Collateral Agent, the Class A Insurer and the Backup Insurer, quarterly.

(vii) Books and Records. The Servicer shall keep, or cause to be kept, in reasonable detail, books and records of account of: (A) its assets and business, and

shall clearly reflect therein the ownership of the Trust Property by the Issuer; and (B) any statutory trust records of the Trust required in accordance with Section 4.1(c)(iv) of the Trust Agreement.

(viii) Access to Records; Discussions with Officers. The Servicer shall, at the Servicer's expense upon the prior reasonable request of the Class A Insurer or the Backup Insurer, permit the Class A Insurer or the Backup Insurer, as applicable, or its authorized agent, access during normal business hours at its offices to (i) the Servicer's books of account, records, reports and other papers with respect to the Trust Property and the Basic Documents and (ii) any of the properties of the Servicer, in order to examine all of such books of account, records, reports and other papers, to make copies and extracts therefrom and to discuss the Servicer's affairs, finances and accounts with its officers, employees, and independent public accountants. Such inspections and discussions shall be conducted at such reasonable times, as often as may be reasonably requested and in a commercially reasonable manner.

(ix) ERISA. So long as the Seller or the Issuer are ERISA Affiliates of the Servicer, the Servicer shall comply in all material respects with the provisions of ERISA, the Code, and all other applicable laws, except where such non-compliance could not reasonably be expected to result in a material adverse effect with respect to the Servicer and its ERISA Affiliates or with respect to the Trust Property. Without limiting the foregoing, the Servicer shall not, and shall not permit its ERISA Affiliates to: (i) engage in any non-exempt prohibited transaction (within the meaning of the Internal Revenue Code Section 4975 or ERISA Section 406) with respect to any Benefit Plan for which the Servicer and its ERISA Affiliates would have a material liability; (ii) suffer to exist any accumulated funding deficiency as defined in Section 301(a) of ERISA and Section 412(a) of the Internal Revenue Code with respect to any Benefit Plan in an amount exceeding $500,000 or (iii) terminate any Benefit Plan or Multiemployer Plan if such termination would result in any material liability for which the Seller or Issuer would be liable as ERISA Affiliates.

(x) Financial Reporting. The Servicer shall furnish or cause to be furnished to the Class A Insurer, the Backup Insurer and the Rating Agencies the following:

(A) Annual Financial Statements. As soon as available, and in any event within one hundred and twenty (120) days after the close of each fiscal year of the Servicer, the audited consolidated balance sheet of the Servicer as of the end of such fiscal year, and the audited consolidated statements of income, shareholders' equity and cash flows of the Servicer for such fiscal year in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, in each case prepared in accordance with GAAP, consistently applied, and accompanied by the certificate of independent accountants and certified by an authorized officer of the Servicer as being complete and correct in all material respects, in each case presenting the financial condition and results of operations of the Servicer as of the dates and for the periods indicated, in accordance with GAAP consistently applied.

(B) Quarterly Financial Statements. As soon as available, and in any event within 60 days after the close of the first three quarters of each fiscal year of the Servicer, the unaudited consolidated balance sheet of the Servicer as of the end of each such quarter, and the unaudited consolidated statements of income and cash flows of the Servicer for the portion of the fiscal year then ended, in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with GAAP, consistently applied (subject to normal year-end adjustments), and certified by an authorized officer of the Servicer as being complete and correct in all material respects and presenting the financial condition and results of operations of the Servicer as of the dates and for the periods indicated, in accordance with GAAP consistently applied (subject as to interim statements to normal year-end adjustments).

(C) Covenant Compliance Reports. Concurrently with the delivery of each financial report delivered under (b) or (c) above, a report in substantially the form attached to this Agreement as Exhibit I and certified by the chief accounting officer or the treasurer of the Servicer, as to whether the Servicer is in compliance with the Financial Covenants for the applicable fiscal quarter (or year-end) of the Servicer, as the case may be, in which report the Company shall set forth its calculations and the resultant ratios or financial tests determined thereunder, and certifying that no Servicer Default and no event which, with the giving of notice or the passage of time, would become a Servicer Default has occurred and is continuing or, if any such Servicer Default or other event has occurred and is continuing, such a Servicer Default has occurred and is continuing, the action which the Servicer has taken or proposes to take with respect thereto.

(D) Notices to Other Creditors. Concurrently with the delivery to the "Agent" under the Comerica Credit Agreement, but in any event no later than when such reports and notices are required to be given under such agreement, copies of any static pool analyses, notices of default, SEC filings, notices disclosing adverse litigation or a material adverse change in the Servicer's financial condition, business or operations.

(E) Other Material Events. As soon as possible, and in any event within three (3) Business Days after becoming aware of (i) any material adverse change in the financial condition of the Servicer or any of its Subsidiaries, a certificate of a financial officer setting forth the details of such change, or (ii) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Servicer or any of its Subsidiaries in any federal, state or local court or before any arbitration board, or any such proceeding threatened by any governmental agency, which, if adversely determined, would be reasonably likely to cause a material adverse effect on the Servicer's financial condition or operations, its ability to perform its obligations hereunder or on the collectibility of the Trust Property.

(F) Other Information. Promptly upon request, such other information respecting the Trust Property or the Servicer as the Class A Insurer, the Backup Insurer or the Rating Agencies may reasonably request.

(b) Negative Covenants. From the date hereof until the Stated Final Maturity Date or, if earlier, the date the Class A Notes are paid in full:

(i) Mergers, Acquisition, Sales, etc. The Servicer will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless the Servicer is the surviving entity and unless:

(A) the Servicer has delivered to the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Backup Servicer, the Class A Insurer and the Backup Insurer an Officer's Certificate and an Opinion of Counsel each stating that any consolidation, merger, conveyance or transfer and such supplemental agreement comply with the terms of this Agreement and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to the Servicer and such other matters as the Trust Collateral Agent, the Class A Insurer or the Backup Insurer may reasonably request;

(B) the Servicer shall have delivered written notice of such consolidation, merger, conveyance or transfer to the Trust Collateral Agent, the Class A Insurer and the Backup Insurer; and,

(C) after giving effect thereto, no Servicer Default or event that with notice or lapse of time, or both, would constitute a Servicer Default shall have occurred.

(ii) Change of Name or Location of Records. Except as permitted under Section 7.03, the Servicer shall not (A) change its name or its state of organization, move the location of its principal place of business and chief executive office, and the offices where it keeps records concerning the Dealer Loans from the location referred to in Section 3.03(c), or (B) move the Records from the location thereof on the Closing Date, unless the Servicer has given at least thirty (30) days' written notice to the Trust Collateral Agent, the Indenture Trustee, the Class A Insurer and the Backup Insurer and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Trust Collateral Agent as agent for the Class A Noteholders in the Trust Property.

(iii) Change in Payment Instructions to Obligors. The Servicer will not make any change in its instructions to Obligors (other than pursuant to its Collection Guidelines) regarding payments to be made directly or indirectly, unless the Trust Collateral Agent and the Controlling Party have each consented to such change and have received duly executed documentation related thereto; provided, however, any successor Servicer appointed Servicer hereunder, shall be permitted to make changes to such instructions directing the Obligors to make payments to such successor Servicer directly or indirectly upon its appointment, but any subsequent changes shall be subject to the consent provisions of this clause (iii).

(iv) No Instruments. The Servicer shall take no action to cause any Dealer Loan to be evidenced by any instrument (as defined in the UCC as in effect in the relevant jurisdictions).

(v) No Liens. The Servicer shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than in favor of the Trust Collateral Agent or the Trust as specifically contemplated herein) on the Trust Property or any interest therein; the Servicer will notify the Trust Collateral Agent, the Class A Insurer and the Backup Insurer of the existence of any Lien on any portion of the Trust Property immediately upon discovery thereof, and the Servicer shall defend the right, title and interest of the Trust Collateral Agent on behalf of the Class A Noteholders in, to and under the Trust Property against all claims of third parties claiming through or under the Servicer.

(vi) Credit Guidelines and Collection Guidelines. The Servicer will not amend, modify, restate or replace, in whole or in part, the Credit Guidelines or Collection Guidelines, which change would impair the collectibility of any Dealer Loan or Contract or otherwise adversely affect the interests or the remedies of the Trust Collateral Agent, the Trust, the Class A Insurer or the Backup Insurer under this Agreement or any other Basic Document, without the prior written consent of the Trust Collateral Agent and the Controlling Party.

(vii) Release of Contracts. Except for a release to an insurer in exchange for insurance proceeds paid by such insurer resulting from a claim for the total insured value of a vehicle, the Servicer shall not release or direct the Trust Collateral Agent to release the Financed Vehicle securing each such Contract from the security interest granted by such Contract in whole or in part, except in the event of (i) payment in full by or on behalf of the Obligor thereunder, (ii) settlement with the Obligor in respect of Defaulted Contracts consistent with its Collection Guidelines or (iii) repossession, nor shall the Servicer impair the rights of the Class A Noteholders, the Class A Insurer or the Backup Insurer in the Contracts which secure the Dealer Loans, except as may be required by applicable law.

SECTION 4.07. Payments in Respect of Contracts Upon Breach.

(a) The Servicer or the Trust Collateral Agent (provided that a Responsible Officer of the Trust Collateral Agent has actual knowledge or has received written notice thereof) shall inform the other parties to this Agreement, the Class A Insurer and the Backup Insurer promptly, in writing, upon the discovery of any breach of Section 4.01, 4.02, 4.03, 4.04, 4.05 or 4.06 hereof which materially and adversely affects the interest of the Issuer, the Indenture Trustee, the Class A Insurer or the Backup Insurer. Unless the breach shall have been cured by the last day of the first full Collection Period following such actual knowledge or receipt of notice by an Authorized Officer of the Servicer, the Servicer shall, as of the Business Day preceding the Determination Date relating to the respective Collection Period, make payments with respect to any nonconforming Dealer Loan that is materially and adversely affected by such breach or which materially and adversely affects the interests of either Insurer (or the Class A Noteholders if both a Class A Insurer Default and a Backup Insurer Default are then continuing),

and shall prepay in full any nonconforming Contract that is materially and adversely affected by such breach or which materially and adversely affects the interests of either Insurer (or the Class A Noteholders if both a Class A Insurer Default and a Backup Insurer Default are then continuing); provided, however, if the Backup Servicer is acting as successor Servicer, it shall not have any obligation to make payments with respect to any Dealer Loans or prepay any Contracts. In consideration of the making of payments with respect to such Dealer Loan or such Contract, the Servicer shall remit the Purchase Amount. Notwithstanding anything herein to the contrary, (i) during the Revolving Period, such payments shall not be required if the Adjusted Collateral Amount is equal to or greater than the Minimum Collateral Amount; and (ii) during the Amortization Period, such payments shall not be required: (A) with respect to any Loan, so long as the aggregate Net Loan Balance of all Dealer Loans which would be Ineligible Loans as a result of being subject to the foregoing payment obligations during the Amortization Period is less than the Amortization Period Additional Loan Collateral Amount; and (B) with respect to any Contract, so long as the aggregate Outstanding Balance of all Contracts which would be Ineligible Contracts as a result of being subject to the foregoing payment obligations during the Amortization Period is less than the Amortization Period Additional Contract Collateral Amount.

(b) If such payments are required in accordance with clause (a) of this Section 4.07, they shall be made only with respect to the Amortization Period Payment Obligations. Notwithstanding the foregoing, the Servicer's obligation to make any payment under this Section 4.07 may be waived with the prior written consent of the Controlling Party or the Indenture Trustee, at the direction of the Majority Noteholders, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing. The Trust Collateral Agent shall have no duty to conduct any affirmative investigation or inquiry as to the occurrence of any condition requiring payments to be made with respect to any Dealer Loan or Contract pursuant to this Section. Any such waiver by the Controlling Party or the Indenture Trustee, at the direction of the Majority Noteholders, as applicable, shall not require any further waiver, action or consent by any other party. The party providing such waiver shall give notice thereof to the Owner Trustee.

SECTION 4.08. Servicer Fee.

The Servicer, including any successor Servicer, shall be entitled to payment of the Servicing Fee as defined herein, which shall be payable in accordance with Section 5.08(a) hereof. In no event shall the Indenture Trustee or the Trust Collateral Agent be responsible for the Servicing Fee or for any differential between the Servicing Fee and the amount necessary to induce a successor Servicer to assume the obligations of Servicer hereunder.

SECTION 4.09. Servicer's Certificate.

(a) By the Determination Date in each calendar month, the Servicer shall deliver to the Trust Collateral Agent, the Class A Insurer, the Backup Insurer, the Rating Agencies, the Backup Servicer, and Wachovia Capital Markets, LLC, a Servicer's Certificate substantially in the form of Exhibit B hereto containing all information necessary to make the transfers, deposits and distributions pursuant to Sections 5.04 through 5.11 hereof for the Collection Period immediately preceding the date of such Servicer's Certificate and as of the last day of such Collection Period, and all information necessary for the Trust Collateral Agent to

make available statements to Class A Noteholders, the Class A Insurer and the Backup Insurer pursuant to Section 5.11 hereof. Upon receipt of the Servicer's Certificate, the Trust Collateral Agent shall conclusively rely (and shall be fully protected in so relying) on the information contained therein for the purposes of making distributions and allocations as provided for herein. Each Servicer's Certificate shall be certified by a Responsible Officer of the Servicer. The Seller shall assist the Trust Collateral Agent with its obligation to make distributions and allocations. Dealer Loans purchased by the Trust shall be identified by the Servicer by the Dealer's account number and certain other information with respect to such Dealer Loan (as specified in Schedule A to this Agreement).

(b) No later than 9:00 A.M. New York time on the third (3rd) Business Day of each calendar month (the "Servicer's Data Date"), the Servicer shall send to the Backup Servicer a Computer Tape, detailing the payments on the Dealer Loans during the prior Collection Period (the "Servicer's Data File"). Such Computer Tape shall be in the form and have the specifications as may be agreed to between the Servicer and the Backup Servicer from time to time.

(c) No later than the end of the second (2nd) Business Day prior to each Determination Date, the Servicer shall furnish to the Backup Servicer the Servicer's Certificate related to the prior Collection Period. The Backup Servicer shall review the information contained in the Servicer's Certificate against the information on the Servicer's Data File, on an aggregate basis. No later than three (3) Business Days after the Backup Servicer's receipt of such Servicer's Certificate, the Backup Servicer shall notify the Servicer, the Class A Insurer, the Backup Insurer, the Trust Collateral Agent and the Indenture Trustee of any inconsistencies between the Servicer's Certificate and the Servicer's Data File and the Backup Servicer and the Servicer shall attempt to reconcile such inconsistencies; provided, however, in the absence of a reconciliation, the Servicer's Certificate shall control for the purpose of calculations and distributions with respect to the related Distribution Date. If the Backup Servicer and the Servicer are unable to reconcile discrepancies with respect to a Servicer's Certificate by the related Distribution Date, the Servicer shall cause the Independent Accountants, at the Servicer's expense, to audit the Servicer's Certificate and, prior to the third Business Day, but in no event later than 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 Determination Date. The Backup Servicer shall only review the information provided by the Servicer in the Servicer's Certificate and in the Servicer's Data File and its obligation to report any inconsistencies shall be limited to those determinable from such information.

The Backup Servicer and the Servicer shall attempt to reconcile any such material inconsistencies and/or to furnish any such omitted information and the Servicer shall amend the Servicer's Certificate to reflect the Backup Servicer's computations or to include the omitted information. The Backup Servicer shall in no event be liable to the Servicer with respect to any failure of the Backup Servicer to discover or detect any errors, inconsistencies, or omissions by the Servicer with respect to the Servicer's Certificate and Servicer's Data File except as specifically set forth in this Section.

(d) The Servicer shall provide to the Backup Servicer, or its agent, monthly, or as frequently as may be otherwise requested, information on the Dealer Loans and related

Contracts sufficient to enable the Backup Servicer to assume the responsibilities as successor Servicer and collect on the Contracts.

(e) Except as provided in this Agreement, the Backup Servicer may accept and conclusively rely on all accounting, records and work of the Servicer without audit, and the Backup Servicer shall have no liability for the acts or omissions of the Servicer. If any error, inaccuracy or omission (collectively, "Errors") exists in any information received from the Servicer, and such Errors should cause or materially contribute to the Backup Servicer making or continuing any Errors (collectively, "Continued Errors"), the Backup Servicer shall have no liability for such Continued Errors; provided, however, that this provision shall not protect the Backup Servicer against any liability that would otherwise be imposed by reason of willful misconduct, bad faith or gross negligence in discovering or correcting any Error or in the performance of its or their duties hereunder or under this Agreement. In the event the Backup Servicer becomes aware of Errors or Continued Errors, the Backup Servicer shall, with the prior consent of the Controlling Party, use its best efforts to reconstruct and reconcile such data as is commercially reasonable to correct such Errors and Continued Errors and prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer.

(f) The Backup Servicer and its officers, directors, employees and agent shall be indemnified by the Servicer and the Issuer, from and against all claims, damages, losses or expenses reasonably incurred by the Backup Servicer (including reasonable attorney's fees) arising out of claims asserted against the Backup Servicer by third parties on any matter arising out of this Agreement to the extent the act or omission giving rise to the claim accrues before the date on which the Backup Servicer assumes the duties of Servicer hereunder, except for any claims, damages, losses or expenses arising from the Backup Servicer's own gross negligence, bad faith or willful misconduct. Indemnification by the Servicer and the Issuer under this Section 4.09(f) shall survive the termination of this Agreement or the earlier removal or resignation of the Backup Servicer.

SECTION 4.10. Annual Statement as to Compliance; Notice of Default.

(a) The Servicer shall deliver to the Trust Collateral Agent, the Owner Trustee, the Rating Agencies, the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Class A Noteholders, on or before April 30th of each year beginning in the year 2005, an Officer's Certificate, dated as of the preceding December 31st, stating that (i) a review of the activities of the Servicer during the preceding 12-month (or for the initial certificate, for such shorter period as may have elapsed from the Closing Date to such December 31st or, with respect to a successor Servicer, shorter period if a successor Servicer becomes Servicer after the beginning of a calendar year) 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 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.

(b) The Servicer shall deliver to the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Backup Insurer and to the Rating Agencies,

promptly after having obtained knowledge thereof, but in no event later than five (5) 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 Default under Section 8.01. The Seller shall deliver to the Trust Collateral Agent, the Indenture Trustee, the Class A Insurer, the Backup Insurer and to such Rating Agencies, promptly after having obtained knowledge thereof, but in no event later than five (5) 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 Default under clause (ii) of Section 8.01. The Trust Collateral Agent shall forward a copy of each Officer's Certificate so received to each Class A Noteholder.

SECTION 4.11. Annual Independent Certified Public Accountant's Report.

(a) The Servicer will deliver to the Trust Collateral Agent, the Owner Trustee, the Indenture Trustee, each Class A Noteholder, the Class A Insurer, the Backup Insurer and the Rating Agencies, on or before April 30th of each year beginning in the year 2005, a copy of a report prepared by Independent Accountants, who may also render other services to the Servicer or any of its Affiliates, or to the Seller, addressed to the Board of Directors of the Servicer, the Indenture Trustee, the Class A Insurer and the Backup Insurer and dated during the current year, to the effect that such firm has examined the Servicer's policies and procedures and issued its report thereon and expressing a summary of findings (based on the procedures to be performed on the documents, records and accounting records set forth in clause (b) of this Section 4.11) relating to the servicing of the Dealer Loans and the related Contracts and the administration of the Dealer Loans and the related Contracts and of the Trust during the preceding calendar year and that such servicing and administration was conducted in compliance with the terms of this Agreement, except for (i) such exceptions as such firm shall believe to be immaterial and (ii) such other exceptions as shall be set forth in such report and that such examination (1) was performed in accordance with standards established by the American Institute of Certified Public Accountants, and (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. For purposes of clause (i) of this Section 4.11(a), an amount shall be deemed "immaterial" if it is less than $1,000 or 0.05%.

In the event such independent public accountants require the Trust Collateral Agent to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 4.11, the Servicer shall direct the Trust Collateral Agent in writing to so agree; it being understood and agreed that the Trust Collateral Agent will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Trust Collateral Agent has not made 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.

Such report shall also indicate that the firm is independent of the Servicer and its Affiliates within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

(b) The procedures to be performed by the Independent Accountants shall include: (i) a comparison of the data contained in two (2) Servicer Certificates (which are to be

selected at random by the Controlling Party from all of the Servicer Certificates delivered during the applicable fiscal year) to (A) the Servicer's internal reports derived from its loan servicing system, (B) information obtained by the Servicer from the Indenture Trustee in compiling the Servicer Certificates, and (C) such other information used in the preparation of the Servicer Certificates, to confirm the calculation of the data contained in the Servicer Certificates; (ii) a comparison of the Aggregate Outstanding Eligible Loan Balance contained on three (3) Servicer Certificates (which are to be selected at random by the Controlling Party from all of the Servicer Certificates delivered during the applicable fiscal year) to the Servicer's internal reports derived from its loan servicing system, to confirm the calculation of such amount; (iii) an audit of the Servicer's cash collections procedures by testing a random sample of five (5) daily cash receipts from the Servicer's list of cash collections for the applicable fiscal year to confirm that Collections received are deposited to the Collection Account within two (2) Business Days of receipt; and (iv) such other procedures as may be mutually agreed upon by the Servicer, the Controlling Party and the Independent Accountants which are considered appropriate under the circumstances.

SECTION 4.12. Access to Certain Documentation and Information Regarding Dealer Loans and Contracts.

The Servicer shall provide to each Class A Noteholder, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer access to its records pertaining to the Dealer Loans and the related Contracts, upon prior written request. Access shall be afforded without charge, but only upon reasonable request and during the normal business hours at the offices of the Servicer. Nothing in this Section shall affect the obligation of the Servicer to observe any Applicable Law prohibiting disclosure of information regarding the Dealers or the Obligors, and the failure of the Servicer to provide access to information as a result of such obligation shall not constitute a breach of this Section.

SECTION 4.13. Servicer Expenses.

The Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder, including fees and disbursements of independent accountants, taxes imposed on the Servicer and expenses incurred in connection with distributions and reports to Class A Noteholders, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer and with administering the duties of the Trust and the Issuer. If the Backup Servicer has become the Servicer, it shall be entitled to be reimbursed for all Servicer Expenses, Repossession Expenses, Reliening Expenses and Transition Expenses in accordance with Section 5.08(a) hereof.

SECTION 4.14. Servicer Not to Resign as Servicer.

Subject to the provisions of Section 7.03 of this Agreement, the Servicer shall not resign from the obligations and duties hereby imposed on it as Servicer under this Agreement except upon determination that the performance of its duties under this Agreement shall no longer be permissible under applicable law. Notice of any such determination permitting the resignation of the Servicer shall be communicated to the Trust Collateral Agent, the Rating Agencies, the Class A Insurer, the Backup Insurer and the Indenture Trustee within five (5) Business Days thereafter

(and, if such communication is not in writing, shall be confirmed in writing within five (5) Business Days thereafter) and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Trust Collateral Agent, the Class A Insurer, the Backup Insurer and the Indenture Trustee concurrently with or promptly after such notice. No such resignation shall become effective until the successor Servicer, appointed in accordance with Section 8.02 hereof, shall have taken the actions required by the last paragraph of Section 8.01 of this Agreement and shall have assumed the responsibilities and obligations of the predecessor Servicer in accordance with Section 8.02 of this Agreement. The Trust Collateral Agent shall forward a copy of each notice so received to each Class A Noteholder and the Rating Agencies.

SECTION 4.15. The Backup Servicer.

(a) Prior to assuming any of the Servicer's rights and obligations hereunder the Backup Servicer shall only be responsible to perform those duties specifically imposed upon it by the provisions of the Backup Servicing Agreement, and no implied obligations shall be read into this Agreement against the Backup Servicer. Such duties generally relate to following the provisions herein which would permit the Backup Servicer to assume some or all of the Servicer's rights and obligations hereunder (as modified or limited herein or in the Backup Servicing Agreement) with reasonable dispatch, following notice.

The Backup Servicer, prior to assuming any of the Servicer's duties hereunder, may not resign hereunder unless it arranges for a successor Backup Servicer reasonably acceptable to the Servicer, the Seller and the Controlling Party or the Indenture Trustee, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, with not less than 30 days' notice delivered to the Class A Insurer, the Backup Insurer, the Servicer and the Seller. Prior to its becoming successor Servicer, the Backup Servicer shall have only those duties and obligations imposed by it under this Agreement, and shall have no obligations or duties under any agreement to which it is not a party, including but not limited to the various agreements named herein.

(b) The Backup Servicer shall not be required to expend or risk its own funds or otherwise incur liability (financial or otherwise) in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if the repayment of such funds or written indemnity reasonably satisfactory to it against such risk or liability is not reasonably assured to it in writing prior to the expenditure or risk of such funds or incurrence of financial liability. Notwithstanding any provision to the contrary, the Backup Servicer, in its capacity as such, and not in its capacity as successor Servicer, shall not be liable for any obligation of the Servicer contained in this Agreement, and the parties shall look only to the Servicer to perform such obligations.

(c) The Servicer shall have no liability, direct or indirect, to any party, for the acts or omissions of the Backup Servicer, whenever such acts or omissions occur whenever such liability is imposed, except as set forth in Section 4.09(f). The successor Servicer shall not be liable for the acts or omissions of any predecessor Servicer.

(d) Notwithstanding anything to the contrary herein, so long as both a Class A Insurer Default and Backup Insurer Default are not continuing, the Controlling Party shall have

the right to remove the Backup Servicer for cause at any time and replace the Backup Servicer. In the event that the Controlling Party exercises its right to remove and replace SST as Backup Servicer, SST shall have no further obligation to perform the duties of the Backup Servicer under this Agreement.

SECTION 4.16. Fidelity Bond.

The Servicer hereby represents and covenants that the Servicer has obtained, and shall continue to maintain in full force and effect, a fidelity bond covering the Servicer of a type and in such amount as is customary for prudent servicers engaged in the business of servicing sub-prime and non-prime motor vehicle retail installment sales contracts similar to the Contracts.

SECTION 4.17. Obligations in Respect of the Owner Trustee.

To the extent Credit Acceptance is no longer the Servicer hereunder, Credit Acceptance, in its individual capacity, agrees to perform the obligations of the Servicer in respect of the Owner Trustee and the Trust described in Section 4.01(d) and Section 4.06(a)(vii)(B) hereof and in Section 6.2 of the Trust Agreement.

ARTICLE V

TRUST ACCOUNTS; DISTRIBUTIONS; STATEMENTS TO CERTIFICATEHOLDERS AND NOTEHOLDERS

SECTION 5.01. Establishment of Trust Accounts.

(a) (i) On or prior to the Closing Date, the Trust Collateral Agent, on behalf of the Indenture Trustee, for the benefit of the Class A Noteholders, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, shall establish and maintain in its own name two Eligible Accounts (respectively, the "Collection Account" and the "Principal Collection Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholders, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, as their interests may appear. The Collection Account and the Principal Collection Account shall initially be established with the Trust Collateral Agent.

(ii) The Trust Collateral Agent, on behalf of the Indenture Trustee, for the benefit of the Class A Noteholders, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, shall establish and maintain in its own name an Eligible Account (the "Class A Note Distribution Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholder, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, as their interests may appear. The Class A Note Distribution Account shall initially be established with the Trust Collateral Agent.

(iii) The Trust Collateral Agent, on behalf of the Indenture Trustee, for the benefit 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 Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Certificateholders. The Certificate Distribution Account shall initially be established with the Trust Collateral Agent.

(iv) The Trust Collateral Agent, on behalf of the Class A Noteholders, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, as their interests may appear, shall establish and maintain in its own name an Eligible Account (the "Reserve Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholders, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, as their interests may appear. The Reserve Account shall initially be established with the Trust Collateral Agent.

(b) Funds on deposit in the Collection Account, subject to Sections 5.06(b) and 5.07(b) hereof, the Principal Collection Account and the Reserve Account shall each be invested by the Trust Collateral Agent (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), bearing interest or sold at a discount, and maturing, unless payable on demand, no later than the Business Day immediately preceding the next Distribution Date; provided, however, it is understood and agreed that the Trust Collateral Agent shall not be liable for any loss arising from such investment in Eligible Investments unless the Eligible Investment was a direct obligation of the Trust Collateral Agent in its commercial capacity or unless such loss was caused by the Trust Collateral Agent's negligence or willful misconduct (it being understood and acknowledged that no loss on any such Eligible Investment which was made in conformity with this Agreement and the instructions of the Servicer shall be considered "caused by the Trust Collateral Agent's negligence or willful misconduct"). All such Eligible Investments shall be held by or on behalf of the Trust Collateral Agent for the benefit of the Indenture Trustee on behalf of the Class A Noteholders, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, as their interests may appear. Funds deposited in the Collection Account on the day immediately preceding a Distribution Date upon the maturity of any Eligible Investments are not required to be invested overnight. On each Distribution Date, all interest and investment income (net of investment losses and expenses) on funds on deposit in the Collection Account, as of the end of the Collection Period shall be included in Available Funds; and all interest and other investment income (net of investment losses and expenses) on funds on deposit in the Reserve Account shall be deposited into the Reserve Account. On each Distribution Date during the Revolving Period, all interest and other investment income (net of investment losses and expense) on funds on deposit in the Principal Collection Account shall be deposited into the Principal Collection Account; thereafter, such interest and other investment income (net of investment losses and expense) shall be included in Available Funds in the Collection Account.

(c) If (i) the Servicer shall have failed to give investment directions for any funds on deposit in the Collection Account, the Principal Collection Account or the Reserve Account to the Trust Collateral Agent by 2:00 p.m. Eastern Time (or such other time as may be agreed by the Issuer and Trust Collateral Agent) on any Business Day; or (ii) an Indenture Default or Indenture Event of Default shall have occurred and be continuing with respect to the Class A Notes but the Class A Notes shall not have been declared due and payable, or, if such Class A Notes shall have been declared due and payable following an Indenture 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 Trust Collateral Agent shall, to the fullest extent practicable, invest and reinvest funds in the Collection Account, the Principal Collection Account or the Reserve Account, as the case may be, in Eligible Investments described in clause (vi) of the definition thereof.

(d) (i) Subject to the grant of the security interest pursuant to the Indenture in favor of the Indenture Trustee, the Trust shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts (other than Dealer Collections) and in all proceeds thereof 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 Trust Collateral Agent for the benefit of the Class A Noteholders, the Class A Insurer, the Backup Insurer and, after the Class A Termination Date, the Certificateholders, as their interests may appear.

(ii) With respect to any Eligible Investments held from time to time in any Trust Account, the Trust Collateral Agent agrees that:

(A) any Eligible Investment that is held in deposit accounts shall be, except as otherwise provided herein, subject to the exclusive custody and control of the Trust Collateral Agent, and the Trust Collateral Agent shall have sole signature authority with respect thereto;

(B) any Eligible Investment that constitutes Physical Property shall be delivered to the Trust Collateral Agent in accordance with paragraph (a) of the definition of "Delivery" and shall be held, pending maturity or disposition, solely by the Trust Collateral Agent or a securities intermediary (as such term is defined in Section 8-102(a)(14) of the UCC) acting solely for the Trust Collateral Agent;

(C) any Eligible Investment that is a book-entry security held through the Federal Reserve System pursuant to Federal book-entry regulations shall be delivered in accordance with paragraph (b) of the definition of "Delivery" and shall be maintained by the Trust Collateral Agent, pending maturity or disposition, through continued book-entry registration of such Eligible Investment as described in such paragraph; and

(D) any Eligible Investment that is an "uncertificated security" under Article 8 of the UCC and that is not governed by clause (C) above shall be delivered to the Trust Collateral Agent in accordance with paragraph (c) of the definition of "Delivery" and shall be maintained by the Trust Collateral Agent, pending maturity or

disposition, through continued registration of the Trust Collateral Agent's (or its nominee's) ownership of such security.

(e) The Servicer shall have the power, revocable by the Controlling Party, the Trust Collateral Agent, by the Indenture Trustee or by the Owner Trustee, each with the prior written consent of the Controlling Party (so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing) and the Indenture Trustee, to instruct the Trust Collateral Agent to make withdrawals and payments from the Trust Accounts for the purpose of permitting the Servicer and the Trust Collateral Agent to carry out its respective duties hereunder.

(f) If ratings of the unsecured and uncollateralized long-term debt obligations of the Trust Collateral Agent or its parent are lower than "AA-" by S&P and "Aa3" by Moody's, then the Servicer shall, with the Trust Collateral Agent's assistance as necessary, cause the Trust Accounts to be moved within five (5) Business Days to another institution where such Trust Accounts will be Eligible Accounts.

SECTION 5.02. Collections; Allocation.

The Servicer shall remit to the Collection Account within two (2) Business Days of receipt all Collections collected during each Collection Period. On the Closing Date, the Servicer shall deposit in the Collection Account the foregoing amounts received with respect to the Dealer Loans and Contracts since the initial Cut-off Date.

The Servicer shall determine each month the amount of Collections received during each Collection Period which constitutes Dealer Collections and shall so notify the Trust Collateral Agent in writing. Notwithstanding any other provision hereof, the Trust Collateral Agent, at the written direction of the Servicer, shall distribute on each Distribution Date: (i) to the Issuer an amount equal to the aggregate amount of Dealer Collections received during or with respect to the prior Collection Period; and (ii) to the Backup Servicer, if it has become successor Servicer, an amount equal to Repossession Expenses related to the prior Collection Period prior to the distribution of Available Funds pursuant to Section 5.08(a) hereof. Upon receipt, the Issuer shall remit all Dealer Collections to Credit Acceptance. In the event the Backup Servicer is acting as successor Servicer, the Seller shall assist the Backup Servicer in the performance of its obligations under this Section 5.02.

SECTION 5.03. 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 next succeeding Business Day(s) out of collections on Dealer Loans and the related Contracts to be remitted to the Collection Account to the extent the net amount to the Collection Account is greater than zero.

SECTION 5.04. Additional Deposits.

(a) The Servicer or the Seller, as applicable, shall deposit or cause to be deposited in the Collection Account each Purchase Amount paid hereunder. Credit Acceptance shall deposit any amounts in respect of the Limited Repurchase Option to the Collection Account. All such deposits with respect to a Collection Period shall be made, in immediately available funds, on the Business Day immediately preceding the Determination Date related to such Collection Period.

(b) The proceeds of any purchase or sale of the assets of the Trust described in Section 10.01 hereof shall be deposited by the Seller or the Servicer, as applicable, in the Collection Account on the Business Day immediately preceding the Distribution Date on which such purchase shall occur.

(c) Following the acceleration of the Class A Notes pursuant to Section 5.2 of the Indenture, the proceeds shall be deposited in the Collection Account to be distributed by the Indenture Trustee in accordance with Section 5.2(b) of the Indenture.

SECTION 5.05. Reserve Account.

(a) On the Closing Date, the Seller shall direct the Trust Collateral Agent to deposit to the Reserve Account a cash amount equal to the Initial Reserve Amount.

(b) With respect to each Distribution Date, on the fifth Business Day immediately preceding such Distribution Date, the Servicer (provided, that in the event the Backup Servicer is acting as successor Servicer, the Seller shall assist the Backup Servicer in the performance of its obligations under this Section 5.05(b)) shall instruct the Trust Collateral Agent (based on the information contained in the Servicer's Certificate delivered to the Trust Collateral Agent in respect of the related Determination Date pursuant to Section 4.09), prior to the making of any transfers pursuant to Section 5.08 hereof, if required, to withdraw from the Reserve Account to the extent available therein with respect to amounts payable on such Distribution Date, the amounts specified below, and deposit such amounts in the Collection Account to be applied as follows:

(i) first, an amount equal to the excess of (x) the Servicing Fee, up to the Capped Servicing Fee, over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(i) hereof on such Distribution Date;

(ii) second, an amount equal to the excess of (x) the Class A Interest Distributable Amount plus the Class A Interest Carryover Shortfall, if any, over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(ii) hereof on such Distribution Date;

(iii) third, an amount equal to the excess of (x) any amounts due and payable to the Class A Insurer and the Backup Insurer under Section 5.08(a)(iv) hereof over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(iv) hereof on such Distribution Date;

(iv) fourth, an amount equal to the Principal Deficiency (assuming that, for purposes of determining the Principal Deficiency in this clause only, the amounts available for the distribution of principal are attributable to those amounts required to be applied pursuant to Section 5.08(a)(vii) hereof) on such Distribution Date;

(v) fifth, if the next Distribution Date is the Stated Final Maturity, an amount equal to the excess of (x) the Class A Note Balance over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(vii) hereof on the Stated Final Maturity;

(vi) sixth, an amount equal to the excess of (x) without duplication, the Reimbursement Obligations over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(viii) hereof on such Distribution Date; and

(vii) seventh, an amount equal to the excess of the funds remaining in the Reserve Account after the withdrawals referred to in clauses (i) through (vi) above over the Reserve Account Requirement on such Distribution Date.

(c) Notwithstanding the foregoing, all transfers of funds between accounts may occur on the Business Day immediately preceding the Distribution Date related to such transfer; all distributions from accounts shall occur on the Distribution Date.

(d) Amounts withdrawn from the Reserve Account pursuant to clause (b)(i)-(vi) above shall be used solely for the amounts described in clause (b)(i)-(vi) above, as applicable. Amounts withdrawn from the Reserve Account pursuant to clause (b)(vii) above shall constitute Available Funds.

SECTION 5.06. Payments under the Class A Note Insurance Policy.

(a) (i) If, on the close of business on the fifth Business Day immediately prior to any Distribution Date with respect to the Class A Notes, the sum of (A) the Class A Interest Distributable Amount (exclusive of Default Interest, as defined in the Class A Note Insurance Policy) and (B) with respect to any Distribution Date other than the Stated Final Maturity, any Principal Deficiency, exceeds the sum of (x) Available Funds on deposit in the Collection Account and available for payment of the Class A Interest Distributable Amount and/or Principal Deficiency and (y) the amount on deposit in the Reserve Account on such Distribution Date and available for payment of the Class A Interest Distributable Amount and/ or Principal Deficiency, the Trust Collateral Agent shall, no later than 12:00 noon New York time, on the fourth Business Day immediately preceding such Distribution Date make a claim under the Class A Note Insurance Policy in an amount equal to such excess, in accordance with the terms of the Class A Note Insurance Policy.

(i) (ii) If, on the close of business on the fifth Business Day immediately prior to the Stated Final Maturity, the excess of (A) the original Class A Note Balance over (B) the aggregate amount of any payments previously made in respect of principal on the Class A Notes exceeds the sum of (x) Available Funds remaining in the Collection Account and available for payment of the Class A Principal Distributable Amount hereof

and (y) the amount available on the Stated Final Maturity in the Reserve Account and available for payment of the Class A Principal Distributable Amount, the Trust Collateral Agent shall, no later than 12:00 noon New York time, on the fourth Business Day immediately preceding the Stated Final Maturity make a claim under the Class A Note Insurance Policy in an amount equal to such excess, in accordance with the terms of the Class A Note Insurance Policy.

(iii) Any payment made by the Class A Insurer in respect of the Class A Interest Distributable Amount shall constitute a "Class A Insurer Interest Shortfall Payment". Any payment by the Class A Insurer in respect of principal of the Class A Notes shall constitute a "Class A Insurer Principal Payment".

(b) Proceeds of claims on the Class A Note Insurance Policy shall be deposited in the Collection Account, shall remain uninvested and shall be used solely to pay amounts due in respect of interest and principal on the Class A Notes on each Distribution Date or the Stated Final Maturity, as applicable.

(c) (i) On any day that a Responsible Officer of the Trust Collateral Agent has actual knowledge or receives written notice that any amount previously paid to a Class A Noteholder has been subsequently recovered from such Class A Noteholder pursuant to a final, non-appealable order of a court of competent jurisdiction that such payment constitutes an avoidable preference within the meaning of any applicable bankruptcy law to such Class A Noteholder (a "Preference Amount"), the Trust Collateral Agent shall make a claim within one (1) Business Day upon the Class A Note Insurance Policy for the full amount of such Preference Amount in accordance with the terms of the Class A Note Insurance Policy and shall notify Holders of the Class A Notes by mail that, in the event that any Class A Noteholder's payment is so recoverable, such Class A Noteholder will be entitled to payment pursuant to the terms of the Class A Note Insurance Policy. The Trust Collateral Agent shall furnish to the Class A Insurer at its written request the requested records it holds in its possession evidencing the payments of principal of and interest on the Class A Notes, if any, which have been made by the Trust Collateral Agent and subsequently recovered from any Class A Noteholders, and the dates on which such payments were made. The proceeds of any claim for a Preference Amount under the Class A Note Insurance Policy (the "Class A Insurer Preference Payment") shall be disbursed to the receiver or trustee in bankruptcy named in the final order of the court exercising jurisdiction on behalf of the Class A Noteholder and not to any Class A Noteholder directly unless such Class A Noteholder has returned principal or interest paid on the obligations to such receiver or trustee in bankruptcy, in which case such payment shall, upon proof reasonably satisfactory to the Class A Insurer, be disbursed to the Trust Collateral Agent for distribution to such Class A Noteholder.

(ii) Each Notice for Payment (as defined in the Class A Note Insurance Policy) shall provide that the Trust Collateral Agent, on its behalf and on behalf of the Class A Noteholders, thereby appoints the Class A Insurer as agent and attorney-in-fact for the Trust Collateral Agent and each Class A Noteholder in any legal proceeding with respect to the Class A Notes. The Trust Collateral Agent shall promptly notify the Class A Insurer and the Backup Insurer of any proceeding or the institution of any action (of

which a Responsible Officer of the Trust Collateral Agent has actual knowledge) seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership, rehabilitation or similar law of any payment made with respect to the Class A Notes. Each Class A Noteholder, by its purchase of a Class A Note, and the Trust Collateral Agent hereby agree that, subject to Section 9.02(e) of this Agreement and Section 5.12 of the Indenture, so long as a Class A Insurer Default shall not have occurred and be continuing, the Controlling Party may at any time during the continuation of any proceeding relating to a Preference Amount direct all matters relating to such Preference Amount including, without limitation, (i) the direction of any appeal of any order relating to any Preference Amount and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the Controlling Party, but subject to reimbursement as provided in the Insurance Agreement. In addition, and without limitation of the foregoing, as set forth in Section 5.17 of the Indenture, the Controlling Party shall be subrogated to, and each Class A Noteholder and the Trust Collateral Agent hereby delegate and assign, to the fullest extent permitted by law, the rights of the Trust Collateral Agent and each Class A Noteholder in the conduct of any proceeding with respect to a Preference Amount, 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 Amount.

(d) The Trust Collateral Agent shall, and hereby agrees that it will, hold the Class A Note Policy in trust and will hold any proceeds of any claim thereunder in trust, solely for the benefit of and use of the Class A Noteholders and the Backup Insurer.

(e) The Trust Collateral Agent shall immediately notify the Backup Insurer of the existence and the amount of any claim under the Class A Note Insurance Policy pursuant to this Section 5.06.

SECTION 5.07. Payments under the Backup Insurance Policy.

(a) (i) If, by 5:00 p.m. New York City time on the second Business Day immediately prior to any Distribution Date with respect to the Class A Notes, the sum of (A) the Class A Interest Distributable Amount (exclusive of any default interest) and (B) any Principal Deficiency, exceeds the sum of: (w) Available Funds on deposit in the Collection Account and available for payment of the Class A Interest Distributable Amount and/or Principal Deficiency; (x) the amount on deposit in the Reserve Account on such Distribution Date and available for payment of the Class A Interest Distributable Amount and/or Principal Deficiency; (y) any Class A Insurer Interest Shortfall Payment paid in respect of the Class A Interest Distributable Amount; and (z) any Class A Insurer Principal Payment paid in respect of any Principal Deficiency, the Trust Collateral Agent shall, no later than 10:00 a.m. New York time on the Business Day immediately preceding such Distribution Date, make a claim under the Backup Insurance Policy in an amount equal to such excess, in accordance with the terms of the Backup Insurance Policy.

(ii) If, by 5:00 p.m. New York City time on the second Business Day immediately prior to the Stated Final Maturity, the excess of (A) the original Class A Note Balance over (B) the aggregate amount of any payments previously made in respect of principal on the Class A Notes, exceeds the sum of (x) Available Funds remaining in the Collection Account and available for payment of the Class A Principal Distributable Amount hereof, (y) the amount available on the Stated Final Maturity in the Reserve Account and available for payment of the Class A Principal Distributable Amount and (z) any payments made by the Class A Insurer in respect of principal on the Stated Final Maturity under the Class A Note Insurance Policy, the Trust Collateral Agent shall, no later than 10:00 a.m. New York time on the Business Day immediately preceding the Stated Final Maturity, make a claim under the Backup Insurance Policy in an amount equal to such excess, in accordance with the terms of the Backup Insurance Policy.

(b) Proceeds of claims on the Backup Insurance Policy shall be deposited in the Collection Account, shall remain uninvested and shall be used solely to pay amounts due in respect of interest and principal on the Class A Notes on each Distribution Date or the Stated Final Maturity, as applicable.

(c) (i) On any day that a Responsible Officer of the Trust Collateral Agent has actual knowledge or receives written notice that any amount previously paid to a Class A Noteholder has been subsequently recovered from such Class A Noteholder pursuant to a final, non-appealable order of a court of competent jurisdiction that such payment constitutes an avoidable preference within the meaning of any applicable bankruptcy law to such Class A Noteholder, after giving effect to any Class A Insurer Preference Payments (a "Backup Insurer Preference Amount"), the Trust Collateral Agent shall make a claim within one (1) Business Day upon the Backup Insurance Policy for the full amount of such Backup Insurer Preference Amount in accordance with the terms of the Backup Insurance Policy and shall notify the Class A Noteholders by mail that, in the event that any Class A Noteholder's payment is so recoverable, such Class A Noteholder will be entitled to payment pursuant to the terms of the Backup Insurance Policy. The Trust Collateral Agent shall furnish to the Backup Insurer at its written request the requested records it holds in its possession evidencing the payments of principal of and interest on the Class A Notes, if any, which have been made by the Trust Collateral Agent and subsequently recovered from any Class A Noteholders, and the dates on which such payments were made. The proceeds of any claim for a Backup Insurer Preference Amount under the Backup Insurance Policy shall be disbursed to the receiver or trustee in bankruptcy named in the final order of the court exercising jurisdiction on behalf of the Class A Noteholder and not to any Class A Noteholder directly unless such Class A Noteholder has returned principal or interest paid on the obligations to such receiver or trustee in bankruptcy, in which case such payment shall, upon proof reasonably satisfactory to the Backup Insurer, be disbursed to the Trust Collateral Agent for distribution to such Class A Noteholder.

(ii) Each Notice for Payment (as defined in the Backup Insurance Policy) shall provide that the Trust Collateral Agent, on its behalf and on behalf of the Class A Noteholders, thereby appoints the Backup Insurer as agent and attorney-in-fact for the Trust Collateral Agent and each Class A Noteholder in any legal proceeding with

respect to the Class A Notes. Each Class A Noteholder, by its purchase of a Class A Note, and the Trust Collateral Agent hereby agree that, subject to Section 9.02(e) of this Agreement and Section 5.12 of the Indenture, so long as a Backup Insurer Default shall not have occurred and be continuing, the Backup Insurer may at any time during the continuation of any proceeding relating to a Backup Insurer Preference Amount direct all matters relating to such Backup Insurer Preference Amount including, without limitation, (i) the direction of any appeal of any order relating to any Backup Insurer Preference Amount and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the Backup Insurer, but subject to reimbursement as provided in the Insurance Agreement. In addition, and without limitation of the foregoing, as set forth in Section 5.17 of the Indenture, the Backup Insurer shall be subrogated to, and each Class A Noteholder and the Trust Collateral Agent hereby delegate and assign, to the fullest extent permitted by law, the rights of the Trust Collateral Agent and each Class A Noteholder in the conduct of any proceeding with respect to a Backup Insurer Preference Amount, 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 Backup Insurer Preference Amount.

(d) The Trust Collateral Agent shall, and hereby agrees that it will, hold the Backup Insurance Policy in trust and will hold any proceeds of any claim thereunder in trust, solely for the benefit of and use of the Class A Noteholders.

SECTION 5.08. Transfers and Distributions.

(a) Unless the Class A Notes have been accelerated in accordance with the terms of the Indenture, on each Distribution Date, after making any transfers and distributions required by Sections 5.02, 5.03, 5.04, 5.05(b), 5.06(b) and 5.07(b) hereof, the Trust Collateral Agent shall (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) cause to be made the following transfers and distributions for such Distribution Date from Available Funds and amounts deposited to the Collection Account from the Reserve Account (such amounts from the Reserve Account to be applied in accordance with Section 5.05(b)), in the following order of priority:

(i) pro rata: (A) (i) to the Servicer, the Servicing Fee and any Servicing Fee unpaid from any prior Distribution Date, or (ii) if the Servicer has been replaced pursuant to the terms of this Agreement, to the Backup Servicer, the Servicing Fee and any Servicing Fee unpaid from any prior Distribution Date up to the Capped Servicing Fee; and (B) to the Backup Servicer: (i) any Transition Expenses and (ii) any accrued and unpaid indemnification amounts owed to it up to $17,000; and (C) pro rata, to the Backup Servicer, so long as it has not become the Servicer, any accrued and unpaid Backup Servicing Fees, and to the Owner Trustee, the Indenture Trustee and the Trust Collateral Agent, pro rata, their related accrued and unpaid fees, indemnification amounts and expenses, up to the Capped Backup Servicer and Trustee Fees and Expenses;

(ii) to the Class A Note Distribution Account, the Class A Interest Distributable Amount due and payable on such Distribution Date and the Class A Interest

Carryover Shortfall, if any, from any prior Distribution Date, for distribution to the Class A Noteholders;

(iii) to any successor Servicer, an amount equal to the Reliening Expenses;

(iv) to each Insurer, in accordance with the terms of the Insurance Agreement and so long as no Insurer Default related to such Insurer's failure to pay any amount due in accordance with the terms of the note insurance policy issued by it has occurred and is continuing: (A) its respective Insurance Premium, including any past due Insurance Premium; (B) its respective expenses; and (C) its respective Reimbursement Obligations owed in respect of any draws on the Class A Note Insurance Policy or the Backup Insurance Policy, as the case may be, for the payment of the Class A Interest Distributable Amount;

(v) to the Reserve Account, an amount equal to the amount necessary to cause the amount on deposit in the Reserve Account to equal the Reserve Account Requirement for such Distribution Date;

(vi) during the Revolving Period, to the Principal Collection Account: (i) for application by the Issuer to purchase additional Dealer Loans from the Seller, the amount needed to cause the Collateral Amount to equal the Minimum Collateral Amount, and if the Minimum Collateral Account cannot be reached due to an insufficient amount of Dealer Loans for purchase by the Issuer, the amount needed to cause the Adjusted Collateral Amount to equal the Minimum Collateral Amount; and (ii) the amount needed to cure any Principal Deficiency;

(vii) during the Amortization Period, to the Class A Note Distribution Account, the Class A Principal Distributable Amount for distribution to the Class A Noteholders, until the Class A Note Balance has been reduced to zero;

(viii) to each Insurer, in accordance with the terms of the Insurance Agreement, its respective Reimbursement Obligations and any other amounts owed to it, to the extent not paid pursuant to clause (iv);

(ix) pro rata, (A) to the Backup Servicer, any Servicing Fee or indemnification amounts owed to it to the extent not paid pursuant to clause (i), and (B) pro rata, to the Owner Trustee, the Indenture Trustee and the Trust Collateral Agent, any accrued fees, indemnification amounts or expenses, to the extent not paid pursuant to clause (i); and

(x) following the payment in full of all distributable amounts and after making all allocations set forth in clauses (i) through (ix) above, to the Indenture Trustee for deposit in the Certificate Distribution Account any remaining Available Funds in the Collection Account for distribution to the Certificateholder pursuant to Section 5.10 hereof.

(b) In the event that the Collection Account is maintained with an institution other than the Trust Collateral Agent, the Servicer shall instruct the Trust Collateral Agent to instruct and cause such institution to make all transfers, deposits and distributions pursuant to Section 5.08(a) hereof on the related Distribution Date.

(c) Notwithstanding the foregoing, all transfers of funds between accounts may occur on the Business Day immediately preceding the Distribution Date related to such transfer; all distributions from accounts shall occur on the Distribution Date.

SECTION 5.09. Distributions from the Class A Note Distribution Account.

(a) Subject to Section 5.12 hereof, on each Distribution Date, after making all transfers and distributions required to be made on such Distribution Date by Sections 5.05 and 5.08 hereof, the Trust Collateral Agent shall (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) distribute all amounts on deposit in the Class A Note Distribution Account to Noteholders in respect of the Class A Notes in the following amounts and in the following order of priority:

(i) to the Class A Noteholders the sum of (x) the Class A Interest Distributable Amount for such Distribution Date and (y) the Class A Interest Carryover Shortfall, if any, for such Distribution Date; and

(ii) after the application of clause (i) above and until the outstanding principal balance of the Class A Notes is reduced to zero, to the Holders of the Class A Notes, the Class A Principal Distributable Amount for such Distribution Date.

(b) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to a Class A Noteholder, such withholding tax shall reduce the amount otherwise distributable to the Class A Noteholder in accordance with this Section 5.09. The Trust Collateral Agent is hereby authorized and directed to retain from amounts otherwise distributable to the Class A Noteholders sufficient funds for the payment of any withholding tax that is legally owed by the Trust as instructed by the Servicer, in writing in a Servicer's Certificate (but such authorization shall not prevent the Trust Collateral Agent from contesting at the expense of the Seller any such withholding tax in appropriate proceedings, and withholding payment of withholding such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to a Class A Noteholder shall be treated as cash distributed to such Class A Noteholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If there is a possibility that withholding tax is payable with respect to a distribution (such as a distribution to a non-US Noteholder), the Trust Collateral Agent may withhold such amounts in accordance with this clause (b). In the event that a Class A Noteholder wishes to apply for a refund of any such withholding tax, the Trust Collateral Agent shall reasonably cooperate with such Class A Noteholder in making such claim so long as such Class A Noteholder agrees to reimburse the Trust Collateral Agent for any out-of-pocket expenses incurred. Neither the Class A Note Insurance Policy nor the Backup Insurance Policy shall cover any shortfalls relating to withholding taxes.

(c) Distributions required to be made to Noteholders on any Distribution Date shall be made to each Class A 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 Class A Noteholder shall have provided to the Class A Note Registrar appropriate written instructions at least ten Business Days prior to such Distribution Date and such Holder's Certificates in the aggregate evidence a Certificate Interest of at least 10% of the Original Certificate Interest or (ii) such Class A Noteholder is the Seller, or an Affiliate thereof, or, if not, by check mailed to such Class A Noteholder at the address of such holder appearing in the Class A Note Register. Notwithstanding the foregoing, the final distribution in respect of any Class A Note (whether on the Stated Final Maturity or otherwise) will be payable only upon presentation and surrender of such Class A Note at the office or agency maintained for that purpose by the Note Registrar pursuant to Section 2.7 of the Indenture.

SECTION 5.10. Certificate Distribution Account.

(a) On each Distribution Date, the Trust Collateral Agent shall (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) distribute all amounts on deposit in the Certificate Distribution Account to the Certificateholders.

(b) 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. The Trust Collateral Agent 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 as instructed in writing by the Servicer (but such authorization shall not prevent the Trust Collateral Agent from contesting, at the expense of the Seller, 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 there is a possibility that withholding tax is payable with respect to a distribution (such as a distribution to a non-US Certificateholder), the Trust Collateral Agent may withhold such amounts in accordance with this clause (b). In the event that a Holder wishes to apply for a refund of any such withholding tax, the Trust Collateral Agent shall reasonably cooperate with such Certificateholder in making such claim so long as such Certificateholder agrees to reimburse the Trust Collateral Agent for any out-of-pocket expenses incurred.

(c) Distributions required to be made to Certificateholders on any Distribution 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 Holder 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 ten Business Days prior to such Distribution Date and such Holder's Certificates in the aggregate evidence a denomination of not less than $500,000 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 Stated Final Maturity 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 3.4 of the Trust Agreement.

(d) Notwithstanding the foregoing, all transfers of funds between accounts may occur on the Business Day immediately preceding the Distribution Date related to such transfer; all distributions from accounts shall occur on the Distribution Date.

SECTION 5.11. Statements to Certificateholders and Noteholders.

On or prior to each Distribution Date, the Servicer (provided, that in the event the Backup Servicer is acting as successor Servicer, the Seller shall assist the Backup Servicer in the performance of its obligations under this Section 5.11) shall provide to the Trust Collateral Agent the Servicer's Certificate (with copies to the Rating Agencies). The Trust Collateral Agent will be required to make the Servicer's Certificate related to such Distribution Date available to the Class A Insurer, the Backup Insurer, the Class A Noteholders, the Certificateholder, the Initial Purchaser and Bloomberg, L.P. (at 499 Park Avenue, New York, New York 10022, Attention: Credit Acceptance 2004-1). Each Servicer's Certificate will include, among other things, the following information with respect to the Class A Notes with respect to the related Distribution Date, or the period since the previous Distribution Date, as applicable.

(i) the amount of the related distribution allocable to principal;

(ii) the amount of the related distribution allocable to interest;

(iii) the amount of the related distribution payable out of the Reserve Account;

(iv) the Aggregate Outstanding Net Eligible Loan Balance, the Aggregate Outstanding Eligible Loan Balance and the aggregate Outstanding Balance of all Eligible Contracts as of the close of business on the last day of the preceding Collection Period;

(v) the Class A Note Balance and the pool factor (as of the close of business on a Distribution Date, a seven-digit decimal figure equal to the outstanding principal amount of the Class A Notes divided by the initial Class A Note Balance, after giving effect to payments allocated to principal reported under (i) above;

(vi) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period and/or due but unpaid with respect to such Collection Period or prior Collection Periods, as the case may be;

(vii) the Class A Interest Carryover Shortfall, if any;

(viii) the total amount of Collections for the related Collection Period; and

(ix) the aggregate Purchase Amount for the Ineligible Loans and Ineligible Contracts, if any, that was paid in such period.

Each amount set forth pursuant to paragraph (i), (ii), (iii), (vi) and (vii) above shall be expressed as a dollar amount per $1,000 of the initial note principal balance or the Original Certificate Balance, as applicable.

The Trust Collateral Agent shall make such information and certain other documents, reports, and Dealer Loan and Contract information provided by the Servicer's Certificate available to each Class A Noteholder, the Class A Insurer and the Backup Insurer, via the Trust Collateral Agent's Internet Website, with the use of a password provided by the Trust Collateral Agent or its agent to such Person upon receipt by the Trust Collateral Agent from such Person of a certification in the form of Exhibit C; provided, however, that the Trust Collateral Agent or its agent shall provide such password to the parties to this Agreement and the Rating Agencies without requiring such certification. The Trust Collateral Agent will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

The Trust Collateral Agent's Internet Website shall be initially located at www.jpmorgan.com/sfr (Help Desk phone no. 1-212-623-5600) or at such other address as shall be specified by the Trust Collateral Agent from time to time in writing to each of the parties hereto and to each Class A Noteholder. In connection with providing access to the Trust Collateral Agent's Internet Website, the Trust Collateral Agent may require registration and the acceptance of a disclaimer. The Trust Collateral Agent shall not be liable for the dissemination of information received and distributed in accordance with this Agreement.

ARTICLE VI

THE SELLER AND THE ISSUER

SECTION 6.01. Representations and Warranties of the Seller.

The Seller makes the following representations on which the Trust, the Indenture Trustee and the Trust Collateral Agent relied in accepting the Trust Property in trust and in connection with the performance by the Trust Collateral Agent and the Backup Server of its obligations hereunder, the Class A Insurer relied in issuing the Class A Note Insurance Policy and the Backup Insurer relied in issuing the Backup Insurance Policy. The representations speak as of the execution and delivery of this Agreement on the Closing Date but shall survive the sale of the Contracts to the Trust:

(i) Organization and Good Standing. The Seller is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has and had at all relevant times, full power, authority, and legal right to acquire and own the Dealer Loans and the related Contracts.

(ii) Due Qualification. The Seller is duly qualified to do business as a foreign limited liability company in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications.

(iii) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms. The Seller has full power and authority to sell and assign the property to be sold and assigned to and deposited with the Trust and has duly authorized such sale and assignment to the Trust by all necessary action; and the execution, delivery, and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by the Seller by all necessary action and do not require any additional approvals or consents or other action by or any notice to or any filing with, any Person.

(iv) Valid Sale; Binding Obligations. This Agreement evidences a valid sale, transfer, and assignment of the Trust Property enforceable against creditors of and purchasers from the Seller; and a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

(v) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof does 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 Certificate of Formation, limited liability company agreement of the Seller, or any indenture, agreement, or other instrument to which the Seller is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; or violate any law or, to the best of the Seller's knowledge, any 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 its properties.

(vi) No Proceedings. There are no proceedings or investigations pending, or to the Seller's best knowledge threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties: (A) asserting the invalidity of this Agreement, any other Basic Document to which it is a party or the Class A Notes; (B) seeking to prevent the issuance of the Class A Notes or the consummation of any of the transactions contemplated by this Agreement or, any other Basic Document to which it is a party; (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, any other Basic Document to which it is a party or the Class A Notes; or (D) relating to the Seller and which might adversely affect the federal income tax attributes of the Class A Notes.

(vii) Principal Place of Business; Jurisdiction of Organization. The principal place of business of the Seller is located in Michigan. The Seller is organized under the laws of Delaware as a limited liability company, and is not organized under the laws of any other jurisdiction. "Credit Acceptance Funding LLC 2004-1" is the correct legal name of the Seller indicated on the public records of the Seller's jurisdiction of organization which shows it to be organized.

(viii) [Reserved.]

(ix) Certificates, Statements and Reports. The officers' certificates, statements, reports and other documents prepared by the Seller and furnished by the Seller to the Issuer, the Indenture Trustee, the Class A Insurer or the Backup Insurer pursuant to this Agreement or any other Basic Document to which the Seller is a party, and in connection with the transactions contemplated hereby or thereby, when taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained hereon or therein not misleading.

(x) Accuracy of Information. All information heretofore furnished by the Seller to the Trust or its successors and assigns or to the Class A Insurer or the Backup Insurer pursuant to or in connection with any Basic Document or any transaction contemplated thereby is, and all such information hereafter furnished by the Seller will be, true and accurate in every material respect on the date such information is stated or certified and does not contain an material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

(xi) Ownership of Seller. Credit Acceptance is the sole owner of the membership interests of the Seller, all of which are fully paid and nonassessable and owned of record, free and clear of all mortgages, assignments, pledges, security interests, warrants, options and rights to purchase, except for the lien thereon in favor of Comerica Bank, a collateral agent under the Comerica Credit Agreement.

(xii) Use of Proceeds. No proceeds of any sale of Seller Property will be used (i) for a purpose that violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 12, 13 or 14 of the Securities Exchange Act of 1934, as amended.

(xiii) Taxes. The Seller has filed on or before their respective due dates, all tax returns which are required to be filed in any jurisdiction or has obtained extensions for filing such tax returns and has paid all taxes, assessments, fees and other governmental charges against the Seller or any of its properties, income or franchises, to the extent that such taxes have become due, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Seller as may be required by GAAP. To the best of the knowledge of the Seller, all such tax returns were true and correct in all material respects and the Seller knows of any proposed material additional tax assessment against it nor any basis therefor. Any taxes, assessments, fees

and other governmental charges payable by the Seller in connection with the execution and delivery of the Basic Documents and the issuance of the Class A Notes have been paid or shall have been paid at or prior to Closing Date.

(xiv) Consolidated Returns. The Originator, the Seller and the Issuer will file a consolidated federal income tax return at all times until the termination of the Basic Documents.

(xv) ERISA. The Seller is in compliance in all material respects with ERISA.

(xvi) Compliance with Laws. The Seller has complied in all material respects with all applicable, laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

(xvii) Material Adverse Change. Since the date of its formation, no event has occurred that would have a material adverse effect on (i) the financial condition or operations of the Seller, (ii) the ability of the Seller to perform its obligations under the Basic Documents, or (iii) the collectibility of the Dealer Loans generally or any material portion of the Dealer Loans.

(xviii) Special Purpose Entity.

(A) The capital of the Seller is adequate for the business and undertakings of the Seller.

(B) Other than as provided in the Basic Documents, the Seller is not engaged in any business transactions with Credit Acceptance.

(C) Other than in connection with the Basic Documents, the Seller has not incurred any indebtedness or assumed or guarantied any indebtedness of any other entity.

(D) At least two directors of the board of directors of the Seller shall be persons who are not, and will not be, a director, officer, employee or holder of any equity securities of Credit Acceptance or any of its Affiliates or Subsidiaries.

(E) Once identified as Seller funds and assets by the Servicer and separated in accordance with the Servicer's normal and customary business practices, the funds and assets of the Seller are not, and will not be, commingled with the funds of any other Person, except for Dealer Collections and erroneous deposits.

(F) The limited liability company agreement of the Seller requires it to maintain (A) correct and complete minute books and records of account, and (B) minutes of the meetings and other proceedings of its shareholders and board of directors.

(xix) Solvency; Fraudulent Conveyance. The Seller is solvent, is able to pay its debts as they become due and will not be rendered insolvent by the transactions

contemplated by the Basic Documents and, after giving effect thereto, will not be left with an unreasonably small amount of capital with which to engage in its business. The Seller does not intend to incur, or believes that it has incurred, debts beyond its ability to pay such debts as they mature. The Seller does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official or any of its assets. The amount of consideration being received by the Seller upon the sale of the Seller Property to the Trust constitutes reasonably equivalent value and fair consideration for the Seller Property. The Seller is not selling the Seller Property to the Trust, as provided in the Basic Documents, with any intent to hinder, deal or defraud any of Credit Acceptance's creditors.

(xx) Payment to Originator. The Seller has given reasonably equivalent value and fair consideration for the Contributed Property conveyed to the Seller under the Contribution Agreement and such transfer was not made for or on account of an antecedent debt. No transfer by the Originator of any originator property under the Contribution Agreement is or may be voidable under any section of the Bankruptcy Code.

SECTION 6.02. Limitation on Liability of Seller and Others.

Neither the Seller nor any of the directors or officers or employees or agents of the Seller shall be under any liability to the Trust, the Trust Collateral Agent or the Class A Noteholders or the Certificateholders, except as provided under this Agreement for any action taken or omitted to be taken pursuant to this Agreement; provided, however, that this provision shall not protect the Seller against any liability that would otherwise be imposed by reason of willful misconduct or negligence in the performance of their respective duties under this Agreement. Each of the Seller and any director or officer or employee or agent of the Seller may rely in good faith on the advice of counsel, Opinion of Counsel, Officer's Certificate, or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. 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; provided, however, that the Seller may undertake any reasonable action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties to this Agreement and the interests of the Class A Noteholders and the Certificateholders under this Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs, and liabilities of the Seller.

SECTION 6.03. Seller May Own Notes.

The Seller and any Person controlling, controlled by, or under common control with the Seller may in their individual or any other capacities become the owner or pledgee of the Class A Notes with the same rights as it would have if it were not the Seller or an affiliate thereof, except as otherwise provided in the definition of "Noteholder" specified in Section 1.01 and except as otherwise specifically provided herein. The Class A Notes so owned by or pledged to the Seller or such controlling, controlled or commonly controlled Person shall have an equal and

proportionate benefit under the provisions of this Agreement, without preference, priority, or distinction as among all of the Class A Notes.

SECTION 6.04. Additional Covenants of the Seller.

The Seller shall not do any of the following, without: (i) the prior written consent of the Controlling Party; and (ii) the prior written consent of the Trust Collateral Agent, who shall, without any exercise of its own discretion, also provide its written consent to the Seller upon receipt by it of a copy of the written consent of the Controlling Party:

(i) engage in any business or activity other than those set forth in the Certificate of Formation or limited liability company agreement of the Seller or amend the Seller's Certificate of Formation or limited liability company agreement other than in accordance with its terms as in effect on the date hereof;

(ii) incur any indebtedness, or assume or guaranty any indebtedness of any other entity, other than (A) any indebtedness incurred in connection with the Class A Notes, and (B) any indebtedness to Credit Acceptance incurred in connection with the acquisition of the Dealer Loans, which indebtedness shall be subordinated to all other obligations of the Seller and Credit Acceptance; or

(iii) dissolve or liquidate, in whole or in part; consolidate or merge with or into any other entity or convey or transfer its properties and assets substantially as an entirety to any entity.

SECTION 6.05. Indemnities of the Issuer.

The Issuer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Issuer under this Agreement and the other Basic Documents to which it is a party and no implied duties or obligations shall be read into this Agreement against the Issuer.

(i) The Issuer shall defend, indemnify, and hold harmless the Trust Collateral Agent, the Servicer, the Backup Servicer, the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Owner Trustee and their respective officers, directors, employees and agents, and the Trust from and against any and all costs, expenses, losses, damages, claims, and liabilities, arising out of or resulting from the use, ownership, or operation by the Issuer or any Affiliate thereof of a Financed Vehicle.

(ii) The Issuer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Servicer, the Backup Servicer, the Class A Insurer, the Backup Insurer and their respective officers, directors, employees and agents, and the Trust from and against any taxes that may at any time be asserted against them with respect to the transactions contemplated herein, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege, or license taxes (but, in the case of the Trust, not including any taxes asserted with respect to, and as of the date of, the sale of the Dealer Loans to the Trust or the issuance and original sale of the Class A Notes, or asserted with respect to ownership

of the Dealer Loans, or federal or other income taxes arising out of the transactions contemplated by this Agreement) and costs and expenses in defending against the same.

(iii) The Issuer shall indemnify, defend, and hold harmless the Trust, the Servicer, the Backup Servicer, the Trust Collateral Agent, the Owner Trustee, the Indenture Trustee, the Class A Insurer, the Backup Insurer and each of their respective officers, directors, employees and agents, and the Class A 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 such party through the breach by the Issuer of its obligations under this Agreement or any other Basic Document to which it is a party, the negligence, willful misconduct or bad faith of the Issuer in the performance of its duties under this Agreement or any other Basic Document to which it is a party.

(iv) The Issuer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Backup Insurer, the Servicer, the Backup Servicer and each of their respective officers, directors, employees and agents 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, except, with respect to any such indemnified party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith, or negligence (or in the case of the Owner Trustee, gross negligence) of such indemnified party; (b) shall arise from such indemnified party's breach of any of its representations or warranties in any material respect set forth in the Indenture; or (c) as to the Trust Collateral Agent, shall arise out of or be incurred in connection with the performance by the Trust Collateral Agent of the duties of successor Servicer hereunder.

(v) The Issuer shall indemnify, defend, and hold harmless, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Backup Insurer and each of their officers, directors, employees and agents 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 contained in the Trust Agreement, except, as to any such party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith or negligence (or in the case of the Owner Trustee, gross negligence) of such party; or (b) shall arise from such breach of any of its representations or warranties set forth in the Trust Agreement.

Indemnification under this Section by the Issuer shall survive the termination of this Agreement and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Issuer 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 Issuer, without interest. Amounts payable by the Issuer pursuant to this Section 6.05 shall only be payable: (i) in accordance with and only to the extent funds are available therefor pursuant to Section 5.08(a) hereof; or (ii) to the extent the Issuer receives additional funds designated for such purpose. No amount owing by the Issuer under this Section 6.05 shall

constitute a claim (as defined in Section 101(5) of the Bankruptcy Code) against the Issuer and recourse to it.

ARTICLE VII

THE SERVICER

SECTION 7.01. Representations of Servicer.

Credit Acceptance makes the following representations on which the Trust, the Indenture Trustee and the Trust Collateral Agent relies in accepting the Trust Property in trust and in connection with the performance by the Trust Collateral Agent of its obligations hereunder, the Class A Insurer relies in issuing the Class A Note Insurance Policy and the Backup Insurer relies in issuing the Backup Insurance Policy. The representations speak as of the execution and delivery of this Agreement on the Closing Date but shall survive the sale of the Dealer Loans to the Trust:

(i) Organization and Good Standing. The Servicer is duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has and had at all relevant times, full power, authority, and legal right to acquire, own, sell, and service the Dealer Loans and the related Contracts and to perform its other obligations under the Basic Documents.

(ii) 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 Dealer Loans and the related Contracts as required by this Agreement requires such qualifications except where such failure will not have a material adverse effect.

(iii) Power and Authority. The Servicer has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms; and the execution, delivery, and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by the Servicer by all necessary corporate action.

(iv) Binding Obligations. This Agreement and the other Basic Documents to which it is a party constitute legal, valid, and binding obligations of the Servicer enforceable in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

(v) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the Certificate of Incorporation or bylaws of the Servicer, or any

indenture, agreement, or other instrument to which the Servicer is a party or by which it may be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument (other than this Agreement); nor, to the best of the Servicer's knowledge, violate any law applicable to the Servicer or any 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 its properties or in any way materially adversely affect the interest of the Class A Noteholders, the Class A Insurer, the Backup Insurer, the Trust, the Trust Collateral Agent or the Indenture Trustee in any of the Trust Property or adversely affect the Servicer's ability to perform its obligations under this Agreement or any other Basic Document to which it is a party.

(vi) No Proceedings. There are no proceedings or investigations pending, or, to the Servicer's best knowledge, threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Servicer or its properties: (A) asserting the invalidity of this Agreement, any of the Basic Documents to which it is a party or the Class A Notes, (B) seeking to prevent the issuance of the Class A Notes or the consummation of any of the transactions contemplated by this Agreement or any of the Basic Documents to which it is a party, (C) 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, any of the Basic Documents to which it is a party or the Class A Notes, or D) relating to the Servicer and which might adversely affect the federal income tax attributes of the Class A Notes.

(vii) No Consents. The Servicer is not required to obtain the consent of any other party or any consent, license, approval or authorization, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement or the other Basic Documents to which it is a party.

(viii) Approvals. The Servicer: (i) is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject, which violation materially and adversely affects the business or condition (financial or otherwise) of the Servicer and its subsidiaries, the Servicer's ability to perform its obligations hereunder or under any other Basic Document or any of the Trust Property; (ii) has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its business which failure to obtain will materially and adversely affect the business or condition (financial or otherwise) of the Servicer and its subsidiaries, the Servicer's ability to perform its obligations hereunder or under any other Basic Document or any of the Trust Property; and (iii) is not in violation of any term of any agreement, charter instrument, bylaw or instrument to which it is a party or by which it may be bound, which violation or failure to obtain materially and adversely affect the business or condition (financial or otherwise) of the Servicer and its subsidiaries, the Servicer's ability to perform its obligations hereunder or under any other Basic Document or any of the Trust Property.

(ix) Investment Company. The Servicer is not an investment company which is required to register under the Investment Company Act of 1940, as amended.

(x) Taxes. The Servicer has filed on a timely basis all material tax returns required to be filed by it and paid all material taxes, to the extent that such taxes have become due.

(xi) No Injunctions. There are no existing injunctions, writs, restraining orders or other similar orders which might adversely affect the performance by the Servicer or its obligations under, or the validity and enforceability of, this Agreement or any other Basic Document to which it is a party.

(xii) Practices. The practices used or to be used by the Servicer, to monitor collections with respect to the Trust Property and repossess and dispose of the Financed Vehicles related to the Trust Property will be, in all material respects, in conformity with the requirements of all applicable federal and State laws, rules and regulations, and this Agreement. The Servicer is in possession of all State and local licenses (including all debt collection licenses) required for it to perform its services hereunder, and none of such licenses has been suspended, revoked or terminated, except where the failure to have such licenses would not be reasonably likely to have material adverse effect on its ability to service the Dealer Loans or Contracts or on the interest of the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer or the Class A Noteholders.

SECTION 7.02. Indemnities of Servicer.

The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Servicer under this Agreement and the other Basic Documents to which it is a party and no implied duties or obligations shall be read into this Agreement against the Servicer.

(i) The Servicer shall defend, indemnify, and hold harmless the Trust Collateral Agent, the Backup Servicer, the Indenture Trustee, the Class A Insurer, the Backup Insurer and the Owner Trustee and their respective officers, directors, employees and agents, and the Trust from and against any and all costs, expenses, losses, damages, claims, and liabilities, arising out of or resulting from the use, ownership, or operation by the Servicer or any Affiliate thereof of a Financed Vehicle.

(ii) The Servicer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Backup Servicer, the Class A Insurer, the Backup Insurer and their respective officers, directors, employees and agents, and the Trust from and against any taxes that may at any time be asserted against them with respect to the transactions contemplated herein, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege, or license taxes (but, in the case of the Trust, not including any taxes asserted with respect to, and as of the date of, the sale of the Dealer Loans to the Trust or the issuance and original sale of the Class A Notes, or asserted with respect to ownership of

the Dealer Loans, or federal or other income taxes arising out of the transactions contemplated by this Agreement) and costs and expenses in defending against the same.

(iii) The Servicer shall indemnify, defend, and hold harmless the Trust, the Backup Servicer, the Trust Collateral Agent, the Owner Trustee, the Indenture Trustee, the Class A Insurer, the Backup Insurer and each of their respective officers, directors, employees and agents, and the Class A 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 such party through the breach by the Servicer of its obligations under this Agreement or any other Basic Document to which it is a party, in its capacity as Servicer, the negligence, willful misconduct or bad faith of the Servicer in the performance of its duties under this Agreement or any other Basic Document to which it is a party.

(iv) The Servicer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Backup Insurer, the Backup Servicer and each of their respective officers, directors, employees and agents 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, except, with respect to the any such indemnified party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith, or negligence (or, in the case of the Owner Trustee, gross negligence) of such indemnified party; (b) shall arise from such indemnified party's breach of any of its representations or warranties in any material respect set forth in the Indenture; or (c) as to the Trust Collateral Agent, shall arise out of or be incurred in connection with the performance by the Trust Collateral Agent of the duties of successor Servicer hereunder.

(v) The Servicer shall indemnify, defend, and hold harmless, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Backup Insurer and each of their officers, directors, employees and agents 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 contained in the Trust Agreement, except, as to any such party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith or negligence (or in the case of the Owner Trustee, gross negligence) of such party; or (b) shall arise from such breach of any of its representations or warranties set forth in the Trust Agreement.

(vi) The Servicer shall indemnify, defend, and hold harmless, the Backup Servicer and its officers, directors, employees and agents from and against all costs, expenses, losses, claims, damages, and liabilities to the extent that such cost, expense, claim, damage, or liability arose out of, or was imposed upon the Backup Servicer resulting from the acts or omissions of the Servicer in the performance of its duties in its capacity as Servicer under this Agreement or any other Basic Document to which it is a party.

Indemnification under this Section by the Servicer, with respect to the period such Person was (or was deemed to be) the Servicer, shall survive the termination of such Person as Servicer or a resignation by such Person as Servicer as well as the termination of this Agreement 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.

For purposes of this Section 7.02, in the event of the termination of the rights and obligations of the Servicer (or any successor thereto pursuant to Section 7.03) as Servicer pursuant to Section 8.01, a non-renewal of the servicing term referred to in Section 4.01(a) or a resignation by such Servicer pursuant to this Agreement, such Servicer shall remain the Servicer until a successor Servicer has accepted its appointment pursuant to Section 8.02. The provisions of this paragraph shall in no way affect the survival pursuant to the preceding paragraph of the indemnification by the Servicer.

Notwithstanding any other provision of this Agreement, the obligations of the Servicer described in this Section shall not terminate or be deemed released upon the resignation or termination of the Servicer and shall survive any termination of this Agreement to the extent that such obligations arise from the Servicer's actions hereunder while acting as Servicer.

SECTION 7.03. Merger or Consolidation of, or Assumption of the Obligations of, Servicer; Resignation.

Any Person (i) into which the Servicer may be merged or consolidated, (ii) resulting from any merger, conversion, or consolidation to which the Servicer shall be a party, or (iii) succeeding to the business of the Servicer (or to substantially all of the Servicer's business insofar as it relates to the making of Dealer Loans to Dealers and the servicing of the Dealer Loans and the related Contracts), which corporation in any of the foregoing cases executes an agreement of assumption acceptable to the Controlling Party to perform every obligation of the Servicer under this Agreement and the other Basic Documents to which it is a party, will be the successor to the Servicer under this Agreement and the other Basic Documents to which it is a party without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement; provided, however, that (x) the Servicer shall have delivered to the Trust Collateral Agent, the Class A Insurer, the Backup Insurer, the Owner Trustee and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, conversion, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent provided for in this Agreement and the other Basic Documents to which it is a party relating to such transaction have been complied with and (y) the Servicer shall have delivered to the Trust Collateral Agent, the Class A Insurer, the Backup Insurer, the Owner Trustee and the Indenture Trustee an Opinion of Counsel either (A) stating that, in the opinion of such Counsel, all financing statements and continuation statements and amendments thereto have been filed that are necessary fully to preserve and protect the interest of the Trust in the Contracts which secure the Dealer Loans, and reciting the details of such filings, or (B) stating that, in the opinion of such Counsel, no such action shall be necessary to preserve and protect such interest and (z) the Rating Agencies shall have confirmed the "shadow ratings" of the Class A Notes without regard to the Class A Note Insurance Policy or the Backup

Insurance Policy. The Servicer shall provide notice of any merger, conversion, consolidation or succession pursuant to this Section to the Class A Insurer, the Backup Insurer and the Rating Agencies then providing a rating for the Class A Notes. The Trust Collateral Agent shall forward a copy of each such notice to each Class A Noteholder. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clauses (x), (y) and (z) above shall be conditions to the consummation of the transactions referred to in clauses (i), (ii), (iii) or (iv) above.

SECTION 7.04. Limitation on Liability of Servicer and Others.

Subject to Section 7.02, neither the Servicer nor any of the directors or officers or employees or agents of the Servicer shall be under any liability to the Trust, the Trust Collateral Agent or the Class A Noteholders or the Certificateholders, except as provided under this Agreement or any other Basic Document to which it is a party, for any action taken or omitted to be taken pursuant to this Agreement in the good faith business judgment of the Servicer; provided, however, that this provision shall not protect the Servicer against any liability that would otherwise be imposed by reason of bad faith, willful misconduct in the performance of duties, or by reason of negligence in the performance of its duties under this Agreement or any other Basic Document to which it is a party. The Servicer and any director, officer or employee or agent of the Servicer may rely in good faith on any advice of counsel, Opinion of Counsel or on any Officer's Certificate of the Seller or certificate of auditors or other document of any kind believed to be genuine and to have been signed by the proper party in respect of any matters arising under this Agreement.

Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute, or defend any legal action that shall not be incidental to its duties to service the Dealer Loans and the related Contracts in accordance with this Agreement, and that in its opinion may involve it in any expense or liability; provided, however, that the Servicer may undertake any reasonable action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties to this Agreement and the interests of the Class A Noteholders and the Certificateholders under this Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs, and liabilities of the Servicer.

SECTION 7.05. Delegation of Duties.

The Servicer may at any time perform specific duties or all the duties enumerated herein as servicer under this Agreement through a sub-contractor acceptable to the Controlling Party; provided, that no such delegation or subcontracting shall relieve the Servicer of its responsibilities with respect to such duties as to which the Servicer shall remain primarily responsible with respect thereto.

SECTION 7.06. Certification Upon Satisfaction.

Upon the satisfaction and discharge of the Indenture pursuant to Section 4.1 thereof, the Servicer shall deliver to the Owner Trustee a written certification of a Responsible Officer stating, to the best knowledge of such Responsible Officer, that (a) no claims remain against the Issuer, or (b)

the only pending or threatened claims known to such Responsible Officer (including contingent and unliquidated claims) are those listed on a schedule to such certification.

ARTICLE VIII
DEFAULT

SECTION 8.01. Servicer Defaults.

If any one of the following events (each, a "Servicer Default") shall occur:

(i) any failure by the Servicer: (x) to deposit to the Collection Account (A) any amount required to be deposited therein by the Servicer (other than any such failure resulting from an administrative or technical error of the Servicer in the amount so deposited); or (B) within one (1) Business Day after the Servicer becomes aware that, as a result of an administrative or technical error of the Servicer, any amount previously deposited by the Servicer to the Collection Account was less than the amount required to be deposited therein by the Servicer, the amount of such shortfall; or (y) to deliver to the Trust Collateral Agent or the Insurers the Servicer's Certificate on the related Determination Date;

(ii) failure on the part of the Servicer duly to observe or to perform in any material respect any other covenants or agreements of the Servicer set forth in the any Basic Document, or any representation or warranty of the Servicer made in this Agreement, any other Basic Document or in any certificate or other writing delivered pursuant to any Basic Document proving to have been incorrect in any material respect as of the time when the same shall have been made, which default shall continue unremedied for a period of 30 days (or a longer period, not in excess of 60 days, as may be reasonably necessary to remedy such default, if the default is capable of remedy within 60 days or less and the Servicer delivers an Officer's Certificate to the Indenture Trustee to the effect that it has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy the default) after (x) there shall have been given written notice of such failure, requiring the same to be remedied, (1) to the Servicer, by the Trust Collateral Agent, or (2) to the Servicer by either Insurer, or if both a Class A Insurer Default and a Backup Insurer Default have has occurred and are continuing, by the Trust Collateral Agent at the direction of Class A Noteholders representing at least 25% or the Outstanding Class A Note Balance; or (y) discovery of such failure by an officer of the Servicer; or

(iii) 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 any of its subsidiaries in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days or the entry of any decree or order for relief in respect of the Servicer or any of its subsidiaries under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of

debt, or similar law, whether now or hereafter in effect, which decree or order for relief continues unstayed and in effect for a period of 60 consecutive days; or

(iv) the consent by the Servicer or any of its subsidiaries to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Servicer or any of its subsidiaries or relating to substantially all of its property; or the admission by the Servicer or any of its subsidiaries in writing of its inability to pay its debts generally as they become due, the filing by the Servicer or any of its subsidiaries of a petition to take advantage of any applicable insolvency or reorganization statute, the making by the Servicer or any of its subsidiaries of an assignment for the benefit of its creditors, or the voluntarily suspension by the Servicer or any of its subsidiaries of payment of its obligations;

(v) the Servicer breaches any Financial Covenant, after giving effect to all notice and grace periods set forth herein; or

(vi) the Originator or Servicer, if Credit Acceptance is the Servicer, fails to pay when due Purchase Amounts in excess of $100,000;

then, and in each and every case, the Trust Collateral Agent, if so requested by the Controlling Party, or if both a Class A Insurer Default and Backup Insurer Default have occurred and are continuing, the Majority Noteholders by notice then given in writing to the Servicer, the Backup Servicer, the Trust Collateral Agent may: (A) terminate all of the rights and obligations of the Servicer under this Agreement or (B) if Credit Acceptance is the Servicer, reduce its servicing term then in effect to a term of three (3) months. Upon sending or receiving any such notice, the Trust Collateral Agent shall promptly send a copy thereof to the Indenture Trustee, the Owner Trustee, the Rating Agencies, the Class A Insurer, the Backup Insurer and to each Class A Noteholder. Within 30 days after the receipt by the Backup Servicer of such written notice (if such notices relates to terminating the Servicer) and subject to Section 8.02(a)), all authority and power of the Servicer under this Agreement, whether with respect to the Class A Notes or the Dealer Loans or Contracts or otherwise, shall, without further action, pass to and be vested in the Backup Servicer or such successor Servicer as may be appointed under Section 8.02; and, without limitation, the Backup Servicer is hereby authorized and empowered to execute and deliver, on behalf of the predecessor 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 Dealer Loans and the Contracts and related documents, or otherwise.

The predecessor Servicer shall cooperate with the successor Servicer and the Backup Servicer in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Backup Servicer or the successor Servicer for administration by it of all cash amounts that shall at the time be held by the predecessor servicer for deposit, or shall thereafter be received with respect to a Dealer Loan or related Contract, and the related accounts and records maintained by the Servicer. All Transition Expenses shall be paid by the predecessor servicer upon presentation of reasonable documentation of such costs and expenses. If such Transition Expenses are not paid to the

successor Servicer by the predecessor Servicer, such Transition Expenses shall be paid under Section 5.08(a)(i) hereof. In addition, the Controlling Party shall have the option to pay the Transition Expenses. If the Controlling Party elects to pay any such Transition Expenses, the amount paid by the Controlling Party shall constitute part of the Reimbursement Obligations owed to it.

SECTION 8.02. Appointment of Successor.

(a) Upon the Servicer's receipt of notice of termination pursuant to Section 8.01, the expiration and non-renewal of the Servicer's term pursuant to Section 4.01(a) or the Servicer's resignation in accordance with the terms of this Section 4.14, the predecessor servicer shall continue to perform its functions as Servicer under this Agreement, in the case of termination, only until (i) the date of such expiration, in the case of a termination pursuant to Section 4.01(a), (ii) 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, (iii) in the case of resignation, until the later of (x) the date 30 days from the delivery to the Backup Servicer and the Trust Collateral Agent and the Indenture Trustee of written notice of such resignation (or the date of written confirmation of such notice prior to the expiration of the 45 days) 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 the Servicer's resignation or termination hereunder, and, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, if the Controlling Party so directs, the Backup Servicer shall be the successor in all respects to the Servicer in its capacity as servicer under this Agreement and the transactions set forth or provided for herein and shall be subject to the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, as modified or limited by the Backup Servicing Agreement; provided, however, that the Backup Servicer shall not be liable for any actions of any Servicer prior to such succession or for any breach by the Servicer of any of its representations and warranties contained in this Agreement or in any related document or agreement. Notwithstanding the above, if the Backup Servicer is legally unable to so act or, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, the Controlling Party otherwise directs, the Controlling Party may appoint a successor Servicer, otherwise, the Trust Collateral Agent shall appoint (after soliciting bids from potential servicers), or petition a court of competent jurisdiction to appoint, a Servicer as the successor Servicer hereunder, in the assumption of all or any part of the responsibilities, duties or liabilities of the outgoing Servicer hereunder. In the event that SST, as Backup Servicer, is legally unable to act as Servicer under this Agreement and another entity is appointed as successor Servicer under this Section 8.02(a), SST shall have no further obligation to perform the obligations of Servicer or Backup Servicer under this Agreement. Pending appointment of a successor to the outgoing Servicer hereunder, if the Backup Servicer is prohibited by law from so acting (as evidenced by an Opinion of Counsel to the Trust Collateral Agent, the Class A Insurer and the Backup Insurer) or, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, the Controlling Party otherwise directs, the Trust Collateral Agent shall act in such capacity as hereinabove provided; provided, however, that the Trust Collateral Agent shall not be liable for any actions of any Servicer prior to such succession or for any breach by the Servicer of any of its representations and warranties contained in this Agreement or in any related document or agreement. In the event that the Trust Collateral Agent is so prohibited by law from acting or, so

long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, the Controlling Party otherwise directs, the outgoing Servicer shall continue to act as Servicer hereunder until a successor Servicer which, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, shall be acceptable to the Controlling Party is appointed and assumes the obligations as successor Servicer. In the event the Backup Servicer assumes the responsibilities of the Servicer pursuant to this Section 8.02, the Backup Servicer will make reasonable efforts consistent with Applicable Law to become licensed, qualified and in good standing under the laws which require licensing or qualification, in order to perform its obligations as Servicer hereunder or, alternatively, shall retain an agent who is so licensed, qualified and in good standing.

(b) Upon appointment, the Backup Servicer or the successor Servicer shall be the successor in all respects to the predecessor servicer and shall be subject to the responsibilities, duties, and liabilities arising thereafter relating thereto placed on the predecessor servicer, (subject to the limitations and modifications thereto set forth in the Backup Servicing Agreement) and shall be entitled to (to the extent arranged in accordance with the following paragraph) the Servicing Fee, Servicer Expenses, Reliening Expenses, Repossession Expenses and all of the rights granted to the predecessor servicer, by the terms and provisions of this Agreement, provided that neither the Backup Servicer nor the successor Servicer shall be liable for the acts or omissions of any predecessor servicer. The Backup Servicer or any successor Servicer shall provide Credit Acceptance with copies of all documents and information reasonably necessary for Credit Acceptance to perform its obligations under Section 4.17 of this Agreement.

(c) In connection with such appointment, the Trust Collateral Agent may make such arrangements for the compensation of such successor Servicer (including Transition Expenses) out of payments on Dealer Loans and related Contracts as it, the Controlling Party (so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing) and such successor Servicer shall agree; provided, however, that no such compensation (excluding Transition Expenses, Repossession Expenses and Reliening Expenses) shall be in excess of the Servicing Fee. The Backup Servicer, the Trust Collateral Agent and any such successor Servicer shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession.

SECTION 8.03. Notification to Class A Noteholders and Certificateholders.

Upon any termination of, or appointment of a successor to, the Servicer pursuant to this Article VIII, the Trust Collateral Agent shall promptly upon its receipt of notice thereof give prompt written notice thereof to Class A Noteholders and the Certificateholders at their respective addresses appearing in the Note Register and the Certificate Register, to the Owner Trustee and to each of the Rating Agencies then rating the Class A Notes, the Class A Insurer and the Backup Insurer.

SECTION 8.04. Waiver of Past Defaults.

So long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, the Controlling Party, may, on behalf of all Class A Noteholders, waive any or all default(s) by the

Servicer or the Seller in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to or payments from a Trust Account in accordance with this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. Notwithstanding anything herein to the contrary, the Controlling Party shall have the right to waive the payment of any Purchase Amount required hereunder.

ARTICLE IX

THE TRUST COLLATERAL AGENT

SECTION 9.01. Duties of the Trust Collateral Agent.

(a) The Issuer hereby appoints JPMorgan Chase Bank as the Trust Collateral Agent, and JP Morgan Chase hereby accepts such appointment.

(b) (i) the Trust Collateral Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and the Basic Documents and no implied covenants or obligations shall be read into this Sale and Servicing Agreement or the Basic Documents against the Trust Collateral Agent; and

(ii) in the absence of bad faith or willful misconduct on its part, the Trust Collateral Agent 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 Trust Collateral Agent and conforming to the requirements of this Agreement and the Basic Documents; however, the Trust Collateral Agent shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Agreement and the Basic Documents.

(c) The Trust Collateral Agent may not be relieved from liability for its own negligent action, its own negligent failure to act or its own bad faith or willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section; and

(ii) the Trust Collateral Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trust Collateral Agent unless it is proved that the Trust Collateral Agent was negligent in ascertaining the pertinent facts.

(d) Money held in trust by the Trust Collateral Agent need not be segregated from other funds except to the extent required by law or the terms of this Agreement.

(e) No provision of this Agreement shall require the Trust Collateral Agent to expend or risk its own funds or otherwise incur liability (financial or otherwise) 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 satisfactory to it against such risk or liability reasonably satisfactory to it is not reasonably assured to it.

(f) Every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trust Collateral Agent shall be subject to the provisions of this Section.

(g) Without limiting the generality of this Section, the Trust Collateral Agent shall have no duty (A) to see to any recording, filing or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest in the Contracts which secure the Dealer Loans or the Financed Vehicles, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (B) to see to any insurance on the Financed Vehicles or Obligors or to effect or maintain any such insurance, (C) 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, (D) to confirm or verify the contents of any reports or certificates delivered to the Trust Collateral Agent pursuant to this Agreement believed by the Trust Collateral Agent to be genuine and to have been signed or presented by the proper party or parties, or (E) to inspect the Contracts at any time or ascertain or inquire as to the performance or 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 Dealer Agreements, the original Certificates of Title relating to the Financed Vehicles and the Contracts under this Agreement.

(h) In no event shall JPMorgan Chase Bank, in any of its capacities hereunder, be deemed to have assumed any duties of the Owner Trustee under the Delaware Statutory Trust Act, common law, or the Trust Agreement.

(i) JPMorgan Chase Bank by its execution hereof accepts its appointment as Trust Collateral Agent under the Indenture and this Agreement. The Trust Collateral Agent shall act upon and in compliance with the written instructions of the Indenture Trustee delivered pursuant to the 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, the Indenture or this Agreement; (ii) which are in violation of any applicable law, rule or regulation; or (iii) for which the Trust Collateral Agent has not received indemnity reasonably satisfactory to it. Receipt of such instructions shall not be a condition to the exercise by the Trust Collateral Agent of its express duties hereunder, except where the Indenture or this Agreement provides that the Trust Collateral Agent is permitted to act only following and in accordance with such instructions.

SECTION 9.02. Rights of the Trust Collateral Agent.

(a) Before the Trust Collateral Agent acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel. The Trust Collateral Agent shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer's Certificate or Opinion of Counsel.

(b) The Trust Collateral Agent 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 shall not be responsible for the misconduct or negligence of any agent, attorney, custodian or nominee appointed with due care.

(c) The Trust Collateral Agent 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 Trust Collateral Agent's conduct does not constitute willful misconduct, negligence or bad faith.

(d) The Trust Collateral Agent may consult with counsel, and the written advice or opinion of counsel with respect to legal matters relating to this Sale and Servicing Agreement and the Class A Notes or Certificates 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 written advice or opinion of such counsel.

(e) The Trust Collateral Agent shall be under no obligation to exercise any of the rights and powers vested in it by this Agreement or the other Basic Documents, or to institute, conduct or defend any litigation under this Agreement or in relation to this Sale and Servicing Agreement, at the request, order or direction of any of the Holders of Notes or Certificates or the instructing party, as the case may be, pursuant to the provisions of this Agreement, unless it shall have been offered to the Trust Collateral Agent security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby.

(f) The Trust Collateral Agent 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 Majority Noteholders or the Controlling Party (so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing); provided, however, that if the payment within a reasonable time to the Trust Collateral Agent of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trust Collateral Agent, not reasonably assured to the Trust Collateral Agent by the security afforded to it by the terms of this Agreement, the Trust Collateral Agent may require indemnity reasonably satisfactory to it against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the requesting Holders or the instructing party, as the case may be, or, if paid by the Trust Collateral Agent, shall be reimbursed by the requesting Holders upon demand.

(g) Delivery of any reports, information and documents to the Trust Collateral Agent provided for herein is for informational purposes only (unless otherwise expressly stated herein) and the Trust Collateral Agent's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein, including the Servicer's, Seller's or Issuer's compliance with any of its representations, warranties or covenants hereunder (as to which the Trust Collateral Agent is entitled to rely exclusively on Officers' Certificates).

(h) The Trust Collateral Agent shall not be deemed to have knowledge of a Servicer Default or an Early Amortization Event unless a Responsible Officer of the Trust Collateral Agent has actual knowledge or has received written notice thereof.

(i) In no event shall the Indenture Trustee be liable for any indirect, or consequential, punitive or special damages, regardless of the form of action and whether or not any such damages were foreseeable or contemplated.

(j) The Trust Collateral Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the property party or parties.

(k) In no event shall the Trust Collateral Agent be liable for any act or omission on the part of the Issuer or the Servicer or any other Person. The Trust Collateral Agent shall not be responsible for monitoring or supervising the Issuer or the Servicer.

SECTION 9.03. Individual Rights of Trust Collateral Agent.

The Trust Collateral Agent 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 Trust Collateral Agent.

SECTION 9.04. Reports by Trust Collateral Agent to Holders.

The Trust Collateral Agent shall on behalf of the Issuer deliver to each Class A Noteholder such information as may be reasonably required to enable such Holder to prepare its Federal and state income tax returns.

SECTION 9.05. Compensation.

(a) The Issuer shall pay to the Trust Collateral Agent from time to time compensation provided under this Agreement, as provided in a separate fee letter, and all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services, except any such expense as may be attributable to its willful misconduct, negligence or bad faith. Such compensation and expenses shall be paid in accordance with Section 5.08(a) hereof. Such expenses shall include securities transaction charges relating to the investment of funds on deposit in the Trust Accounts and the reasonable compensation and reasonable expenses, disbursements and advances of the Trust Collateral Agent's counsel and of all persons not regularly in its employ; provided, however, that the securities transaction charges referred to above shall, in the case of certain Eligible Investments selected by the Servicer, be waived for a particular investment in the event that any amounts are received by the Trust Collateral Agent from a financial institution in connection with the purchase of such Eligible Investments.

(b) [Reserved.]

(c) The Issuer's and the Servicer's payment obligations to the Trust Collateral Agent pursuant to this Section shall survive the discharge of this Agreement and any resignation or removal of the Trust Collateral Agent. When the Trust Collateral Agent incurs expenses after the occurrence of an Indenture Event of Default specified in Section 5.1(iv) or (v) of the Indenture 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 Agreement or the Basic Documents, the Trust Collateral Agent agrees that the obligations of the Issuer or the Seller (but not the Servicer) to the Trust Collateral Agent hereunder and under the Basic Documents shall not be recourse to the assets of the Issuer, the Seller or any Class A Noteholder.

SECTION 9.06. Eligibility.

The Trust Collateral Agent under this Agreement shall at all times be a corporation or banking association having an office in the same state as the location of the Corporate Trust Office as specified in this Agreement; acceptable to the Controlling Party, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing; organized and doing business under the laws of such state or the United States of America; authorized under such laws to exercise corporate trust powers; having a combined capital and surplus of at least $100,000,000; having long-term unsecured debt obligations rated at least "Baa2" by Moody's and "BBB-" by Standard and Poor's; and subject to supervision or examination by federal or state authorities. If such corporation shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trust Collateral Agent shall cease to be eligible in accordance with the provisions of this Section, the Trust Collateral Agent shall resign immediately, provided that such resignation shall not be effective until a successor Trust Collateral Agent accepts appointment in accordance with Section 9.10(d) hereof.

SECTION 9.07. Trust Collateral Agent's Disclaimer.

The Trust Collateral Agent shall not be responsible for and make no representation as to the validity, sufficiency or adequacy of this Agreement, the Trust Property or the Securities, shall not be accountable for the Issuer's use of the proceeds from the Securities, and shall not be responsible for any statement of the Issuer in this Agreement or in any document issued in connection with the sale of the Securities or in the Securities.

SECTION 9.08. 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 Agreement or any of the Trust Property (or any part thereof). Notwithstanding any term or provision of this Agreement, the

Trust Collateral Agent shall incur no liability to the Issuer for any action taken or omitted by the Trust Collateral Agent in connection with the Trust Property, 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 except for negligence, bad faith or willful misconduct in carrying out its duties to the Issuer. Subject to Section 9.09, 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 (absent actual knowledge of a Responsible Officer of the Trust Collateral Agent to the contrary), and the Trust Collateral Agent shall not be required to make any independent investigation or inquiry 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 written advice of such counsel.

SECTION 9.09. Reliance Upon Documents.

In the absence of 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 9.10. 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 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. The Trust Collateral Agent shall give notice to the Class A Insurer, the Backup Insurer and the Rating Agencies of any such transaction.

(b) Resignation. The Trust Collateral Agent and any successor Trust Collateral Agent may resign at any time by giving sixty days prior written notice to the Issuer, the Rating Agencies, the Class A Insurer and the Backup Insurer; provided, that such resignation shall not be effective until a successor Trust Collateral Agent is appointed and accepts appointment in accordance with clause (d) below.

(c) Removal.

(i) The Issuer, prior to the Class A Termination Date with the prior written consent of the Controlling Party, may remove the Trust Collateral Agent by written notice if:

(A) a court having jurisdiction in the premises in respect of the Trust Collateral Agent 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 Trust Collateral Agent or for any substantial part of the Trust Collateral Agent's property, or ordering the winding-up or liquidation of the Trust Collateral Agent's affairs;

(B) 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 Trust Collateral Agent and such case is not dismissed within 60 days;

(C) the Trust Collateral Agent 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 Trust Collateral Agent or for any substantial part of the Trust Collateral Agent'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;

(D) failure to comply with any material covenant hereunder; or

(E) the Trust Collateral Agent otherwise becomes legally incapable of acting.

(ii) The Controlling Party may remove the Trust Collateral Agent for any reason by 30 days' prior written notice.

(iii) If the Trust Collateral Agent resigns or is removed or if a vacancy exists in the office of Trust Collateral Agent for any reason (the Trust Collateral Agent in such event being referred to herein as the retiring Trust Collateral Agent), prior to the Class A Termination Date the Controlling Party may appoint a successor Trust Collateral Agent and if it fails to, the Issuer shall promptly appoint a successor Trust Collateral Agent acceptable to the Controlling Party. After the Class A Termination Date, the Issuer may appoint a successor Trust Collateral Agent without the consent of the Controlling Party.

A successor Trust Collateral Agent shall deliver a written acceptance of its appointment to the retiring Trust Collateral Agent and to the Issuer. Thereupon the resignation or removal of the retiring Trust Collateral Agent shall become effective, and the successor Trust Collateral Agent shall have all the rights, powers and duties of the retiring Trust Collateral Agent under this Indenture subject to satisfaction of the Rating Agency Condition. The successor Trust Collateral Agent shall mail a notice of its succession to Class A Noteholders, the Class A Insurer, the Backup Insurer and the Rating Agencies. The retiring Trust Collateral Agent shall promptly transfer all property held by it as Trust Collateral Agent to the successor Trust Collateral Agent.

If a successor Trust Collateral Agent that is, prior to the Class A Termination Date, acceptable to the Controlling Party does not take office within 60 days after the retiring Trust Collateral Agent resigns or is removed, the retiring Trust Collateral Agent, or the Controlling Party may petition any court of competent jurisdiction for the appointment of a successor Trust Collateral Agent that is meets the eligibility requirements set forth in Section 9.06 hereof.

If the Trust Collateral Agent fails to comply with Section 9.12, any Noteholder, prior to the Class A Termination Date with the prior written consent of the Controlling Party, may petition any court of competent jurisdiction for the removal of the Trust Collateral Agent and the appointment of a successor Trust Collateral Agent acceptable to the Controlling Party.

Any resignation or removal of the Trust Collateral Agent and appointment of a successor Trust Collateral Agent pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Trust Collateral Agent acceptable to the Controlling Party pursuant to this Section 9.10(c) and payment of all fees and expenses owed to the outgoing Trust Collateral Agent by the Servicer and the Issuer.

Notwithstanding the replacement of the Trust Collateral Agent pursuant to this Section, the Issuer's and the Servicer's obligations under Section 9.05 shall continue for the benefit of the retiring Trust Collateral Agent.

(d) Acceptance by Successor. If the Trust Collateral Agent has resigned or has been removed pursuant to this Section 9.10, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, the Controlling Party has the right to appoint a successor Trust Collateral Agent and if it fails to, or if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Owner Trustee shall have the sole right to appoint each successor Trust Collateral Agent that meets the qualifications required hereunder. Every temporary or permanent successor Trust Collateral Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Owner Trustee, each Class A Noteholder, each Certificateholder, the Rating Agencies, the Class A Insurer, the Backup Insurer 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 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 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 Owner 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 Trust Property 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 Trust Property to the successor Trust Collateral Agent or to protect or continue the perfection of the security interests granted hereunder.

If no successor Trust Collateral Agent shall have been appointed and accepted the appointment within sixty (60) days after the giving of notice of resignation, the resigning Trust Collateral Agent may petition any court of competent jurisdiction for the appointment of a successor Trust Collateral Agent that meets the qualifications required hereunder.

SECTION 9.11. Representations and Warranties of the Trust Collateral Agent.

The Trust Collateral Agent represents and warrants to the Issuer, the Class A Insurer, the Backup Insurer and to the Class A Noteholders as follows:

(i) The Trust Collateral Agent is a New York banking corporation, duly organized and validly existing under the laws of the United States and is authorized to conduct and engage in a banking and trust business under such laws.

(ii) The Trust Collateral Agent has full corporate power, authority, and legal right to execute, deliver, and perform this Agreement and the other Basic Documents to which it is a party, and has taken all necessary action to authorize the execution, delivery, and performance, by it of this Agreement and the other Basic Documents to which it is a party.

(iii) This Agreement and the other Basic Documents to which it is a party have been duly executed and delivered by the Trust Collateral Agent.

(iv) This Agreement and the other Basic Documents to which it is a party are the legal, valid and binding obligations of the Trust Collateral Agent enforceable in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

SECTION 9.12. Waiver of Setoffs.

Except with respect to the Certificate Distribution Account, 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.

ARTICLE X
TERMINATION

SECTION 10.01. Optional Purchase.

(a) On the last day of any Collection Period as of which the Class A Note Balance shall be less than or equal to 15% of the initial Class A Note Balance, the Servicer shall have the option to reacquire the Trust Property, other than the Trust Accounts. To exercise such option, the Servicer shall deposit pursuant to Section 5.04 in the Collection Account an amount equal to the Purchase Amount for the Dealer Loans, plus the appraised value of any other property held by the Trust (other than the Trust Accounts), such value to be determined by an appraiser mutually agreed upon by the Servicer and the Trust Collateral Agent. Notwithstanding the foregoing, the Servicer shall not exercise such option unless the Purchase Amount is sufficient to pay the full amount of principal and interest due and payable on the Class A Notes, and all amounts due and payable to the Class A Insurer, the Backup Insurer, the Indenture Trustee, the Trust Collateral Agent, the Backup Servicer and the Owner Trustee under the Basic Documents. Upon such deposit the Servicer shall succeed to all interests in and to the Trust (other than the Trust Accounts).

(b) Notice of any termination of the Trust shall be given by the Servicer to the Owner Trustee, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer and the Rating Agencies as soon as practicable after the Servicer has received notice of the occurrence of an event of termination under Section 9.1(a) of the Trust Agreement.

(c) Credit Acceptance shall have the right to purchase at any time 1.0% of the Dealer Loans, based upon the Aggregate Outstanding Net Eligible Loan Balance on the date of purchase for an amount equal to the greater of: (i) the Purchase Amount related to such Dealer Loans; and (ii) the aggregate fair market value of such Dealer Loans.

ARTICLE XI
MISCELLANEOUS PROVISIONS

SECTION 11.01. Amendment.

This Agreement may be amended by the Seller, the Servicer, and the Trust Collateral Agent, without the consent of any of the Class A Noteholders (at the written direction of the Issuer), but with the prior written consent of the Controlling Party, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, to: (i) cure any ambiguity, to correct or supplement any provisions in this Agreement, or to add any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement; or (ii) reflect the succession of a successor Servicer; provided, however, that in connection with any amendment pursuant to clause (i), the action referred to therein shall not, as evidenced by an Opinion of Counsel, adversely affect in any material respect the interests of any Class A Noteholder; and provided, further, that in connection with any amendment pursuant to clause (ii) above, the Servicer shall deliver to the Trust Collateral Agent,

the Class A Insurer, the Backup Insurer and the Indenture Trustee a letter from each Rating Agency, which then has a rating on the Class A Notes, to the effect that such amendment will not cause the then current ratings on the Class A Notes to be qualified, reduced or withdrawn without regard to the Class A Note Insurance Policy or the Backup Insurance Policy.

This Agreement may also be amended from time to time by the Seller, the Servicer, and the Trust Collateral Agent (at the written direction of the Issuer) with the consent of the Controlling Party or, if both a Class A Insurer Default and a Backup Insurance Default have occurred and are continuing, the holders of Class A Notes (which consent of any Holder of a Class A Note given pursuant to this Section or pursuant to any other provision of this Agreement shall be conclusive and binding on such Holder and on all future Holders of such Class A Note and of any Class A Note issued upon the registration of transfer thereof or in exchange thereof or in lieu thereof whether or not notation of such consent is made upon the Class A Note), evidencing not less than 51% of the sum of the then outstanding Class A Note Balance 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 Holders of the Class A Notes; 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 Contracts or distributions that shall be required to be made on any Class A Note or change the Class A Note Rate or the Class A Principal Distributable Amount or (b) reduce the aforesaid percentage required to consent to any such amendment, without the consent of the Holders of all Class A Notes then outstanding. Notwithstanding the foregoing, however, no consent of any Class A Noteholder shall be required in connection with any amendment in order for the Certificateholders to sell, assign, transfer or otherwise dispose of the excess interest, provided that the Certificateholders present evidence to the Trust Collateral Agent and the Insurers that the ratings of the Class A Notes shall not be reduced or withdrawn as a result without regard to the Class A Note Insurance Policy or the Backup Insurance Policy.

Notwithstanding anything herein to the contrary, the Backup Insurer must consent to all amendments to this Agreement which have an adverse effect on the Backup Insurer.

Prior to the execution of any such amendment or consent, the Servicer will provide and the Trust Collateral Agent shall distribute written notification of the substance of such amendment or consent to each Rating Agency then rating the Class A Notes, the Class A Insurer and the Backup Insurer.

Promptly after the execution of any such amendment or consent, the Trust Collateral Agent shall furnish written notification of the substance of such amendment or consent to each Class A Noteholder and each Certificateholder.

It shall not be necessary for the consent of Class A 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 Class A Noteholders provided for in this Agreement) and of evidencing the authorization of the execution thereof by Class A Noteholders shall be subject to such reasonable requirements as the Trust Collateral Agent may prescribe.

Prior to the execution of any amendment to this Agreement, the Trust Collateral Agent shall be entitled to receive and conclusively 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 11.02(i)(1). The Trust Collateral Agent may, but shall not be obligated to, enter into any such amendment which affects the Trust Collateral Agent's own rights, duties or immunities under this Agreement or otherwise.

SECTION 11.02. Protection of Title to Trust.

(a) The Seller shall file such financing statements and cause to be 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 Class A Noteholders, the Class A Insurer, the Backup Insurer, the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts and in the proceeds thereof and the sale of accounts and chattel paper. The Seller shall deliver (or cause to be delivered) to the Trust Collateral Agent, the Class A Insurer and the Backup Insurer file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(b) None of the Originator, the Seller nor the Servicer shall change its name, identity, state of incorporation or formation or corporate structure in any manner that would, could, or might make any financing statement or continuation statement filed by the Seller in accordance with paragraph (a) above seriously misleading within the meaning of Section 9-506 or Section 9-507 of the UCC, unless it shall have given the Trust Collateral Agent, the Class A Insurer and the Backup Insurer at least five days' prior written notice thereof and shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements.

(c) The Seller, the Originator and the Servicer shall give the Trust Collateral Agent, the Class A Insurer and the Backup Insurer at least 60 days' prior written notice of any relocation of its principal executive office or change of its state of incorporation or formation if, as a result of any 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. Unless otherwise permitted by the Controlling Party, the Servicer shall at all times maintain each office from which it shall service the Dealer Loans and the related Contracts, and its principal executive office, within the United States of America.

(d) The Servicer shall maintain accounts and records as to each Dealer Loan and Contract accurately and in sufficient detail to permit (i) the reader thereof to know at any time the status of such Dealer Loan and Contract, 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 Dealer Loan and Contract and the amounts from time to time deposited in the Collection Account in respect of such Dealer Loan and Contract.

(e) The Servicer shall maintain its computer systems so that, from and after the time of sale under this Agreement of the Dealer Loans and the related Contracts to the Trust, the Servicer's master computer records (including any back-up archives) that refer to a Dealer Loan or Contract shall indicate clearly (including by means of tagging) the interest of the Trust

in such Dealer Loan or Contract and that such Dealer Loan or Contract is owned by the Trust. Indication of the Trust's ownership of a Dealer Loan or Contract shall be deleted from or modified on the Servicer's computer systems when, and only when, the Dealer Loan or Contract 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 print-outs (including any restored from back-up archives) that, if they shall refer in any manner whatsoever to any Dealer Loan or Contract, shall indicate clearly (including by means of tagging) that such Dealer Loan or Contract has been sold and is owned by the Trust.

(g) The Servicer shall, upon reasonable prior notice, permit the Trust Collateral Agent, the Class A Insurer, the Backup Insurer and their respective agents at any time during normal business hours to inspect, audit, and make copies of and abstracts from the Servicer's records regarding any Contract at the office of the Servicer in a reasonable manner.

(h) Upon request, the Servicer shall furnish to the Trust Collateral Agent, the Indenture Trustee, the Class A Insurer and the Backup Insurer, within twenty Business Days, a list of all Dealer Loans and Contracts (by agreement or contract number and name of Dealer or Obligor) then held as part of the Trust, together with a reconciliation of such list to the schedule of Dealer Loans, Dealer Agreements and Contracts attached hereto as Schedule A and to each of the Servicer's Certificates furnished before such request indicating removal of Dealer Loans or Contracts from the Trust.

(i) The Seller shall deliver to the Trust Collateral Agent, the Indenture Trustee, the Class A Insurer and the Backup Insurer:

(1) upon the execution and delivery of this Agreement and of each amendment thereto, an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all financing statements (and releases of financing statements) and continuation statements have been filed that are necessary fully to preserve and protect the interest of the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts, and reciting the details of the expected filings thereof or referring to prior Opinions of Counsel in which such details are given, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest; and

(2) within 90 days after the beginning of each calendar year beginning with the first calendar year beginning more than three months after the Cut-off Date, an Opinion of Counsel, dated as of a date during such 90-day period, either (A) stating that, in the opinion of such Counsel, all financing statements and continuation statements have been filed that are necessary fully to preserve and protect the interest of the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B)

stating that, in the opinion of such Counsel, no such action shall be necessary to preserve and protect such interest. Such Opinion of Counsel shall also describe the filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to preserve and protect the interest of the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts, until January 30 in the following calendar year.

Each Opinion of Counsel referred to in clause (i)(1) or (i)(2) above shall specify any action necessary (as of the date of such opinion) to be taken in the following calendar year to preserve perfection of such interest.

(j) For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

SECTION 11.03. Limitation on Rights of Class A Noteholders.

No Class A Noteholder shall have any right to vote (except as provided in this Agreement or in the Indenture) or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties to this Agreement, nor shall anything in this Agreement set forth, or contained in the terms of the Class A Notes be construed so as to constitute the Class A Noteholders from time to time as partners or members of an association; nor shall any Class A Noteholder be under any liability to any third person by reason of any action taken pursuant to any provision of this Agreement.

No Class A Noteholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any suit, action, or proceeding in equity or at law upon or under or with respect to this Agreement, unless, so long as both a Class A Insurer Default and a Backup Insurer Default are not continuing, the Controlling Party has given its prior written consent and such Holder previously shall have given to the Trust Collateral Agent a written notice of default and of the continuance thereof, and unless also (i) the default arises from the Seller's or the Servicer's failure to remit payments when due hereunder, or (ii) the Majority Noteholders shall have made written request upon the Trust Collateral Agent to institute such action, suit or proceeding in its own name as Trust Collateral Agent under this Agreement and such Holder shall have offered to the Trust Collateral Agent such indemnity as it may reasonably require against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trust Collateral Agent, for 30 days after its receipt of such notice, request, and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and during such 30-day period no request or waiver inconsistent with such written request has been given to the Trust Collateral Agent pursuant to this Section or Section 8.04; no one or more Holders of Notes or Certificates shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb, or prejudice the rights of the Holders of any other of the Class A Notes or the Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right, under this Agreement except in the manner provided in this Agreement and for the equal, ratable, and common benefit of all Class A Noteholders and all Certificateholders. For the protection and

enforcement of the provisions of this Section, each Class A Noteholder, each Certificateholder and the Trust Collateral Agent shall be entitled to such relief as can be given either at law or in equity.

In the event the Trust Collateral Agent shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Class A Notes, each representing less than the required amount of the Class A Notes, the Indenture Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Agreement.

SECTION 11.04. Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), BUT OTHERWISE, 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 11.05. Notices.

All demands, notices, and communications upon or to the Seller, the Servicer, the Trust Collateral Agent, the Backup Servicer, the Owner Trustee, the Indenture Trustee, the Class A Insurer, the Backup Insurer or any Rating Agency 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 at the following address: Attention: Credit Acceptance Funding LLC 2004-1/Wendy Rummler, Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339; phone number: (248) 353-2700 (ext. 217); fax number: (866) 249-3138; (b) in the case of the Servicer at the following address: Attention: Credit Acceptance Corporation/Wendy Rummler, Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339; phone number: (248) 353-2700 (ext. 217); fax number: (866) 249-3138; (c) in the case of the Trust Collateral Agent and the Indenture Trustee, at its Corporate Trust Office, 4 New York Plaza, 6th Floor, New York, NY 10024, Attention: Institutional Trust Services/Structured Finance; (d) in the case of the Backup Servicer, at the following address: Systems & Services Technologies, Inc., 4315 Pickett Road, St. Joseph, MO 64503, Attention: John Campbell, President, Joseph Booz, EVP/General Counsel, phone: (816) 671-2022; (816) 671-2028, fax: (816) 671-2029; (e) in the case of the Owner Trustee, at: One Rodney Square 920 No. King St., 1st Floor, Wilmington, DE 19801 Attn: Sterling Correia, phone: (302) 888-7528; fax: (302) 888-7544; (f) in the case of the Class A Insurer, to: Radian Asset Assurance Inc., 335 Madison Avenue, New York, New York 10017, Attention: Chief Risk Officer and Chief Legal Officer with an electronic copy sent to ABSRM@radian.biz in the case of any information required to be provided to the Class A Insurer (and if such notice refers to a Servicer Default or is a notice with respect to which the failure on the part of the Class A Insurer to respond shall be deemed to constitute consent or acceptance, such notice shall be marked to indicate "Urgent Material Enclosed"); (g) in the case of the Backup Insurer, to: XL Capital Assurance Inc., 1201 Avenue of the Americas, 31st Floor, New York, NY 10020-1001, Attention: Surveillance; (h) in the case of S&P, to: Standard &

Poor's Rating Services, Asset Backed Surveillance Department, 55 Water Street, New York, New York 10041 or to such other address as shall be designated by written notice to the other parties; and (i) in the case of Moody's, to: Moody's Investors Service, Inc., Attention: [ ], 99 Church Street, New York, NY 10007 or to such other address as shall be designated by written notice to the other parties. Any notice required or permitted to be mailed to a Class A Noteholder or Certificateholder, as the case may be shall be given by first class mail, postage prepaid, at the address of such Holder as shown in the Class A Note or Certificate Register. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Class A Noteholder or the Certificateholder, as the case may be, shall receive such notice.

SECTION 11.06. Severability of Provisions.

If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Securities or the rights of the Holders thereof or of the Class A Insurer or the Backup Insurer.

SECTION 11.07. Assignment.

Notwithstanding anything to the contrary contained herein, except as provided in Sections 6.02, 6.05 and 7.03 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 Trust Collateral Agent and the Controlling Party.

SECTION 11.08. Further Assurances.

The Seller and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Trust Collateral Agent or the Controlling Party more fully to effect the purposes of this Agreement and the other Basic Documents, including, without limitation, the execution of any financing statements or continuation statements relating to the Dealer Loans or the related Contracts for filing under the provisions of the UCC of any applicable jurisdiction.

SECTION 11.09. No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Trust Collateral Agent, the Class A Insurer, the Backup Insurer or the Class A Noteholders or the Certificateholders, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges therein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

SECTION 11.10. Third-Party Beneficiaries.

This Agreement will inure to the benefit of and be binding upon the parties hereto, the Indenture Trustee, the Class A Noteholders and the Certificateholders, respectively, and their respective successors and permitted assigns. Except as may be otherwise provided in this Agreement, no other person will have any right or obligation hereunder. Each of the Class A Insurer and the Backup Insurer is an express third party beneficiary of this Agreement.

SECTION 11.11. Actions by Noteholders.

(a) Wherever in this Agreement a provision is made that an action may be taken or a notice, demand, or instruction given by Noteholders, such action, notice, demand or instruction may be taken or given by any Class A Noteholder, unless such provision requires a specific percentage of Noteholders.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be taken or given by Class A Noteholders, may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Class A Noteholders, in person or by an agent duly appointed in writing.

(c) The fact and date of the execution by any Class A Noteholder or any Certificateholder of any instrument or writing may be proved in any reasonable manner which the Trust Collateral Agent deems sufficient.

(d) Any request, demand, authorization, direction, notice, consent, waiver, or other act by a Class A Noteholder shall bind such Class A Noteholder and every subsequent holder of such Class A Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by the Trust Collateral Agent, the Seller or the Servicer in reliance thereon, whether or not notation of such action is made upon such Class A Note.

(e) The Trust Collateral Agent may require such additional proof of any matter referred to in this Section as it shall deem necessary.

SECTION 11.12. Corporate Obligation.

No recourse may be taken, directly or indirectly, against any partner, incorporator, subscriber to the capital stock, stockholder, director, officer or employee of the Seller or the Servicer with respect to their respective obligations and indemnities under this Agreement or any certificate or other writing delivered in connection herewith.

SECTION 11.13. Covenant Not to File a Bankruptcy Petition.

The parties hereto agree that until one year and one day after such time as the Class A Notes issued under the Indenture are paid in full, they shall not (i) institute the filing of a bankruptcy petition against the Seller or the Trust based upon any claim in its favor arising hereunder or under the Basic Documents; (ii) file a petition or consent to a petition seeking relief on behalf of the Seller or the Trust under the Bankruptcy Law; or (iii) consent to the appointment of a

receiver, liquidator, assignee, trustee, sequestrator (or similar official) of the Seller or the Trust or any portion of the property of the Seller or the Trust. The parties hereto agree that all obligations of the Issuer and the Seller are non-recourse to the Trust Property except as specifically set forth in the Basic Documents.

SECTION 11.14. Controlling Party. So long as any Class A Note is outstanding, the Controlling Party shall have the power to exercise the voting, consent and control rights granted to the Class A Noteholders, except as set forth in Section 11.01 hereof; provided, however, that after the occurrence and during the continuance of a Class A Insurer Default, all voting, consent or control rights of the Class A Insurer shall be suspended and the Backup Insurer shall be the Controlling Party. Upon the cure of a Class A Insurer Default, such voting, consent and control rights shall be reinstated and the Backup Insurer shall no longer be the Controlling Party. If the Backup Insurer is the Controlling Party, after the occurrence and during the continuance of a Backup Insurer Default, any voting, consent or control rights granted to the Backup Insurer shall be suspended. Upon the cure of any such Backup Insurer Default, the Backup Insurer's voting, consent and control rights shall be reinstated.

IN WITNESS WHEREOF, the Issuer, Seller, Credit Acceptance, as Servicer and in its individual capacity, Backup Servicer and the Trust Collateral Agent have caused this Sale and Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

CREDIT ACCEPTANCE FUNDING
LLC 2004-1, as Seller

By: _____
Name:
Title:

CREDIT ACCEPTANCE CORPORATION, as Servicer
and in its individual capacity

By: _____
Name:
Title:

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1, as Issuer

By: Wachovia Bank of Delaware, National Association, not in its individual capacity but solely as Owner Trustee on behalf of the Trust

By:_____
Name:
Title:

JPMORGAN CHASE BANK, as Trust Collateral Agent and Indenture Trustee

By:_____
Name:
Title:

SYSTEMS & SERVICES TECHNOLOGIES, INC., as Backup Servicer

By:_____
Name:
Title:

[Sale and Servicing Agreement Signature Page 2]

EXHIBIT A

[Reserved.]

EXHIBIT B

Credit Acceptance Auto Dealer Loan Trust 2004-1
Servicer's Certificate

EXHIBIT C

Investor Certification
for Electronic Password

Date:

JPMORGAN CHASE BANK

Attention: Corporate Trust Services -- Asset-Backed Administration
Credit Acceptance Auto Dealer Loan Trust 2004-1

In accordance with Section 5.11 of the Sale and Servicing Agreement dated as of August 25, 2004 (the "Agreement"), by and among Credit Acceptance Funding Corporation Trust 2004-1, as the Issuer, Credit Acceptance Funding LLC 2004-1, as the Seller, Credit Acceptance Corporation, as the Servicer, JPMorgan Chase Bank, as the Trust Collateral Agent, and Systems & Services Technologies, Inc., as the Backup Servicer, with respect to the Class A Asset Backed Notes (the "Class A Notes") and the Asset Backed Certificates the ("Certificates"), the undersigned hereby certifies and agrees as follows:

1. The undersigned is a beneficial owner of $_____ principal balance of the Class A Notes.

2. The undersigned is requesting a password pursuant to Section 5.11 of the Agreement for access to certain information (the "Information") on the Trust Collateral Agent's website.

3. In consideration of the Trust Collateral Agent'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 are as are assisting it in connection with the related 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 Trust Collateral Agent, 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.

4. 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 Class A Note pursuant to Section 5 of the Securities Act.

5. The undersigned shall be fully liable for any breach of this agreement by itself or any of its Representatives and shall indemnify each of the parties to the Agreement for

any loss, liability or expense incurred thereby with respect to any such breach by the undersigned or any of its Representatives.

6. 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

By:_____
Title:_____
Company:_____
Phone:_____

EXHIBIT D

FORM OF DEALER AGREEMENT

EXHIBIT E

FORM OF
SERVICER'S ACKNOWLEDGMENT

Credit Acceptance Corporation (the "Servicer") under the Sale and Servicing Agreement, dated as of August 25, 2004 (the "Sale and Servicing Agreement") among Credit Acceptance Auto Dealer Loan Trust 2004-1, Credit Acceptance Funding LLC 2004-1, JPMorgan Chase Bank, Systems & Services Technologies, Inc. and Credit Acceptance Corporation, as the Servicer and in its individual capacity, pursuant to which the Servicer holds on behalf of the Class A Noteholders, the Class A Insurer, the Backup Insurer and the Trust Collateral Agent certain [Dealer Agreements] [Contracts] as described in the Sale and Servicing Agreement, hereby acknowledges receipt thereof, listed on Schedule A to said Sale and Servicing Agreement except as noted in the Exception List attached as Schedule I hereto.

IN WITNESS WHEREOF, the Servicer has caused this acknowledgment to be executed by its duly authorized officer as of this _____ day of _____, 20__.

CREDIT ACCEPTANCE CORPORATION,
as Servicer

By:_____
Name:_____
Title:_____

EXHIBIT F

FORM OF CONTRACTS

EXHIBIT G

COLLECTION GUIDELINES

EXHIBIT H

CREDIT GUIDELINES

[On file with the Servicer]

EXHIBIT I

COVENANT COMPLIANCE REPORT

1.	Asset Coverage Ratio	
	Consolidated Net Assets	$
	Consolidated Funded Debt	
	Excess Net Assets	$

2.	Total Liabilities Ratio	
	Consolidated Total Liabilities	$
	Consolidated Tangible Net Worth	
	Ratio	

	Permitted	

3.	Minimum Tangible Net Worth	
	Base Net Worth	$
	80% Consolidated Net Income	
	Minimum Tangible Net Worth	$
	Actual Consolidated Tangible Net Worth	
	Excess Consolidated Tangible Net Worth	$

4.	Fixed Charge Coverage Ratio	
	Consolidated Net Income, as adjusted (last four quarters)	$
	Add:	
	Income Taxes	
	Interest	
	Depreciation and Amortization	
	Rent	
	Consolidated income available for fixed charges	$
	Fixed Charges:	
	Interest	$
	Rent	
	Total Fixed Charges	$
	Fixed Charge Coverage Ratio	
	Allowable fixed charge coverage ratio	

SCHEDULE A
to Sale and
Servicing Agreement

Dealer Loans, Dealer Agreements and Contracts

SCHEDULE B
to Sale and
Servicing Agreement

FORECASTED COLLECTIONS

COLLECTION PERIOD	CREDIT ACCEPTANCE FORECASTED COLLECTIONS
Jul-04	11,362,125
Aug-04	11,189,429
Sep-04	10,941,809
Oct-04	10,691,403
Nov-04	10,416,844
Dec-04	10,142,136
Jan-05	9,862,100
Feb-05	9,559,223
Mar-05	9,206,020
Apr-05	8,862,697
May-05	8,530,931
Jun-05	8,174,849
Jul-05	7,806,554
Aug-05	7,454,739
Sep-05	7,078,852
Oct-05	6,780,099
Nov-05	6,429,626
Dec-05	6,086,504
Jan-06	5,785,415
Feb-06	5,464,658
Mar-06	5,091,838
Apr-06	4,749,266
May-06	4,425,381
Jun-06	4,110,990
Jul-06	3,735,723
Aug-06	3,357,937
Sep-06	3,051,996
Oct-06	2,785,597
Nov-06	2,544,986
Dec-06	2,296,996
Jan-07	2,031,341
Feb-07	1,759,906
Mar-07	1,351,943
Apr-07	1,035,298
May-07	834,566
Jun-07	654,149
Jul-07	606,925
Aug-07	606,216
Sep-07	605,375

COLLECTION PERIOD	CREDIT ACCEPTANCE FORECASTED COLLECTIONS
Oct-07	604,894
Nov-07	603,946
Dec-07	603,608
Jan-08	603,091
Feb-08	601,761
Mar-08	595,660
Apr-08	589,164
May-08	583,734
Jun-08	578,465
Jul-08	570,405
Aug-08	561,400
Sep-08	551,239
Oct-08	541,522
Nov-08	532,343
Dec-08	525,643
Jan-09	518,623
Feb-09	510,975
Mar-09	499,325
Apr-09	490,049
May-09	483,132
Jun-09	478,938
Jul-09	478,071
Aug-09	471,318
Sep-09	463,135
Oct-09	453,561
Nov-09	440,065
Dec-09	432,527
Jan-10	430,535
Feb-10	421,234
Mar-10	402,537
Apr-10	382,354
May-10	366,629
Jun-10	346,031
Jul-10	336,824
Aug-10	332,239
Sep-10	300,461
Oct-10	285,911
Nov-10	242,974
Dec-10	224,440
Jan-11	222,082
Feb-11	164,648
Mar-11	99,899
Apr-11	85,295
May-11	59,044
Jun-11	47,416

SCHEDULE C
to Sale and
Servicing Agreement

PERFECTION REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to the representations, warranties and covenants contained in the Agreement, the Seller hereby represents, warrants, and covenants to the Trust and the Indenture Trustee as follows on the Closing Date and on each Distribution Date on which the Trust purchases Dealer Loans, in each case only with respect to the Seller Property conveyed to the Trust on such Closing Date or the relevant Distribution Date:

GENERAL

1. The Agreement creates a valid and continuing security interest (as defined in UCC Section 9-102) in the Seller Property in favor of the Trust, which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from and assignees of the Seller.

2. Each Contract constitutes "tangible chattel paper" or a "payment intangible", within the meaning of UCC Section 9-102. Each Dealer Loan constitutes a "payment intangible" or a "general intangible" within the meaning of UCC Section 9-102.

3. Each Dealer Agreement constitutes either a "general intangible" or "tangible chattel paper" within the meaning of UCC Section 9-102.

4. The Seller has taken or will take all steps necessary actions with respect to the Dealer Loans to perfect its security interest in the Dealer Loans and in the property securing the Dealer Loans.

CREATION

1. The Seller owns and has good and marketable title to the Initial Seller Property or Subsequent Seller Property, as applicable, free and clear of any Lien, claim or encumbrance of any Person, excepting only liens for taxes, assessments or similar governmental charges or levies incurred in the ordinary course of business that are not yet due and payable or as to which any applicable grace period shall not have expired, or that are being contested in good faith by proper proceedings and for which adequate reserves have been established, but only so long as foreclosure with respect to such a lien is not imminent and the use and value of the property to which the Lien attaches is not impaired during the pendency of such proceeding.

PERFECTION

1. The Seller has caused or will have caused, within ten days after the effective date of the Indenture, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the contribution and sale of the Contributed Property from the Originator to the Seller, the transfer and sale of the Seller Property

from the Seller to the Issuer, and the security interest in the Collateral granted to the Indenture Trustee under the Indenture.

2. With respect to Seller Property that constitutes tangible chattel paper, such tangible chattel paper is in the possession of the Servicer, in its capacity as custodian for the Trust and the Trust Collateral Agent, and the Trust Collateral Agent has received a written acknowledgment from the Servicer, in its capacity as custodian, that it is holding such tangible chattel paper solely on its behalf and for the benefit of the Trust Collateral Agent, the Seller, the Trust and the relevant Dealer(s). All financing statements filed or to be filed against the Seller in favor of the Issuer or its assignee in connection with this Agreement describing the Seller 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 the Secured Party."

PRIORITY

1. Other than the security interest granted to the Issuer pursuant to this Agreement, the Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Seller Property. None of the Originator, the Servicer nor the Seller has authorized the filing of, or is aware of any financing statements against either the Seller, the Originator or the Trust that includes a description of the Seller Property and proceeds related thereto other than any financing statement: (i) relating to the sale of Contributed Property by the Originator to the Seller under the Contribution Agreement, (ii) relating to the security interest granted to the Trust hereunder, (iii) relating to the security interest granted to the Trust Collateral Agent under the Indenture; or (iv) that has been terminated or amended to reflect a release of the Seller Property.

2. Neither the Seller, the Originator nor the Trust is aware of any judgment, ERISA or tax lien filings against either the Seller, the Originator or the Trust.

3. None of the tangible chattel paper that constitutes or evidences the Contracts or the Dealer Agreements has any marks or notations indicating that it has been pledged, assigned or otherwise conveyed to any Person other than the Originator, the Servicer, the Seller, the Trust, a collection agent or the Trust Collateral Agent.

SURVIVAL OF PERFECTION REPRESENTATIONS

1. Notwithstanding any other provision of the Agreement, the Contribution Agreement, the Indenture or any other Basic Document, the Perfection Representations, Warranties and Covenants contained in this Schedule shall be continuing, and remain in full force and effect (notwithstanding any replacement of the Servicer or termination of Servicer's rights to act as such) until such time as all obligations under the Sale and Servicing Agreement, Contribution Agreement and the Indenture have been finally and fully paid and performed.

NO WAIVER

1. The parties hereto: (i) shall not, without obtaining a confirmation of the then-current ratings of the Class A Notes (without giving effect to the Class A Note Insurance Policy or the Backup Insurance Policy), waive any of the Perfection Representations, Warranties or Covenants; (ii) shall provide the Rating Agencies with prompt written notice of any breach of the

Perfection Representations, Warranties or Covenants, and shall not, without obtaining a confirmation of the then-current ratings of the Class A Notes (without giving effect to the Class A Note Insurance Policy or the Backup Insurance Policy) as determined after any adjustment or withdrawal of the ratings following notice of such breach) waive a breach of any of the Perfection Representations, Warranties or Covenants.

SCHEDULE D
to Sale and
Servicing Agreement

FINANCIAL COVENANTS
AND RELATED DEFINITIONS

1. Maintain Asset Coverage Ratio. Credit Acceptance shall, on a Consolidated basis, maintain at all times, Consolidated Net Assets at a level greater than or equal to Consolidated Funded Debt.

2. Maintain Total Liabilities Ratio Level. Credit Acceptance shall, on a Consolidated basis, maintain as of the end of each fiscal quarter a ratio of Consolidated Total Liabilities (including in the calculation thereof, all Debt incurred by a Special Purpose Subsidiary, whether or not included therein under GAAP) to Credit Acceptance's Consolidated Tangible Net Worth equal to or less than 1.75 to 1.0.

3. Minimum Tangible Net Worth. Credit Acceptance shall, on a Consolidated basis, maintain Consolidated Tangible Net Worth of not less than Two Hundred Twenty Million Dollars ($220,000,000), plus the sum of (i) eighty percent (80%) of Consolidated Net Income for each fiscal quarter of Credit Acceptance (A) beginning on or after April 1, 2004, (B) ending on or before the applicable date of determination thereof, and (C) for which Consolidated Net Income as determined above is a positive amount and (ii) the Equity Offering Adjustment.

4. Maintain Fixed Charge Coverage Ratio Liabilities. Credit Acceptance shall, on a Consolidated basis, maintain as of the end of each fiscal quarter a Fixed Charge Coverage Ratio of not less than 2.50 to 1.0.

DEFINITIONS

Other than the term "Credit Acceptance," which shall have the meaning given to it in this Sale and Servicing Agreement, capitalized terms used in this Schedule D shall have the meanings given such terms in the Comerica Credit Agreement as in effect on the date of this Sale and Servicing Agreement.

EXHIBIT 4(f)59

EXECUTION COPY

BACKUP SERVICING AGREEMENT

BACKUP SERVICING AGREEMENT (the "Agreement"), dated as of August 25, 2004, among SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation (the "Backup Servicer"), RADIAN ASSET ASSURANCE INC., a New York stock insurance company (the "Class A Insurer"), XL CAPITAL ASSURANCE INC., a New York corporation (the "Backup Insurer"), CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("Credit Acceptance" or the "Servicer"), CREDIT ACCEPTANCE FUNDING LLC 2004-1, a Delaware limited liability company (the "Seller"), CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1, a Delaware statutory trust (the "Trust" or the "Issuer") and JPMORGAN CHASE BANK, a New York banking corporation, as trust collateral agent (the "Trust Collateral Agent").

W I T N E S S E T H :

WHEREAS, Credit Acceptance, the Seller, the Backup Servicer, the Issuer and the Trust Collateral Agent have entered into a Sale and Servicing Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Sale and Servicing Agreement");

WHEREAS, the parties to the Sale and Servicing Agreement desire to obtain the services of the Backup Servicer to perform certain servicing functions and assume certain obligations with respect to the Sale and Servicing Agreement, all as set forth herein, and the Backup Servicer has agreed to perform such functions and assume such obligations; and

WHEREAS, for its services hereunder and with respect to the Sale and Servicing Agreement, the Backup Servicer will receive a fee payable as described herein;

NOW THEREFORE, in consideration for the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings specified in, or incorporated by reference to, the Sale and Servicing Agreement. The following terms shall have the meanings specified below:

"Aggregate Basis" means verification of only such aggregated amounts as are stated in the Servicer's Certificate, and not as to any amount related to any Dealer Loan or Contract.

"Assumption Date" has the meaning specified in Section 2.3(a).

"Backup Servicer Event of Default" has the meaning specified in Section 4.1.

"Backup Servicer's Certificate" has the meaning specified in Section 2.10.

"Backup Servicing Fee" means, as to each Distribution Date, $4,000; provided, however, that if the Backup Servicer becomes the successor Servicer, such fee shall no longer be paid.

"Continued Errors" has the meaning specified in Section 2.2(c)(iii).

"Errors" has the meaning specified in Section 2.2(c)(iii).

"Liability" has the meaning specified in Section 2.2(c)(i).

"Live Data Files" has the meaning specified in Section 2.6(c).

"Material Adverse Change" means any circumstance or event which in the reasonable judgment of the Controlling Party: (a) may be reasonably expected to cause a material adverse change to the validity or enforceability of this Agreement or the Sale and Servicing Agreement; or (b) may be reasonably expected to materially impair the ability of the Backup Servicer to fulfill its obligations under this Agreement or the Sale and Servicing Agreement.

"Servicer's Data File" has the meaning specified in Section 2.1(a).

"Service-Related Activities" means the services and service-related activities and the servicer-related responsibilities of the Servicer provided for under the Sale and Servicing Agreement as modified or eliminated herein with respect to the Backup Servicer.

"Servicing Fee" has the meaning given such term in the Sale and Servicing Agreement.

"Successor Backup Servicer" has the meaning specified in Section 2.4(b).

"Third Party" has the meaning specified in Section 2.9(d).

SECTION 1.2. Usage of Terms. With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other gender; references to "writing" include printing, typing, lithography, and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

SECTION 1.3. Section References. All section references shall be to Sections in this Agreement (unless otherwise provided).

ARTICLE 2
ADMINISTRATION AND COLLECTION

SECTION 2.1. Reconciliation of Servicer's Certificate.

(a) No later than 9:00 A.M. New York City time on the third Business Day following the end of each Collection Period, the Servicer shall send to the Backup Servicer an electronic file, detailing the Collections received during the prior Collection Period and all other information in its possession relating to the Dealer Loans and the Contracts as may be necessary for the complete and correct completion of the Servicer's Certificate (the "Servicer's Data File")(to the extent of the information required to be provided by the Servicer). Such electronic file shall be in the form and have the specifications as may be agreed to between the Servicer and the Backup Servicer from time to time. The Backup Servicer shall, within one (1) day of the receipt thereof, load the Servicer's Data File and confirm that it is in readable form. If the Backup Servicer determines that the Servicer's Data File is not in readable form, the Backup Servicer shall immediately upon discovery thereof notify the Servicer and the Trust Collateral Agent by telephone, and upon such notification, the Servicer shall prepare and send a replacement Servicer's Data File to the Backup Servicer satisfying the Backup Servicer's specifications, for receipt by the Backup Servicer on the next Business Day.

(b) No later than the end of the second Business Day prior to each Determination Date, the Servicer shall furnish to the Backup Servicer the Servicer's Certificate related to the prior Collection Period together with all other information necessary for preparation of such Servicer's Certificate and necessary to determine the application of Collections as provided in the Sale and Servicing Agreement. The Backup Servicer shall review the information contained in the Servicer's Certificate against the information on the Servicer's Data File, on an Aggregate Basis. No later than three (3) Business Days after the Backup Servicer's receipt of each Servicer's Certificate, the Backup Servicer shall notify the Servicer, the Trust Collateral Agent, the Indenture Trustee, the Class A Insurer and the Backup Insurer of any inconsistencies between the Servicer's Certificate and the information contained in the Servicer's Data File; provided, however, in the absence of a reconciliation, the Servicer's Certificate shall control for the purpose of calculations and distributions with respect to the related Distribution Date. If the Backup Servicer and the Servicer are unable to reconcile discrepancies with respect to a Servicer's Certificate prior to the related Distribution Date, the Servicer shall cause a firm of independent accountants, at the Servicer's expense, to audit the Servicer's Certificate and, prior to the third Business Day, but in no event later than 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 Distribution Date. The Backup Servicer shall only review the information provided by the Servicer in the Servicer's Certificate and in the Servicer's Data File and its obligation to report any inconsistencies shall be limited to those determinable from such information.

(c) The Backup Servicer and the Servicer shall attempt to reconcile any such inconsistencies and/or to furnish any omitted information and the Servicer shall amend the Servicer's Certificate to reflect the results of the reconciliation or to include any omitted information.

(d) The Servicer shall provide monthly, or as otherwise requested, to the Backup Servicer, or its agent, information on the Dealer Loans and related Contracts sufficient to enable the Backup Servicer to assume the responsibilities as successor servicer under the Sale and Servicing Agreement and service and collect the Dealer Loans and related Contracts.

(e) The Servicer shall provide the Backup Servicer with any and all updates to the master file data layout and copy book information necessary due to system changes or modifications, which may require changes to the Backup Servicer's applications necessary to read the Servicer's Data File.

SECTION 2.2. Review and Verification.

(a) Notwithstanding anything in Section 2.1 to the contrary, on or before the end of the second Business Day prior to each Determination Date, the Servicer and the Trust Collateral Agent shall provide sufficient data to the Backup Servicer to allow the Backup Servicer to review and to verify the mathematical accuracy of the Servicer's Certificate on an Aggregate Basis related thereto and determine the following:

(i) that such Servicer's Certificate is complete on its face;

(ii) that the amounts credited to and withdrawn from the Collection Account and the balance of such account, as set forth in the records of the Trust Collateral Agent are the same as the amount set forth in the Servicer's Certificate; and

(iii) that the amounts credited to and withdrawn from the Reserve Account and the balance of such account, as set forth in the records of the Trust Collateral Agent are the same as the amount set forth in the Servicer's Certificate.

(b) The Backup Servicer shall, on or before the Determination Date with respect to any Collection Period, verify the mathematical accuracy of the Servicer's Certificate in its entirety, which shall include but not be limited to the following:

(i) the amount of the related distribution allocable to principal;

(ii) the amount of the related distribution allocable to interest;

(iii) the amount of the related distribution payable out of the Reserve Account;

(iv) the Aggregate Outstanding Net Eligible Loan Balance, the Aggregate Outstanding Eligible Loan Balance and the aggregate Outstanding Balance of all Eligible Contracts as of the close of business on the last day of the preceding Collection Period;

(v) the Class A Note Balance and the pool factor;

(vi) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period and/or due but unpaid with respect to such Collection Period or prior Collection Periods, as the case may be;

(vii) the Class A Interest Carryover Shortfall, if any;

(viii) the total amount of Collections for the related Collection Period; and

(ix) the aggregate Purchase Amount for the Ineligible Loans and Ineligible Contracts, if any, that was paid in such period.

(c) The Backup Servicer shall provide written notice to the Class A Insurer, the Backup Insurer and the Trust Collateral Agent with respect to whether there are any inconsistencies or deficiencies with respect to its review and verification set forth in paragraphs (a) and (b) above and, if any, shall provide a description thereof as set forth in Section 2.10 hereof. In the event of any discrepancy between the information set forth in subparagraphs (a) and (b) above, as calculated by the Servicer, from that determined or calculated by the Backup Servicer, the Backup Servicer shall promptly notify the Servicer and, if within five (5) days of such notice being provided to the Servicer, the Backup Servicer and the Servicer are unable to resolve such discrepancy, the Backup Servicer shall promptly notify the Class A Insurer and the Trust Collateral Agent of such discrepancy.

(i) Other than as specifically set forth elsewhere in this Agreement, the Backup Servicer shall have no obligation to supervise, verify, monitor or administer the performance of the Servicer and shall have no duty, responsibility, obligation, or liability (collectively "Liability") for any action taken or omitted by the Servicer.

(ii) The Backup Servicer shall consult with the Servicer as may be necessary from time to time to perform or carry out the Backup Servicer's obligations hereunder, including the obligation, if requested in writing by the Class A Insurer, to succeed within thirty (30) days to the duties and obligations of the Servicer pursuant to Section 2.3.

(iii) Except as otherwise provided in this Agreement, the Backup Servicer may accept and reasonably rely on all accounting, records and work of the Servicer without audit, and the Backup Servicer shall have no Liability for the acts or omissions of the Servicer or for the inaccuracy of any data provided, produced or supplied by the Servicer. If any error, inaccuracy or omission (collectively, "Errors") exists in any information received from the Servicer, and such Errors should cause or materially contribute to the Backup Servicer making or continuing any Errors (collectively, "Continued Errors"), the Backup Servicer shall have no Liability for such Continued Errors; provided, however, that this provision shall not protect the Backup Servicer against any Liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in discovering or correcting any Error or in the performance of its

duties hereunder or under the Sale and Servicing Agreement. In the event the Backup Servicer becomes aware of Errors or Continued Errors which, in the opinion of the Backup Servicer impairs its ability to perform its services hereunder, the Backup Servicer may, with the prior consent of the Class A Insurer, undertake to reconstruct and reconcile such data as it deems appropriate to correct such Errors and Continued Errors and prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer.

(iv) The Backup Servicer and its officers, directors, employees and agents shall be indemnified by the Servicer and the Issuer from and against all claims, damages, losses or expenses reasonably incurred by the Backup Servicer (including reasonable attorney's fees and expenses) arising out of claims asserted against the Backup Servicer on any matter arising out of this Agreement to the extent the act or omission giving rise to the claim accrues before the Assumption Date, except for any claims, damages, losses or expenses arising from the Backup Servicer's own willful misfeasance, bad faith or gross negligence. The obligations of the Servicer and the Issuer under this Section shall survive the termination of this Agreement and the earlier resignation or removal of the Backup Servicer.

(v) To the extent the Backup Servicer requires any information supplementing reports or data that is to be provided to it pursuant to the Basic Documents in order to complete its verification duties, the Backup Servicer's verification duties are conditioned upon timely receipt by the Backup Servicer of such information.

SECTION 2.3. Assumption of Servicer's Obligations.

(a) The Backup Servicer agrees that within 30 days of receipt of a written notice from the Controlling Party, or the Trust Collateral Agent if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, of the termination of the rights and obligations of Credit Acceptance as Servicer pursuant to the Sale and Servicing Agreement, and without further notice, the Backup Servicer shall, subject to the exclusions stated herein, assume the Service-Related Activities of Credit Acceptance under the Sale and Servicing Agreement (the "Assumption Date") and further agrees that it shall assume all such Service-Related Activities in accordance with the requirements, terms and conditions set forth in the Sale and Servicing Agreement and this Agreement. In the event of a conflict between any provision of the Sale and Servicing Agreement and this Agreement, this Agreement shall be controlling.

(b) In the event of an assumption by the Backup Servicer of the Servicer-Related Activities of Credit Acceptance under the Sale and Servicing Agreement, the Backup Servicer shall not be obligated to perform the obligations imposed in the following Sections of the Sale and Servicing Agreement: Sections 3.02 (provided that the Backup Servicer shall be obligated to inform the other parties to this Agreement of the breaches or failures set forth in Section 3.02 of which a Responsible Officer has actual knowledge), 4.01(c), 4.01(d)(i), 4.01(d)(ii), 4.04, 4.06(a)(iii), 4.06(a)(v), 4.06(a)(ix), 4.06(a)(x), 4.06(b)(i), 4.06(b)(ii), 4.06(b)(v)

(only with respect to the Servicer's obligation to defend the right, title and interest of the Trust Collateral Agent in the Trust Property against the claims of third parties), 4.07 (provided that the Backup Servicer shall be obligated to inform the other parties to this Agreement of certain breaches detailed in Section 4.07 of which a Responsible Officer has actual knowledge in the manner described therein), 4.11, 5.01(b), 5.01(c), 5.02 (only with respect to the amount of time in which the Servicer is required to remit Collections to the Collection Account which, in the case of SST after the Assumption Date, will be within one (1) Business Day of receipt of such Collections with respect to cleared funds, and in all other cases will be within three (3) Business Days of receipt of such Collections, 5.09(b), 5.10(b), 7.02 (provided that the Backup Servicer shall be liable under Section 7.02(iii) of the Sale and Servicing Agreement as to action taken by it as successor Servicer), 7.03, 7.06, 8.01(v), 9.05 or 10.01(b).

SECTION 2.4. Servicing and Retention of Servicer.

(a) Subject to early termination of the Backup Servicer due to the occurrence of a Backup Servicer Event of Default, or pursuant to Article 4, or as otherwise provided in this Section 2.4, on and after the Assumption Date, the Backup Servicer shall be responsible for the servicing, administering, managing and collection of the Dealer Loans and Contracts in accordance herewith and the Sale and Servicing Agreement.

(b) In the event of a Backup Servicer Event of Default, the Controlling Party shall have the right to terminate the Backup Servicer as successor Servicer and Backup Servicer hereunder. Upon the termination or resignation of the Backup Servicer hereunder, the Controlling Party shall have the right to appoint a successor Backup Servicer (the "Successor Backup Servicer") and enter into a backup servicing agreement with such Successor Backup Servicer at such time and exercise all of its rights under Section 4.15 of the Sale and Servicing Agreement; provided, however, that if such termination or resignation of the Backup Servicer occurs prior to the Assumption Date, the appointment of the Successor Backup Servicer shall be mutually acceptable to Credit Acceptance and the Controlling Party. Such backup servicing agreement shall specify the duties and obligations of the Successor Backup Servicer, and all references herein and in the Sale and Servicing Agreement to the Backup Servicer shall be deemed to refer to such Successor Backup Servicer.

(c) The Backup Servicer shall not resign from the obligations and duties imposed on it by this Agreement or the Sale and Servicing Agreement, as successor servicer or as Backup Servicer, as applicable, except upon a determination that by reason of a change in legal requirements, the performance of its duties hereunder or under the Sale and Servicing Agreement would cause it to be in violation of such legal requirements in a manner which would have a material adverse effect on the Backup Servicer, and the Controlling Party does not elect to waive the obligations of the Backup Servicer to perform the duties which render it legally unable to act or to delegate those duties to another Person. Any such determination permitting the resignation of the Backup Servicer pursuant to this Section 2.4(c) shall be evidenced by an opinion of counsel to such effect delivered and acceptable to the Controlling Party. No resignation of the Backup Servicer shall become effective until an entity reasonably acceptable to the Controlling Party shall have assumed the responsibilities and obligations of the Backup Servicer.

(d) Any Person: (i) into which the Backup Servicer may be merged or consolidated; (ii) resulting from any merger or consolidation to which the Backup Servicer shall be a party; (iii) which acquires by conveyance, transfer or lease substantially all of the assets of the Backup Servicer; or (iv) succeeding to the business of the Backup Servicer, in any of the foregoing cases shall execute an agreement of assumption to perform every obligation of the Backup Servicer under this Agreement and the Sale and Servicing Agreement, whether or not such assumption agreement is executed, shall be the successor to the Backup Servicer under this Agreement and the Sale and Servicing Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement or the Sale and Servicing Agreement, anything herein or therein to the contrary notwithstanding; provided, however, that nothing contained herein or therein shall be deemed to release the Backup Servicer from any obligation hereunder or under the Sale and Servicing Agreement.

(e) Following the Assumption Date, beginning with the calendar year ending December 31, 2004, the Backup Servicer shall be required to deliver to the Indenture Trustee, the Trust Collateral Agent and the Class A Insurer on or before one hundred twenty (120) days after the end of the Backup Servicer's fiscal year, with respect to such fiscal year, a copy of its annual SAS-70 and its audited financial statements for such fiscal year.

(f) Concurrently with the delivery of the financial reports delivered under (e) above, a report in substantially the form attached to this Agreement as Exhibit I and certified by the chief financial officer of the Backup Servicer, certifying that no Backup Servicer Event of Default and no event which, with the giving of notice or the passage of time, would become a Backup Servicer Event of Default has occurred and is continuing or, if any such Backup Servicer Event of Default or other event has occurred and is continuing, such a Backup Servicer Event of Default has occurred and is continuing, the action which the Backup Servicer has taken or proposes to take with respect thereto, shall be delivered to the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer.

SECTION 2.5. Servicing Duties of the Backup Servicer. On and after the Assumption Date:

(a) The Backup Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Dealer Loans and Contracts from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Collection Guidelines. There shall be no recourse to the Backup Servicer with regard to the Dealer Loans and Contracts. The Backup Servicer shall hold in trust for the Trust Collateral Agent all records which evidence or relate to all or any part of the Trust Estate. In the event that a Successor Backup Servicer is appointed, the outgoing Backup Servicer shall deliver to the Successor Backup Servicer and the Successor Backup Servicer shall hold in trust for the Trust Collateral Agent all records which evidence or relate to all or any part of the Trust Estate.

(b) The Backup Servicer shall as soon as practicable upon demand, deliver to the Issuer all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Dealer Loan or Contract.

(c) The Backup Servicer shall remit to the Collection Account within two (2) Business Days of receipt, all Collections.

(d) In addition to the obligations of the Backup Servicer under this Agreement, the Backup Servicer shall perform all of the obligations of the Servicer as servicer under the Sale and Servicing Agreement, except as set forth in Section 2.3(b) hereof. Without limiting the foregoing and anything provided for herein, the Backup Servicer shall perform the following in substantially the same manner and level at which Credit Acceptance performs such on the date hereof: (a) customer service inquiries/responsibilities; (b) collections on delinquent and charged-off accounts; (c) insurance monitoring and the making of claims with respect thereto; (d) creating the Servicer's Certificates; (e) repossession and other legal actions; (f) statements to performing accounts and other correspondence; (g) reconciliation of dealer holdback payments; (h) inventory management; (i) maintenance of lock-box accounts; (j) electronic skip tracing; and (k) document storage and title maintenance.

SECTION 2.6. Other Obligations of the Backup Servicer and Servicer.

(a) [Reserved.]

(b) [Reserved.]

(c) No later than the 10th day of each calendar month until the earlier of the Assumption Date or the termination of this Agreement, Credit Acceptance shall provide a Live Data File (as defined below) transmission to the Backup Servicer, which shall include the Dealer Loan and Contract master file, the transaction history file and all other files necessary to carry out the Service-Related Activities received in connection herewith (the "Live Data Files"). The Backup Servicer shall convert the Live Data Files to its internal systems, and no later than five (5) Business Days after the receipt thereof, shall confirm in writing to Credit Acceptance the accuracy and completeness of the conversion; provided, however, that such confirmation shall not be deemed to apply to the accuracy of the Live Data Files as provided by Credit Acceptance, but shall be deemed only to apply to the accuracy of the conversion of the Live Data Files to the Backup Servicer's internal systems. In the event of any changes in format with respect to either Credit Acceptance or the Backup Servicer, Credit Acceptance and the Backup Servicer shall coordinate with each other for the replacement of the data files with files in the correct format, modified accordingly. To verify that Live Data Files have been accurately converted to the Backup Servicer's internal servicing system, the Backup Servicer will provide Credit Acceptance with such reports as are mutually agreed upon by Credit Acceptance and the Backup Servicer from time to time. Credit Acceptance reserves the right to review converted data on the Backup Servicer's system either by performing an onsite review of the Backup Servicer's systems or, at Credit Acceptance's sole expense, by having remote access to the Backup Servicer's systems.

(d) In connection with the Backup Servicer assuming the obligations of Servicer hereunder and under the Sale and Servicing Agreement, Credit Acceptance agrees that it shall: (i) promptly make available to the Backup Servicer access to all records and information in the possession of Credit Acceptance related to the Dealer Loans and the Contracts as may be necessary or reasonably requested by the Backup Servicer in connection with the performance of the Backup Servicer's obligations hereunder and thereunder; and (ii) cooperate in good faith with

the Backup Servicer and the Trust Collateral Agent in connection with any transition of the servicing of the Dealer Loans and Contracts to the Backup Servicer.

SECTION 2.7. Servicing Compensation. As compensation for the performance of its obligations under this Agreement and with respect to the Sale and Servicing Agreement, the Backup Servicer is entitled to: (i) prior to the Assumption Date, the Backup Servicing Fee and (ii) after the Assumption Date, the sum of: (A) the Servicing Fee, (B) any Repossession Expenses, (C) any Reliening Expenses and (D) any Transition Expenses.

SECTION 2.8. Trust Collateral Agent's Rights. At any time following the Assumption Date:

(a) The Trust Collateral Agent or the Backup Servicer may direct that payment of all amounts payable under any Dealer Loans or Contracts be made directly to the Backup Servicer, the Trust Collateral Agent or its designee.

(b) The Servicer shall, (unless otherwise directed by the Trust Collateral Agent) (i) assemble all of the records relating to the Trust Estate and shall make the same available to the Backup Servicer (or the Trust Collateral Agent if so directed by the Trust Collateral Agent) at a place selected by the Backup Servicer or the Trust Collateral Agent, as applicable; provided, however, that the Servicer will be entitled to retain copies of all records provided pursuant to this Section 2.8(b), and (ii) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner acceptable to the Trust Collateral Agent and shall, promptly upon receipt but no later than one (1) Business Day after receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, as directed by the Trust Collateral Agent or the Backup Servicer.

(c) Credit Acceptance hereby authorizes the Trust Collateral Agent and the Backup Servicer to take any and all steps in Credit Acceptance's name and on behalf of Credit Acceptance necessary or desirable, in the determination of the Backup Servicer or the Trust Collateral Agent acting in "good faith" (as such term is defined in Article 9 of the UCC), to collect all amounts due under any and all of the Dealer Loans, including, without limitation, endorsing Credit Acceptance's name on checks and other instruments representing Collections and enforcing the Dealer Loans and Contracts; provided, however, that the Trust Collateral Agent shall not have an affirmative obligation to carry out such duties.

SECTION 2.9. Liability of the Backup Servicer; Standard of Care.

(a) The Backup Servicer shall not be liable for its actions or omissions hereunder except for its negligence, willful misconduct or breach of this Agreement not caused by another party to this Agreement, or for any recitals, statements, representations or warranties made expressly by the Backup Servicer.

(b) The Backup Servicer shall indemnify, defend and hold harmless the Servicer and its respective officers, directors, agents and employees 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 Servicer through the Backup Servicer's breach of this Agreement, the willful misfeasance, bad faith or negligence of the

Backup Servicer in the performance of its duties under this Agreement or by reason of reckless disregard of its obligations and duties under this Agreement.

(c) The Servicer shall indemnify, defend and hold harmless the Backup Servicer and its respective officers, directors, agents and employees 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 Backup Servicer through the Servicer's breach of this Agreement, the willful misfeasance, bad faith or negligence of the Servicer in the performance of its duties under this Agreement or by reason of reckless disregard of its obligations and duties under this Agreement.

(d) The Backup Servicer may accept and reasonably rely on all accounting and servicing records and other documentation provided to the Backup Servicer by or at the direction of the Servicer, including documents prepared or maintained by any originator, or previous servicer, or any party providing services related to the Dealer Loans or Contracts (collectively, the "Third Party"). The Servicer agrees to indemnify (subject to the limitation provided in subsection (e) below) and hold harmless the Backup Servicer, its respective officers, employees and agents against any and all claims, losses, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees and expenses that the Backup Servicer may sustain in any way related to the negligence or misconduct of any Third Party with respect to the Dealer Loans or Contracts. The Backup Servicer shall have no Liability for the acts or omissions of any such Third Party or for the inaccuracy of any data provided, produced or supplied by such Third Party. If any Error exists in any information provided to the Backup Servicer and such Errors cause or materially contribute to the Backup Servicer making a Continuing Error, the Backup Servicer shall have no liability for such Continued Errors; provided, however, that this provision shall not protect the Backup Servicer against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in discovering or correcting any error or in the performance of its duties contemplated herein.

In the event the Backup Servicer becomes aware of Errors and/or Continued Errors which, in the opinion of the Backup Servicer, impair its ability to perform its services hereunder, the Backup Servicer shall promptly notify the Servicer, the Class A Insurer and the Backup Insurer of such Errors and/or Continued Errors. With the prior consent of the Servicer and the Controlling Party, the Backup Servicer may undertake to reconstruct any data or records appropriate to correct such Errors and/or Continued Errors and to prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer.

(e) Indemnification under this Article shall include, without limitation, reasonable fees and expenses of counsel and expenses of litigation. If the indemnifying party has made any indemnity payments pursuant to this Article and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts collected to the indemnifying party, together with any interest earned thereon.

(f) In performing the Service-Related Activities contemplated by this Agreement, the Backup Servicer agrees to comply in all respects with the applicable state and

federal laws and will carry out such activities with the same degree of care as that provided for the Servicer under the Sale and Servicing Agreement. The Backup Servicer shall maintain all state and federal licenses and franchises necessary for it to perform Service-Related Activities. The Backup Servicer shall not have any Liability for any Error or Continued Error by the Servicer, or for any error, inaccuracy or omission of the Servicer before the Backup Servicer assumes the Service-Related Activities.

(g) Neither the Backup Servicer nor any of the directors or officers or employees or agents of the Backup Servicer shall be under any liability to the Servicer or any party to this Agreement or the Sale and Servicing Agreement except as provided in this Agreement, for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement; provided, however, that this provision shall not protect the Backup 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 gross negligence (excluding errors in judgment) in the performance of duties, by reason of reckless disregard of obligations and duties under this Agreement or any violation of law by the Backup Servicer or such person, as the case may be. The Backup Servicer and any director, officer, employee or agent of the Backup Servicer may conclusively rely and shall be fully protected in acting or refraining from acting upon any document, certificate, instrument, opinion, notice, statement, consent, resolution, entitlement order, approval or conversation believed by it to be genuine and made by the proper person and upon the advice or opinion of counsel or other experts selected by it. The Backup Servicer shall not be liable for an error of judgment made in good faith by a Responsible Officer of the Backup Servicer, unless it shall be proven that the Backup Servicer was negligent in ascertaining the pertinent facts.

(h) The Backup Servicer shall maintain its existence and rights as a corporation under the laws of the jurisdiction of its incorporation, and will obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which the failure to so qualify would have an adverse effect on the validity or enforceability of any Contract, Dealer Agreement, this Agreement or on the ability of the Backup Servicer to perform its duties under this Agreement.

(i) The provisions of this Section shall survive the termination of this Agreement.

(j) The Backup Servicer 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, entitlement order, approval or other paper or document.

(k) The Backup Servicer may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care.

(l) To the extent that the Backup Servicer is not indemnified by the Servicer pursuant to Section 2.2 hereunder and under the Sale and Servicing Agreement, such amounts shall be reimbursable by the Issuer pursuant to Section 5.08(a) of the Sale and Servicing Agreement.

SECTION 2.10. Monthly Backup Servicer's Certificate. Prior to the Assumption Date, on or before 12:00 noon (New York City time) on the Business Day preceding each Distribution Date, the Backup Servicer shall deliver or cause to be delivered to the Class A Insurer, the Backup Insurer and the Trust Collateral Agent a certificate (the "Backup Servicer's Certificate"), in form and substance satisfactory to the Controlling Party, signed by an officer of the Backup Servicer, stating that: (i) the Backup Servicer has loaded the Servicer's Data File as described in Section 2.1(a) on its hardware; (ii) a review of the Servicer's Certificate for the related Distribution Date has been made under such officer's supervision; (iii) the Backup Servicer has received the Live Data File described in 2.6(c); and (iv) to such officer's knowledge: (x) the electronic media is in readable form; (y) with respect to the review and verification set forth in Section 2.2(a) and 2.2(b), the data on the Servicer's Data File tie to the related Servicer's Certificate resulting in no discrepancies between them; and (z) the Servicer's Certificate does not contain any errors in accordance with the review criteria set forth in Section 2.2(a) hereunder. If the preceding statements cannot be made in the affirmative, the applicable officer shall state the nature of any and all anomalies, discrepancies and errors, and indicate all actions it is currently taking with the Servicer to reconcile and/or correct the same. Each Backup Servicer's Certificate shall be dated as of the related Determination Date. Upon the request of the Indenture Trustee, the Trust Collateral Agent or the Controlling Party, a Backup Servicer's Certificate shall be accompanied by copies of any third party reports relied on or obtained in connection with the Backup Servicer's duties hereunder. The Backup Servicer, with respect to the Backup Servicer's Certificate, shall not be responsible for delays attributable to the failure of the Servicer or any other Person to deliver information, defects in the information supplied by the Servicer or any other Person or other circumstances beyond the control of the Backup Servicer. After the Assumption Date, the Backup Servicer shall deliver the Servicer's Certificate in accordance with Section 4.09 of the Sale and Servicing Agreement.

SECTION 2.11. Backup Servicer's Expenses. The Backup Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder, including fees and disbursements of independent accountants, taxes imposed on the Backup Servicer and expenses incurred in connection with distributions and reports to the Servicer, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer. When the Backup Servicer incurs expenses after the occurrence of a Servicer Default specified in Section 8.01 of the Sale and Servicing Agreement or an Indenture Event of Default specified in Section 5.1 of the Indenture, the parties hereto intend that such expenses constitute expenses of administration under the Bankruptcy Code or any other applicable Federal or State bankruptcy, insolvency or similar law.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Representations and Warranties of the Backup Servicer. The Backup Servicer represents, warrants and covenants as of the date of execution and delivery of this Agreement:

(a) Organization and Good Standing. The Backup Servicer has been duly organized and is validly existing as a corporation in good standing under the laws of Delaware, 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 currently conducted, and had at all relevant

times, and now has, power, authority and legal right to enter into and perform its obligations under this Agreement or the Sale and Servicing Agreement.

(b) Due qualification. The Backup 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 where the failure to do so would materially and adversely affect the performance of its obligations under this Agreement or the Sale and Servicing Agreement.

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

(d) Binding Obligation. This Agreement shall constitute the legal, valid and binding obligation of the Backup Servicer enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights 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 execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the fulfillment of the terms hereof, 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, or both) a default under, the certificate of incorporation or bylaws of the Backup Servicer, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Backup Servicer 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 this Agreement, or violate any law, order, rule or regulation applicable to the Backup Servicer of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Backup Servicer or any of its properties.

(f) No Proceedings. There are no proceedings or investigations pending or, to the Backup Servicer's knowledge, threatened against the Backup Servicer, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Backup Servicer or its properties: (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Backup Servicer of its obligations under, or the validity or enforceability of, this Agreement.

(g) The Backup Servicer is not required to obtain the consent of any other party or any consent, license, approval or authorization, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement.

(h) Facilities. The Backup Servicer has adequate facilities and employees in place to handle the following, in accordance with its Collection Guidelines, including, but not limited to: (i) customer service inquiries/responsibilities; (ii) collections on delinquent and charged-off accounts; (iii) insurance monitoring and the making of claims with respect thereto; (iv) creating the Servicer's Certificate; (v) repossession and other legal actions; (vi) statements to performing accounts and other correspondence; (vii) reconciliation of dealer holdback payments; (viii) inventory management; (ix) maintenance of lock-box accounts; (x) electronic skip tracing; and (xi) document storage and title maintenance.

(i) The Backup Servicer shall take all actions it deems necessary to commence servicing within 30 days of receipt of written notice from the Class A Insurer, including without limitation, hiring and training new personnel and purchasing any necessary equipment.

(j) The Backup Servicer will keep gateways, hardware, software, systems and the interface used to fulfill its obligations hereunder up-to-date as necessary to ensure continuing compatibility with Credit Acceptance's systems, utilized by Credit Acceptance in its capacity as Servicer, and otherwise maintain a technology platform that will enable the Backup Servicer to fulfill its obligations at all times, provided that the Backup Servicer will not be responsible for ensuring compatibility with systems changed or modified by Credit Acceptance unless Credit Acceptance notifies the Backup Servicer of such changes or modifications.

(k) The Backup Servicer and all of its employees performing the services described hereunder will perform such services in accordance with industry standards applicable to the performance of such services, and with the same degree of care as it applies to the performance of such services for any assets which the Backup Servicer holds for its own account.

(l) Upon a Backup Servicer Event of Default, the Backup Servicer shall promptly notify the Class A Insurer and the Backup Insurer, or, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, the Indenture Trustee who shall distribute such notice to the Class A Noteholders, that a Backup Servicer Event of Default has occurred.

ARTICLE 4
TERMINATION

SECTION 4.1. Backup Servicer Event of Default.

For purposes of this Agreement, any of the following shall constitute a "Backup Servicer Event of Default":

(a) Failure on the part of the Backup Servicer duly to observe or perform in any material respect any covenant or agreement of the Backup Servicer set forth in this Agreement, which failure 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 to the Backup Servicer by the Controlling Party.

(b) Any failure by the Backup Servicer (x) after the Assumption Date to deposit to the Collection Account any amount required to be deposited by the Servicer (except for any amounts required to be deposited by the Servicer under Section 4.07 of the Sale and Servicing Agreement) and such failure shall continue unremedied for a period of two (2) days or (y) to deliver to the Trust Collateral Agent, the Class A Insurer or the Backup Insurer the Backup Servicer's Certificate on the related Distribution Date that shall continue unremedied for a period of one (1) Business Day.

(c) 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 Backup Servicer in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days or the entry of any decree or order for relief in respect of the Backup Servicer under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, or similar law, whether now or hereafter in effect, which decree or order for relief continues unstayed and in effect for a period of 60 consecutive days.

(d) The consent by the Backup Servicer to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Backup Servicer or relating to substantially all of its property; or the admission by the Backup Servicer in writing of its inability to pay its debts generally as they become due, the filing by the Backup Servicer of a petition to take advantage of any applicable insolvency or reorganization statute, the making by the Backup Servicer of an assignment for the benefit of its creditors, or the voluntarily suspension by the Backup Servicer of payment of its obligations.

(e) Any representation, warranty or statement of the Backup Servicer made in this Agreement or any certificate, report or other writing delivered by the Backup Servicer pursuant hereto shall prove to be incorrect in any material respect as of the time when the same shall have been made and, within 30 days after written notice thereof shall have been given to the Backup Servicer by the Class A Insurer, the circumstances or condition in respect of which such representation, warranty or statement was incorrect shall not have been eliminated or otherwise cured.

SECTION 4.2. Consequences of a Backup Servicer Event of Default.

If a Backup Servicer Event of Default has occurred and is continuing, the Controlling Party may, by notice given in writing to the Backup Servicer, terminate all of the rights and obligations of the Backup Servicer under this Agreement. On or after the receipt by the Backup Servicer of such written notice, all authority, power, obligations and responsibilities of the Backup Servicer under this Agreement shall be terminated. The terminated Backup Servicer agrees to cooperate with the Controlling Party in effecting the termination of the responsibilities and rights of the terminated Backup Servicer under this Agreement.

SECTION 4.3. Backup Servicing Termination.

Prior to the time the Backup Servicer receives a notice from the Trust Collateral Agent that the Backup Servicer will become the Servicer, the Backup Servicer may terminate this Agreement for any reason in its sole judgment and discretion upon delivery of 90 days advance written notice to the Class A Insurer or the Trust Collateral Agent of such termination with a copy to the Backup Insurer.

SECTION 4.4. Return of Confidential Information.

Upon termination of this Agreement, the Backup Servicer shall, at the direction of the Controlling Party or the Trust Collateral Agent, promptly return all written confidential information and any related electronic and written files and correspondence in its possession as are related to this Agreement and the Service-Related Activities contemplated hereunder. The Backup Servicer shall provide reasonable access to its facilities and assistance to any successor servicer or other party assuming the servicing responsibilities, provided, however, that such access shall not unreasonably interfere with the Backup Servicer conducting its day to day operations.

ARTICLE 5
MISCELLANEOUS

SECTION 5.1. Notices, Etc.

(a) On and after the Assumption Date, Credit Acceptance and the Trust Collateral Agent hereby agree to provide to the Backup Servicer all notices required to be provided to the Servicer pursuant to the Sale and Servicing Agreement and the other Basic Documents, as well as a hard copy sent by a nationally recognized courier service with item tracking capability.

(b) Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be sent by facsimile transmission with a confirmation of the receipt thereof and shall be deemed to be given for purposes of this Agreement on the day that the receipt of such facsimile transmission is confirmed in accordance with the provisions of this Section 5.1. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions (including payment instructions) and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses and accounts indicated below, and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below:

If to the Servicer:

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road, Suite 3000
Southfield, Michigan 48034-8339
Attention: Wendy Rummler
Telephone: (248) 353-2700 (ext. 217)
Telecopy: (866) 249-3138

If to the Trust Collateral Agent:

JPMorgan Chase Bank
4 New York Plaza, 6th Floor
New York, NY 10004
Attention: Corporate Trust Office
Telephone: (877) 772-7095

If to the Class A Insurer:

Radian Asset Assurance Inc.
335 Madison Avenue
New York, NY 10017-4605
Attention: Chief Risk Officer and Chief Legal Officer
Telephone: (212) 983-3100
Telecopy: (212) 682-5377
(With an electronic copy to ABSRM@radian.biz in the
case of any reporting information required to be
provided to the Class A Insurer)

If to the Backup Insurer:

XL Capital Assurance Inc.
1221 Avenue of the Americas
31st Floor
New York, NY 10020-1001
Attention: Surveillance
Telephone: (212) 478-3400
Telecopy: (212) 478-3597

If to the Backup Servicer:

Systems & Services Technologies, Inc.
4315 Pickett Road
St. Joseph, MO 64503
Attention: John Chappell, President and Joseph Booz,
Executive Vice President/ General Counsel
Telephone: (816) 671-2022
Telecopy: (816) 671-2029

SECTION 5.2. Successors and Assigns. This Agreement shall be binding upon the Backup Servicer, and shall inure to the benefit of the Trust Collateral Agent, the Class A Insurer and the Backup Insurer and their respective successors and permitted assigns; provided that the Backup Servicer shall not assign any of its rights or obligations hereunder without the prior written consent of the Controlling Party, and any such assignment in contradiction of the foregoing shall be null and void.

SECTION 5.3. No Bankruptcy Petition Against the Seller and the Issuer. The parties hereto agree that until one year and one day after such time as the Class A Notes issued under the Indenture are paid in full, they shall not: (i) institute the filing of a bankruptcy petition against the Seller or the Trust based upon any claim in its favor arising hereunder or under the Basic Documents; (ii) file a petition or consent to a petition seeking relief on behalf of the Seller or the Trust under the Bankruptcy Law; or (iii) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of the Seller or the Trust or any portion of the property of the Seller or the Trust. The parties hereto agree that all obligations of the Issuer and the Seller are non-recourse to the Trust Property except as specifically set forth in the Basic Documents.

SECTION 5.4. Controlling Party. So long as any Class A Note is outstanding, the Controlling Party shall have the power to exercise the voting , control and consent rights granted to the Class A Noteholders; provided, however, that after the occurrence and during the continuance of a Class A Insurer Default, all voting, consent or control rights of the Class A Insurer shall be suspended and the Backup Insurer shall be the Controlling Party. Upon the cure of a Class A Insurer Default, such voting, consent and control rights shall be reinstated. If the Backup Insurer is the Controlling Party, after the occurrence and during the continuance of a Backup Insurer Default, any voting, consent or control rights granted to the Backup Insurer shall be suspended. Upon the cure of any such Backup Insurer Default, the Backup Insurer's voting, consent and control rights shall be reinstated.

SECTION 5.5. Severability Clause. Any provisions of this Agreement which are 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 5.6. Amendments. This Agreement and the rights and obligations of the parties hereunder may not be changed orally but only by an instrument in writing signed by the parties hereto.

SECTION 5.7. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

SECTION 5.8. Counterparts. This Agreement may be executed in any number of copies, and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument.

SECTION 5.9. Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

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IN WITNESS WHEREOF, the Servicer, the Class A Insurer, the Backup Servicer, the Trust Collateral Agent, the Issuer and the Seller have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CREDIT ACCEPTANCE CORPORATION,
as Servicer

By: _____
Name:
Title:

RADIAN ASSET ASSURANCE INC.,
as Class A Insurer

By: _____
Name:
Title:

XL CAPITAL ASSURANCE INC.,
as Backup Insurer

By: _____
Name:
Title:

SYSTEM & SERVICES TECHNOLOGIES, INC.,
as Backup Servicer

By: _____
Name:
Title:

JPMORGAN CHASE BANK,
as Trust Collateral Agent

By: _____
Name:
Title:

CREDIT ACCEPTANCE AUTO DEALER LOAN
TRUST 2004-1, as Issuer

By: Wachovia Bank of Delaware, National Association, not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:

CREDIT ACCEPTANCE FUNDING LLC 2004-1,
as Seller

By: _____
Name:
Title:

Exhibit I

Backup Servicer Certification

EXHIBIT 4(f)60

EXECUTION COPY

AMENDED AND RESTATED TRUST AGREEMENT

between

CREDIT ACCEPTANCE FUNDING LLC 2004-1
Seller

and

WACHOVIA BANK OF DELAWARE, NATIONAL ASSOCIATION
Owner Trustee

Dated as of August 25, 2004

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EXHIBITS

This AMENDED AND RESTATED TRUST AGREEMENT dated as of August 25, 2004 between CREDIT ACCEPTANCE FUNDING LLC 2004-1, a Delaware limited liability company (the "Seller"), and WACHOVIA BANK OF DELAWARE, NATIONAL ASSOCIATION, a national banking association, as Owner Trustee (solely in such capacity and not in its individual capacity, the "Owner Trustee").

PRELIMINARY STATEMENT

The Owner Trustee has executed and caused to be filed with the Delaware Secretary of State the Certificate of Trust relating to the Trust, on August 11, 2004. The Owner Trustee and the Seller heretofore entered into an Interim Trust Agreement dated August 11, 2004 relating to the Trust and desire to enter into this Amended and Restated Trust Agreement in order to amend and restate such Interim Trust Agreement.

ARTICLE I

Definitions

SECTION 1.1. Capitalized Terms.

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

"Agreement" shall mean this Amended and Restated Trust Agreement, as the same may be amended and supplemented from time to time.

"Benefit Plan" shall have the meaning assigned to such term in Section 3.9.

"Certificate" means a Trust Certificate.

"Certificate of Trust" shall mean the certificate of trust for the Trust filed on August 11, 2004, as amended and /or restated from time to time, a copy of which is attached hereto as Exhibit B.

"Certificate Register" and "Certificate Registrar" shall mean the register mentioned and the registrar appointed pursuant to Section 3.4.

"Corporate Trust Office" shall mean, with respect to the Owner Trustee, the principal corporate trust office of the Owner Trustee located at One Rodney Square, 920 No. King Street, 1st Floor, Wilmington, Delaware 19801 or at such other address as the Owner Trustee may designate by notice to the Certificateholders, the Class A Insurer, the Backup Insurer and the Seller, or the principal corporate trust office of any successor Owner Trustee (the address of which the successor owner trustee will notify the Certificateholders, the Class A Insurer, the Backup Insurer and the Seller).

"Expenses" shall have the meaning assigned to such term in Section 8.2.

"Holder" or "Certificateholder" shall mean the Person in whose name a Certificate is registered on the Certificate Register.

"Indemnified Parties" shall have the meaning assigned to such term in Section 8.2.

"Majority Certificateholders" shall have the meaning specified in Section 4.5 hereof.

"Owner Trustee" shall mean Wachovia Bank of Delaware, National Association, a national banking association, not in its individual capacity but solely as owner trustee under this Agreement, and any successor Owner Trustee hereunder.

"Percentage Interest" means, with respect to any Certificates, the undivided percentage ownership of the Certificates evidenced by such Certificate, as set forth in such Certificate.

"Record Date" means, with respect to a Distribution Date, the last day of the calendar month preceding such Distribution Date; provided that the Record Date with respect to the First Distribution Date shall be the Closing Date.

"Seller" shall mean Credit Acceptance Funding LLC 2004-1 in its capacity as Seller hereunder.

"Sale and Servicing Agreement" shall mean the Sale and Servicing Agreement among the Trust, the Seller, the Servicer, the Trust Collateral Agent and Backup Servicer, dated as of August 25, 2004, as the same may be amended and supplemented from time to time.

"Secretary of State" shall mean the Secretary of State of the State of Delaware.

"Securityholders" shall mean the Certificateholders and the Class A Noteholders.

"Statutory Trust Act" shall mean Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 et seq. as the same may be amended from time to time.

"Trust" shall mean the trust established by this Agreement.

"Trust Certificate" means a Certificate evidencing the beneficial interest of a Certificateholder in the Trust, substantially in the form of Exhibit A attached hereto.

SECTION 1.2. Other Definitional Provisions.

(a) Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Sale and Servicing Agreement or, if not defined therein, in the Indenture.

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document 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 certificate or other document, as applicable. To the extent that the definitions of accounting terms in this Agreement or in any such 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 certificate or other document shall control.

(d) 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; Section and Exhibit references contained in this Agreement are references to Sections and Exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(e) 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.

ARTICLE II

Organization

SECTION 2.1. Declaration of Trust; Name.

There is hereby formed a trust to be known as "Credit Acceptance Auto Dealer Loan Trust 2004-1", in which name the Owner Trustee may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust, and sue and be sued.

SECTION 2.2. Office.

The office of the Trust shall be in care of the Owner Trustee at the Corporate Trust Office or at such other address as the Owner Trustee may designate by written notice to the Certificateholders, the Class A Insurer, the Backup Insurer and the Seller.

SECTION 2.3. Purposes and Powers.

(a) The purpose of the Trust is, and the Trust shall have the power and authority, to engage in the following activities:

(i) to issue the Class A Notes pursuant to the Indenture and the Certificates pursuant to this Agreement, and to sell the Class A Notes and the Certificates;

(ii) with the proceeds of the sale of the Class A Notes and the Certificates, to fund the Reserve Account and to pay the organizational, start-up and transactional expenses of the Trust and to pay the balance to the Seller pursuant to the Sale and Servicing Agreement;

(iii) to assign, grant, transfer, pledge, mortgage and convey the Trust Property to the Trust Collateral Agent pursuant to the Sale and Servicing Agreement for the benefit of the Securityholders, the Class A Insurer, the Backup Insurer and the Seller pursuant to the terms of the Sale and Servicing Agreement;

(iv) to enter into, execute and perform its obligations under the Basic Documents to which it is a party;

(v) to engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith;

(vi) subject to compliance with the Basic Documents, to engage in such other activities as may be required in connection with conservation of the Trust Property and the making of distributions to the Certificateholders, the Class A Insurer, the Backup Insurer and the Class A Noteholders; and

(vii) at any time to enter into derivatives transactions.

The Trust is hereby authorized to engage in the foregoing activities. The Trust shall not engage in any activity other than in connection with the foregoing or other than as required or authorized by the terms of this Agreement or the Basic Documents.

SECTION 2.4. Appointment of Owner Trustee.

Pursuant to the Interim Trust Agreement, the Seller appointed the Owner Trustee as trustee of the Trust effective as of the date of the Interim Trust Agreement, to have all the rights, powers and duties set forth therein. The Owner Trustee by its execution hereof accepts and confirms such appointment and shall have all of the rights, powers and duties set forth herein and therein.

SECTION 2.5. Capital Contribution of Trust Estate.

Pursuant to the Interim Trust Agreement, the Seller sold, assigned, transferred, conveyed and set over to the Owner Trustee the sum of $1.00. The Owner Trustee hereby acknowledges receipt in trust from the Seller, as of the date of the Interim Trust Agreement, of the foregoing contribution, which shall constitute the initial Trust Property and shall be deposited with the Trust Collateral Agent for deposit in the Certificate Distribution Account.

SECTION 2.6. Status of Trust Under Statutory Trust Act; Certain Income Tax Matters.

The Owner Trustee hereby declares that it will hold the Trust Property in trust upon and subject to the conditions set forth herein for the use and benefit of the Securityholders, the Class A Insurer, the Backup Insurer and the Seller, subject to the obligations of the Trust under Basic Documents. It is the intention of the parties hereto that the Trust constitute a statutory trust under the Statutory Trust Act and that this Agreement constitute the governing instrument of such statutory trust. Should the Certificates be held by more than one Holder, it is the intention of the parties hereto that, solely for income and franchise tax purposes, the Trust shall be treated as a partnership with the owners of the Certificates being partners in such partnership for federal income tax purposes. Effective as of the date hereof, the Owner Trustee shall have all rights, powers and duties set forth herein and to the extent not inconsistent herewith, in the Statutory Trust Act with respect to accomplishing the purposes of the Trust. The Owner Trustee has filed the Certificate of Trust with the Secretary of State.

SECTION 2.7. Liability of Seller.

The Seller shall pay organizational expenses of the Trust as they may arise or shall, upon the request of the Owner Trustee and upon receipt of documentation or invoices therefor, promptly reimburse the Owner Trustee for any such expenses paid by the Owner Trustee.

SECTION 2.8. Appointment of Trust Collateral Agent; Title to Trust Property.

(a) [Reserved]

(b) The specific rights, duties and obligations of the Trust Collateral Agent shall be as set forth in the Sale and Servicing Agreement. Upon the issuance of the Class A Notes and the Certificates, the Seller shall have only such rights with respect to the Trust Collateral Agent as shall be specified in the Sale and Servicing Agreement.

(c) Subject to the lien of the Indenture, legal title to all the Trust Property shall be vested at all times in the Trust as a separate legal entity except where applicable law in any jurisdiction requires title to any part of the Trust Property to be vested in a trustee or trustees, a co-trustee and/or a separate trustee, in which case title shall be deemed to be vested in the Owner Trustee or a separate trustee, as the case may be. The Holders shall not have legal title to any part of the Trust Property. The Holders shall be entitled to receive distributions with respect to their beneficial ownership interest therein only in accordance with Article V of the Sale and Servicing Agreement and Article IX hereof. No transfer, by operation of law or otherwise, of any right, title or interest by any Certificateholder of its ownership interest in the Trust Property shall operate to terminate this Agreement or the trusts hereunder or entitle any transferee to an accounting or to the transfer to it of legal title to any part of the Trust Property.

(d) Pursuant to Section 3803 of the Statutory Trust Act, the Holders shall be entitled to the same limitation of personal liability extended to stockholders of private corporations organized under the General Corporation Law of the State of Delaware.

SECTION 2.9. Situs of Trust.

The Trust will be located and administered in the State of Delaware. The Trust shall not have any employees; provided, however, that nothing herein shall restrict or prohibit the Owner Trustee, the Servicer, the Backup Servicer, or any agent of the Trust from having employees within or without the State of Delaware. The only office of the Trust will be at the Corporate Trust Office in Delaware.

SECTION 2.10. Representations and Warranties of the Seller.

The Seller makes the following representations and warranties on which the Owner Trustee relies in accepting the Trust Property in trust and issuing the Certificates and on which the Class A Insurer relies in issuing the Class A Note Insurance Policy and on which the Backup Insurer relies in issuing the Backup Insurance Policy.

(a) Organization and Good Standing. The Seller is duly organized and validly existing as a Delaware limited liability company with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted and is proposed to be conducted pursuant to this Agreement and the Basic Documents.

(b) Due Qualification. The Seller is duly qualified to do business as a limited liability company in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of its property, the conduct of its business and the performance of its obligations under this Agreement and the Basic Documents requires such qualification.

(c) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms; the Seller has full power and authority to sell and assign the property to be sold and assigned to and deposited with the Trust and the Seller has duly authorized such sale and assignment and deposit to the Trust by all necessary action; and the execution, delivery and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by the Seller by all necessary action.

(d) Enforceability. The Seller has duly executed and delivered this Agreement and the other Basic Documents to which it is a party and this Agreement and the other Basic Documents to which it is a party constitute legal, valid and binding obligations of the Seller, enforceable against Seller in accordance with their terms, and subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally or the rights of creditors of banks the deposit accounts of which are insured by the Federal Deposit Insurance Corporation and subject to general principles of equity (whether applied in a proceeding at law or in equity).

(e) No Consent Required. No consent, license, approval or authorization or registration or declaration with, any Person or with any governmental authority, bureau or agency is required in connection with the execution, delivery or performance of this Agreement and the Basic Documents, except for such as have been obtained, effected or made.

(f) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the certificate of formation or the limited liability company agreement of the Seller, or any material indenture, agreement or other instrument to which the Seller is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than pursuant to the Basic Documents); nor violate any law or any 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 its properties.

(g) 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 it or its properties (A) asserting the invalidity of this Agreement or any of the Basic Documents, (B) seeking to prevent the issuance of the Certificates or the Class A Notes 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 its performance of its obligations under, or the validity or enforceability of, this Agreement or any of the Basic Documents, or (D) seeking to adversely affect the federal income tax or other federal, state or local tax attributes of the Certificates or the Class A Notes.

SECTION 2.11. Federal Income Tax Treatment of the Trust.

(a) For so long as the Trust has a single owner for federal income tax purposes, it will, pursuant to Treasury Regulations promulgated under Section 7701 of the Code, be disregarded as an entity distinct from the Certificateholder for all federal income tax purposes. Accordingly, for federal income tax purposes, the Certificateholder will be treated as (i) owning all assets owned by the Trust, (ii) having incurred all liabilities incurred by the Trust, and (iii) all transactions between the Trust and the Certificateholder will be disregarded.

(b) Neither the Owner Trustee nor any Certificateholder will, under any circumstances, and at any time, make an election on IRS Form 8832 or otherwise, to classify the Trust as an association taxable as a corporation for federal, state or any other applicable tax purpose.

(c) In the event that the Trust has two or more equity owners for federal income tax purposes, the Trust will be treated as a partnership. In such event, unless otherwise required by appropriate tax authorities, the Trust and the owners of the Certificates, will file or cause to be filed annual or other necessary returns, reports and other forms consistent with the characterization of the Trust as a partnership. At any such time that the Trust has two or more equity owners, this Agreement may need to be amended, in accordance with Section 11.1 herein, and appropriate provisions may need to be added so as to provide for treatment of the Trust as a partnership.

SECTION 2.12. Covenants of the Seller.

The Seller agrees and covenants for the benefit of each Holder, the Class A Insurer, the Backup Insurer and the Owner Trustee, during the term of this Agreement, and to the fullest extent permitted by applicable law, that:

(a) it shall not create, incur or suffer to exist any indebtedness or engage in any business, except, in each case, as permitted by its certificate of formation and limited liability company agreement and the Basic Documents;

(b) it shall not, for any reason, institute proceedings for the Trust to be adjudicated bankrupt or insolvent, or consent to or join in the institution of bankruptcy or insolvency proceedings against the Trust, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to the bankruptcy of the Trust, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or a substantial part of the property of the Trust or cause or permit the Trust to make any assignment for the benefit of creditors, or admit in writing the inability of the Trust to pay its debts generally as they become due, or declare or effect a moratorium on the debt of the Trust or take any action in furtherance of any such action;

(c) it shall obtain from each counterparty to each Basic Document to which it or the Trust is a party and each other agreement entered into on or after the date hereof to which it or the Trust is a party, an agreement by each such counterparty that prior to the occurrence of the event specified in Section 9.1(e) such counterparty shall not institute against, or join any other Person in instituting against, it or the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceedings under the laws of the United States or any state of the United States;

(d) it shall not, for any reason, withdraw or attempt to withdraw from this Agreement or any other Basic Document to which it is a party, dissolve, institute proceedings for it to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of it or a substantial part of its property, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or declare or effect a moratorium on its debt or take any action in furtherance of any such action;

(e) the Seller is a limited purpose limited liability company whose activities are restricted in its certificate of formation and limited liability company agreement to activities related to purchasing or otherwise acquiring Dealer Loans and related collateral, and related assets and rights and conducting any related or incidental business or activities it deems necessary or appropriate to carry out its primary purpose, including entering into agreements such as the Basic Documents;

(f) the Seller has not engaged, and does not presently engage, in any activity other than those activities expressly permitted hereunder and under the other Basic

Documents, nor has the Seller entered into any agreement other than this Trust Agreement, the other Basic Documents to which it is a party, and with the prior written consent of the Class A Noteholders, any other agreement necessary to carry out more effectively the provisions and purposes hereof or thereof;

(g) (A) the Seller maintains its own deposit account or accounts, separate from those of any of its Affiliates, with commercial banking institutions, (B) the funds of the Seller are not and have not been diverted to any other Person or for other than the corporate use of the Seller, and (C) except as may be expressly permitted by the Basic Documents, the funds of the Seller are not and have not been commingled with those of any of its Affiliates;

(h) to the extent that the Seller contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing are fairly allocated to or among the Seller and such entities for whose benefit the goods and services are provided, and each of the Seller and each such entity bears its fair share of such costs; and, all material transactions between the Seller and any of its Affiliates shall be only on an arms-length basis;

(i) the Seller maintains a principal executive and administrative office through which its business is conducted and a telephone number and stationery through which all business correspondence and communication are conducted, in each case separate from those of the Originator and its Affiliates, or, if it shares office space with the Originator or any of its Affiliates, it shall allocate fairly and reasonably any overhead and expense for such shared office space;

(j) the Seller conducts its affairs strictly in accordance with its certificate of formation and limited liability company agreement and observes all necessary, appropriate and customary limited liability company formalities, including (A) holding all regular and special meetings appropriate to authorize all limited liability company action (which, in the case of regular meetings, are held at least annually), (B) keeping separate and accurate minutes of such meetings, (C) passing all resolutions or consents necessary to authorize actions taken or to be taken, and (D) maintaining accurate and separate books, records and accounts, including intercompany transaction accounts;

(k) all decisions with respect to its business and daily operations are independently made by the Seller (although the officer making any particular decision may also be an employee, officer or director of an Affiliate of the Seller) and are not dictated by any Affiliate of the Seller (it being understood that the Servicer, which is an Affiliate of the Seller, will undertake and perform all of the operations, functions and obligations of it set forth herein and it may appoint sub-servicers, which may be Affiliates of the Seller, to perform certain of such operations, functions and obligations);

(l) the Seller acts solely in its own limited liability company name and through its own authorized officers and agents, which can also be officers and agents of an Affiliate;

(m) no Affiliate of the Seller advances funds to the Seller, other than as is otherwise provided herein or in the other Basic Documents, and no Affiliate of the Seller otherwise supplies funds to, or guaranties debts of, the Seller; provided, however, that an Affiliate of the Seller may provide funds to the Seller in connection with the capitalization of the Seller;

(n) other than organizational expenses and as expressly provided herein or in its certificate of formation and limited liability company agreement, the Seller pays all expenses, indebtedness and other obligations incurred by it;

(o) the Seller does not guarantee, and is not otherwise liable, with respect to any obligation of any of its Affiliates;

(p) any financial reports required of the Seller comply with GAAP and are issued separately from, but may be consolidated with, any reports prepared for any of its Affiliates;

(q) at all times the Seller is adequately capitalized to engage in the transactions contemplated in its certificate of formation;

(r) the financial statements and books and records of the Seller reflect the separate corporate existence of the Seller;

(s) the Seller does not act as agent for any Affiliates of itself, but instead presents itself to the public as a limited liability company separate from each such entity and independently engaged in the business of purchasing and financing Contracts;

(t) the Seller shall at all times have at least two independent directors (each an "Independent Director). An Independent Directors shall be any person who (a) is not and has not been (i) a stockholder, officer, director (except in its capacity as Independent Directors of the Seller), partner, member or employee of the Seller's ultimate parent or any Subsidiaries or Affiliates thereof or of a significant customer, creditor, supplier or independent contractor of the Seller, its ultimate parent or any Subsidiaries or Affiliates thereof, and is not himself such a significant customer, creditor, supplier or independent contractor, or (ii) a member of the immediate family of any person described above, and (b) does not directly or indirectly own any class of voting securities of the Seller or any of its Subsidiaries or Affiliates. As used in this covenant of the Seller, the terms "Affiliate" and "Subsidiary" shall have the meanings ascribed thereto in the limited liability company agreement of the Seller as of the date of this Agreement;

(u) the certificate of formation or limited liability company agreement of the Seller require the affirmative vote of the independent directors before a voluntary petition under Section 301 of the Bankruptcy Code may be filed by the Seller, and the Seller to maintain correct and complete books and records of account and minutes of the meetings and other proceedings of its board of directors; and

(v) the Seller acknowledges that the parties hereto are entering into this Trust Agreement and the other Basic Documents in reliance upon the Seller being, on the Closing Date and at all times during the term of this Trust Agreement, a limited purpose entity.

SECTION 2.13. Covenants of the Certificateholders.

Each Certificateholder by becoming a beneficial owner of the Certificate agrees:

(a) to be bound by the terms and conditions of the Certificates of which such Certificateholder is the beneficial owner and of this Agreement, including any supplements or amendments hereto and to perform the obligations of a Certificateholder as set forth therein or herein, in all respects as if it were a signatory hereto. This undertaking is made for the benefit of the Trust, the Owner Trustee, the Class A Insurer, the Backup Insurer and all other Certificateholders present and future;

(b) to the appointment of the Seller as such Certificateholder's agent and attorney-in-fact to sign any federal income tax information return filed on behalf of the Trust and, if requested by the Trust, to sign such federal income tax information return in its capacity as holder of an interest in the Trust;

(c) that all transactions and agreements between the Trust on the one hand, and any of the Owner Trustee, the Indenture Trustee, the Trust Collateral Agent, the Seller and any Certificateholder on the other hand, shall reflect the separate legal existence of each entity and will be formally documented in writing;

(d) not to take any position in such Certificateholder's tax returns inconsistent with those taken in any tax returns filed by the Trust;

(e) if such Certificateholder is other than an individual or other entity holding its Certificate through a broker who reports securities sales on Form 1099-B, to notify the Owner Trustee in writing of any transfer by it of a Certificate in a taxable sale or exchange, within 30 days of the date of the transfer; and

(f) until one year and one day after the completion of the events specified in Section 9.1(e), not, for any reason, to institute proceedings for the Trust or the Seller to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Trust or the Seller, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or the Seller or a substantial part of its property, or cause or permit the Trust or the Seller to make any assignment for the benefit of its creditors or to admit in writing its inability to pay its debts generally as they become due, or declare or effect a moratorium on its debt or take any action in furtherance of any such action.

ARTICLE III

Certificates and Transfer of Interests

SECTION 3.1. Initial Ownership.

Effective upon the formation of the Trust by the contribution by the Seller pursuant to Section 2.5, the Seller shall be deemed to have acquired and to have become the owner of a 100% interest in the Trust and at all times prior to the issuance of any Certificates pursuant to Section 3.3 shall be the sole beneficial owner and beneficiary of the Trust.

SECTION 3.2. The Certificates.

The Certificates shall be executed on behalf of the Trust by manual or facsimile signature of an authorized officer of the Owner Trustee. Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be validly issued and entitled to the benefit of this Agreement, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such offices at the date of authentication and delivery of such Certificates. A transferee of a Certificate shall become a Certificateholder, and shall be entitled to the rights and subject to the obligations of a Certificateholder hereunder, upon due registration of such Certificate in such transferee's name pursuant to Section 3.4 hereof provided, that the number of Certificateholders at no time may exceed 95. Notwithstanding the provisions of Section 3.4 hereof, if the Seller is the Holder of a Certificate, it shall not pledge, sell, transfer, assign or convey such Certificate without the consent of the Class A Insurer and the Backup Insurer, or the Indenture Trustee, at the direction of the Majority Noteholders, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, until the earlier of: (i) the Class A Termination Date; and (ii) the date on which Credit Acceptance is no longer Servicer under the Sale and Servicing Agreement.

SECTION 3.3. Authentication of Certificates.

Concurrently with the initial sale of the Contracts and other Trust Property to the Trust pursuant to Section 2.01 of the Sale and Servicing Agreement, the Owner Trustee shall cause one or more Certificates having the respective Percentage Interests (in the aggregate not to exceed 100%) specified in writing by the Seller to be authenticated, issued and delivered to or upon the written order of the Seller, signed by its president or any vice president, any assistant treasurer or any assistant secretary without further action by the Seller. No Certificate shall entitle its holder to any benefit under this Agreement, or shall be valid for any purpose, unless there shall appear on such Certificate a certificate of authentication substantially in the form set forth in Exhibit A, executed by the Owner Trustee, by manual signature; such authentication shall constitute conclusive evidence that such Certificate shall have been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication.

SECTION 3.4. Registration of Transfer and Exchange of Certificates.

The Certificate Registrar shall keep or cause to be kept, at the Corporate Trust Office, a Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Owner Trustee shall provide for the registration of Certificates and of transfers and exchanges of Certificates as herein provided. Wachovia Bank of Delaware, National Association, shall be the initial Certificate Registrar.

The Certificate Registrar shall provide the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer with a list of the names and addresses of the Certificateholders on the Closing Date, to the extent such information has been provided to the Certificate Registrar and in the form provided to the Certificate Registrar on such date. Upon any transfers of Certificates, the Certificate Registrar shall notify the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Backup Insurer of the name and address of the transferee in writing, by facsimile, on the day of such transfer.

Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office, the Owner Trustee shall execute, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates in authorized denominations of a like class and aggregate face amount dated the date of authentication by the Owner Trustee or any authenticating agent. At the option of a Holder, Certificates may be exchanged for other Certificates of the same class in authorized denominations of a like aggregate amount upon surrender of the Certificates to be exchanged at the Corporate Trust Office.

Every Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by: (i) a written instrument of transfer in form satisfactory to the Owner Trustee and the Certificate Registrar duly executed by the Certificateholder or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Certificate Registrar, which requirements include membership or participation in the Securities Transfer Agent's Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Certificate Registrar in addition to, or in substitution for, STAMP; and (ii) an Opinion of Counsel that the transfer or exchange of such Certificate would not cause the Trust to be treated as a publicly traded partnership or otherwise be taxable as a corporation. Each Certificate surrendered for registration of transfer or exchange shall be canceled and subsequently disposed of by the Owner Trustee in accordance with its customary practice.

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

The Certificates have not been registered under the Securities Act or any state securities law. Subject to the provisions of Section 3.1 hereof, the Certificate Registrar shall not register the transfer of any Certificate or unless such resale or transfer is: (i) pursuant to an effective registration statement under the Securities Act; (ii) to the Seller; or (iii) unless it shall have received a representation letter or such other representations and an Opinion of Counsel satisfactory to the Seller or the Owner Trustee and, prior to the Class A Termination Date, the Controlling Party, to the effect that such resale or transfer is made (A) in a transaction exempt

from the registration requirements of the Securities Act and applicable state securities laws, or (B) to a person who the transferor of the Certificate reasonably believes is a "qualified institutional buyer" (within the meaning of Rule 144A under the Securities Act) that is aware that such resale or other transfer is being made in reliance upon Rule 144A. Until the earlier of (i) such time as the Certificates shall be registered pursuant to a registration statement filed under the Securities Act and (ii) the date three years from the later of the date of the original authentication and delivery of the Certificates and the date any Certificate was acquired from the Seller or any affiliate of the Seller, the Certificates shall bear a legend substantially to the effect set forth in the preceding two sentences. Neither the Seller, the Servicer, the Trust nor the Owner Trustee is obligated to register the Certificates under the Securities Act or to take any other action not otherwise required under this Agreement to permit the transfer of Certificates without registration.

SECTION 3.5. Mutilated, Destroyed, Lost or Stolen Certificates.

If (a) any mutilated Certificate shall be surrendered to the Certificate Registrar, or if the Certificate Registrar shall receive evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (b) there shall be delivered to the Certificate Registrar, the Class A Insurer, the Backup Insurer and the Owner Trustee, such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, the Owner Trustee on behalf of the Trust shall execute and the Owner Trustee, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like class, tenor and denomination. In connection with the issuance of any new Certificate under this Section, the Owner Trustee or the Certificate Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section shall constitute conclusive evidence of an ownership interest in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

SECTION 3.6. Persons Deemed Certificateholders.

Every Person by virtue of becoming a Certificateholder in accordance with this Agreement shall be deemed to be bound by the terms of this Agreement. Prior to due presentation of a Certificate for registration of transfer, the Owner Trustee, the Certificate Registrar, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer and any agent of the Owner Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer and the Certificate Registrar, may treat the Person in whose name any Certificate shall be registered in the Certificate Register as the owner of such Certificate for the purpose of receiving distributions pursuant to the Sale and Servicing Agreement and for all other purposes whatsoever, and none of the Owner Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer nor the Certificate Registrar nor any agent of the Owner Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer nor the Certificate Registrar shall be bound by any notice to the contrary.

SECTION 3.7. Access to List of Certificateholders' Names and Addresses.

The Owner Trustee shall cause to be furnished to the Trust Collateral Agent, the Servicer or the Seller and, prior to the Class A Termination Date, the Class A Insurer and the Backup Insurer, within 15 days after receipt by the Owner Trustee of a request therefor from such Person in writing, a list, of the names and addresses of the Certificateholders as of the most recent Record Date. If three or more Holders of Certificates or one or more Holders of Certificates evidencing not less than 25% of the Certificate Interest apply in writing to the Owner Trustee, and such application states that the applicants desire to communicate with other Certificateholders with respect to their rights under this Agreement or under the Certificates and such application is accompanied by a copy of the communication that such applicants propose to transmit, then the Owner Trustee shall, within five Business Days after the receipt of such application, afford such applicants access during normal business hours to the current list of Certificateholders. Each Holder, by receiving and holding a Certificate, shall be deemed to have agreed not to hold any of the Seller, the Servicer, the Class A Insurer, the Backup Insurer, the Trust Collateral Agent or the Owner Trustee or any agent thereof accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 3.8. Distributions.

Distributions on the Certificates shall be made in accordance with Section 5.08(a) and Section 5.10 of the Sale and Servicing Agreement.

SECTION 3.9. ERISA Restrictions.

The Certificates may not be acquired by or transferred to (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Code, or (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (each, a "Benefit Plan"). In connection with any acquisition or transfer of a Certificate, the Holder thereof shall be required to represent and warrant that it is not a Benefit Plan.

ARTICLE IV

Voting Rights and Other Actions

SECTION 4.1. Prior Notice to Holders with Respect to Certain Matters.

(a) The Owner Trustee shall not take any of the actions set forth below unless (i) the Owner Trustee shall have notified the Certificateholders and, prior to the Class A Termination Date, the Class A Insurer and the Backup Insurer, in writing of the proposed action at least 30 days before the taking of such action, and (ii) the Controlling Party prior to the Class A Termination Date, and thereafter, the Majority Certificateholders, have approved such action in writing, which approval has been received by the Owner Trustee by the 30th day after such notice has been given:

(i) the election by the Trust to file an amendment to the Certificate of Trust (unless such amendment is required to be filed under the Statutory Trust Act);

(ii) the amendment of the Indenture by a supplemental indenture in circumstances where the consent of any Class A Noteholder is required;

(iii) the amendment of the Indenture by a supplemental indenture in circumstances where the consent of any Class A Noteholder is not required and such amendment materially adversely affects the interest of the Certificateholders;

(iv) except pursuant to Section 11.01 of the Sale and Servicing Agreement, the amendment, change or modification of the Sale and Servicing Agreement.

(v) except as provided in Article IX hereof, dissolve, terminate or liquidate the Trust in whole or in part;

(vi) do any act which would make it impossible to carry on the ordinary business of the Trust;

(vii) confess a judgment against the Trust;

(viii) possess Trust assets, or assign the Trust's right to property, for other than a Trust purpose;

(ix) cause the Trust to lend any funds to any entity;

(x) change the Trust's purpose and powers from those set forth in this Agreement;

(xi) cause the Trust to incur, assume or guaranty any indebtedness except as set forth in this Agreement;

(xii) the initiation of any material claim or litigation by the Trust (except for claims or lawsuits brought in connection with the collection of Contracts or Dealer Loans;) or

(xiii) the appointment, pursuant to the Indenture of a successor Indenture Trustee or the consent to the assignment by the Indenture Trustee, Certificate Registrar or Owner Trustee of any of its obligations under the Indenture or any other Basic Document.

(b) In addition, the Trust shall not commingle its assets with those of any other entity. The Trust shall maintain its financial and accounting books and records separate from those of any other entity. Except as expressly set forth herein or in any other Basic Document, the Trust shall pay its indebtedness and expenses from its own funds and shall not pay the indebtedness or operating expenses of any other entity. The Trust shall maintain appropriate minutes or other records of all appropriate actions and shall maintain its office separate from the offices of the Seller and its affiliates

(c) The Trust and each Certificateholder shall comply with the following covenants:

(i) Neither the Owner Trustee nor any Certificateholder shall cause the funds and other assets of the Trust to be commingled with those of any other individual, corporation, estate partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or agency or political subdivision thereof or any other entity.

(ii) Neither the Owner Trustee nor any Certificateholder shall cause the Trust to be, become or hold itself out as being liable for the debts of any other party, and neither the Trust nor any Certificateholder shall act as agents for each other. The Trust shall not guarantee the indebtedness of or make loans to any other party or any Certificateholder. No Certificateholder may guarantee the indebtedness of or make loans to the Trust or hold itself out as being liable for the debts of the Trust.

(iii) Neither the Owner Trustee nor any Certificateholder shall cause the Trust (A) to act other than solely in its Trust name and through its duly authorized officers or agents in the conduct of its business, (B) to prepare all Trust correspondence otherwise than in the Trust name, (C) to conduct its business other than so as not to mislead others as to the identity of the entity with which they are conducting business; and no Certificateholder will be involved in the day-to-day management of the Trust.

(iv) The Owner Trustee shall maintain on behalf of the Trust all statutory trust records required by the Statutory Trust Act and neither the Owner Trustee nor any Certificateholder shall cause the Trust to commingle its statutory trust records and books of account with the corporate records and books of account maintained by any Certificateholder or the Owner Trustee on behalf of the Trust shall reflect the separate existence of the Trust. The books of the Trust may be kept (subject to any provision contained in any applicable statutes) inside or outside the State of Delaware at such place or places as may be designated from time to time by the Owner Trustee with notice to the Class A Insurer and the Backup Insurer. The Trust's books and records relating to the Trust Property shall be maintained by the Servicer or Credit Acceptance, if it is no longer the Servicer, pursuant to Section 4.06 of the Sale and Servicing Agreement.

(v) The Trust shall take such formalities as may be necessary to authorize all of its actions as may be required by law.

(vi) The Owner Trustee shall cause the Trust to (1) conduct its business in an office separate from that of each Certificateholder, (2) maintain stationery, if any, separate from that of each Certificateholder, (3) except as expressly set forth herein, to pay its indebtedness, operating expenses, and liabilities from its own funds, and not to pay the indebtedness, operating expenses and liabilities of any other entity, (4) observe all statutory formalities under the Statutory Trust Act, and (5) keep in full effect its existence, rights and franchises as a statutory trust under the laws of the State of Delaware until dissolved in accordance with the Basic Documents.

(d) For accounting purposes, the Trust shall be treated as an entity separate and distinct from any Certificateholder. The pricing and other material terms of all transactions and agreements to which the Trust is a party shall be intrinsically fair to all parties thereto. This Agreement is and shall be the only agreement among the parties thereto with respect to the creation, operation and termination of the Trust.

(e) The Owner Trustee shall not have the power, except upon the direction of the Controlling Party and the Certificateholders, and to the extent otherwise consistent with the Basic Documents, to (i) remove or replace the Servicer, the Backup Servicer or the Indenture Trustee, (ii) institute proceedings to have the Trust declared or adjudicated a bankruptcy or insolvent, (iii) consent to the institution of bankruptcy or insolvency proceedings against the Trust, (iv) file a petition or consent to a petition seeking reorganization or relief on behalf of the Trust under any applicable federal or state law relating to bankruptcy, (v) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or any similar official) of the Trust or a substantial portion of the property of the Trust, (vi) make any assignment for the benefit of the Trust's creditors, (vii) cause the Trust to admit in writing its inability to pay its debts generally as they become due, (viii) take any action, or cause the Trust to take any action, in furtherance of any of the foregoing (any of the above, a "Bankruptcy Action"). So long as the Indenture and Sale and Servicing Agreement remain in effect, no Certificateholder shall have the power to take, and shall not take, any Bankruptcy Action with respect to the Trust or direct the Owner Trustee to take any Bankruptcy Action with respect to the Trust.

(f) The Owner Trustee shall notify the Seller, the Servicer, the Class A Insurer, the Backup Insurer and the Certificateholders in writing of any appointment of a successor Note Registrar, Trust Collateral Agent or Certificate Registrar within five Business Days of its receipt thereof.

SECTION 4.2. Action by Certificateholders with Respect to Certain Matters.

The Owner Trustee shall not have the power, except upon the written direction of the Certificateholders with the prior written consent of the Controlling Party or, prior to the Class A Termination Date, the Controlling Party in accordance with the Basic Documents, to (a) remove the Servicer under the Sale and Servicing Agreement or (b) except as expressly provided in the Basic Documents, sell the Dealer Loans after the termination of the Indenture. The Owner Trustee shall take the actions referred to in the preceding sentence only upon written instructions signed by the Certificateholders or the Controlling Party, as applicable, and written consent of the Controlling Party and the furnishing of indemnification satisfactory to the Owner Trustee by the Certificateholders.

SECTION 4.3. Action by Certificateholders with Respect to Bankruptcy.

The Owner Trustee shall not have the power to, and shall not, commence or join in any proceeding or other actions contemplated by Section 2.12(c) relating to the Trust without the unanimous prior approval of all Certificateholders and, prior to the Class A Termination Date, the Controlling Party or the Indenture Trustee, at the direction of the Majority Noteholders, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing, and the delivery to the Owner Trustee by each such Certificateholder of a certificate certifying

that such person reasonably believes that the Trust is insolvent and, prior to the Class A Termination Date, written consent of the Controlling Party or the Indenture Trustee, at the direction of the Majority Noteholders, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing.

SECTION 4.4. Restrictions on Certificateholders' Power.

(a) The Certificateholders shall not direct the Owner Trustee to take or refrain from taking any action if such action or inaction would be contrary to any obligation of the Trust or the Owner Trustee under this Agreement or any of the Basic Documents or would be contrary to Section 2.3 nor shall the Owner Trustee follow any such direction, if given.

(b) No Certificateholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any suit, action, or proceeding in equity or at law upon or under or with respect to this Agreement or any Basic Document, unless the Certificateholders are the Instructing Party pursuant to Section 6.3 and unless a Certificateholder previously shall have given to the Owner Trustee a written notice of default and of the continuance thereof, as provided in this Agreement, and also unless Certificateholders evidencing not less than 25% of the Certificate Interest shall have made written request upon the Owner Trustee to institute such action, suit or proceeding in its own name as Owner Trustee under this Agreement and shall have offered to the Owner Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Owner Trustee, for 30 days after its receipt of such notice, request, and offer of indemnity, shall have neglected or refused to institute any such action, suit, or proceeding, and during such 30-day period no request or waiver inconsistent with such written request has been given to the Owner Trustee pursuant to and in compliance with this Section or Section 6.3; it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder and the Owner Trustee, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb, or prejudice the rights of the Holders of any other of the Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement, except in the manner provided in this Agreement and for the equal, ratable, and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section, each and every Certificateholder and the Owner Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 4.5. Majority Control.

No Certificateholder shall have any right to vote or in any manner otherwise control the operation and management of the Trust except as expressly provided in this Agreement. Except as expressly provided herein, any action that may be taken by the Certificateholders under this Agreement shall be taken by the Holders of Certificates evidencing not less than 51% of the Certificate Interest (the "Majority Certificateholders"). Except as expressly provided herein, any written notice of the Certificateholders delivered pursuant to this Agreement shall be effective if signed by the Majority Certificateholders at the time of the delivery of such notice.

SECTION 4.6. Rights of the Controlling Party.

Notwithstanding anything to the contrary in the Basic Documents, without the prior written consent of the Controlling Party, prior to the Class A Termination Date, neither the Owner Trustee nor any Certificateholder shall (i) remove the Servicer, (ii) initiate any claim, suit or proceeding by the Trust or compromise any claim, suit or proceeding brought by or against the Trust, other than with respect to the enforcement of any Dealer Loan or Contract or any rights of the Trust thereunder, (iii) authorize the merger or consolidation of the Trust with or into any other statutory trust or other entity or convey or transfer all or substantially all of the Trust Property to any other entity, (iv) amend the Certificate of Trust or (v) amend this Agreement.

ARTICLE V

Certain Duties

SECTION 5.1. Accounting and Records to the Certificateholders, the Internal Revenue Service and Others.

Subject to the Code and Section 4.01 of the Sale and Servicing Agreement, the Owner Trustee shall (a) maintain (or cause to be maintained) the books of the Trust on a calendar year basis on the accrual method of accounting, (b) deliver (or cause to be delivered) to each Certificateholder, as may be required by the Code and applicable Treasury Regulations, such information as may be required (including Schedule K-1) to enable each Certificateholder to prepare its federal and state income tax returns, and (c) file or cause to be filed such tax returns relating to the Trust, and make such elections as may from time to time be required or appropriate under any applicable state or federal statute or rule or regulation thereunder. The Owner Trustee shall make all elections pursuant to this Section as directed in writing by the Seller. The Owner Trustee shall sign all tax information returns filed pursuant to this Section and any other returns as may be required by law, and in doing so shall rely entirely upon, and shall have no liability for information provided by, or calculations provided by, the Seller. The Owner Trustee shall elect under Section 1278 of the Code to include in income currently any market discount that accrues with respect to the Dealer Loans. The Owner Trustee shall not make the election provided under Section 754 of the Code.

SECTION 5.2. Signature on Returns; Tax Matters Partner.

(a) Notwithstanding the provisions of Section 5.1, the Owner Trustee shall sign on behalf of the Trust the tax returns of the Trust, if any, unless applicable law requires a Certificateholder to sign such documents, in which case such documents shall be signed by the Seller as "tax matters partner".

(b) The Certificateholders hereby elect the Seller as the "tax matters partner" of the Trust pursuant to Section 6231 of the Code and the Treasury Regulations promulgated thereunder.

ARTICLE VI

Authority and Duties of Owner Trustee

SECTION 6.1. General Authority.

The Owner Trustee is authorized and directed to execute and deliver on behalf of the Trust the Basic Documents to which the Trust is named as a party and each certificate or other document attached as an exhibit to or contemplated by the Basic Documents to which the Trust is named as a party and any amendment thereto, in each case, in such form as the Seller shall approve as evidenced conclusively by the Owner Trustee's execution thereof, and on behalf of the Trust, to direct the Indenture Trustee to authenticate and deliver the Class A Notes in the aggregate principal amount of $100,000,000. In addition to the foregoing, the Owner Trustee is authorized, but shall not be obligated, to take all actions required of the Trust pursuant to the Basic Documents. The Owner Trustee is further authorized from time to time to take such action as the Instructing Party (as defined below) shall direct in writing with respect to the Basic Documents so long as such activities are consistent with the terms of the Basic Documents. The Instructing Party hereby agrees not to instruct the Owner Trustee to take any action which is inconsistent with or in violation of the terms of the Basic Documents.

SECTION 6.2. General Duties.

It shall be the duty of the Owner Trustee to: (a) discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of this Agreement and to administer the Trust in the interest of the Holders, the Class A Insurer and the Backup Insurer, subject to the Basic Documents and in accordance with the provisions of this Agreement; and (b) to obtain and preserve the Trust's qualification to do business in each jurisdiction in which, based upon the advice of the Seller or the Servicer, such qualification is or shall be necessary to protect the validity and enforceability of the Basic Documents and related instruments and agreements, the Class A Notes and the Trust Property. Notwithstanding the foregoing, the Owner Trustee shall be deemed to have discharged its duties and responsibilities hereunder and under the Basic Documents: (i) to the extent the Servicer, or Credit Acceptance if Credit Acceptance is no longer the Servicer, has agreed in the Sale and Servicing Agreement to perform any act or to discharge any duty of the Owner Trustee or the Trust hereunder or under any Basic Document, and the Owner Trustee shall not be liable for the default or failure of the Servicer to carry out its obligations under the Sale and Servicing Agreement; and (ii) to the extent that Owner Trustee has contracted with a third party acceptable to the Controlling Party to discharge such duties and responsibilities. The Servicer, Credit Acceptance, the Backup Servicer, the Trust Collateral Agent and the Seller shall all be deemed acceptable to the Controlling Party.

SECTION 6.3. Action upon Instruction.

(a) Subject to Article IV, the Certificateholders holding not less than 51% of the Certificate Interest, with, prior to the Class A Termination Date, the consent of the Controlling Party (the "Instructing Party") shall have the exclusive right to direct the actions of the Owner Trustee in the management of the Trust, so long as such instructions are not inconsistent with the express terms set forth herein or in any Basic Document or with

instructions of the Class A Noteholders acting pursuant to the Basic Documents. The Instructing Party shall not instruct the Owner Trustee in a manner inconsistent with this Agreement or the Basic Documents.

(b) The Owner Trustee shall not be required to take any action hereunder or under any Basic Document if the Owner Trustee shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of the Owner Trustee or is contrary to the terms hereof or of any Basic Document or is otherwise contrary to law.

(c) Whenever the Owner Trustee is unable to decide between alternative courses of action permitted or required by the terms of this Agreement or any Basic Document, the Owner Trustee shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Instructing Party requesting instruction as to the course of action to be adopted, and to the extent the Owner Trustee acts in good faith in accordance with any written instruction of the Instructing Party received, the Owner Trustee shall not be liable on account of such action to any Person. If the Owner Trustee shall not have received appropriate instruction within ten (10) days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Basic Documents, as it shall deem to be in the best interests of the Certificateholders, the Class A Insurer and the Backup Insurer, and shall have no liability to any Person for such action or inaction absent gross negligence or willful misconduct.

(d) In the event that the Owner Trustee is unsure as to the application of any provision of this Agreement or any Basic Document or any such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement permits any determination by the Owner Trustee or is silent or is incomplete as to the course of action that the Owner Trustee is required to take with respect to a particular set of facts, the Owner Trustee may give notice (in such form as shall be appropriate under the circumstances) to the Instructing Party and, to the extent that the Owner Trustee acts or refrains from acting in good faith in accordance with any such instruction received, the Owner Trustee shall not be liable, on account of such action or inaction, to any Person. If the Owner Trustee shall not have received appropriate instruction within ten (10) days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Basic Documents, as it shall deem to be in the best interests of the Certificateholders, the Class A Insurer and the Backup Insurer, and shall have no liability to any Person for such action or inaction, absent gross negligence or willful misconduct.

SECTION 6.4. No Duties Except as Specified in this Agreement or in Instructions.

The Owner Trustee shall not have any duty or obligation to manage, make any payment with respect to, register, record, sell, dispose of, or otherwise deal with the Trust Property, or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Owner Trustee is a party, except as expressly

provided by the terms of this Agreement or in any document or written instruction received by the Owner Trustee pursuant to Section 6.3; and no implied duties or obligations shall be read into this Agreement or any Basic Document against the Owner Trustee. The Owner Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder or to prepare or file any filing for the Trust with the Securities and Exchange Commission or to record this Agreement or any Basic Document. The Owner Trustee nevertheless agrees that it will, at its own cost and expense, promptly take all action as may be necessary to discharge any Liens on any part of the Trust Property that result from actions by, or claims against, the Owner Trustee (solely in its individual capacity) and that are not related to the ownership or the administration of the Trust Property.

SECTION 6.5. No Action Except under Specified Documents or Instructions.

The Owner Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Property except (i) in accordance with the powers granted to and the authority conferred upon the Owner Trustee pursuant to this Agreement, (ii) in accordance with the Basic Documents and (iii) in accordance with any document or instruction delivered to the Owner Trustee pursuant to Section 6.3.

SECTION 6.6. Restrictions.

The Owner Trustee shall not take any action (a) that is inconsistent with the purposes of the Trust set forth in Section 2.3 or (b) that, to the actual knowledge of the Owner Trustee, would result in the Trust's becoming taxable as a corporation for federal income tax purposes. The Certificateholders shall not direct the Owner Trustee to take action that would violate the provisions of this Section.

ARTICLE VII

Concerning the Owner Trustee

SECTION 7.1. Acceptance of Trusts and Duties.

The Owner Trustee accepts the trusts hereby created and agrees to perform its duties hereunder with respect to such trusts but only upon the terms of this Agreement and the Basic Documents. The Owner Trustee also agrees to disburse all moneys actually received by it constituting part of the Trust Property upon the terms of the Basic Documents and this Agreement. The Owner Trustee shall not be answerable or accountable in its individual capacity hereunder or under any Basic Document under any circumstances, except (i) for its own willful misconduct, bad faith or gross negligence, (ii) in the case of the inaccuracy of any representation or warranty contained in Section 7.3 expressly made by the Owner Trustee, (iii) for liabilities arising from the failure of the Owner Trustee to perform obligations expressly undertaken by it in the last sentence of Section 6.4 hereof, (iv) for any investments issued by the Owner Trustee or any branch or affiliate thereof in its commercial capacity or (v) for taxes, fees or other charges on, based on or measured by, any fees, commissions or compensation received by the Owner Trustee, and every provision of this Trust Agreement relating to the conduct or affecting the

liability of or affording protection to the Owner Trustee shall be subject to this Section. In particular, but not by way of limitation (and subject to the exceptions set forth in the preceding sentence):

(a) the Owner Trustee shall not be liable for any error of judgment made by a Responsible Officer of the Owner Trustee or for any information contained in the Private Placement Memorandum;

(b) the Owner Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the instructions of the Instructing Party, the Servicer, the Backup Servicer or any Certificateholder in accordance with the terms of this Agreement and the Basic Documents;

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

(d) under no circumstances shall the Owner Trustee be liable for indebtedness of the Trust evidenced by or arising under any of the Basic Documents, including the principal of and interest on the Class A Notes;

(e) the Owner Trustee shall not be responsible for or in respect of the validity or sufficiency of this Agreement or for the due execution hereof by the Seller or for the form, character, genuineness, sufficiency, value or validity of any of the Trust Property or for or in respect of the validity or sufficiency of the Basic Documents, other than the certificate of authentication on the Certificates, and the Owner Trustee shall in no event assume or incur any liability, duty or obligation to the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer, any Class A Noteholder or to any Certificateholder, other than as expressly provided for herein and in the Basic Documents;

(f) the Owner Trustee shall not be liable for the default or misconduct of the Seller, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Backup Insurer, the Servicer or the Backup Servicer under any of the Basic Documents or otherwise and the Owner Trustee shall have no obligation or liability to perform the obligations under this Agreement or the Basic Documents that are required to be performed by the Seller under this Agreement, by the Indenture Trustee under the Indenture or the Trust Collateral Agent or the Servicer or the Backup Servicer under the Sale and Servicing Agreement; and

(g) the Owner Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or otherwise or in relation to this Agreement or any Basic Document, at the request, order or direction of the Instructing Party or any of the Certificateholders, unless such Instructing Party or Certificateholders have offered to the Owner Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and

liabilities that may be incurred by the Owner Trustee therein or thereby. The right of the Owner Trustee to perform any discretionary act enumerated in this Agreement or in any Basic Document shall not be construed as a duty, and the Owner Trustee shall not be answerable for other than its gross negligence, bad faith or willful misconduct in the performance of any such act.

SECTION 7.2. Furnishing of Documents.

The Owner Trustee shall furnish to the Certificateholders, the Class A Insurer, the Backup Insurer and the Rating Agencies promptly upon receipt of a written request therefor, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and any other instruments furnished to the Owner Trustee under the Basic Documents.

SECTION 7.3. Representations and Warranties.

The Owner Trustee hereby represents and warrants to the Seller, the Class A Insurer (which has relied on such representations and warranties in issuing the Class A Note Policy), the Backup Insurer (which has relied on such representations and warranties in issuing the Backup Insurance Policy) and the Securityholders, that:

(a) It is a national banking association, duly organized and validly existing in good standing under the laws of the United States of America. It has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement.

(b) It has taken all corporate action necessary to authorize the execution and delivery by it of this Agreement, and this Agreement will be executed and delivered by one of its officers who is duly authorized to execute and deliver this Agreement on its behalf.

(c) Neither the execution nor the delivery by it of this Agreement, nor the consummation by it of the transactions contemplated hereby nor compliance by it with any of the terms or provisions hereof will contravene any federal or Delaware state law, governmental rule or regulation governing the banking or trust powers of the Owner Trustee or any judgment or order binding on it, or constitute any default under its charter documents or by-laws or any indenture, mortgage, contract, agreement or instrument to which it is a party or by which any of its properties may be bound.

SECTION 7.4. Reliance; Advice of Counsel.

(a) In the absence of bad faith, willful misconduct or gross negligence, the Owner Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and to be signed by the proper party or parties; however, the Owner Trustee shall examine the same to determine whether or not they conform on their face to the Trust Agreement. The Owner Trustee may accept a certified copy of a resolution of the board of directors of the Seller or other governing body of any corporate party or other entity as conclusive evidence that such resolution has been duly adopted by such body

and that the same is in full force and effect. As to any fact or matter the method of the determination of which is not specifically prescribed herein, the Owner Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president or by the treasurer, secretary or other authorized officers of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the trusts hereunder and in the performance of its duties and obligations under this Agreement or the Basic Documents, the Owner Trustee (i) may act directly or through its agents or attorneys pursuant to agreements entered into with any of them, and the Owner Trustee shall not be liable for the conduct or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Owner Trustee with reasonable care and are acceptable to the Controlling Party (provided that any person to whom duties and obligations of the Owner Trustee are delegated pursuant to and in accordance with the Basic Documents shall be deemed to be acceptable to the Controlling Party), and (ii) may consult with counsel, accountants and other skilled persons acceptable to the Controlling Party that are selected with reasonable care and employed by it. The Owner Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the opinion or advice of any such counsel, accountants or other such persons and according to such opinion not contrary to this Agreement or any Basic Document.

SECTION 7.5. Not Acting in Individual Capacity.

Except as provided in this Article VII, in accepting the trusts hereby created, Wachovia Bank of Delaware, National Association acts solely as Owner Trustee hereunder and not in its individual capacity and all Persons having any claim against the Owner Trustee by reason of the transactions contemplated by this Agreement or any Basic Document shall look only to the Trust Property for payment or satisfaction thereof.

SECTION 7.6. Owner Trustee Not Liable for Certificates or Contracts.

The recitals contained herein and in the Certificates (other than the signature and countersignature of the Owner Trustee on the Certificates) shall be taken as the statements of the Seller and the Owner Trustee assumes no responsibility for the correctness thereof. The Owner Trustee makes no representations as to the validity or sufficiency of this Agreement, of any Basic Document or of the Certificates (other than the signature and countersignature of the Owner Trustee on the Certificates) or the Class A Notes, or of any Dealer Loan, Contract or related documents. The Owner Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Dealer Loan or Contract, or the perfection and priority of any security interest created by any Dealer Loan or Contract in any Financed Vehicle or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Trust Property or its ability to generate the payments to be distributed to Certificateholders under this Agreement or the Class A Noteholders under the Indenture, including, without limitation: the existence, condition and ownership of any Financed Vehicle; the existence and enforceability of any insurance thereon; the existence and contents of any Dealer Loan or Contract on any computer or other record thereof; the validity of the assignment of any Dealer Loan or Contract to the Trust or of any intervening assignment; the completeness

of any Dealer Loan or Contract; the performance or enforcement of any Dealer Loan or Contract; the compliance by the Seller, the Servicer or any other Person with any warranty or representation made under any Basic Document or in any related document or the accuracy of any such warranty or representation or any action of the Trust Collateral Agent or the Servicer, the Backup Servicer or any sub-servicer taken in the name of the Owner Trustee.

SECTION 7.7. Owner Trustee May Own Certificates and Notes.

The Owner Trustee in its individual or any other capacity may become the owner or pledgee of Certificates or Class A Notes and may deal with the Seller, the Trust Collateral Agent and the Servicer in banking transactions with the same rights as it would have if it were not Owner Trustee.

SECTION 7.8. Payments from Trust Property.

All payments to be made by the Owner Trustee on behalf of the Trust under this Agreement or any of the Basic Documents to which the Trust or the Owner Trustee is a party shall be made only from the corpus, income and proceeds of the Trust Property and only to the extent that the Owner Trustee shall have received corpus, income or proceeds from the Trust Property to make such payments in accordance with the terms hereof. Wachovia Bank of Delaware, National Association, or any successor thereto, in its individual capacity, shall not be liable for any amounts payable under this Agreement or any of the Basic Documents to which the Trust or the Owner Trustee is a party.

SECTION 7.9. Doing Business in Other Jurisdictions.

Notwithstanding anything contained herein to the contrary, neither Wachovia Bank of Delaware, National Association nor any successor thereto, nor the Owner Trustee shall be required to take any action in any jurisdiction other than in the State of Delaware if the taking of such action will, even after the appointment of a co-trustee or separate trustee in accordance with Section 10.5 hereof, (i) require the consent or approval or authorization or order of or the giving of notice to, or the registration with or the taking of any other action in respect of, any state or other governmental authority or agency of any jurisdiction other than the State of Delaware; (ii) result in any fee, tax or other governmental charge under the laws of the State of Delaware becoming payable by Wachovia Bank of Delaware, National Association (or any successor thereto); or (iii) subject Wachovia Bank of Delaware, National Association (or any successor thereto) to personal jurisdiction in any jurisdiction other than the State of Delaware for causes of action arising from acts unrelated to the consummation of the transactions by Wachovia Bank of Delaware, National Association (or any successor thereto) or the Owner Trustee, as the case may be, contemplated hereby.

ARTICLE VIII

Compensation of Owner Trustee

SECTION 8.1. Owner Trustee's Fees and Expenses.

The Owner Trustee shall receive as compensation for its services hereunder such fees as have been separately agreed upon before the date hereof between Credit Acceptance and the Owner Trustee, and the Owner Trustee shall be entitled to be reimbursed therefor by the Issuer as set forth in Section 5.08(a) of the Sale and Servicing Agreement.

SECTION 8.2. Indemnification.

Credit Acceptance shall be liable as primary obligor for, and shall indemnify Wachovia Bank of Delaware, National Association, individually and as Owner Trustee and its officers, directors, successors, assigns, agents and servants (collectively, the "Indemnified Parties") from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions and suits, and any and all reasonable costs, expenses and disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever (collectively, "Expenses") which may at any time be imposed on, incurred by, or asserted against any Indemnified Party in any way relating to or arising out of this Agreement, the Basic Documents, the Trust Property, the administration of the Trust Property or the action or inaction of the Owner Trustee hereunder, within thirty (30) days of a demand by the Owner Trustee, upon receipt by the Owner Trustee of an invoice or other demand for payment, except only that Credit Acceptance shall not be liable for or required to indemnify the Owner Trustee from and against: (i) Expenses arising or resulting from the gross negligence, willful misconduct or bad faith of the Owner Trustee or (ii) any Expenses which would constitute recourse for uncollectible Dealer Loans. Credit Acceptance shall advance to each Indemnified Party expenses incurred in defending any claim, demand, action, suit or proceeding, provided that such Indemnified Party shall be obligated to repay such amount if a court of competent jurisdiction determines that such Indemnified Party was not entitled to indemnification hereunder. The indemnities contained in this Section and the rights of the Owner Trustee under Section 8.1 shall be joint and several with the indemnification obligations of the Trust pursuant to Section 6.05 of the Sale and Servicing Agreement and shall survive the resignation or termination of the Owner Trustee or the termination of this Agreement In any event of any claim, action or proceeding for which indemnity will be sought pursuant to this Section, the Owner Trustee's choice of legal counsel shall be subject to the approval of Credit Acceptance which approval shall not be unreasonably withheld.

SECTION 8.3. Payments to the Owner Trustee.

Any amounts paid to the Owner Trustee pursuant to this Article VIII shall be deemed not to be a part of the Trust Property immediately after such payment.

SECTION 8.4. Non-Recourse Obligations.

Notwithstanding anything in this Agreement or any Basic Document, the Owner Trustee agrees that all obligations of the Trust individually or as Owner Trustee for the Trust shall be recourse to the Trust Property only, shall be paid in accordance with the priorities set forth in Section 5.08 of the Sale and Servicing Agreement and specifically shall not be recourse to the assets of any Holder. Wachovia Bank of Delaware, National Association agrees not to seek recourse against any Holder with respect to any obligations of the Trust owed to it.

ARTICLE IX

Termination of Trust Agreement

SECTION 9.1. Termination of Trust Agreement.

(a) This Agreement shall terminate and the Trust shall dissolve upon the latest of: (i) the maturity, payment in full or other liquidation of the last Dealer Loan (including the purchase by the Servicer or the Seller at its option of the corpus of the Trust as described in Section 10.01 of the Sale and Servicing Agreement) and the subsequent distribution of amounts in respect of such Dealer Loans as provided in the Basic Documents and the satisfaction and discharge of the Indenture and the termination of the Sale and Servicing Agreement; or (ii) the payment to Certificateholders of all amounts required to be paid to them pursuant to this Agreement and the payment to each of the Class A Noteholders, the Class A Insurer and the Backup Insurer of all amounts payable to it under the Basic Documents; provided, however, that the rights to indemnification under Section 8.2 and the rights of the Owner Trustee under Section 8.1, and the terms of Section 11.7 hereof shall survive the termination of the Trust and that the winding up of the Trust shall be conducted in accordance with Section 3808(e) of the Statutory Trust Act, and the Owner Trustee shall be entitled to rely without investigation upon the certificates of: (i) the Indenture Trustee pursuant to Section 4.1 of the Indenture; (ii) the Servicer pursuant to Section 7.06 of the Sale and Servicing Agreement; (iii) the Class A Insurer pursuant to Section 4.03 of the Insurance Agreement as to the absence of liabilities; and (iv) the Backup Insurer pursuant to Section 4.03 of the Insurance Agreement as to the absence of liabilities. The Seller shall promptly notify the Owner Trustee, the Class A Insurer and the Backup Insurer in writing of any prospective termination pursuant to this Section 9.1. The bankruptcy, liquidation, dissolution, death or incapacity of any Certificateholder shall not (x) operate to terminate this Agreement or the Trust, nor (y) entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of all or any part of the Trust or Trust Property nor (z) otherwise affect the rights, obligations and liabilities of the parties hereto.

(b) Except as provided in clause (a), neither the Seller nor any Certificateholder shall be entitled to revoke or terminate the Trust.

(c) Notice of any termination of the Trust, specifying the Distribution Date upon which the Certificateholders shall surrender their Certificates to the Trust Collateral Agent, as paying agent who shall then surrender such Certificates to the Owner Trustee for cancellation, shall be given by the Owner Trustee by letter to Certificateholders mailed within

five Business Days of receipt of notice of such termination from the Seller or Servicer, as the case may be, given pursuant to Section 10.01(b) of the Sale and Servicing Agreement, stating (i) the Distribution Date upon or with respect to which final distributions on the Certificates shall be made upon presentation and surrender of the Certificates at the office of the Trust Collateral Agent therein designated, (ii) the amount of any such final distribution, and (iii) that the Record Date otherwise applicable to such Distribution Date is not applicable, payments being made only upon presentation and surrender of the Certificates at the office of the Owner Trustee therein specified. The Owner Trustee shall give such notice to the Certificate Registrar (if other than the Owner Trustee), the Class A Insurer, the Backup Insurer and the Trust Collateral Agent at the time such notice is given to Certificateholders. Upon presentation and surrender of the Certificates to the Owner Trustee, the Trust Collateral Agent shall cause to be distributed to Certificateholders amounts distributable on such Distribution Date pursuant to Section 5.08 of the Sale and Servicing Agreement.

In the event that all of the Certificateholders shall not surrender their Certificates for cancellation within six months after the date specified in the above-mentioned written notice, the Owner Trustee shall give a second written notice to the remaining Certificateholders to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within one year after the second notice all the Certificates shall not have been surrendered for cancellation, the Owner Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Certificateholders concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds and other assets that shall remain subject to this Agreement. Any funds remaining in the Trust after two years shall be distributed, subject to applicable escheat laws, by the Owner Trustee or the Trust Collateral Agent upon the written direction of the Seller to the Seller and Holders shall look solely to the Seller for payment.

(d) Any funds remaining in the Trust after funds for final distribution have been distributed or set aside for distribution and reasonable provision has been made for known claims and obligations of the Trust shall be distributed by the Owner Trustee to the Seller.

(e) Upon dissolution and the winding up of the Trust pursuant to Section 9.1(a), the Owner Trustee shall cause the Certificate of Trust to be canceled by filing a certificate of cancellation with the Secretary of State in accordance with the provisions of Section 3810 of the Statutory Trust Act.

ARTICLE X

Successor Owner Trustees and Additional Owner Trustees

SECTION 10.1. Eligibility Requirements for Owner Trustee.

The Owner Trustee shall at all times be a corporation or other institution: (i) satisfying the provisions of Section 3807(a) of the Statutory Trust Act; (ii) authorized to exercise corporate trust powers; (iii) having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authorities; provided

however, the net worth of the parent organization of such corporation shall be included in the determination of the combined capital and surplus of such corporation; and (iv) prior to the Class A Termination Date, acceptable to the Controlling Party in its sole discretion. If such corporation or other institution shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation or other institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Owner Trustee shall cease to be eligible in accordance with the provisions of this Section, the Owner Trustee shall resign immediately in the manner and with the effect specified in Section 10.2.

SECTION 10.2. Resignation or Removal of Owner Trustee.

The Owner Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Seller, the Class A Insurer, the Backup Insurer and the Servicer. Upon receiving such notice of resignation, the Seller shall promptly appoint a successor Owner Trustee acceptable to the Controlling Party and satisfying the qualifications of Section 10.1 hereof by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Owner Trustee and one copy to the successor Owner Trustee; provided that the Seller shall have received written confirmation from the Rating Agencies that the proposed appointment will not result in an increased capital charge to either Insurer by the Rating Agencies. If no successor Owner Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Owner Trustee or, prior to the Class A Termination Date, the Controlling Party may petition any court of competent jurisdiction for the appointment of a successor Owner Trustee acceptable to the Controlling Party and satisfying the qualifications of Section 10.1 hereof.

If at any time, the Owner Trustee shall cease to be eligible in accordance with the provisions of Section 10.1 and shall fail to resign after written request therefor by the Seller with the prior written consent of the Controlling Party or if at any time the Owner Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the Owner Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Owner Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, prior to the Class A Termination Date, the Controlling Party or the Seller with, prior to the Class A Termination Date, the consent of the Controlling Party may remove the Owner Trustee. If the Seller or the Controlling Party shall remove the Owner Trustee under the authority of the immediately preceding sentence, the Seller shall, or the Controlling Party may, promptly appoint a successor Owner Trustee acceptable to the Controlling Party, and satisfying the qualifications set forth in Section 10.1 hereto by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Owner Trustee so removed, one copy to the Class A Insurer, one copy to the successor Owner Trustee and one copy to the Backup Insurer and payment of all fees owed to the outgoing Owner Trustee; provided, that the Seller shall have received written confirmation from the Rating Agencies that the proposed appointment will not result in an increased capital charge to either the Class A Insurer or the Backup Insurer by the Rating Agencies.

Any resignation or removal of the Owner Trustee and appointment of a successor Owner Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Owner Trustee pursuant to Section 10.3 and payment of all fees and expenses owed to the outgoing Owner Trustee. The Seller shall provide notice of such resignation or removal of the Owner Trustee to the Rating Agencies and the Trust Collateral Agent.

SECTION 10.3. Successor Owner Trustee.

Any successor Owner Trustee appointed pursuant to Section 10.2 shall execute, acknowledge and deliver to the Seller, the Class A Insurer, the Backup Insurer, the Servicer and to its predecessor Owner Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Owner Trustee shall become effective and such successor Owner Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Owner Trustee. The predecessor Owner Trustee shall upon payment of its fees and expenses deliver to the successor Owner Trustee all documents and statements and monies held by it under this Agreement; and the Seller and the predecessor Owner Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Owner Trustee all such rights, powers, duties and obligations.

No successor Owner Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Owner Trustee shall be eligible pursuant to Section 10.1.

Upon acceptance of appointment by a successor Owner Trustee pursuant to this Section, the Servicer shall mail notice of the successor of such Owner Trustee to all Certificateholders, the Indenture Trustee, the Class A Insurer, the Backup Insurer, the Class A Noteholders and the Rating Agencies. If the Servicer shall fail to mail such notice within 10 days after acceptance of appointment by the successor Owner Trustee, the successor Owner Trustee shall cause such notice to be mailed at the expense of the Servicer.

Any successor Owner Trustee appointed pursuant to this Section 10.3 shall promptly file an amendment to the Certificate of Trust with the Secretary of State of Delaware, identifying the name and address of such successor Owner Trustee in the State of Delaware.

SECTION 10.4. Merger or Consolidation of Owner Trustee.

Any corporation into which the Owner Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Owner Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Owner Trustee, shall be the successor of the Owner Trustee hereunder, provided, however, such corporation shall be eligible pursuant to Section 10.1, without the execution or filing of any instrument or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided further that

the Owner Trustee shall mail notice of such merger or consolidation to the Class A Insurer, the Backup Insurer and the Rating Agencies.

SECTION 10.5. Appointment of Co-Trustee or Separate Trustee.

Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Property or any Financed Vehicle may at the time be located, the Servicer and the Owner Trustee acting jointly shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Owner Trustee and the Controlling Party to act as co-trustee, jointly with the Owner Trustee, or separate trustee or separate trustees, of all or any part of the Trust Property, and to vest in such Person, in such capacity, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Servicer and the Owner Trustee may consider necessary or desirable. If the Servicer shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, the Owner Trustee shall, with the consent of the Controlling Party, have the power to make such appointment. No co-trustee or separate trustee under this Agreement shall be required to meet the terms of eligibility as a successor trustee pursuant to Section 10.1 and no notice of the appointment of any co-trustee or separate trustee shall be required pursuant to Section 10.3.

Each 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 Owner Trustee shall be conferred upon and exercised or performed by the Owner 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 Owner 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 Owner 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 Owner Trustee;

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

(iii) the Seller and the Owner Trustee acting jointly may at any time accept the resignation of or remove any separate trustee or co-trustee.

Any notice, request or other writing given to the Owner 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. 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 Owner Trustee or separately, as may be

provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Owner Trustee. Each such instrument shall be filed with the Owner Trustee and a copy thereof given to the Servicer and a copy to the Class A Insurer and the Backup Insurer.

Any separate trustee or co-trustee may at any time appoint the Owner 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, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Owner Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

ARTICLE XI

Miscellaneous

SECTION 11.1. Supplements and Amendments.

(a) This Agreement may be amended by the Seller and the Owner Trustee, with (x) prior to the Class A Termination Date, the prior written consent of the Controlling Party and (y) prior written notice to the Rating Agencies, without the consent of any of the Class A Noteholders or the Certificateholders: (i) to cure any ambiguity or defect; (ii) to correct, supplement or modify any provisions in this Agreement; or (iii) to add any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement; provided, however, that such action shall not, as evidenced by an Opinion of Counsel which may be based upon a certificate of the Seller, adversely affect in any material respect the interests of any Class A Noteholder.

(b) This Agreement may also be amended from time to time by the Seller and the Owner Trustee, with (x) prior written notice to the Rating Agencies and (y) prior to the Class A Termination Date, the written consent of the Controlling Party and thereafter, the consent of the Majority Certificateholders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement other than under (a) above; provided, however, that, subject to the express rights of the Controlling Party under the Basic Documents 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 Dealer Loans or distributions that shall be required to be made for the benefit of the Class A Noteholders; or (b) reduce the percentage of the Outstanding Amount of the Class A Notes required to consent to any such amendment, without the consent of the Holders of all the outstanding Class A Notes. Notwithstanding anything herein to the contrary, the Backup Insurer must consent to any amendments to this Agreement which have an adverse effect on the Backup Insurer.

Promptly after the execution of any such amendment or consent, the Owner Trustee shall furnish written notification of the substance of such amendment or consent to each Certificateholder, the Class A Insurer, the Backup Insurer, the Indenture Trustee and the Rating Agencies.

It shall not be necessary for the consent of the Class A Noteholders or the Indenture Trustee 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 shall be subject to such reasonable requirements as the Owner Trustee may prescribe. Promptly after the execution of any amendment to the Certificate of Trust, the Owner Trustee shall cause the filing of such amendment with the Secretary of State.

Prior to the execution of any amendment to this Agreement or the Certificate of Trust, the Owner Trustee, the Indenture Trustee, the Class A Insurer and the Backup Insurer 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, that all conditions precedent to the execution and delivery of such amendment have been satisfied and that any such amendment would not result in the Trust becoming taxable as a corporation for federal income tax purposes. The Owner Trustee may, but shall not be obligated to, enter into any such amendment which affects the Owner Trustee's own rights, duties or immunities under this Agreement or otherwise.

SECTION 11.2. Limitations on Rights of Others.

Except for Section 2.7, the provisions of this Agreement are solely for the benefit of the Owner Trustee, the Seller, the Certificateholders, the Servicer, the Class A Insurer, the Backup Insurer, the Backup Servicer and, to the extent expressly provided herein, the Indenture Trustee, the Trust Collateral Agent and the Class A Noteholders, and nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Trust Property or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 11.3. Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing and shall be deemed given upon receipt personally delivered, delivered by overnight courier or mailed first class mail or certified mail, in each case return receipt requested, and shall be deemed to have been duly given upon receipt, if to the Owner Trustee, addressed to the Corporate Trust Office; if to the Seller, addressed to Credit Acceptance Funding LLC 2004-1, Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan, 48034-8339, Attention: Wendy Rummler; phone number: (248) 353-2700 (ext. 217); fax number: (866) 249-3138; if to the Class A Insurer, addressed to Radian Asset Assurance Inc., 335 Madison Avenue, New York, New York 10017-4605, Attention: Chief Risk Officer, Chief Legal Officer, "Urgent Material Enclosed"; if to the Backup Insurer, addressed to XL Capital Assurance Inc., 1221 Avenue of the Americas, 31st Floor, New York, New York, 10020-1001, Attention: Surveillance, or, as to each party, at such other address as shall be designated by such party in a written notice to each other party; if to the Indenture Trustee, the Trust Collateral Agent, the Servicer, the Backup Servicer or the Rating Agency, addressed to each respective entity as set forth in the notice provisions of the Basic Documents.

(b) Any notice required or permitted to be given to a Certificateholder shall be given by first-class mail, postage prepaid, at the address of such Holder as shown in the

Certificate Register. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Certificateholder receives such notice.

SECTION 11.4. 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 11.5. 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 11.6. Assignments; Class A Insurer, Backup Insurer.

This Agreement shall inure to the benefit of and be binding upon the parties hereto, the Class A Insurer, the Backup Insurer (in each case, to the extent set forth herein) and their respective successors and permitted assigns. Without limiting the generality of the foregoing, all covenants and agreements in this Agreement which confer rights upon the Class A Insurer or the Backup Insurer, as the case may be, shall be for the benefit of and run directly to the Class A Insurer or the Backup Insurer, as the case may be, and the Class A Insurer or the Backup Insurer, as the case may be, shall be entitled to rely on and enforce such covenants, subject, however, to the limitations on such rights provided in this Agreement and the Basic Documents. The Class A Insurer and the Backup Insurer may each disclaim any of its respective rights and powers under this Agreement (but not its duties and obligations under the Class A Note Insurance Policy or the Backup Insurance Policy, as the case may be), upon delivery of a written notice to the Owner Trustee.

SECTION 11.7. No Petition.

The Owner Trustee (in its individual capacity and as Owner Trustee), by entering into this Agreement, each Certificateholder, by accepting a Certificate, and the Indenture Trustee and each Class A Noteholder by accepting the benefits of this Agreement, hereby covenants and agrees that they will not at any time institute against the Seller or the Trust, or join in any institution against the Seller or the Trust of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law in connection with any obligations relating to the Certificates, the Class A Notes, this Agreement or any of the Basic Documents.

SECTION 11.8. No Recourse.

Each Certificateholder, by accepting a Certificate acknowledges that such Certificateholder's Certificates represent beneficial interests in the Trust only and do not

represent interests in or obligations of the Seller, the Servicer, the Backup Servicer, the Owner Trustee, the Indenture Trustee, the Class A Insurer, the Backup Insurer or the Trust Collateral Agent or any Affiliate thereof and no recourse may be had against such parties or their assets, except as may be expressly set forth or contemplated in this Agreement, the Certificates or the Basic Documents.

SECTION 11.9. Headings.

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

SECTION 11.10. GOVERNING LAW.

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

SECTION 11.11. Servicer.

The Servicer is authorized to prepare, or cause to be prepared, execute and deliver on behalf of the Trust all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust or Owner Trustee to prepare, file or deliver pursuant to the Basic Documents. Upon written request, the Owner Trustee shall execute and deliver to the Servicer a limited power of attorney appointing the Servicer the Trust's agent and attorney-in-fact to prepare, or cause to be prepared, execute and deliver all such documents, reports, filings, instruments, certificates and opinions.

SECTION 11.12. Controlling Party.

So long as any Class A Note is outstanding, the Controlling Party shall have the power to exercise the voting rights granted to the Class A Noteholders, except as set forth in Section 11.1 hereof; provided, however, that during the continuance of a Class A Insurer Default, all voting, consent or control rights of the Class A Insurer shall be suspended and the Backup Insurer shall be the Controlling Party. Upon the cure of a Class A Insurer Default, such voting, consent and control rights shall be reinstated. If the Backup Insurer is the Controlling Party, during the continuance of a Backup Insurer Default, any voting, consent or control rights granted to the Backup Insurer shall be suspended. Upon the cure of any such Backup Insurer Default, the Backup Insurer's voting, consent and control rights shall be reinstated.

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

WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION, not in
its individual capacity but
solely as Owner Trustee

By: _____
Name:
Title:

CREDIT ACCEPTANCE FUNDING LLC
2004-1, as Seller

By: _____
Name:
Title:

EXHIBIT A

FORM OF CERTIFICATE

SEE ATTACHED PAGES FOR CERTAIN DEFINITIONS

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENTS TO THE CLASS A NOTES AS DESCRIBED IN THE AGREEMENT REFERRED TO HEREIN.

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE HOLDER HEREOF, BY PURCHASING THIS CERTIFICATE, AGREES THAT THIS CERTIFICATE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (3) IN RELIANCE ON ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUBJECT TO THE RECEIPT BY THE OWNER TRUSTEE OF A CERTIFICATION OF THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE ISSUER OR THE OWNER TRUSTEE AND, PRIOR TO THE CLASS A TERMINATION DATE, THE CONTROLLING PARTY) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

NO RESALE OR OTHER TRANSFER OF THIS CERTIFICATE MAY BE MADE UNLESS THE CERTIFICATE REGISTRAR SHALL HAVE RECEIVED A REPRESENTATION LETTER IN SUBSTANTIALLY THE FORM REQUIRED BY THE AGREEMENT REFERRED TO BELOW FROM THE TRANSFEREE OF THIS CERTIFICATE OR SUCH OTHER REPRESENTATIONS (OR AN OPINION OF COUNSEL) AS MAY BE APPROVED BY THE SELLER AND THE CLASS A INSURER, TO THE EFFECT THAT SUCH A TRANSFER MAY BE MADE PURSUANT TO AN EXEMPTION FROM THE SECURITIES ACT, INCLUDING RULE 144A THEREUNDER, AND APPLICABLE STATE SECURITIES LAWS AND SUCH TRANSFEREE WILL NOT ACQUIRE THIS CERTIFICATE WITH THE ASSETS OF ANY "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") (WHICH IS SUBJECT TO TITLE I OF ERISA) OR ANY "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

NUMBER R-1

Percentage Interest 100%

SEE REVERSE FOR CERTAIN DEFINITIONS

AMOUNTS IN RESPECT OF THIS CERTIFICATE ARE DISTRIBUTABLE AS SET FORTH IN THE TRUST AGREEMENT.

ASSET BACKED CERTIFICATE

evidencing a beneficial ownership interest in the property of the Trust, as defined below, the property of which includes a pool of dealer loans secured by retail installment sales contracts secured by new or used automobiles, light duty trucks, minivans or sport utility vehicles and sold to the Trust by Credit Acceptance Funding LLC 2004-1.

(THIS CERTIFICATE DOES NOT REPRESENT AN INTEREST IN OR OBLIGATION OF CREDIT ACCEPTANCE FUNDING LLC 2004-1 OR ANY OF ITS AFFILIATES, EXCEPT TO THE EXTENT DESCRIBED BELOW.)

THIS CERTIFIES THAT Credit Acceptance Funding LLC 2004-1 is the registered owner of the Percentage Interest set forth above of the beneficial ownership interest in certain distributions of Credit Acceptance Auto Dealer Loan Trust 2004-1 (the "Trust") formed by Credit Acceptance Funding LLC 2004-1, a Delaware special purpose limited liability company (the "Seller"). The Certificates do not accrue interest.

OWNER TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Certificates referred to in the within-mentioned Trust Agreement.

WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION,
not in its individual capacity but
solely as Owner Trustee

by: _____
Authenticating Agent

The Trust was created pursuant to a Certificate of Trust and an Interim Trust Agreement dated August 11, 2004 (the "Trust Agreement"), between the Seller and Wachovia Bank of Delaware, National Association, as owner trustee, in its capacity as trustee, and not in its individual capacity (the "Owner Trustee"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Trust Agreement.

This Certificate is one of the duly authorized Certificates designated as "Asset Backed Certificates" (herein called the "Certificates"). In addition to the Certificates, there were also issued, under the Indenture dated as of August 25, 2004, between the Trust and JPMorgan Chase Bank, as Indenture Trustee, one class of Notes designated as "2.53% Class A Asset Backed Notes" (the "Class A Notes" or the "Notes"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Trust Agreement, to which Trust Agreement the holder of this Certificate by virtue of the acceptance hereof assents and by which such holder is bound. The property of the Trust includes a pool of dealer loans secured by retail installment sale contracts (which are secured by new and used automobiles, light duty trucks, minivans or sport utility vehicles) (the "Dealer Loans"), all monies due thereunder after the applicable Cut-off Date, security interests in the vehicles financed thereby, certain bank accounts and the proceeds thereof, proceeds from claims on certain insurance policies and certain other rights under the Trust Agreement and the Sale and Servicing Agreement, all right, title and interest of the Seller in and to the Contribution Agreement dated as of August 25, 2004 between the Originator and the Seller and all proceeds of the foregoing.

Under the Sale and Servicing Agreement, there will be distributed on the 15th day of each month or, if such 15th day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on September 15, 2004, to the Person in whose name this Certificate is registered at the close of business on the last day of the month preceding such Distribution Date (the "Record Date") such Certificateholder's fractional undivided interest in the amount to be distributed, if any, to Certificateholders on such Distribution Date.

The holder of this Certificate acknowledges and agrees that its rights to receive distributions in respect of this Certificate are subordinated to the rights of the Class A Noteholders as described in the Sale and Servicing Agreement, the Indenture and the Trust Agreement, as applicable.

It is the intent of the Seller, the Servicer, and the Certificateholders that, for purposes of federal income taxes, the Trust will be treated as a partnership and the Certificateholders will be treated as partners in that partnership. The Seller and the other Certificateholders by acceptance of a Certificate, agree to treat, and to take no action inconsistent with the treatment of, the Certificates for such tax purposes as partnership interests in the Trust. Each Certificateholder, by its acceptance of a Certificate, covenants and agrees that such Certificateholder will not at any time institute against the Trust or the Seller, or join in any institution against the Trust or the Seller 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 Certificates, the Class A Notes, the Trust Agreement or any of the Basic Documents.

Distributions on this Certificate will be made as provided in the Sale and Servicing Agreement by the Trust Collateral Agent by wire transfer or check mailed to the Certificateholder of record in the Certificate Register without the presentation or surrender of this Certificate or the making of any notation hereon. Except as otherwise provided in the Trust Agreement and the Sale and Servicing Agreement and, notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Owner Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the Corporate Trust Office.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Owner Trustee, by manual signature, this Certificate shall not entitle the holder hereof to any benefit under the Trust Agreement or the Sale and Servicing Agreement or be valid for any purpose.

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

IN WITNESS WHEREOF, the Owner Trustee, on behalf of the Trust and not in its individual capacity, has caused this Certificate to be duly executed.

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1

By: WACHOVIA BANK OF DELAWARE, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee

By: _____

Dated:

(Reverse of Certificate)

The Certificates do not represent an obligation of, or an interest in, the Seller, the Servicer, the Backup Servicer, the Owner Trustee or any Affiliates of any of them and no recourse may be had against such parties or their assets, except as may be expressly set forth or contemplated herein or in the Trust Agreement, the Indenture or the Basic Documents. In addition, this Certificate is not guaranteed by any governmental agency or instrumentality and is limited in right of payment to certain collections with respect to the Dealer Loans, all as more specifically set forth herein and in the Sale and Servicing Agreement. A copy of each of the Sale and Servicing Agreement and the Trust Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon written request.

The Trust Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Trust Agreement at any time by the Seller and the Owner Trustee with, prior to the Class A Termination Date, the prior written consent of the Controlling Party, and, in certain circumstances, the consent of the Backup Insurer, and in certain circumstances the consent of the holders of the Class A Notes evidencing not less than 51% of the then-outstanding Class A Note Balance. Any such consent shall be conclusive and binding on such holder and on all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Trust Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the holders of any of the Certificates.

As provided in the Trust Agreement and subject to certain limitations set forth therein and set forth on the front of this Certificate, the transfer of this Certificate is registerable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies of the Certificate Registrar maintained by the Owner Trustee in the Borough of Manhattan, The City of New York, accompanied by a written instrument of transfer in form satisfactory to the Owner Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates in authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee; provided, however, that if the Seller is the Holder of this Certificate, this Certificate is non-transferable without the prior written consent of the Controlling Party or the Indenture Trustee, at the direction of the Majority Noteholders, if both a Class A Insurer Default and a Backup Insurer Default have occurred and are continuing: (i) prior to the Class A Termination Date or (ii) if Credit Acceptance is the Servicer. The initial Certificate Registrar appointed under the Trust Agreement is Wachovia Bank of Delaware, National Association.

The Certificates are issuable only as registered Certificates. As provided in the Trust Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates in authorized denominations evidencing the same aggregate denomination, as requested by the holder surrendering the same. No service charge will be made for any such registration of transfer or exchange, but the Owner Trustee or the Certificate Registrar may

require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Owner Trustee, the Class A Insurer, the Backup Insurer, the Certificate Registrar and any agent of the Owner Trustee, the Class A Insurer, the Backup Insurer or the Certificate Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Owner Trustee, the Certificate Registrar, the Class A Insurer, the Backup Insurer nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Trust Agreement and the Trust created thereby shall terminate upon the payment to Certificateholders of all amounts required to be paid to them pursuant to the Trust Agreement and the Sale and Servicing Agreement, upon the payment to the Class A Insurer and the Backup Insurer of all amounts required to be paid to it under the Basic Documents, and the disposition of all property held as part of the Trust. The Servicer or the Seller, as the case may be may at its option purchase the corpus of the Trust at a price specified in the Sale and Servicing Agreement, and such purchase of the Dealer Loans and other property of the Trust will effect early retirement of the Certificates; however, such right of purchase is exercisable, subject to certain restrictions, only as of the last day of any Collection Period as of which the Class A Note Balance is 15% or less of the initial Class A Note Balance, including any such purchase on such Purchase Date.

The Certificates may not be acquired by (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (b) a plan described in Section 4975(e) (1) of the Code or (c) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (each, a "Benefit Plan"). In connection with any acquisition or transfer of a Certificate, the Holder thereof shall be required to represent and warrant that it is not a Benefit Plan.

The recitals contained herein shall be taken as the statements of the Seller or the Servicer, as the case may be, and the Owner Trustee assumes no responsibility for the correctness thereof. The Owner Trustee makes no representations as to the validity or sufficiency of this Certificate or of any Contracts or related document.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Owner Trustee, by manual or facsimile signature, this Certificate shall not entitle the holder hereof to any benefit under the Trust Agreement or the Sale and Servicing Agreement or be valid for any purpose.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

_____

(Please print or type name and address, including postal zip code, of assignee)

_____

the within Certificate, and all rights thereunder, hereby irrevocably constituting and appointing

_____ Attorney to transfer said Certificate on the books of the Certificate Registrar, with full power of substitution in the premises.

Dated:

_____*

- ---------------

* NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT B

FORM OF
CERTIFICATE OF TRUST OF
CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2004-1

This Certificate of Trust of Credit Acceptance Auto Dealer Loan Trust 2004-1 (the "Trust"), dated as of August 11, 2004, is being duly executed and filed by Wachovia Bank of Delaware, National Association, a national banking association, as trustee (the "Owner Trustee"), to form a statutory trust under the Delaware Statutory Trust Act (12 Del. Code, Section 3801 et seq.).

1. Name. The name of the statutory trust formed hereby is Credit Acceptance Auto Dealer Loan Trust 2004-1.

2. Delaware Trustee. The name and business address of the Owner Trustee is:

Wachovia Bank of Delaware, National Association
One Rodney Square
920 King Street, 1st Floor
Wilmington, Delaware 19801

IN WITNESS WHEREOF, the undersigned, being the sole trustee of the Trust, has executed this Certificate of Trust as of the date first above written.

WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION,
not in its individual capacity but
solely as owner trustee of
the Trust.

By: _____
Name:
Title:

EXHIBIT 4(f)61

EXECUTION COPY

CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT, dated as of August 25, 2004 (the "Agreement"), is made between CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("CAC") and CREDIT ACCEPTANCE FUNDING LLC 2004-1, a Delaware limited liability company ("Funding").

Funding desires to acquire from time to time certain Dealer Loans and related rights and collateral, including certain of CAC's rights in the Dealer Agreements related thereto, all of the related Contracts, and the Collections (other than Dealer Collections) derived therefrom during the full term of this Agreement, and CAC desires to transfer, convey and assign from time to time such Dealer Loans and related property to Funding upon the terms and conditions hereinafter set forth. CAC has also agreed to service the Dealer Loans and related property to be transferred, conveyed and assigned to Funding.

In consideration of the premises and the mutual agreements set forth herein, it is hereby agreed by and between CAC and Funding as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms used herein shall have the respective meanings specified herein or, if not so specified, the respective meanings specified in, or incorporated by reference into, the Sale and Servicing Agreement, and shall include in the singular number the plural and in the plural number the singular:

"Applicable Pool Cap" means the maximum number of Contracts that could, under the applicable Dealer Agreement, be allocated to a pool of Contracts that support advances which advances, when taken together, constitute a Dealer Loan.

"Contributed Property" means the Initial Contributed Property and the Subsequent Contributed Property.

"Initial Contributed Property" means (i) the Dealer Loans listed on Exhibit A hereto delivered to the Servicer, the Class A Insurer, the Backup Insurer, the Backup Servicer and the Trust Collateral Agent on the Closing Date and (ii) all Related Security with respect thereto.

"Related Security" means, with respect to any Dealer Loans, (i) all rights under the Dealer Agreements related thereto other than the Excluded Dealer Agreement Rights, including CAC's right to service the Dealer Loans and the related Contracts and to receive the related servicing fees and reimbursement of certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements; (ii) Collections (other than Dealer Collections) after the applicable Cut-off Date; (iii) a security interest in each Contract securing such Dealer Loan; (iv) all records and documents relating to such Dealer Loans and the Contracts; (vi) all security interests purporting to secure payment of such Dealer Loans; (vii) all security interests purporting to secure payment of each Contract (including a security interest in each Financed Vehicle); (viii) all guarantees, insurance (including insurance insuring the priority or perfection

of any Contract) or other agreements or arrangements securing the Contracts; and (ix) all Proceeds of the foregoing. For the avoidance of doubt, the term "Related Security" with respect to any Dealer Loan includes all rights arising after the end of the Revolving Period under such Dealer Loans which rights are attributable to advances made under such Dealer Loans as the result of Contracts being added after the last day of the last full Collection Period during the Revolving Period to the identifiable group of Contracts to which such Dealer Loan relates.

"Sale and Servicing Agreement" shall mean the Sale and Servicing Agreement dated as of August 25, 2004 among CAC, Funding, Credit Acceptance Auto Dealer Loan Trust 2004-1, as the Issuer, JPMorgan Chase Bank as the Trust Collateral Agent and Indenture Trustee, and Systems & Services Technologies, Inc., as the Backup Servicer.

"Subsequent Contributed Property" means, with respect to any Distribution Date, (i) the Dealer Loans added to Exhibit B hereto as of such Distribution Date and (ii) all Related Security with respect thereto.

SECTION 1.2. Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC, and not specifically defined herein, are used herein as defined in such Article 9.

SECTION 1.3. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

ARTICLE II
CONTRIBUTION AND SALE OF DEALER LOANS

SECTION 2.1 Contribution and Sale of Dealer Loans. (a) In consideration of the payments described in Section 3.1, effective as of the Closing Date, CAC does hereby convey, assign, sell and transfer to Funding, without recourse, except as set forth herein, all of its right, title and interest in and to the Initial Contributed Property.

(b) CAC hereby further agrees that on each Distribution Date during the Revolving Period, in consideration of the payment described in Section 3.1 with respect to such Distribution Date, CAC shall, and CAC does hereby agree to, convey, assign, sell and transfer to Funding, without recourse, except as set forth in this Agreement, all of its right, title and interest in and to the Subsequent Contributed Property with respect to such Distribution Date.

(c) CAC hereby further agrees that the above-described conveyances shall, without the need for any further action on the part of CAC or Funding, include all rights arising after the end of the Revolving Period under any Dealer Loan included in the Initial Contributed Property or Subsequent Contributed Property which rights are attributable to advances made under such Dealer Loans as the result of Contracts being added after the last day of the last full Collection Period during the Revolving Period to the identifiable group of Contracts to which such Dealer Loan relates.

(d) Each such sale, assignment, transfer and conveyance does not constitute an assumption by Funding of any obligations of CAC or any other Person to Obligors or to any other Person in connection with the Dealer Loans or under any Contract, Dealer Agreement or other agreement and instrument relating to the Dealer Loans.

(e) In connection with any such foregoing conveyance, CAC agrees to record and file on or prior to the Closing Date, at its own expense, a financing statement or statements with respect to the Contributed Property conveyed by CAC hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the interests of Funding created hereby, and to deliver either the originals of such financing statements or a file-stamped copy of such financing statements or other evidence of such filings to Funding on the Closing Date.

(f) CAC agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents and take all actions as may be necessary or as Funding may reasonably request in order to perfect or protect the interest of Funding in the Dealer Loans and other Contributed Property purchased hereunder or to enable Funding to exercise or enforce any of its rights hereunder. CAC shall, upon request of Funding, obtain such additional search reports as Funding shall request. To the fullest extent permitted by applicable law, Funding shall be authorized and permitted to file continuation statements and amendments to financing statements and assignments thereof to preserve and protect its right, title and interest in, to and under the Contributed Property.

(g) It is the express intent of CAC and Funding that the conveyance of the Dealer Loans and other Contributed Property by CAC to Funding pursuant to this Agreement be construed as an absolute sale and contribution of such Dealer Loans and other Contributed Property by CAC to Funding. Further, it is not the intention of CAC and Funding that such conveyance be deemed a grant of a security interest in the Dealer Loans and other Contributed Property by CAC to Funding in the nature of a consensual lien securing an obligation. However, in the event that, notwithstanding the express intent of the parties, the Dealer Loans and other Contributed Property are construed to constitute property of CAC, then (i) this Agreement also shall be deemed to be, and hereby is, a security agreement within the meaning of the UCC as enacted in the State of Michigan; and (ii) the conveyance by CAC provided for in this Agreement shall be deemed to be, and CAC hereby grants to Funding, a security interest in, to and under all of CAC's right, title and interest in, to and under the Contributed Property, to secure the rights of Funding set forth in this Agreement or as may be determined in connection therewith by applicable law. CAC and Funding shall, to the extent consistent with this Agreement, take such actions as may be necessary to ensure that, if this Agreement were deemed to create such a security interest in the Dealer Loans and other Contributed Property, such security interest would be a perfected security interest in favor of Funding under applicable law and will be maintained as such throughout the term of this Agreement.

(h) In connection with such conveyance, CAC agrees to deliver to Funding on the Closing Date, one or more computer files or microfiche lists containing true and complete lists of all Dealer Agreements and Dealer Loans conveyed to Funding on the Closing Date, and all Contracts securing all such Dealer Loans, identified by account number, dealer number and pool number. Such file or list shall be marked as Exhibit A to this Agreement, shall be delivered to

Funding as confidential and proprietary, and is hereby incorporated into and made a part of this Agreement. Such list and such Exhibit A shall be supplemented and updated by lists delivered by CAC to Funding on each Distribution Date in the Revolving Period describing all Contributed Property conveyed on each such Distribution Date so that, on each such date, Funding will have an aggregate list and Exhibit A that describes all Dealer Loans conveyed by CAC to Funding hereunder on or prior to said Distribution Date and the related Dealer Agreements.

(i) CAC will reflect the transactions described in paragraph (a) of this Section 2.1 on its internal non-consolidated financial statements and on its non-consolidated state tax returns as a sale or other absolute transfer of the Dealer Loans from CAC to Funding, even though CAC will reflect this transaction on its consolidated financial statements as an "on-balance sheet" item in accordance with generally accepted accounting principles. CAC will present the data in its consolidated financial statements with an accompanying footnote describing Funding's separate existence and stating that such item is a financing secured by the Dealer Loans and is non-recourse to CAC.

SECTION 2.2. Servicing of Dealer Loans. The servicing, administering and collection of the Dealer Loans shall be conducted by the Servicer then authorized to act as such under the Sale and Servicing Agreement.

ARTICLE III
CONSIDERATION AND PAYMENT

SECTION 3.1. Consideration. The consideration for the Dealer Loans and other Contributed Property conveyed on the Closing Date to Funding by CAC under this Agreement shall be an amount equal to the net cash proceeds received by Funding arising out of its conveyance on the Closing Date of Contributed Property to the Issuer under the Sale and Servicing Agreement, plus 100% of the sole membership interest in Funding. Thereafter, on each Distribution Date in the Revolving Period, the consideration for the Dealer Loans and other Contributed Property conveyed on such Distribution Date will be cash in the amount of the Aggregate Outstanding Net Eligible Loan Balance of such Dealer Loans. The Contributed Property shall be deemed to have a value equal to the aggregate principal amount of the Dealer Loans sold and contributed by CAC to Funding.

SECTION 3.2. Membership Interest. The membership interest of CAC in Funding shall arise on the Closing Date. Such membership interest may not be sold or otherwise transferred by CAC except as otherwise permitted in the Sale and Servicing Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.1. Representations and Warranties. CAC represents and warrants to Funding, as of the Closing Date and each Distribution Date during the Revolving Period, that:

(a) Organization and Good Standing. CAC is duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has and had at all relevant times, full power,

authority, and legal right to acquire, own, sell, and service the Dealer Loans and the related Contracts, and to perform its obligations under the Basic Documents.

(b) Due Qualification. CAC 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 Dealer Loans and the related Contracts as required by this Agreement, requires such qualifications except where such failure will not have a material adverse effect.

(c) Power and Authority. CAC has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms; and the execution, delivery, and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by CAC by all necessary corporate action.

(d) Valid Sale; Binding Obligations. This Agreement evidences a valid sale, transfer, and assignment of the Contributed Property enforceable against creditors of and purchasers from CAC; and this Agreement and the other Basic Documents to which CAC is a party constitute legal, valid and binding obligations of CAC enforceable in accordance with their terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' or secured creditors' rights generally and to general principles of equity.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the Articles of Incorporation or by-laws of CAC, or any indenture, agreement, or other instrument to which CAC is a party or by which it is or may be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement (other than this Agreement), or other instrument; or violate any law or, to the best of CAC's knowledge, any order, rule, or regulation applicable to CAC of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over CAC or its properties.

(f) No Proceedings. There are no proceedings or investigations pending, or to CAC's best knowledge threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over CAC or its properties: A) asserting the invalidity of this Agreement or any other Basic Document to which it is a party; B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Basic Document to which it is a party; or C) seeking any determination or ruling that might materially and adversely affect the performance by CAC of its obligations under, or the validity or enforceability of, this Agreement, or any other Basic Document to which it is a party.

(g) Place of Business. The principal place of business and chief executive office of CAC is in Southfield, Michigan, and the office where CAC keeps all of its Records is at the address listed in Section 8.3, or such other locations notified to Funding and the Trust Collateral

Agent in accordance with this Agreement in jurisdictions where all action required by the terms of this Agreement has been taken and completed.

(h) Eligibility of Dealer Agreements. Each Dealer Agreement classified as an "Eligible Dealer Agreement" (or included in any aggregation of balances of "Eligible Dealer Agreements") by CAC in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Agreement on the date so delivered.

(i) Eligibility of Dealer Loans. Each Dealer Loan classified as an "Eligible Loan" (or included in any aggregation of balances of "Eligible Loans") by CAC in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Loan on the date so delivered. Each Dealer Loan represents, or will represent, a non-recourse obligation of a Dealer with respect to advances related to a pool of Contracts, and CAC has, and will maintain, a policy that each such pool will have Contracts allocated to it (as generated by relevant Dealer) until the number of Contracts in such pool reaches the Applicable Pool Cap. The Applicable Pool Cap for each Dealer Loan will equal or exceed 75.

(j) Eligibility of Contracts. Each Contract classified as an "Eligible Contract" (or included in any aggregation of balances of "Eligible Contracts") by CAC in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Contract on the date so delivered.

(k) Accuracy of Information. All information with respect to the Dealer Loans and other Contributed Property provided to Funding hereunder by CAC was true and correct in all material respects as of the date such information was provided to Funding and did not omit to state any material facts necessary to make the statements contained therein not misleading.

(l) No Liens. Each Dealer Loan and the other Contributed Property has been pledged to Funding free and clear of any Lien of any Person, and in compliance, in all material respects, with all Applicable Laws.

(m) No Consents. With respect to each Dealer Loan and the other Contributed Property, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by CAC, in connection with the pledge of such Contributed Property to Funding have been duly obtained, effected or given and are in full force and effect.

(n) Exhibit A. Exhibit A to this Agreement and each supplement or addendum thereto is and will be an accurate and complete listing of all Dealer Loans and the related Dealer Agreements and Contracts in all material respects on the date each such Dealer Loan was sold to Funding hereunder, and the information contained therein is and will be true and correct in all material respects as of such date.

(o) Adverse Selection. No selection procedure believed by CAC to be adverse to the interests of Funding has been or will be used in selecting the Dealer Agreements, Dealer Loans or Contracts.

(p) Contribution Agreement. This Contribution Agreement is the only agreement pursuant to which Funding purchases Dealer Loans from CAC.

(q) Security Interest. CAC has granted a security interest (as defined in the UCC as enacted in the State of Michigan) to Funding in the Contributed Property, which is enforceable in accordance with Applicable Law upon the Closing Date. Upon the filing of UCC-1 financing statements naming Funding as secured party and CAC as debtor, Funding shall have a first priority perfected security interest in the Contributed Property. All filings (including, without limitation, UCC filings) as are necessary in any jurisdiction to perfect the interest of Funding have been made.

(r) Credit Score. The weighted average (based on Contract principal balance) of the Final Scores of each "Contract Group" is 630 or greater. A "Contract Group" is a group of Contracts related to a group of Dealer Loans that becomes Contributed Property on the Closing Date or on a particular Distribution Date during the Revolving Period.

(s) Use of Proceeds. No proceeds of any sale of Contributed Property will be used (i) for a purpose that violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 12, 13 or 14 of the Securities Exchange Act of 1934, as amended.

(t) Taxes. CAC has filed on or before their respective due dates, all tax returns which are required to be filed in any jurisdiction or has obtained extensions for filing such tax returns and has paid all taxes, assessments, fees and other governmental charges against CAC or any of its properties, income or franchises, to the extent that such taxes have become due, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Seller as may be required by GAAP. To the best knowledge of CAC, all such tax returns were true and correct in all material respects and CAC knows of any proposed material additional tax assessment against it nor any basis therefor. Any taxes, assessments, fees and other governmental charges payable by CAC in connection with the execution and delivery of the Basic Documents and the issuance of the Class A Notes have been paid or shall have been paid at or prior to Closing Date.

(u) Consolidated Returns. CAC, the Seller and the Issuer are members of an affiliated group within the meaning of Section 1504 of the Internal Revenue Code which will file a consolidated federal income tax return at all times until the termination of the Basic Documents.

(v) ERISA. CAC is in compliance in all material respects with the Employee Retirement Income Security Act of 1974, as amended.

(w) Compliance with Laws. CAC has complied in all material respects with all applicable, laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

(x) Material Adverse Change. Since December 31, 2003, no event has occurred that would have a material adverse effect on (i) the financial condition or operations of CAC, (ii) the ability of CAC to perform its obligations under the Basic Documents, or (ii) the collectibility of the Dealer Loans generally or any material portion of the Dealer Loans.

(y) Solvency; Fraudulent Conveyance. CAC is solvent, is able to pay its debts as they become due and will not be rendered insolvent by the transactions contemplated by the Basic Documents and, after giving effect thereto, will not be left with an unreasonably small amount of capital with which to engage in its business. CAC does not intend to incur, or believes that it has incurred, debts beyond its ability to pay such debts as they mature. CAC does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official or any of its assets. The amount of consideration being received by CAC upon the sale or other absolute transfer of the Contributed Property to Funding constitutes reasonably equivalent value and fair consideration for the Contributed Property. CAC is not transfering the Contributed Property to Funding with any intent to hinder, deal or defraud any of its creditors.

(z) Voidability. The transfers of Contributed Property made hereunder were not made for or on account of an antecedent debt. No transfer by CAC of any Contributed Property hereunder is or may be voidable under any section of the Bankruptcy Code.

(aa) Investment Company. CAC is not an investment company which is required to register under the Investment Company Act of 1940, as amended.

(bb) Perfection. The perfection representations, warranties and covenants made by CAC and set forth on Exhibit B hereto shall be a part of this Agreement for all purposes.

SECTION 4.2. Reaffirmation of Representations and Warranties by CAC; Notice of Breach. The representations and warranties set forth in Section 4.1 shall survive the conveyance of the Dealer Loans to Funding, and termination of the rights and obligations of Funding and CAC under this Agreement. Upon discovery by Funding or CAC of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other within three (3) Business Days of such discovery.

ARTICLE V
COVENANTS OF CAC AND THE SERVICER

SECTION 5.1. Affirmative Covenants. So long as this Agreement is in effect, and until all Dealer Loans which have been conveyed to Funding pursuant hereto shall have been paid in full or written-off as uncollectible, and all amounts owed by CAC pursuant to this Agreement have been paid in full, unless Funding otherwise consents in writing, CAC hereby covenants and agrees as follows:

(a) Compliance with Law. CAC will comply in all material respects with all Applicable Laws.

(b) Preservation of Existence. CAC will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in

good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a material adverse effect on the Contributed Property.

(c) Obligations and Compliance with Dealer Loans and Dealer Agreements. CAC will duly fulfill and comply with all obligations on the part of CAC to be fulfilled or complied with under or in connection with each Dealer Loan and each Dealer Agreement and will do nothing to impair the rights of Funding in, to and under the Contributed Property.

(d) Keeping of Records and Books of Account. CAC will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records evidencing the Dealer Loans and the Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Dealer Loans, or it will cause the Servicer to do so.

(e) Preservation of Security Interest. CAC will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and perfect the security interest of Funding in, to and under the Contributed Property. CAC will maintain possession of the Dealer Agreements and the Contract Files and Records, as custodian for the Trust and the Trust Collateral Agent, as set forth in Section 3.03(a) of the Sale and Servicing Agreement. CAC, as Servicer, will comply with its covenants under Section 4.06(a)(v) of the Sale and Servicing Agreement.

(f) Collection Guidelines. As long as it is the Servicer, CAC will (A) comply in all material respects with the Collection Guidelines in regard to each Dealer Loan and Contract, and (B) furnish to Funding prompt notice of any material change in the Collection Guidelines and deliver a copy of such changes to Funding quarterly.

(g) Separateness. CAC will take such actions that are required on its part to be performed to cause (i) Funding to be in compliance, at all relevant times, with Sections 6.01(xviii) and 6.04 of the Sale and Servicing Agreement, and (ii) all factual assumptions set forth in the opinion letters delivered by Dykema Gossett PLLC with respect to certain bankruptcy matters under the Sale and Servicing Agreement to remain true at all relevant times.

SECTION 5.2. Negative Covenants. During the term of this Agreement, unless Funding shall otherwise consent in writing:

(a) Change of Name or Location of Records. CAC shall not (A) change its name or its state of organization, move the location of its principal place of business and chief executive office, and the offices where it keeps records concerning the Dealer Loans from the location referred to in Section 3.03(c) of the Sale and Servicing Agreement, or (B) move the Records from the location thereof on the Closing Date, unless CAC or the Servicer has given at least thirty (30) days' written notice to Funding and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of Funding in the Contributed Property.

(b) Change in Payment Instructions to Obligors. CAC will not make any change in its instructions to Obligors regarding payments to be made directly or indirectly, unless such change is permitted under the Sale and Servicing Agreement and Funding has consented to such change and has received duly executed documentation related thereto.

(c) No Instruments. CAC shall take no action to cause any Dealer Loan to be evidenced by any instrument (as defined in the UCC as in effect in the relevant jurisdictions), except for instruments obtained with respect to defaulted Dealer Loans that are in the possession of the Servicer in its capacity as custodian for the Trust and the Trust Collateral Agent.

(d) No Liens. CAC shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than in favor of the Trust Collateral Agent or the Trust as specifically contemplated herein) on, the Contributed Property. CAC shall defend the right, title and interest of Funding in, to and under the Contributed Property against all claims of third parties claiming through or under CAC.

(e) Credit Guidelines and Collection Guidelines. CAC will not amend, modify, restate or replace, in whole or in part, the Credit Guidelines or Collection Guidelines, which change would impair the collectibility of any Dealer Loan or Contract or otherwise adversely affect the interests or the remedies of Funding under this Agreement or any other Basic Document, unless such change is permitted under the Sale and Servicing Agreement and unless CAC obtains the prior written consent of Funding.

(f) Release of Contracts. Except for a release to an insurer in exchange for insurance proceeds paid by such insurer resulting from a claim for the total insured value of a vehicle, neither CAC or CAC as the Servicer shall release a Financed Vehicle securing a Contract from the security interest granted by such Contract in whole or in part except (i) in the event of payment in full by or on behalf of the Obligor thereunder, (ii) settlement consistent with the Collection Guidelines, or (iii) repossession, nor shall CAC impair the rights of Funding in the Contracts, except as may be required by applicable law.

(g) Change in Structure. CAC shall not change its jurisdiction of organization or merge or consolidate with and into any other entity or otherwise change its name, corporate structure or its location (within the meaning of the UCC) unless (i) Funding shall have received at least thirty (30) days advance written notice of such change and CAC has taken all action necessary or appropriate to perfect or maintain the perfection of Funding's interest in the Contributed Property (including, without limitation, the filing of all financing statements and the taking of such other action as Funding or its assigns may request in connection with such change); (ii) in the event of a merger or consolidation, (x) if CAC is then Servicer, such merger or consolidation satisfies all conditions in Section 7.03 of the Sale and Servicing Agreement and, (y) if CAC is not the surviving entity, the surviving entity shall have executed an agreement of assumption acceptable to Funding, the Class A Insurer and the Backup Insurer to perform every obligation of CAC under this Agreement and the other Basic Documents to which CAC is a party, and (iv) CAC shall have delivered to Funding, the Indenture Trustee and the Controlling Party, an opinion of counsel confirming that the security interest created hereunder remains perfected and of first priority, subject only to such limitations and qualifications as are contained

in the opinions of Dykema Gossett PLLC delivered on the Closing Date or are otherwise consented to by the addressees of such opinion.

SECTION 5.3 Indemnities by CAC.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, CAC hereby agrees to indemnify Funding, or its assignee, and each of their respective Affiliates and officers, directors, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party arising out of or as a result of this Agreement or in respect of any Dealer Loan or any Contract, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party or (b) Indemnified Amounts that arise as a result of non-payment of Dealer Loans due to credit problems of Dealers or Obligors. If CAC has made any indemnity payment pursuant to this Section 5.3 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts, then the recipient shall repay to CAC an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, CAC shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any Contract or Dealer Loan treated as or represented by CAC to be an Eligible Contract or Eligible Loan that is not at the applicable time an Eligible Contract or Eligible Loan;

(ii) reliance on any representation or warranty made or deemed made by CAC or any of its officers under or in connection with this Agreement, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(iii) the failure by CAC to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Dealer Loan, Dealer Agreement, any Contract, or the nonconformity of any Dealer Loan, Dealer Agreement or Contract with any such Applicable Law;

(iv) the failure to vest and maintain vested in Funding, or its assignees, a first priority perfected security interest in the Contributed Property, free and clear of any Lien;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to the Contributed Property, whether at the time of the Closing or at any subsequent time;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Dealer or Obligor) of the relevant Dealer or Obligor to the payment of any Dealer Loan or Contract (including, without limitation, a defense based on such Dealer Loan or Contract not

being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(v) any failure of CAC to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by CAC to perform its respective duties under the Dealer Loans;

(vi) the failure by CAC to pay when due any taxes for which CAC is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Contributed Property;

(vii) the commingling of Collections of the Dealer Loans and Contracts at any time with other funds;

(viii) any investigation, litigation or proceeding related to this Agreement or in respect of any Dealer Loan or Contract;

(ix) the failure by CAC to pay when due any taxes for which CAC is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Contributed Property;

(x) the failure of CAC, in its individual capacity, or any of its agents or representatives to remit to the Servicer or the Trust Collateral Agent, Collections remitted to CAC, in its individual capacity, or any such agent or representative; and

(xi) the failure of a Contract File to contain the relevant original Contract.

Notwithstanding the foregoing, CAC shall have no indemnification obligation hereunder with respect to any Dealer Loan or Contract in respect of which CAC shall have paid the Purchase Amount under the Sale and Servicing Agreement.

(b) Any amounts subject to the indemnification provisions of this Section 5.3 shall be paid by CAC to Funding within five (5) Business Days following the Funding's demand therefor.

(c) The obligations of CAC under this Section 5.3 shall survive the termination of this Agreement.

ARTICLE VI
PAYMENT OBLIGATION

SECTION 6.1. Mandatory Payments. CAC, in its individual capacity or as Servicer, as the case may be, shall perform its obligations under Sections 3.02 and 4.07 of the Sale and Servicing Agreement.

SECTION 6.2. No Recourse. Except as otherwise provided in this Article VI, the purchase and sale of the Dealer Loans under this Agreement shall be without recourse to CAC or the Servicer.

ARTICLE VII
CONDITIONS PRECEDENT

SECTION 7.1. Conditions to Funding's Obligations Regarding Dealer Loans. Consummation of the transactions contemplated hereby on the Closing Date shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of CAC and the Servicer contained in this Agreement shall be true and correct on the Closing Date with the same effect as though such representations and warranties had been made on such date;

(b) With respect to those Dealer Loans contributed on the Closing Date, all information concerning such Dealer Loans provided to Funding shall be true and correct in all material respects as of the Closing Date;

(c) CAC and the Servicer shall have substantially performed all other obligations required to be performed by the provisions of this Agreement;

(d) CAC shall have filed or caused to be filed, or shall have delivered for filing, the financing statement(s) required to be filed pursuant to Section 2.1(e); and

(e) All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Funding, and Funding shall have received from CAC copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as Funding may reasonably have requested.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 8.1. Amendment. This Agreement and the rights and obligations of the parties hereunder may not be changed orally, but only by an instrument in writing signed by Funding and CAC and consented to in writing by the Trust Collateral Agent.

SECTION 8.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

SECTION 8.3. Notices. Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be sent by facsimile transmission with a confirmation of the receipt thereof and shall be deemed to be given for purposes of this Agreement on the day that the receipt of such facsimile transmission is confirmed in accordance with the provisions of this Section 8.3. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions (including payment instructions) and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses and

accounts indicated below, and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below:

(a) in the case of Funding:

Credit Acceptance Funding LLC 2004-1
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: Wendy A. Rummler
Telephone: (248) 353-2700 (ext. 217)
Telecopy: (866) 249-3138

with a copy to:

Wachovia Capital Markets, LLC
Asset Backed Finance
NC 0610
One Wachovia Center
301 South College Street
Charlotte, North Carolina 28288-0610
Attention: Chad Kobos
Telephone: (704) 715-1359
Telecopy: (704) 383-9106

And

Radian Asset Assurance, Inc.
335 Madison Avenue
New York, New York 10017
Attention: Chief Risk Officer and Chief Legal Officer

And

XL Capital Assurance Inc.
1221 Avenue of the Americas
New York, New York 10020-1001
Attention: Surveillance

(b) in the case of CAC and in the case of the Servicer (for so long as the Servicer is CAC):

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: Wendy A. Rummler

Telephone: (248) 353-2700 (ext. 217)
Telecopy: (866) 249-3138

or, as to each party, at such other address as shall be designated by such party in a written notice to each other party.

SECTION 8.4. Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

SECTION 8.5. Assignment. This Agreement may not be assigned by the parties hereto, except that Funding may assign its rights hereunder pursuant to the Sale and Servicing Agreement to the Trust for the benefit of the Trust, the Class A Insurer, the Backup Insurer, the Indenture Trustee, the Trust Collateral Agent and the Class A Noteholders. Funding hereby notifies CAC (and CAC hereby acknowledges) that Funding, pursuant to the Sale and Servicing Agreement, has assigned its rights hereunder to the Trust. All rights of Funding hereunder may be exercised by the Trust or its assignees, to the extent of their respective rights pursuant to such assignments.

SECTION 8.6. Further Assurances. Funding, CAC and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other parties in order to more fully to effect the purposes of this Agreement, including, without limitation, the execution of any financing statements or continuation statements or equivalent documents relating to the Dealer Loans for filing under the provisions of the UCC or other laws of any applicable jurisdiction.

SECTION 8.7. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Funding, CAC or the Trust Collateral Agent, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privilege provided by law.

SECTION 8.8. Counterparts. This Agreement may be executed in two or more counterparts including telecopy transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 8.9. Binding Effect; Third-Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. The Trust and the Trust Collateral Agent on behalf of the Trust, the Class A Noteholders, the Class A Insurer and the Backup Insurer are intended by the parties hereto to be third-party beneficiaries of this Agreement.

SECTION 8.10. Merger and Integration. Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

SECTION 8.11. Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 8.12. Exhibits. The exhibits referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

SECTION 8.13 Covenant Not to File a Bankruptcy Petition. CAC agrees that until one year and one day after such time as the Class A Notes issued under the Indenture are paid in full, it shall not (i) institute the filing of a bankruptcy petition against Funding or the Trust based upon any claim in its favor arising hereunder or under the Basic Documents; (ii) file a petition or consent to a petition seeking relief on behalf of Funding or the Trust under the Bankruptcy Law; or (iii) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of Funding or the Trust or any portion of the property of Funding or the Trust.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Funding and CAC each have caused this Contribution Agreement to be duly executed by their respective officers as of the day and year first above written.

FUNDING: CREDIT ACCEPTANCE FUNDING LLC 2004-1

By: _____
Name:
Title:

Credit Acceptance Funding LLC 2004-1
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: Wendy A. Rummler
Facsimile No.: (866) 249-3138
Confirmation No.: (248) 353-2700 (ext. 217)

CAC: CREDIT ACCEPTANCE CORPORATION

By: _____
Name:
Title:

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: Wendy A. Rummler
Facsimile No. (866) 249-3138
Confirmation No.: (248) 353-2700 (ext. 217)

EXHIBIT B
to
Contribution Agreement

PERFECTION REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to the representations, warranties and covenants contained in the Agreement, CAC hereby represents, warrants, and covenants to Funding as follows on the Closing Date and on each Distribution Date on which Funding purchases Dealer Loans, in each case only with respect to the Contributed Property conveyed to Funding on such Closing Date or the relevant Distribution Date:

GENERAL

1. This Agreement creates a valid and continuing security interest (as defined in UCC Section 9-102) in the Contributed Property in favor of Funding, which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from and assignees of CAC.

2. Each Contract constitutes "tangible chattel paper" or a "payment intangible", within the meaning of UCC Section 9-102. Each Dealer Loan constitutes a "payment intangible" or a "general intangible" within the meaning of UCC Section 9-102.

3. Each Dealer Agreement constitutes either a "general intangible" or "tangible chattel paper" within the meaning of UCC Section 9-102.

4. CAC has taken or will take all steps necessary actions with respect to the Dealer Loans to perfect Funding's security interest in the Dealer Loans and in the property securing the Dealer Loans.

CREATION

1. CAC owns and has good and marketable title to the Initial Contributed Property or Subsequent Contributed Property, as applicable, free and clear of any Lien, claim or encumbrance of any Person, excepting only (i) liens that will be terminated or amended on the Closing Date or each Distribution Date during the Revolving Period, as applicable, to reflect a release of the Intial Contributed Property or Subsequent Contributed Property, as applicable, and (ii) liens for taxes, assessments or similar governmental charges or levies incurred in the ordinary course of business that are not yet due and payable or as to which any applicable grace period shall not have expired, or that are being contested in good faith by proper proceedings and for which adequate reserves have been established, but only so long as foreclosure with respect to such a lien is not imminent and the use and value of the property to which the Lien attaches is not impaired during the pendency of such proceeding.

PERFECTION

1. CAC has caused or will have caused, within ten days after the effective date of the Indenture, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the contribution and sale of the Contributed Property from the Originator to Funding, the transfer and sale of the Seller Property from the Seller to the Issuer, and the security interest in the Collateral granted to the Indenture Trustee under the Indenture.

2. With respect to Seller Property that constitutes tangible chattel paper, such tangible chattel paper is in the possession of the Servicer, in its capacity as custodian for the Trust and the Trust Collateral Agent, and the Trust Collateral Agent has received a written acknowledgment from the Servicer, in its capacity as custodian, that it is holding such tangible chattel paper solely on its behalf and for the benefit of the Trust Collateral Agent, the Seller, the Trust and the relevant Dealer(s). All financing statements filed or to be filed against CAC in favor of Funding in connection with this Contribution Agreement describing the Contributed 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 the Secured Party."

PRIORITY

1. None of CAC, the Servicer nor Funding has authorized the filing of, or is aware of any financing statements against either Funding, CAC or the Trust that includes a description of the Contributed Property and proceeds related thereto other than any financing statement: (i) relating to the sale of Contributed Property by the Originator to the Seller under the Contribution Agreement, (ii) relating to the security interest granted to the Trust under the Sale and Servicing Agreement, (iii) relating to the security interest granted to the Indenture Trustee under the Indenture; or (iv) that will be terminated or amended to reflect a release of the Contributed Property. Other than the security interest granted to Funding pursuant to this Contribution Agreement, CAC has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Contributed Property.

2. Neither the Seller, the Originator nor the Trust is aware of any judgment, ERISA or tax lien filings against either the Seller, the Originator or the Trust.

3. None of the tangible chattel paper that constitutes or evidences the Contracts or the Dealer Agreements has any marks or notations indicating that it has been pledged, assigned or otherwise conveyed to any Person other than CAC, the Servicer, Funding, the Trust, a collection agent or the Trust Collateral Agent.

SURVIVAL OF PERFECTION REPRESENTATIONS

1. Notwithstanding any other provision of this Agreement, the Sale and Servicing Agreement, the Indenture or any other Basic Document, the perfection representations, warranties and covenants contained in this Exhibit shall be continuing, and remain in full force and effect (notwithstanding any replacement of the Servicer or termination of Servicer's rights to act as such) until such time as all obligations under the Sale and Servicing Agreement, Contribution Agreement and the Indenture have been finally and fully paid and performed.

NO WAIVER

1. The parties hereto: (i) shall not, without obtaining a confirmation of the then-current rating of the Class A Notes (without giving effect to the Class A Note Insurance Policy or the Backup Insurance Policy), waive any of the perfection representations, warranties or covenants; (ii) shall provide the Rating Agencies with prompt written notice of any breach of the perfection representations, warranties or covenants, and shall not, without obtaining a confirmation of the then-current rating of the Class A Notes (without giving effect to the Class A Note Insurance Policy or the Backup Insurance Policy) as determined after any adjustment or withdrawal of the ratings following notice of such breach) waive a breach of any of the perfection representations, warranties or covenants.

EXHIBIT 4(f)62

EXECUTION COPY

INTERCREDITOR AGREEMENT

This Intercreditor Agreement (this "Agreement"), dated August 25, 2004, is among Credit Acceptance Corporation ("CAC"), CAC Warehouse Funding Corporation II ("Warehouse Funding"), Credit Acceptance Funding LLC 2003-1 ("Funding 2003-1"), Credit Acceptance Auto Dealer Loan Trust 2003-1 (the "2003-1 Trust"), Credit Acceptance Funding LLC 2004-1 ("Funding 2004-1"), Credit Acceptance Auto Dealer Loan Trust 2004-1 (the "2004-1 Trust"), Wachovia Capital Markets, LLC, as deal agent and collateral agent under the Wachovia Securitization Documents ("Wachovia"), JPMorgan Chase Bank, as indenture trustee and trust collateral agent under the 2003-1 Securitization Documents and as indenture trustee and trust collateral agent under the 2004-1 Securitization Documents (in either such capacity, the "Trustee", as the context requires), Comerica Bank, as agent under the CAC Credit Facility Documents ("Comerica"), and each other creditor who becomes a party hereto after the date hereof.

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in Appendix A attached hereto and made part of this Agreement.

BACKGROUND

A. Pursuant to the terms of the various Dealer Agreements between CAC and the Dealers, Collections from a particular Pool are first used to pay certain collection costs, CAC's servicing fee and to pay back the Pool's Advance balance. After the Advance balance under such Pool has been reduced to zero, the Dealer to whom the Pool relates has a contractual right under the related Dealer Agreement to receive a portion of any further Collections with respect to the Pool (such portion of further Collections otherwise payable to the Dealer is referred to herein as "Back-end Dealer Payments"), subject to CAC's right of offset as described in paragraph G below.

B. CAC has granted a security interest in CAC's rights with respect to its Pools (to the extent not released) and related assets generally under the CAC Credit Facility Documents to Comerica, as collateral agent for the banks which are parties thereto.

C. CAC and the Trustee entered into a transaction as set forth in the 2003-1 Securitization Documents (the "2003-1 Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets was released by Comerica, CAC sold and contributed such Pools and related assets to its wholly-owned subsidiary, Funding 2003-1, which subsequently sold such Pools and related assets to the 2003-1 Trust, a trust the depositor of which is Funding 2003-1, and the 2003-1 Trust granted the Trustee a security interest in its right, title and interest in and to such Pools and related assets (such Pools and related assets are referred to herein as the "2003-1 Pools").

D. CAC, Wachovia and certain other parties entered into a transaction as set forth in the Wachovia Securitization Documents (the "Wachovia Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets was (and during the revolving period under the Wachovia Securitization Documents will be) released by Comerica, CAC contributed (and will contribute) such Pools and related assets to its wholly-

owned subsidiary, Warehouse Funding, and Warehouse Funding granted Wachovia, in its capacity as collateral agent, a security interest in Warehouse Funding's rights to such Pools and related assets (such Pools and related assets are referred to herein as the "Wachovia Pools").

E. CAC and the Trustee are entering into a transaction as set forth in the 2004-1 Securitization Documents (the "2004-1 Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets is being (and during the revolving period under the 2004-1 Securitization Documents will be) released by Comerica, CAC is (and will be) selling and contributing such Pools and related assets to its wholly-owned subsidiary, Funding 2004-1, which is subsequently selling (and will sell) such Pools and related assets to the 2004-1 Trust, a trust the depositor of which is Funding 2004-1, and the 2004-1 Trust is granting the Trustee a security interest in its right, title and interest in and to such Pools and related assets (such Pools and related assets are referred to herein as the "2004-1 Pools").

F. Comerica retains a security interest in Pools and related assets which (i) have not been released, and a security interest encumbering such Pools and related assets has not been granted to the Trustee, pursuant to the 2003-1 Securitization, (ii) have not been (and will not be) released, and a security interest encumbering such Pools and related assets has not been and will not be granted to Wachovia pursuant to the Wachovia Securitization, and (iii) are not being (and will not be) released, and a security interest encumbering such Pools and related assets is not being granted to the Trustee, pursuant to the 2004-1 Securitization (such unreleased Pools and related assets are referred to herein as the "Comerica Pools").

G. The Dealer Agreements permit CAC and its assignees, under certain circumstances, to set off any Collections received with respect to any Pool of a Dealer against Advances under other Pools of that Dealer and such set off rights are authorized and permitted under the CAC Credit Facility Documents, the 2003-1 Securitization Documents, the Wachovia Securitization Documents and the 2004-1 Securitization Documents.

H. The parties hereto acknowledge that the rights of CAC or its assigns, pursuant to the Dealer Agreements, to set off Collections received with respect to a Pool against the outstanding balance under any other Pool are not intended, and should not be permitted, to be used to prejudice the collateral position of any of the parties hereto, and therefore the exercise of such rights should be limited to Back-end Dealer Payments.

In consideration of the mutual premises and promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

1. Confirmation. Notwithstanding any statement or provision contained in the Financing Documents or otherwise to the contrary, and irrespective of the time, order or method of attachment or perfection of security interests granted pursuant to the Financing Documents, respectively, or the time or order of filing or recording of any financing statements, or other notices of security interests, liens or other interests granted pursuant to the Financing Documents, respectively, or the giving of or failure to give notice of the acquisition or expected

acquisition of purchase money or other security interests, and irrespective of anything contained in any filing or agreement to which any Creditor may now or hereafter be a party and irrespective of the ordinary rules for determining priority under the Uniform Commercial Code or under any other law governing the relative priorities of secured creditors, subject, however, to the terms and conditions of this Agreement:

(a) RELEASE BY THE TRUSTEE. The Trustee (i) releases any and all rights in and to any Collections with respect to the Comerica Pools or the Wachovia Pools or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the 2003-1 Pools or the 2004-1 Pools, as the case may be and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer, Funding 2003-1, the 2003-1 Trust, Funding 2004-1 or the 2004-1 Trust to use Collections on its behalf contrary to clause (a)(i). The 2003-1 Trust agrees that the lien and security interest granted to the Trustee pursuant to the 2003-1 Securitization Documents to which it is a party does not and shall not attach to any Comerica Pools, Wachovia Pools or 2004-1 Pools (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto. The 2004-1 Trust agrees that the lien and security interest granted to the Trustee pursuant to the 2004-1 Securitization Documents to which it is a party does not and shall not attach to any Comerica Pools, Wachovia Pools or 2003-1 Pools (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(b) RELEASE BY WACHOVIA. Wachovia, as the collateral agent, (i) releases any and all rights in and to any Collections with respect to the Comerica Pools, the 2003-1 Pools or the 2004-1 Pools or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the Wachovia Pools, and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer or Warehouse Funding to use Collections on its behalf contrary to clause (b)(i). Wachovia, as collateral agent, agrees that the lien and security interest granted to it pursuant to the Loan and Security Agreement does not and shall not attach to any Comerica Pools, 2003-1 Pools or 2004-1 Pools (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(c) RELEASE BY COMERICA. Comerica (i) releases any and all rights in and to any Collections with respect to the Wachovia Pools, the 2003-1 Pools and the 2004-1 Pools, other than amounts collected under the Wachovia Pools, the 2003-1 Pools or the 2004-1 Pools which are owed to Dealers as Back-end Dealer Payments and which are subject to set off by CAC pursuant to the related Dealer Agreement and which have not been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the Wachovia Pools, the 2003-1 Pools or the 2004-1 Pools, and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, or any successor servicer to use Collections on its behalf contrary to clause (c)(i) above. Except for Back-end Dealer Payments to the extent provided in clause (c)(i) above, Comerica agrees that the lien and security interest granted to it pursuant to the CAC Credit Facility Documents does not and shall not attach to any

Wachovia Pools, 2003-1 Pools or 2004-1 Pools and shall not assert any claim against the Wachovia Pools, the 2003-1 Pools or the 2004-1 Pools or Collections related thereto.

2. Covenant of the CAC Entities.

(a) Each of the CAC Entities covenants that it shall not use any right it may have under the Dealer Agreements, whether at the direction of Comerica, Wachovia or the Trustee or otherwise, to set off any Collections, other than amounts which are owed to Dealers as Back-end Dealer Payments, from one Pool against amounts owed under another Pool encumbered in favor of another Creditor.

(b) Each of the CAC Entities covenants that it will require any other person or entity which hereafter acquires any security interest in the Pools, Dealer Agreements and related assets from a CAC Entity to become parties to this Agreement by executing an amendment or acknowledgment, in form and substance reasonably satisfactory to CAC and the Creditors, by which such persons or entities agree to be bound by the terms of this Agreement, and delivering such signed amendment or acknowledgement hereof to each of the CAC Entities and the Creditors; provided, however, that in the event the amount owed by the CAC Entities to any Creditor shall be reduced to zero and such Creditor shall have no obligation or agreement to make any further advances to any CAC Entity, such Creditor shall have no rights under this Section 2(b).

3. Turnover of Proceeds. The parties hereto agree that if, at any time, a Creditor (a "Receiving Creditor") (x) receives any payment, distribution, security or the proceeds thereof to which another Creditor or Creditors shall, under the terms of Section 1 of this Agreement, be entitled and (y) the Receiving Creditor either (A) had actual knowledge, at the time of such receipt, that such payment, distribution or proceeds were wrongfully received by it or (B) another Creditor or Creditors shall have given written notice to the Receiving Creditor, prior to such receipt, of its good faith belief that such payments, distributions or proceeds are being misapplied, and such notice contains evidence reasonably satisfactory to the Receiving Creditor of such misapplication, then such Receiving Creditor shall receive and hold the same separately and in trust for the benefit of, and shall forthwith pay over and deliver the same to the relevant Creditor. For purposes of the foregoing, the actual knowledge of the Trustee shall be determined based on the actual knowledge of the Trustee's Responsible Officers (as defined in the 2003-1 Indenture or the 2004-1 Indenture, as applicable), it being understood that each such Responsible Officer shall have no duty to make any inquiry regarding the propriety of any payment, distribution or proceeds.

4. Further Assurances. Each Creditor and CAC Entity agrees that it shall be bound by all of the provisions of this Agreement. Without limiting any other provision hereof, each of the Creditors and CAC Entities agrees that it will promptly execute such instruments, notices or other documents as may be reasonably requested in writing by any party hereto for the purpose of confirming the provisions of this Agreement or better effectuating the intent hereof. CAC will reimburse each Creditor for all reasonable expenses incurred by such Creditor pursuant to this Section 4.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to its conflicts of laws rules. Each of the parties hereto agrees to the non-exclusive jurisdiction of any federal court located within the State of New York. Each of the Parties hereto hereby waives any objection based on forum non conveniens and any objection to venue of any action instituted hereunder in any of the aforementioned courts, and consents to the granting of such legal or equitable relief as is deemed appropriate by such court.

6. Counterparts. This Agreement may be executed in two or more counterparts including facsimile transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one of the same instrument.

7. Severability. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

8. No Proceedings. Each of the parties hereto hereby agrees that it will not institute against, or join any other person in instituting against Warehouse Funding, Funding 2003-1, the 2003-1 Trust, Funding 2004-1 or the 2004-1 Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year and one day after there are no remaining amounts owed to any of the Creditors by any of the CAC Entities pursuant to the Wachovia Securitization Documents, the 2003-1 Securitization Documents and the 2004-1 Securitization Documents.

9. Amendment. This Agreement and the rights and obligations of the parties hereunder may not be changed orally, but only by an instrument in writing executed by all of the parties hereto; provided further that if the amount owed by the CAC Entities to any Creditor shall be reduced to zero and such Creditor shall have no obligation or agreement to make any further advances to any CAC Entity, this Agreement may be amended by the other parties hereto without the consent of such Creditor.

10. No Third Party Beneficiaries. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns, including any successor or assignor to the Trustee under the 2003-1 Securitization Documents or the 2004-1 Securitization Documents.

12. Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing, and either: (i) sent via certified or registered mail (or the equivalent thereof), postage prepaid, (ii) delivered by messenger or overnight courier, or (iii) transmitted via facsimile with a confirmation of the receipt thereof.

Notice shall be deemed to be given for purposes of this Agreement on the day of receipt. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands and other communications in writing shall be given to or made upon the respective parties hereto: (a) in the case of any of the CAC Entities, to Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339, Attention: Wendy Rummler, telephone: (248) 353-2700 (ext. 217), facsimile: (866) 249-3138; (b) in the case of Wachovia, to One Wachovia Center, 301 South College Street, Charlotte, North Carolina 28288-0610, Attention: Conduit Administration, telephone: (704) 383-9343, facsimile: (704) 383-9579; (c) in the case of the Trustee, to its Corporate Trust Office, 4 New York Plaza, 6th Floor, New York, NY 10004, Attention: Institutional Trust Services/Structured Finance, telephone: (212) 623-5600, facsimile: (212) 623-5932; and (d) in the case of Comerica, to One Detroit Center, 6th Floor, 500 Woodward Avenue, Detroit, Michigan 48226, Attention: Harve Light, telephone: (313) 222-0236, facsimile: (313) 222-5636.

13. Termination. Each party's rights and obligations under this agreement shall terminate at the time all amounts due to or owed by such party have been paid in full and such party's applicable Financing Documents have been terminated so long as each party whose rights and obligations are subject to termination pursuant to this Section 13 (i) has no actual knowledge or written notice of payments, distributions, security or the proceeds thereof to which another Creditor or Creditors is entitled, as provided in Section 3 hereof, and (ii) has not received a written notice from the Agent under the CAC Credit Facility Documents that there is a Default or an Event of Default (as such terms are defined therein) at the time of the termination of the applicable Financing Documents.

14. Termination of Prior Agreement. This Agreement is intended to supersede the Prior Agreement in its entirety. Each of Comerica, Wachovia, the Trustee and the CAC Entities that were parties to the Prior Agreement further acknowledge and agree that, as among themselves, this Agreement supersedes the Prior Agreement with respect to their rights as against each other and that this Agreement shall govern their rights against each other and the other parties hereto.

[signature page follows]

This Intercreditor Agreement has been executed and delivered by the parties hereto on August 25, 2004.

CREDIT ACCEPTANCE CORPORATION

_____
BY: DOUGLAS W. BUSK
TITLE: TREASURER

CAC WAREHOUSE FUNDING CORPORATION II

_____
BY: DOUGLAS W. BUSK
TITLE: VP - FINANCE AND TREASURER

CREDIT ACCEPTANCE FUNDING LLC 2004-1

_____
BY: DOUGLAS W. BUSK
TITLE: TREASURER

CREDIT ACCEPTANCE FUNDING LLC 2003-1

_____
BY: DOUGLAS W. BUSK
TITLE: VP - FINANCE AND TREASURER

WACHOVIA CAPITAL MARKETS, LLC,
AS DEAL AGENT

_____

BY:
TITLE:

[Signature Page to Intercreditor Agreement]

COMERICA BANK, AS AGENT

_____

BY:
TITLE:

[Signature Page to Intercreditor Agreement]

JPMORGAN CHASE BANK, NOT IN ITS
INDIVIDUAL CAPACITY BUT SOLELY AS
TRUSTEE

_____

BY:
TITLE:

CREDIT ACCEPTANCE AUTO DEALER
LOAN TRUST 2003-1

BY: WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION, NOT IN ITS
INDIVIDUAL CAPACITY BUT SOLELY AS
OWNER TRUSTEE

_____

BY:
TITLE:

CREDIT ACCEPTANCE AUTO DEALER
LOAN TRUST 2004-1

BY: WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION, NOT IN ITS
INDIVIDUAL CAPACITY BUT SOLELY AS
OWNER TRUSTEE

_____

BY:
TITLE:

APPENDIX A

DEFINITIONS

2003-1 Indenture: The Indenture dated as of June 27, 2003 between the Trustee and the 2003-1 Trust, as amended from time to time.

2003-1 Securitization Documents: The Sale and Servicing Agreement dated as of June 27, 2003 among the 2003-1 Trust, Funding 2003-1, CAC, the Trustee, and Systems & Services Technologies, Inc., the 2003-1 Indenture, and the documents related thereto, as amended from time to time.

2004-1 Indenture: The Indenture dated as of August 25, 2004 between the Trustee and the 2004-1 Trust, as amended from time to time.

2004-1 Securitization Documents: The Sale and Servicing Agreement dated as of August 25, 2004 among the 2004-1 Trust, Funding 2004-1, CAC, the Trustee, and Systems & Services Technologies, Inc., the 2004-1 Indenture, and the documents related thereto, as amended from time to time.

Advance: Amounts advanced to a Dealer upon the acceptance of a Contract by CAC pursuant to a Dealer Agreement.

CAC Credit Facility Documents: The Third Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 9, 2004, by and among the Banks signatory thereto, Comerica and CAC, and the documents related thereto, as amended from time to time.

CAC Entities: Each of CAC, Warehouse Funding, Funding 2003-1, the 2003-1 Trust, Funding 2004-1 and the 2004-1 Trust.

Collections: All money, amounts or other payments received or collected by CAC, individually or as servicer, or any successor servicer or any other CAC Entity with respect to a Contract in the form of cash, checks, wire transfers or other form of payment in accordance with the Contracts or the Dealer Agreements, including, without limitation, with respect to a Pool amounts collected under any other Pool which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents, against amounts owing under such Pool.

Contract: A retail installment contract for the sale of new or used motor vehicles assigned outright by Dealers to CAC or a subsidiary of CAC or written by Dealers in the name of CAC or a subsidiary of CAC (and funded by CAC or such subsidiary) or assigned by Dealers to CAC or a subsidiary of CAC, as nominee for the Dealer, for administration, servicing, and Collection, in each case pursuant to an applicable Dealer Agreement.

Creditor: Each of Comerica, Wachovia and the Trustee.

Dealer: A person engaged in the business of the retail sale or lease of new or used motor vehicles, including both businesses exclusively selling used motor vehicles and businesses

principally selling new motor vehicles, but having a used vehicle department, including any such person which constitutes an affiliate of CAC.

Dealer Agreement: The sales and/or servicing agreements between CAC or its subsidiaries and a participating Dealer which sets forth the terms and conditions under which CAC or its subsidiaries (i) accepts, as nominee for such Dealer, the assignment of Contracts for purposes of administration, servicing and collection and under which CAC or its subsidiary may make Advances to such Dealers and (ii) accepts outright assignments of Contracts from Dealers or funds Contracts originated by such Dealer in the name of CAC or any of its subsidiaries, in each case as such agreements may be in effect from time to time.

Financing Documents: The CAC Credit Facility Documents, the Wachovia Securitization Documents, the 2003-1 Securitization Documents and the 2004-1 Securitization Documents.

Pool: A grouping on the books and records of CAC or any of its subsidiaries of Advances, Contracts originated or to be originated with CAC or any of its subsidiaries by a Dealer and bearing the same pool identification number assigned by CAC's computer system.

Prior Agreement: The Intercreditor Agreement dated September 30, 2003 among CAC, Warehouse Funding, Funding 2003-1, the 2003-1 Trust, Wachovia, the Trustee and Comerica.

Wachovia Securitization Documents: The Loan and Security Agreement dated as of September 30, 2003, as amended, among Warehouse Funding, CAC, Wachovia Bank, National Association, Variable Funding Capital Corporation, Wachovia and Systems & Services Technologies, Inc. and the other parties from time to time party thereto, and the documents related thereto, as amended from time to time.

EXHIBIT 99(a)

SILVER TRIANGLE BUILDING
25505 WEST TWELVE MILE ROAD - SUITE 3000
SOUTHFIELD, MI 48034-8339
(248) 353-2700
WWW.CREDITACCEPTANCE.COM

NEWS RELEASE

FOR IMMEDIATE RELEASE

DATE: AUGUST 25, 2004

INVESTOR RELATIONS: DOUGLAS W. BUSK
TREASURER
(248) 353-2700EXT. 432
IR@CREDITACCEPTANCE.COM

NASDAQ SYMBOL: CACC

CREDIT ACCEPTANCE ANNOUNCES COMPLETION OF $100 MILLION ASSET BACKED FINANCING

SOUTHFIELD, MICHIGAN - AUGUST 25, 2004 - CREDIT ACCEPTANCE CORPORATION (NASDAQ: CACC) announced today the completion of a $100 million asset-backed non-recourse secured financing, its eleventh asset-backed financing. Pursuant to this transaction, the Company contributed dealer-partner advances having a net book value of approximately $133 million to a wholly owned special purpose entity which transferred the advances to a Trust, which issued $100 million in notes to qualified institutional investors. The proceeds will be used by the Company to repay outstanding indebtedness.

This transaction represents the Company's second sale of notes to qualified institutional investors under SEC Rule 144A. Radian Asset Assurance issued the primary financial insurance policy in connection with the transaction, while XL Capital Assurance issued a backup insurance policy. The policies guarantee the timely payment of interest and ultimate repayment of principal on the final scheduled distribution date. The notes are rated "Aaa" by Moody's Investor Services and "AAA" by Standard & Poor's Rating Services.

The notes bear interest at a fixed rate of 2.53%. The expected annualized cost of the financing, including underwriters fees, insurance premiums and other costs, is approximately 6.6%. The notes are secured by the dealer-partner advances, which are repaid from collections on the related automobile loans receivable up to the sum of the related dealer-partner advance and the Company's servicing fee. It is anticipated that the notes will be repaid in approximately 15 months.

The Company will receive 6% of the cash flows related to the underlying automobile loans to cover servicing expenses. The remaining 94%, less amounts due to dealer-partners for payments of dealer-partner holdback, will be used to pay principal and interest on the notes as well as the ongoing costs of the financing. Using a unique financing structure, the Company's contracted relationship with its dealer-partners remains unaffected with the dealer-partners' rights to future payments of dealer holdback preserved.

The notes have not been and will not be registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This news release does not and will not constitute an offer to sell or the solicitation of an offer to buy the notes. This news release is being issued pursuant to and in accordance with Rule 135c under the Securities Act of 1933.

DESCRIPTION OF CREDIT ACCEPTANCE CORPORATION

Since 1972, Credit Acceptance has provided auto loans to consumers, regardless of their credit history. Our product is offered through a nationwide network of automobile dealers who benefit by selling vehicles to consumers who otherwise could not obtain financing, by repeat and referral sales generated by these same customers, and from sales to customers responding to advertisements for our product, but who actually end up qualifying for traditional financing.

Without our product, consumers are often unable to purchase a vehicle or they purchase an unreliable one and are not provided the opportunity to improve their credit standing. As we report to the three national credit reporting agencies, a significant number of our customers improve their lives by improving their credit score and move on to more traditional sources of financing. Credit Acceptance is publicly traded on the NASDAQ National Market under the symbol CACC. For more information, visit www.creditacceptance.com.