UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2001

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ---------- to ----------

Commission File Number 000-20202

CREDIT ACCEPTANCE CORPORATION
(Exact name of registrant as specified in its charter)

MICHIGAN	38-1999511
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification)
25505 WEST TWELVE MILE ROAD, SUITE 3000 SOUTHFIELD, MICHIGAN	48034-8339
(Address of principal executive offices)	(zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes /X/. No / /.

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

The number of shares outstanding of Common Stock, par value $.01, on May 9, 2001 was 42,022,920.

TABLE OF CONTENTS

PART I. - FINANCIAL INFORMATION

PART I. - FINANCIAL INFORMATION

ITEM 1. - FINANCIAL STATEMENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)	As of December 31, 2000	As of March 31, 2001 (Unaudited)
ASSETS:		
Cash and cash equivalents	$ 20,726	$ 35,369
Investments - held to maturity	751	673
Installment contracts receivable	568,900	622,270
Allowance for credit losses	(4,640)	(3,797)
Installment contracts receivable, net	564,260	618,473
Floor plan receivables	8,106	6,987
Notes receivable	6,985	9,536
Retained interest in securitization	5,001	5,202
Property and equipment, net	18,418	18,300
Investment in operating leases, net	42,921	47,605
Income taxes receivable	351	-
Other assets	3,515	5,613
Total Assets	$ 671,034	$ 747,758
LIABILITIES AND SHAREHOLDERS' EQUITY:		
LIABILITIES:		
Senior notes	$ 15,948	$ 15,948
Lines of credit	88,096	44,122
Mortgage loan payable to bank	7,590	7,425
Secured financing	45,039	120,569
Income taxes payable	-	3,641
Accounts payable and accrued liabilities	25,464	31,180
Deferred dealer enrollment fees, net	1,469	1,922
Dealer holdbacks, net	214,468	248,985
Deferred income taxes, net	10,734	10,295
Total Liabilities	408,808	484,087
SHAREHOLDERS' EQUITY:		
Common stock	425	421
Paid-in capital	110,226	108,515
Retained earnings	155,953	162,542
Accumulated other comprehensive loss-cumulative translation adjustment	(4,378)	(7,807)
Total Shareholders' Equity	262,226	263,671
Total Liabilities and Shareholders' Equity	$ 671,034	$ 747,758

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED INCOME STATEMENTS
(UNAUDITED)

(Dollars in thousands, except per share data)	Three Months Ended March 31, 2000	2001
REVENUE:		
Finance charges	$ 20,017	$ 20,179
Lease revenue	1,455	5,067
Other income	7,995	9,493
Total revenue	29,467	34,739
COSTS AND EXPENSES:		
Operating expenses	12,513	14,234
Provision for credit losses	2,447	3,015
Provision for claims	776	783
Depreciation of leased assets	818	2,929
Interest	4,193	3,805
Total costs and expenses	20,747	24,766
Operating income	8,720	9,973
Foreign exchange gain (loss)	(14)	7
Income before provision for income taxes	8,706	9,980
Provision for income taxes	2,980	3,391
Net income	$ 5,726	$ 6,589
Net income per common share:		
Basic	$ 0.13	$ 0.16
Diluted	$ 0.13	$ 0.15
Weighted average shares outstanding:		
Basic	45,363,107	42,442,064
Diluted	45,630,601	42,851,520

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Dollars in thousands)	Three Months Ended March 31, 2000	2001
Cash Flows From Operating Activities:		
Net Income	$ 5,726	$ 6,589
Adjustments to reconcile cash provided by operating activities -		
Credit for deferred income taxes	(749)	(439)
Depreciation	1,026	1,038
Depreciation of operating lease vehicles	638	2,340
Amortization of deferred leasing costs	180	589
Amortization of retained interest in securitization	(49)	(57)
Provision for credit losses	2,447	3,015
Dealer stock option plan expense	11	2
Change in operating assets and liabilities -		
Accounts payable and accrued liabilities	1,843	5,716
Income taxes payable	-	3,641
Income taxes receivable	10,316	351
Lease payment receivable	(190)	(46)
Unearned insurance premiums, insurance reserves and fees	34	413
Deferred dealer enrollment fees, net	207	453
Other assets	889	(2,098)
Net cash provided by operating activities	22,329	21,507
Cash Flows From Investing Activities:		
Principal collected on installment contracts receivable	82,869	82,947
Advances to dealers and payments of dealer holdbacks	(88,465)	(104,980)
Operating lease acquisitions	(11,996)	(10,468)
Deferred costs from lease acquisitions	(1,860)	(1,461)
Operating lease liquidations	318	3,127
Net (purchases) maturities of investments	(93)	78
Decrease in floor plan receivables	3,371	1,119
Increase in notes receivable	(1,087)	(2,551)
Purchases of property and equipment	(653)	(920)
Net cash used in investing activities	(17,596)	(33,109)
Cash Flows From Financing Activities:		
Repayments of mortgage payable	(153)	(165)
Net (repayments) borrowings under line of credit agreement	28,312	(43,974)
Proceeds from secured financing	-	97,068
Repayment of secured financing	(25,634)	(21,538)
Repurchase of common stock	(5,178)	(1,777)
Proceeds from stock options exercised	37	60
Net cash used in financing activities	(2,616)	(29,674)
Effect of exchange rate changes on cash	(1,261)	(3,429)
Net Increase In Cash	856	14,643
Cash and cash equivalents - beginning of period	21,565	20,726
Cash and cash equivalents - end of period	$ 22,421	$ 35,369

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2001
(UNAUDITED)

(Dollars in thousands)	Total Shareholders' Equity	Comprehensive Income	Common Stock	Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Loss
Balance - December 31, 2000.....	$ 262,226		$ 425	$ 110,226	$ 155,953	$ (4,378)
Comprehensive income:						
Net income.....	6,589	$ 6,589			6,589	
Other comprehensive income:						
Foreign currency translation adjustment.....	(3,429)	(3,429)				(3,429)
Tax on other comprehensive loss.....		1,200				
Total comprehensive income.....						
Other comprehensive loss.....		(2,229)				
Total comprehensive income.....		$ 4,360				
Repurchase and retirement of common stock.....	(1,777)		(4)	(1,773)		
Stock options exercised.....	60			60		
Dealer stock option plan expense.....	2			2		
Balance - March 31, 2001.....	$ 263,671		$ 421	$ 108,515	$ 162,542	$ (7,807)

CREDIT ACCEPTANCE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of actual results achieved for full fiscal years. The consolidated balance sheet at December 31, 2000 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. NET INCOME PER SHARE

Basic net income per share amounts are based on the weighted average number of common shares outstanding. Diluted net income per share amounts are based on the weighted average number of common shares and potentially dilutive securities outstanding. Potentially dilutive securities included in the computation represent shares issuable upon assumed exercise of stock options which would have a dilutive effect.

3. ACCOUNTING STANDARDS

Effective January 1, 2001, the Company adopted the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" (SFAS No. 133). These standards require that all derivatives be recognized as either assets or liabilities in the consolidated balance sheet and that those instruments be measured at fair value. Gains or losses resulting from changes in the values of those derivatives are accounted for depending on the use of the derivate and whether it qualifies for hedge accounting. The Company has not designated their derivatives instruments as hedges under SFAS No. 133. The after-tax effect of recognizing the fair values of the derivate instruments as of January 1, 2001 was approximately $9,500 increase to income. As of March 31, 2001, the changes in the fair values of derivative instruments resulted in a decrease in net income of approximately $75,000 after-tax.

On March 13, 2001 the Company entered into a foreign currency exchange swap agreement with a counterparty to reduce its exposure to currency fluctuations between the US dollar and the British Pound. Under the terms of the swap, the Company agreed to exchange $21.6 million US Dollars for the receipt of 14.9 million British pounds on March 15, 2001 and exchange 7.5 million and 7.4 million British pounds for the receipt of $10.9 million and $10.7 million US Dollars on April 17 and May 15, 2001, respectively. While the foreign currency swap agreement is subject to the risk of loss from changes in exchange rates, these losses will be offset by gains on the foreign currency exposures being hedged.

The Company purchases interest rate cap and floor agreements to manage its interest rate risk on its secured financings. The Company does not hold or issue derivative financial instruments for trading purposes.

The derivative agreements generally match the notional amounts of the debt. As of March 31, 2001, the following interest rate cap agreements were outstanding:

NOTIONAL AMOUNT	COMMERCIAL PAPER CAP RATE	TERM
$ 1,833,326.....	7.5%	July 1998 through October 2001
20,100,894.....	7.5%	July 1999 through August 2003
12,417,192.....	7.5%	December 1999 through June 2003
15,865,956.....	8.5%	August 2000 through August 2004
28,240,484.....	7.0%	March 2001 through December 2005

As of March 31, 2001, the following interest rate floor agreement was outstanding:

NOTIONAL AMOUNT	COMMERCIAL PAPER FLOOR RATE	TERM
$ 20,100,894.....	4.79%	July 1999 through August 2003

The Company is exposed to credit risk in the event of nonperformance by the counterparty to its interest rate cap agreements. The Company anticipates that its counterparty will fully perform their obligations under the agreements. The Company manages credit risk by utilizing a financially sound counterparty.

4. BUSINESS SEGMENT INFORMATION

The Company operates in three reportable business segments: CAC North America, CAC United Kingdom and CAC Automotive Leasing. Selected segment information is set forth below (in thousands):

	Three Months Ended March 31,	
	2000	2001
Total revenue:		
CAC North America.....	$ 23,308	$ 24,151
CAC United Kingdom.....	4,821	6,107
CAC Automotive Leasing.....	1,338	4,481
	29,467	34,739
Income (loss) before interest and taxes:		
CAC North America.....	11,090	10,753
CAC United Kingdom.....	1,668	3,051
CAC Automotive Leasing.....	141	(19)
	$ 12,899	$ 13,785
Reconciliation of total income before interest and taxes to consolidated income before provision for income taxes:		
Total income before interest and taxes.....	12,899	13,785
Interest expense.....	(4,193)	(3,805)
Consolidated income before provision for income taxes.....	$ 8,706	$ 9,980

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2000 COMPARED TO THREE MONTHS ENDED MARCH 31, 2001

TOTAL REVENUE. Total revenue consists of finance charges on installment contracts, lease revenue earned on operating leases and other income. Other income consists primarily of: i) premiums or fees earned on service contract, credit life and collateral protection insurance programs; ii) floor plan financing interest income and other fees; and iii) revenue from secured line of credit loans offered to certain dealers. As a result of the following factors, total revenue increased from $29.5 million for the three months ended March 31, 2000 to $34.7 million for the same period in 2001, representing an increase of 17.9%.

Finance charges increased from $20.0 million for the three months ended March 31, 2000 to $20.2 million for the same period in 2001, representing an increase of 0.8%. The increase is primarily the result of the increase in the average size of the Company's installment contract portfolio due to an increase in contract originations for the three months ended March 31, 2001. The Company's consolidated originations increased from $179.3 million for the three months ended March 31, 2000 to $229.3 million for the same period in 2001, representing an increase of 27.9%. The increase was primarily the result of: i) efforts made in 2000 to expand the Company's field sales force; ii) the Company's new internet based origination system; and iii) a favorable market environment. Installment contract originations in the Company's North American operations increased from $135.3 million in new installment contracts for the three months ended March 31, 2000 to $181.2 million for the same period in 2001, representing an increase of 34.0% for the quarter. The increase reflects: i) an increase in the average number of contracts originated per active dealer from 19.2 for the quarter ended March 31, 2000 to 21.7 for the same period in 2001; ii) an increase in the number of active dealers from 836 at March 31, 2000 to 886 at March 31, 2001; and iii) an increase in the average contract size from $8,063 for the quarter ended March 31, 2000 to $9,108 for the same period in 2001. Originations in the Company's United Kingdom operations increased from $30.2 million for the three months ended March 31, 2000 to $36.1 million for the same period in 2001, representing an increase of 19.7% for the quarter. The increase reflects: i) an increase in the number of active dealers from 112 at March 31, 2000 to 148 at March 31, 2001; ii) a decrease in the average number of contracts originated per active dealer from 19.8 for the quarter ended March 31, 2000 to 18.3 for the same period in 2001; and iii) a decrease in the average contract size from $13,210 for the quarter ended March 31, 2000 to $13,073 for the same period in 2001.

This increase in finance charges was partially offset by a reduction in the Company's average annualized yield on its installment contract portfolio from 13.9% for the quarter ended March 31, 2000 to 13.6% for the same period in 2001. The decrease in the average yield primarily resulted from an increase in the average initial contract term as of March 31, 2001 compared to March 31, 2000 and was partially offset by a decrease in the percentage of installment contracts that were in non-accrual status from 20.8% as of March 31, 2000 to 19.1% for the same period in 2001.

Lease revenue represents income primarily from the Company's automotive leasing business unit. Income from operating lease assets is recognized on a straight-line basis over the scheduled lease term. Lease revenue increased, as a percentage of total revenue, from 4.9% in 2000 to 14.6% in 2001. This increase was the result of a significant increase in the dollar value of the Company's lease portfolio due to originating approximately $43.3 million in operating leases during the twelve months ended March 31, 2001 compared to $23.4 million during the same period ending March 31, 2000. The Company's strategy is to limit the amount of capital invested in this operation until additional portfolio performance data is available. Consistent with this strategy, for the quarter ended March 31, 2001, the Company's lease originations declined $2.0 million, from $13.9 million for the three months ended March 31, 2000 compared to $11.9 million for the same period in 2001.

Other income increased, as a percent of total revenue, from 27.1% in 2000 to 27.3% in 2001. The increase is primarily due to: i) an increase in fees earned on third party service contract products offered by dealers on installment contracts, primarily due to the increase in installment contract originations in the North American segment; and ii) the increase in revenue from the Company's secured line of credit loans offered to certain dealers. The Company began extending secured lines of credit to dealers at the end of the first quarter of 2000. This increase in other income was partially offset by the decrease in premiums earned primarily due to a decrease in the penetration rate on the Company's service contract and credit life insurance programs. The Company anticipates that this trend will reverse in future periods with additional dealer training and an enhanced products and marketing approach.

OPERATING EXPENSES. Operating expenses increased from $12.5 million for the three months ended March 31, 2000 to $14.2 million for the same period in 2001, an increase of 13.8%. Operating expenses consist of salaries and wages, general and administrative, and sales and marketing expenses. The increase in operating expenses is primarily due to: i) higher sales and marketing expenses, primarily due to additional sales commissions on the higher

contract origination volumes and increases in the Company's sales force; ii) an increase in general and administrative expenses, primarily due to: (a) an increase in information systems expenses, relating to the Company's growing use of technology, and (b) an increase in the provision for credit losses for the secured line of credit loans offered to certain dealers due primarily to a significant increase in the average size of the Company's loan balance for the three months ended March 31, 2001; and iii) higher salaries and wages, which increased primarily due to an increase in headcount and higher average wage rates.

PROVISION FOR CREDIT LOSSES. The provision for credit losses consists of three components: i) a provision for losses on advances to dealers that are not expected to be recovered through collections on the related installment contract receivable portfolio; ii) a provision for earned but unpaid revenue on installment contracts which were transferred to non-accrual status during the period; and iii) a provision for estimated losses on the investment in operating leases. The provision for credit losses increased from $2.4 million for the three months ended March 31, 2000 to $3.0 million for the same period in 2001, representing a 23.2% increase. The increase is primarily due to an increase in the provision for estimated losses associated with the Company's investments in operating leases, which resulted primarily from the significant increase in the dollar value of the Company's lease portfolio. To a lesser extent, an increase in the provision was required to reflect increased lease repossession rates and lower forecasted residual values than originally estimated. While actual data on the realization of the Company's residual values will not begin to be available until June 2002, the Company presently analyzes its residual value levels based on results from the liquidation of repossessed vehicles and current residual guidebook values.

This increase was partially offset by a decrease in the provision needed for earned but unpaid revenue and a decrease in the amount provided for advance losses from 1.2% of installment contract originations for the quarter ended March 31, 2000 to 0.8% of installment contract originations for the same period in 2001. The decrease in the provision for earned but unpaid revenue primarily resulted from the decrease in the percent of non-accrual installment contracts receivable. The decrease in the amount provided for advance losses was primarily due to the Company discontinuing its relationship with certain dealers in the North American business unit and a reduction in the amount advanced to dealers as a percent of the gross contract amount.

PROVISION FOR CLAIMS. The amount provided for insurance and service contract claims, as a percent of total revenue, decreased from 2.6% during the three months ended March 31, 2000 to 2.3% during the same period in 2001. The decrease corresponds with the decrease in premiums earned in the first three months of 2001 compared to 2000. The Company has established claims reserves on accumulated estimates of claims reported but unpaid plus estimates of incurred but unreported claims. The Company believes the reserves are adequate to cover future claims associated with its insurance and service contract programs.

DEPRECIATION OF LEASED ASSETS. Depreciation of leased assets is recorded on a straight-line basis by depreciating the cost of the leased vehicles to their residual value over their scheduled lease terms. The depreciation expense recorded on leased assets increased from $0.6 million for the three months ended March 31, 2000 to $2.9 million for the same period in 2001. This increase was due to the significant increase in the dollar value of the Company's lease portfolio due to originating approximately $43.3 million in operating leases during the twelve months ended March 31, 2001 compared to $23.4 million during the same period ending March 31, 2000. Depreciation of leased assets also includes the straight-line amortization of indirect lease costs.

INTEREST EXPENSE. Interest expense, as a percent of total revenue, decreased from 14.2% for the three months ended March 31, 2000 to 11.0% for the same period in 2001. The decrease in interest expense is primarily the result of: i) the decrease in the weighted average interest rate from 10.9% for the three months ended March 31, 2000 to 9.5% for the same period in 2001, which is the result of a decrease in the average interest rate on the Company's variable rate debt, including the lines of credit and secured financing; and ii) the impact of fixed borrowing fees and costs on average interest rates when average outstanding borrowings were increasing.

OPERATING INCOME. As a result of the aforementioned factors, operating income increased from $8.7 million for the three months ended March 31, 2000 to $10.0 million for the same period in 2001, representing an increase of 14.4%.

FOREIGN EXCHANGE GAIN (LOSS). The Company incurred a foreign exchange loss of $14,000 for the

three months ended March 31, 2000 and a foreign exchange gain of $7,000 for the same period in 2001. Both the loss and gain resulted from the effect of exchange rate fluctuations between the U.S. dollar and foreign currencies on unhedged intercompany balances between the Company and its foreign subsidiaries.

PROVISION FOR INCOME TAXES. The provision for income taxes increased from $3.0 million during the three months ended March 31, 2000 to $3.4 million during the same period in 2001. The increase is primarily due to an increase in pre-tax income in 2001. For the three months ended March 31, the effective tax rate was 34.2% in 2000 and 34.0% in 2001. The effective rate was 34.2% for the three months ended March 31, 2000 and 34.0% for the same period in 2001. The following is a reconciliation of U.S. Federal statutory rate to the Company's effective tax rate:

	Three Months Ended March 31,	
	2000	2001
	(Unaudited)	
U.S. federal statutory rate	35.0%	35.0%
State income taxes	(0.1)	--
Foreign income taxes	(0.8)	(1.2)
Other	0.1	0.2
Provision for income taxes	34.2%	34.0%

ANALYSIS OF ECONOMIC PROFIT OR LOSS

The table below illustrates the calculation of the Company's economic loss for the periods indicated. Economic profit or loss is a measurement of how efficiently the Company utilizes its capital and has been used internally by the Company since January 1, 2000 to evaluate its performance. The Company's goal is to maximize the amount of economic profit per share generated.

(Dollars in thousands, except per share data)	Three Months Ended March 31,	
	2000	2001
	(Unaudited)	
Reported income (1)	$ 5,726	$ 6,589
Adjustments (2)	28	81
Adjusted income	5,754	6,670
Interest expense after tax	2,860	2,528
Net operating profit after tax ("NOPAT")	8,614	9,198
Average capital (3)	$ 428,722	$ 428,944
Return on capital ("ROC") (4)	8.04%	8.58%
Weighted average cost of capital ("WACC") (5)	10.96%	10.15%
Spread	(2.92%)	(1.57%)
Economic loss (6)	$ (3,134)	$ (1,688)
Diluted weighted average shares outstanding	45,630,601	42,851,520
Economic loss per share	$ (0.07)	$ (0.04)

(1) Consolidated income from financial statements included under Item 1 of Part I of this report.
(2) Adjustments required to reflect the July 1998 securitization transaction as an on balance sheet financing.
(3) Average amount of debt during the period plus the average amount of equity during the period.
(4) NOPAT divided by average capital.
(5) The sum of: i) the after tax cost of debt multiplied by the ratio of average debt to average capital, plus ii) the cost of equity multiplied by the ratio of average equity to average capital. The cost of equity equals (the 30 year Treasury bond rate plus 6% plus two times the Company's funded debt to equity).
(6) Equals (ROC minus WACC) multiplied by average capital.

The Company's economic loss per share improved from ($0.07) for the quarter ending March 31, 2000 to ($0.04) for the same period in 2001, an improvement of 43%. The improvement was due primarily to a reduction in the weighted average cost of capital and an improvement in the return on capital for the three months ended March 31, 2001 compared to the same period in 2000.

The Company's return on capital increased from 8.04% for the three months ended March 31, 2000 to 8.58% for the same period in 2001, an improvement of 6.7%. The improvement in the return on capital is primarily the result of a reduction in the amount advanced to dealers as a percentage of the gross contract amount. The Company expects that the overall return on capital will

increase in future periods due to: i) an increase in the return in each business unit; and ii) the allocation of capital to the business units with the highest returns. The reduction in the weighted average cost of capital for the three months ended March 31, 2001 compared to the same period in 2000 was primarily the result of lower average interest rates on the Company's borrowings and an overall reduction in market rates during the period.

INSTALLMENT CONTRACTS RECEIVABLE

The following table summarizes the composition of installment contracts receivable at the dates indicated (dollars in thousands):

	As of	
	December 31, 2000	March 31, 2001
		(Unaudited)
Gross installment contracts receivable	$ 674,402	$ 741,530
Unearned finance charges	(98,214)	(111,559)
Unearned insurance premiums, insurance reserves, and fees	(7,288)	(7,701)
Installment contracts receivable	$ 568,900	$ 622,270

A summary of changes in gross installment contracts receivable is as follows (dollars in thousands):

	Three Months Ended March 31,	
	2000	2001
		(Unaudited)
Balance - beginning of period	$ 679,247	$ 674,402
Gross amount of installment contracts originated	165,422	217,337
Cash collections on installment contracts originated	(106,046)	(107,120)
Charge offs	(42,026)	(32,809)
Currency translation	(2,894)	(10,280)
Balance - end of period	$ 693,703	$ 741,530

INVESTMENT IN OPERATING LEASES

The composition of net investment in operating leases consisted of the following (dollars in thousands):

	As of	
	December 31, 2000	March 31, 2001
		(Unaudited)
Gross leased vehicles	$ 42,449	$ 48,387
Accumulated depreciation	(5,283)	(6,865)
Gross deferred costs	6,245	6,982
Accumulated amortization of deferred costs	(1,435)	(1,798)
Lease payments receivable	2,968	3,014
Investment in operating leases	44,944	49,720
Less: Allowance for lease vehicle losses	(2,023)	(2,115)
Investment in operating leases, net	$ 42,921	$ 47,605

A summary of changes in the investment in operating leases is as follows (dollars in thousands):

	Three Months Ended March 31,	
	2000	2001
	(Unaudited)	
Balance - beginning of period	$ 9,188	$ 44,944
Gross operating leases originated	13,856	11,929
Depreciation and amortization of operating leases	(818)	(2,929)
Lease payments due	1,608	5,103
Collections on operating leases	(1,387)	(4,516)
Charge offs	(31)	(541)
Operating lease liquidations	(378)	(4,200)
Currency translation	--	(70)
Balance - end of period	$ 22,038	$ 49,720

DEALER HOLDBACKS

The following table summarizes the composition of dealer holdbacks at the dates indicated (dollars in thousands):

	As of	
	December 31, 2000	March 31, 2001
		(Unaudited)
Dealer holdbacks	$ 537,679	$ 589,247
Less: Advances (net of reserves of $6,788 and $7,252 at December 31, 2000 and March 31, 2001, respectively)	(323,211)	(340,262)
Dealer holdbacks, net	$ 214,468	$ 248,985

CREDIT LOSS POLICY AND EXPERIENCE

When a participating dealer assigns an installment contract to the Company, the Company generally pays a cash advance to the dealer. The Company maintains a reserve against advances to dealers that are not expected to be recovered through collections on the related installment contract portfolio. For purposes of establishing the reserve, the present value of estimated future collections on installment contracts is compared to the related advance balance. The discount rate used for present value purposes is equal to the rate of return expected upon origination of the advance. The

Company's loan servicing system allows the Company to estimate future collections for each dealer pool using historical loss experience and a dealer-by-dealer static pool analysis. Future reserve requirements will depend in part on the magnitude of the variance between management's estimate of future collections and the actual collections that are realized. The Company charges off dealer advances against the reserve at such time and to the extent that the Company's static pool analysis determines that the advance is completely or partially impaired.

The Company maintains an allowance for credit losses that, in the opinion of management, adequately reserves against losses in the portfolio of receivables. The risk of loss to the Company related to the installment contracts receivable balances relates primarily to the earned but unpaid revenue on installment contracts that were transferred to non-accrual status during the period. Servicing fees, which are booked as finance charges, are recognized under the interest method of accounting until the underlying obligation is 90 days past due on a recency basis. At such time, the Company suspends the accrual of revenue and makes a provision for credit losses equal to the earned but unpaid revenue. In all cases, contracts on which no material payment has been received for nine months are charged off against dealer holdbacks, unearned finance charges and the allowance for credit losses.

The Company maintains an allowance for lease vehicle losses that consists of a repossession reserve and a residual reserve. The repossession reserve is intended to cover losses resulting from: i) earned but unpaid lease payment revenue; and ii) the difference between proceeds from vehicle disposals and the net book value of the leased vehicle. The Company suspends the recognition of revenue at the point the customer becomes three payments past due. The residual reserve is intended to cover losses resulting from vehicle disposals at the end of the lease term. The residual values represent estimates of the asset values at the end of the lease contracts based on industry guidebooks and other information. Realization of the residual values is dependent on the Company's future ability to market the vehicles under then prevailing market conditions.

Ultimate losses may vary from current estimates and the amount of provision, which is a current period expense, may be either greater or less than actual charge offs.

The following tables set forth information relating to charge offs, the allowance for credit losses, the reserve on advances, and the allowance for lease vehicle losses (dollars in thousands):

	Three Months Ended March 31,	
	2000	2001
	(Unaudited)	
CHARGE OFFS		
Charged against dealer holdbacks	$ 33,516	$ 25,833
Charged against unearned finance charges	7,932	6,177
Charged against allowance for credit losses	578	799
Total installment contracts charged off	$ 42,026	$ 32,809
Net charge offs against the reserve on advances	$ -	$ 1,200
Charge against the allowance for lease vehicle losses	$ 59	$ 1,143

	Three Months Ended March 31,	
	2000	2001
	(Unaudited)	
ALLOWANCE FOR CREDIT LOSSES		
Balance - beginning of period	$ 4,742	$ 4,640
Provision for loan losses	285	-
Charge offs, net	(578)	(799)
Currency translation	(14)	(44)
Balance - end of period	$ 4,435	$ 3,797

	Three Months Ended March 31,	
	2000	2001
	(Unaudited)	
RESERVE ON ADVANCES		
Balance - beginning of period	$ 4,329	$ 6,788
Provision for advance losses	1,991	1,780
Charge offs	-	(1,200)
Currency translation	(28)	(116)
Balance - end of period	$ 6,292	$ 7,252

	Three Months Ended March 31,	
	2000	2001
	(Unaudited)	
ALLOWANCE FOR LEASE VEHICLE LOSSES		
Balance - beginning of period	$ 91	$ 2,023
Provision for lease vehicle losses	171	1,235
Charge offs	(59)	(1,143)
Balance - end of period	$ 203	$ 2,115

	As of	
	December 31, 2000	March 31, 2001
	(Unaudited)	
CREDIT RATIOS		
Allowance for credit losses as a percent of gross installment contracts receivable	0.7%	0.5%
Reserve on advances as a percent of advances	2.1%	2.1%
Allowance for lease vehicle losses as a percent of investments in operating leases	4.7%	4.3%
Gross dealer holdbacks as a percent of gross installment contracts receivable	79.7%	79.5%

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal need for capital is: i) to fund cash advances made to dealers in connection with the acceptance of installment contracts; ii) for the payment of dealer holdbacks to dealers who have repaid their advance balances; and iii) to fund the origination of used vehicle leases. These cash outflows to dealers increased from $100.5 million during the three months ended March 31, 2000 to $115.4 million during the same period in 2001. These amounts have historically been funded from cash collections on installment contracts, cash provided by operating activities and borrowings under the Company's credit agreements. The Company maintains a significant dealer holdback on installment contracts accepted which assists the Company in funding its long-term cash flow requirements. The Company's total balance sheet indebtedness increased from $156.7 million as of December 31, 2000 to $188.1 million as of March 31, 2001.

The Company has a $115 million credit agreement with a commercial bank syndicate. The facility has a commitment period through June 12, 2001 and is subject to annual extensions for additional one-year periods at the request of the Company and with the consent of each of the banks in the facility. The agreement provides that, at the Company's discretion, interest is payable at either the Eurocurrency rate plus 140 basis points, or at the prime rate. The Eurocurrency borrowings may be fixed for periods of up to six months. The credit agreement has certain restrictive covenants, including limits on the ratio of the Company's debt to equity, debt to advances, debt to installment contracts receivable, advances to installment contracts receivable, fixed charges to earnings before interest, taxes and non-cash expenses. Additionally, the agreement limits the Company's investment in its subsidiaries and requires that the Company maintain a specified minimum level of net worth. Borrowings under the credit agreement are secured through a lien on most of the Company's assets on an equal and ratable basis with the Company's senior notes. As of March 31, 2001, there was approximately $44.1 million outstanding under this facility. The Company also maintains immaterial line of credit

agreements in both the United Kingdom and Canada to fund the day-to-day cash flow requirements of those operations.

On March 13, 2001, the Company completed a secured financing of advance receivables with an institutional investor. Pursuant to this transaction, the Company contributed dealer advances having a carrying amount of approximately $128.1 million and received approximately $97.1 million in financing, which is net of both the underwriter's fees and the required escrow account. The proceeds received were used to reduce outstanding borrowings under the Company's credit facility. The financing, which is non-recourse to the Company, bears interest at a floating rate equal to the commercial paper rate plus 50.0 basis points with a maximum rate of 7.0%. As of May 1, 2001, the secured financing is anticipated to fully amortize within thirteen months. The financing is secured by the contributed dealer advances, the rights to collections on the related installment contracts receivable and certain related assets up to the sum of the contributed dealer advances and the Company's servicing fee. The Company will receive a monthly servicing fee equal to 6% of the collections of the contributed installment contracts receivable. Except for the servicing fee and payments due to dealers, the Company will not receive any portion of collections on the installment contracts receivable until the underlying indebtedness has been repaid in full.

As the Company's $115 million credit facility expires on June 12, 2001, the Company will be required to renew the facility or refinance any amounts outstanding under this facility on or before such date. As of March 31, 2001, there was approximately $44.1 million outstanding under this facility. In addition, in 2001, the Company will have $15.9 million of principal maturing on its senior notes and $507,000 of principal maturing on a mortgage loan. The Company believes that the $115 million credit facility will be renewed with similar terms and a similar commitment amount, and that the other payments can be made from cash resources available to the Company at the time such payments are due.

The Company's short and long-term cash flow requirements are materially dependent on future levels of originations. During the first quarter of 2001, the Company experienced an increase in originations over the same period in 2000. The Company expects this trend to continue in future periods and, to the extent this trend does continue, the Company will experience an increase in its need for capital.

In 1999, the Company began acquiring shares of its common stock in connection with a stock repurchase program announced in August 1999. That program authorized the Company to purchase up to 1,000,000 common shares on the open market or pursuant to negotiated transactions at price levels the Company deems attractive. On each of February 7, 2000, June 7, 2000, July 13, 2000 and November 10, 2000, the Company's Board of Directors authorized increases in the Company's stock repurchase program of an additional 1,000,000 shares. As of March 31, 2001, the Company has repurchased approximately 4.2 million shares of the 5.0 million shares authorized to be repurchased under this program at a cost of $22,138,000. The five million shares, which can be repurchased through the open market or in privately negotiated transactions, represent approximately 10.8% of the shares outstanding at the beginning of the program.

The Company is currently under examination by the Internal Revenue Service for its tax years ended December 31, 1993, 1994 and 1995. The IRS has identified and taken under advisement the tax treatment of certain items. Although the Company is unable to quantify its potential liability from the audit, the resolution of these items in a manner unfavorable to the Company may have a material adverse effect on the Company's financial position, liquidity and results of operations.

In connection with the audit, the IRS has issued a Technical Advice Memorandum that would directly impact the timing of tax recognition of income accrual with respect to certain items. The views expressed in the Memorandum are contrary to the Company's current tax accounting method for such items. The total amount of exposure from this tax issue cannot be reasonably estimated due to the lack of available information required for such estimation and due to the uncertainties of computation, the methodology for which must be agreed upon by the IRS. In the worst case, the application of the ruling to the Company's financing activities could result in the recognition of taxable income, interest and penalties with respect to certain items exceeding the current net income reported for book purposes. The Company has the right to appeal the ruling once issued, or may challenge the positions of the IRS in court.

Based upon anticipated cash flows, management believes that amounts available under its credit agreement, cash flow from operations and various financing alternatives available will provide sufficient financing for current debt maturities and for future operations. If the various financing alternatives were to become limited or unavailable to the Company, the Company's operations could be materially adversely affected.

FORWARD-LOOKING STATEMENTS

The foregoing discussion and analysis contains a number of forward looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended, with respect to expectations for future periods which are subject to various risks and uncertainties. Actual results may differ materially. These risks and uncertainties are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission, including forms 8-K, 10-Q, and 10-K, and include, among others, competition from traditional financing sources and from non-traditional lenders, unavailability of funding at competitive rates of interest, adverse changes in applicable laws and regulations, adverse changes in economic conditions, adverse changes in the automobile or finance industries or in the non-prime consumer finance market, the Company's ability to maintain or increase the volume of installment contracts or leases accepted, the Company's potential inability to accurately forecast and estimate future collections and historical collection rates, the Company's potential inability to accurately estimate the residual values of the lease vehicles, an adverse outcome in the ongoing Internal Revenue Service examination of the Company, an increase in the amount or severity of litigation against the Company, the loss of key management personnel, and the Company's ability to complete various financing alternatives.

Other factors not currently anticipated by management may also materially and adversely affect the Company's results of operations. Except as required by applicable law, the Company does not undertake any obligation to publicly release any revisions which may be made to any forward-looking statements to reflect events or circumstances occurring after the date of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 for a complete discussion of the Company's market risk. There have been no material changes to the market risk information included in the Company's 2000 Annual Report on Form 10-K.

PART II. - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

See Index of Exhibits following the signature page.

(b) Reports on Form 8-K

The Company was not required to file a current report on Form 8-K during the quarter ended March 31, 2001 and none were filed during that period.

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 thereunto duly authorized.

CREDIT ACCEPTANCE CORPORATION
(Registrant)

By: /S/DOUGLAS W. BUSK

DOUGLAS W. BUSK
Chief Financial Officer and Treasurer
May 15, 2001

(Principal Financial Officer and Duly Authorized Officer)

By: /S/LINDA M. CARDINALE

LINDA M. CARDINALE
Vice President - Accounting
May 15, 2001

(Principal Accounting Officer)

INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
4(a)(9)	Eighth Amendment dated as of March 8, 2001 to Note Purchase Agreement dated October 1, 1994 between various insurance companies and the Company (filed as exhibit 4 (a) (9) to the Company's Annual Report on Form 10-K for the period ended December 31, 2000 and incorporated herein by reference).
4(b)(7)	Sixth Amendment dated as of March 8, 2001 to Note Purchase Agreement dated August 1, 1996 between various insurance companies and the Company (filed as exhibit 4 (b) (7) to the Company's Annual Report on Form 10-K for the period ended December 31, 2000 and incorporated herein by reference).
4(c)(10)	Fifth Amendment dated March 8, 2001 to the Third Amended and Restated Credit Agreement dated as of June 15, 1999 between the Company, Comerica Bank as Administrative Agent and Collateral Agent, NationsBank, N.A., as Syndications Agent and Banc of America Securities, LLC as Sole Lead Arranger and Sole Bank Manager (filed as exhibit 4 (c) (10) to the Company's Annual Report on Form 10-K for the period ended December 31, 2000 and incorporated herein by reference).
4(e)(7)	Sixth Amendment dated as of March 8, 2001 to Note Purchase Agreement dated March 25, 1997 between various insurance companies and the Company (filed as exhibit 4 (e) (7) to the Company's Annual Report on Form 10-K for the period ended December 31, 2000 and incorporated herein by reference).
4(f)(13)	Amendment No. 4 dated March 12, 2001 to Security Agreement dated July 7, 1998 among Kitty Hawk Funding Corporation, CAC Funding Corp., the Company and NationsBank, N.A. (filed as exhibit 4 (f) (13) to the Company's Annual Report on Form 10-K for the period ended December 31, 2000 and incorporated herein by reference).
4(f)(14)	Amendment No. 4 dated March 12, 2001 to Note Purchase Agreement dated July 7, 1998 among Kitty Hawk Funding Corporation, CAC Funding Corp., and NationsBank, N.A. (filed as exhibit 4 (f) (14) to the Company's Annual Report on Form 10-K for the period ended December 31, 2000 and incorporated herein by reference).
4(f)(15)	Amendment No. 4 dated March 12, 2001 to Contribution Agreement dated July 7, 1998 between the Company and CAC Funding Corp. (filed as exhibit 4 (f) (15) to the Company's Annual Report on Form 10-K for the period ended December 31, 2000 and incorporated herein by reference).
4(g)(4)	Amended and Restated Security Agreement dated as of March 30, 2001 between the Company and Comerica Bank as Administrative Agent and Collateral Agent.
4(g)(5)	First Amendment dated as of March 30, 2001 to the Intercreditor Agreement dated as of December 15, 1998 among Comerica Bank, as Collateral Agent, and various lenders and note holders.
10(g)(1)	Employment agreement for Karl E. Sigerist, Managing Director UK, dated April 3, 2001.

10(g)(2)	Employment agreement for Keith P. McCluskey, Chief Marketing Officer, dated April 19, 2001.

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EXHIBIT 4(g)4
EXECUTION COPY

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT (the "Agreement") dated as of March 30, 2001, is entered into by and between Credit Acceptance Corporation, a Michigan corporation (the "Debtor") and Comerica Bank, a Michigan banking corporation ("Comerica"), as agent for the benefit of the "Lenders", the "Noteholders" and the "Future Debt Holders" (each as referred to below) (in such capacity, the "Collateral Agent"). The addresses for Debtor and Collateral Agent are set forth on the signature pages.

R E C I T A L S:

A. The Debtor and certain of its foreign Subsidiaries, Comerica (individually, and in the capacities referred to below) and the other financial institutions signatory thereto, each as "Banks" thereunder (and, in the case of Comerica, in its capacity as Agent for the Lenders and in its separate additional capacities as "Issuing Bank" thereunder) (together with any Successor Lenders (as hereinafter defined) party thereto from time to time, collectively the "Lenders"), entered into that certain Third Amended and Restated Credit Agreement dated as of June 15, 1999 (amending and restating the Prior Credit Agreement), as amended by First Amendment dated as of December 10, 1999, Second Amendment dated as of April 28, 2000, Third Amendment dated as of June 13, 2000, Fourth Amendment dated as of November 30, 2000 and Fifth Amendment dated as of March 8, 2001, (said credit agreement, as further amended, restated or otherwise modified from time to time, the "Credit Agreement").

B. The Debtor entered into the separate note purchase agreements with the 1994 Noteholders (as hereinafter defined) dated as of October 1, 1994 (collectively, as amended by First Amendment to Note Purchase Agreement dated as of November 15, 1995, Second Amendment to Note Purchase Agreement dated as of August 29, 1996, Third Amendment to Note Purchase Agreement dated as of December 12, 1997, Fourth Amendment to Note Purchase Agreement dated as of July 1, 1998, as amended by Fifth Amendment to Note Purchase Agreement dated as of April 13, 1999, Sixth Amendment to the Note Purchase Agreement dated as of December 1, 1999, Seventh Amendment to the Note Purchase Agreement dated as of April 27, 2000 and Eighth Amendment to Note Purchase Agreement dated as of March 8, 2001, and as further amended, restated or otherwise modified from time to time, the "1994 Note Agreements"), pursuant to which the First Amended and Restated 9.12% Senior Notes due November 1, 2001 (collectively, as amended, restated or otherwise modified from time to time, the "1994 Senior Notes") are outstanding.

C. The Debtor entered into the separate note purchase agreements with the 1996 Noteholders (as hereinafter defined) dated as of August 1, 1996 (collectively, as amended by First Amendment to Note Purchase Agreement dated as of December 12, 1997, Second Amendment to Note Purchase Agreement dated as of July 1, 1998, Third Amendment to Note Purchase Agreement dated as of April 13, 1999, Fourth Amendment to the Note Purchase Agreement dated as of December 1, 1999, and Fifth Amendment to the Note Purchase Agreement dated as of April 27, 2000 and Sixth Amendment to Note Purchase Agreement dated as of March 8, 2001, and as further amended, restated or otherwise modified from time to time, the "1996 Note Agreements"), pursuant to which the First Amended and Restated 8.24% Senior Notes due July 1, 2001 (collectively, as amended, restated or otherwise modified from time to time, the "1996 Senior Notes") are outstanding.

D. The Debtor entered into the separate note purchase agreements with the 1997 Noteholders (as hereinafter defined) dated as of March 25, 1997 (collectively, as amended by the First Amendment to Note Purchase Agreement dated as of December 12, 1997, the Second Amendment to Note Purchase Agreement dated as of July 1, 1998, Third Amendment to Note Purchase Agreement dated as of April 13, 1999, Fourth Amendment to the Note Purchase Agreement dated as of December 1, 1999, and Fifth Amendment to the Note Purchase Agreement dated as of April 27, 2000 and Sixth Amendment to Note Purchase Agreement dated as of March 8, 2001, as further amended, restated or otherwise modified from time to time, the "1997 Note Agreements") pursuant to which the First Amended and Restated 8.02% Senior Notes due October 1, 2001 (collectively, as amended, restated or otherwise modified from time to time, the "1997 Senior Notes") are outstanding.

E. Pursuant to Section 7.23 of the Credit Agreement, the Lenders have required that the Debtor grant (or cause to be granted) certain liens and security interests to Comerica Bank, as agent for the benefit of the Lenders, Noteholders, and the Future Debt Holders, all to secure the obligations of the Debtor under the Credit Documents, the obligations of the Debtor under the Noteholder Documents and the obligations of the Debtor under the Future Debt Documents.

F. The Lenders and the Noteholders have consented to the transactions contemplated hereby, and by the Security Documents, and the Lenders and the Noteholders have agreed that the Debtor's obligations under the Credit Agreement, the Note Agreements and the Future Debt Documents (as defined below) shall be equally and ratably secured pursuant to this Agreement and the other Security Documents.

G. The Debtor has directly and indirectly benefited and will directly and indirectly benefit from the transactions evidenced by and contemplated in the Credit Agreement, the Note Agreements and the Future Debt Documents (defined below) and consented to the execution and delivery of that certain Intercreditor Agreement among Comerica, as Collateral Agent, the Lenders (including Comerica), the Noteholders and the Future Debt Holders, dated as of December 15, 1998, as amended by First Amendment to Intercreditor Agreement dated as of the date hereof (as so

amended, and as further amended, restated or otherwise modified from time to time according to the terms thereof, the "Intercreditor Agreement").

H. The Lenders, the Noteholders and the Collateral Agent have entered into the Intercreditor Agreement to define the rights, duties, authority and responsibilities of the Collateral Agent, acting on behalf of such parties regarding the Collateral (as defined below), and the relationship among the parties regarding their equal and ratable interests in the Collateral.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. DEFINITIONS. As used in this Agreement, capitalized terms not otherwise defined herein or expressly referenced as being defined in the Credit Agreement have the meanings provided for such terms in the Intercreditor Agreement. References to "Sections," "subsections," "Exhibits" and "Schedules" shall be to Sections, subsections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specifically provided. All references to statutes and regulations shall include any amendments of the same and any successor statutes and regulations. References to particular sections of the UCC should be read to refer also to parallel sections of the Uniform Commercial Code as enacted in each state or other jurisdiction where any portion of the Collateral is or may be located.

The following terms have the meanings indicated below, all such definitions to be equally applicable to the singular and plural forms of the terms defined:

"Account" means any "account," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by the Debtor: (a) all rights of the Debtor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of the Debtor, (c) all rights of the Debtor to receive any payment of money or other form of consideration, (d) all security pledged, assigned or granted to or held by the Debtor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, and (f) all rights of the Debtor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation and resale.

"Administrative Agency Agreement" is defined in the definition of Titling Subsidiary Agreements.

"Advances to Dealers" shall mean any and all advances by the Debtor to Dealers under the Dealer Agreements whether in respect of Installment Contracts or Leases, as outstanding from time to time.

"Benefited Obligations" has the meaning specified in the Intercreditor Agreement.

"Benefited Parties" has the meaning specified in the Intercreditor Agreement.

"Chattel Paper" means any "chattel paper," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor.

"Collateral" has the meaning specified in Section 2.1 of this Agreement.

"Computer Records" has the meaning specified in Section 2.1(g) of this Agreement.

"Dealer(s)" shall mean a Person engaged in the business of the retail sale or lease of motor vehicles, whether new or used, including any such Person which constitutes an Affiliate of Debtor.

"Dealer Agreement(s)" shall mean the sales and/or servicing agreements between the Debtor or its Subsidiaries and a participating Dealer which sets forth the terms and conditions under which the Debtor or its Subsidiaries may (i) accept, as nominee for such Dealer, the assignment of Installment Contracts or Leases for purposes of administration, servicing and collection and under which the Debtor or its Subsidiaries may make Advances to Dealers or (ii) accept outright assignments of Installments Contracts or Leases from Dealers or funds Installments Contracts or Leases originated by such Dealer in the name of Debtor or any of its Subsidiaries, in each case as such agreements may be in effect from time to time.

"Document" means any "document," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor, including, without limitation, all documents of title and all receipts covering, evidencing or representing goods now owned or hereafter acquired by the Debtor.

"Election" is defined in Section 6.4 of this Agreement.

"Equipment" means any "equipment," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor and, in any event, shall include, without limitation, all machinery, equipment, furniture, trade fixtures, tractors, trailers, rolling stock, vessels, aircraft and vehicles now owned or hereafter acquired by the Debtor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" has the meaning specified in the Intercreditor Agreement.

"Financing Agreements" has the meaning specified in the Intercreditor Agreement.

"Future Debt Holders" has the meaning specified in the Intercreditor Agreement.

"General Intangibles" means any "general intangibles," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by the Debtor: (a) all of the Debtor's service marks, trade names, trade secrets, registrations, goodwill, franchises, licenses, permits, proprietary information, customer lists, designs and inventions; (b) all of the Debtor's books, records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes and all rights of the Debtor to retrieve data and other information from third parties; (c) all of the Debtor's contract rights, partnership interests, membership interests, joint venture interests, securities, deposit accounts, investment accounts and certificates of deposit; (d) all rights of the Debtor to payment under letters of credit and similar agreements; (e) all tax refunds and tax refund claims of the Debtor; (f) all choses in action and causes of action of the Debtor (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of the Debtor; (g) all rights and claims of the Debtor under warranties and indemnities; and (h) all rights of the Debtor under any insurance, surety or similar contract or arrangement.

"Installment Contract(s)" shall mean retail installment contracts for the sale of new or used motor vehicles assigned outright by Dealers to Debtor or a Subsidiary of Debtor or written by Dealers in the name of the Debtor or a Subsidiary of the Debtor (and funded by Debtor or such Subsidiary) or assigned by Dealers to Debtor or a Subsidiary of Debtor, as nominee for the Dealer, for administration, servicing, and collection, in each case pursuant to an applicable Dealer Agreement; provided, however, that to the extent the Debtor or any Subsidiary transfers or encumbers its interest in any Installment Contracts (or any Advances to Dealers related thereto) pursuant to a Permitted Securitization, such Installment Contracts shall, from and after the date of such transfer or encumbrance, cease to be considered Installment Contracts under this Agreement (reducing the aggregate amount of Advances to Dealers by the outstanding amount of such advances, if any, attributable to such Installment Contracts) unless and until such Installment Contracts are reassigned to the Debtor or a Subsidiary of the Debtor or such encumbrances are discharged.

"Instrument" means any "instrument," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor, and, in any event, shall include all promissory notes, drafts, bills of exchange and trade acceptances of the Debtor, whether now owned or hereafter acquired.

"Inventory" means any "inventory," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by the Debtor: (a) all goods and other personal property of the Debtor that are held for sale or lease or to be furnished under any contract of service; (b) all raw materials, work-in-process, finished goods, supplies and materials of the Debtor; (c) all wrapping, packaging, advertising and shipping materials of the

Debtor; (d) all goods that have been returned to, repossessed by or stopped in transit by the Debtor; and (e) all Documents evidencing any of the foregoing.

"Lease(s)" shall mean the retail agreements for the lease of motor vehicles assigned outright by Dealers to Debtor or a Subsidiary of Debtor or written by a Dealer in the name of the Debtor or a Subsidiary of Debtor (and funded by Debtor or such Subsidiary) or assigned by Dealers to Debtor or a Subsidiary of Debtor, as nominee for the Dealer, for administration, servicing and collection, in each case pursuant to an applicable Dealer Agreement; provided, however, that to the extent the Debtor or any Subsidiary transfers or encumbers its interest in any Leases pursuant to a Permitted Securitization, such Leases shall, from and after the date of such transfer or encumbrance, cease to be considered Leases under this Agreement (reducing the aggregate amount of Advances to Dealers by the outstanding amount of Advances to Dealers attributable to such Leases) unless and until such Leases are reassigned to Debtor or a Subsidiary of the Debtor or such encumbrances have been discharged.

"Lenders" has the meaning specified in the Intercreditor Agreement.

"Majority Benefited Parties" has the meaning specified in the Intercreditor Agreement.

"Non-Specified Assets" has the meaning specified in the Titling Subsidiary Agreements.

"Non-Specified Interest" has the meaning specified in the Titling Subsidiary Agreements.

"Noteholders" has the meaning specified in the Intercreditor Agreement.

"Permitted Liens" has the meaning specified in Section 3.1 of this Agreement.

"Permitted Securitization" shall mean a "Permitted Securitization" under each of the applicable Financing Agreements.

"Pledged Shares" means the shares of capital stock or other equity, partnership or membership interests described on Schedule D attached hereto and incorporated herein by reference, including without limitation the Non-Specified Interest, as such schedule may be amended, modified or replaced from time to time.

"Proceeds" means any "proceeds," as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting, or purporting to act, for or on behalf of any governmental authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Records" is defined in Section 4.9 of this Agreement.

"Security Documents" has the meaning specified in the Intercreditor Agreement.

"Significant Domestic Subsidiary" has the meaning specified in the Intercreditor Agreement.

"Software" has the meaning specified in Section 2.1(g) of this Agreement.

"Specified Assets" has the meaning specified in the Titling Subsidiary Agreements.

"Specified Interest(s)" has the meaning specified in the Titling Subsidiary Agreements.

"Titling Subsidiary" shall mean Auto Lease Services LLC, a Delaware limited liability company controlled by the Debtor and a direct Subsidiary of the Debtor.

"Titling Subsidiary Agreements" shall mean that certain Limited Liability Company Agreement of the Titling Subsidiary, dated and effective as of March 1, 2001 and the related Certificate of Formation (as therein defined), and that certain Administrative Agency Agreement dated as of March 1, 2001 between the Company and the Titling Subsidiary ("Administrative Agency Agreement"), each as amended from time to time.

"UCC" means the Uniform Commercial Code as in effect in the State of Michigan; provided, that if, by applicable law, the perfection or effect of perfection or non-perfection of the security interest created hereunder in any Collateral is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

ARTICLE II
SECURITY INTEREST

SECTION 2.1. SECURITY INTEREST. As collateral security for the prompt payment and performance in full when due of the Benefited Obligations (whether at stated maturity, by acceleration or otherwise), the Debtor hereby pledges and assigns (as collateral) to the Collateral Agent, and grants the Collateral Agent a continuing lien on and security interest in, all of the Debtor's right, title and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (collectively, the "Collateral"):

(a) all Accounts;

(b) all Chattel Paper;

(c) all Leases;

(d) all General Intangibles;

(e) all Equipment;

(f) all Inventory;

(g) all Advances to Dealers, Dealer Agreements (and any amounts advanced to or liens granted by Dealers thereunder), and the Installment Contracts or Leases securing the repayment of such Advances to Dealers (and other indebtedness of Dealers to Debtor) and related financial property (the security interest granted hereby in such Dealer Agreements, Advances to Dealers, Installment Contracts and Leases, and the Accounts, Chattel Paper, General Intangibles and proceeds therefrom relating to such Dealer Agreements, Advances to Dealers, Installment Contracts and Leases being subject to the rights of Dealers under Dealer Agreements);

(h) all computer records ("Computer Records") and software ("Software"), whether relating to the foregoing Collateral or otherwise, but in the case of such Software, subject to the rights of any non-affiliated licensee of software;

(i) all shares of stock, and other equity, partnership or membership interests constituting ownership interests (or evidence thereof) or other securities, of the Significant Domestic Subsidiaries of Debtor from time to time owned or acquired by the Debtor in any manner (including without limitation, as applicable, the Pledged Shares), and any certificates at any time evidencing the same, and all dividends, cash, instruments, rights and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such shares; and

(j) the Non-Specified Interest from time to time owned or acquired by the Debtor in any manner and any certificates or other instruments at any time evidencing the same, and all dividends, cash, instruments, rights and other property (including any Non-Specified Assets) from time to time received or otherwise distributed in respect of or in exchange for any or all of such interest; and

(k) the Proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (a) through (j) and all liens, security, rights. remedies and claims of the Debtor with respect thereto;

provided, however, that "Collateral" shall not include rights under or with respect to any General Intangible, license, permit or authorization to the extent any such General Intangible, license, permit or authorization, by its terms or by law, prohibits the assignment of, or the granting of a security

interest in, the rights of a Grantor thereunder or which would be invalid or enforceable upon any such assignment or grant; and provided further that "Collateral" shall not include any (i) Advances to Dealers, Installment Contracts, Leases, rights or interests under Dealer Agreements and related financial property transferred by the Debtor prior to the date hereof pursuant to a Permitted Securitization, except to the extent any such property is re-transferred to the Debtor according to the terms of such Permitted Securitization or (ii) Specified Interests or any Specified Assets, unless and until any such Specified Interest or Specified Asset is redesignated by the Debtor, the Titling Subsidiary or any other Subsidiary of Debtor as or to the Non-Specified Interest or the Non-Specified Assets, as the case may be.

SECTION 2.2. DEBTOR REMAINS LIABLE. Notwithstanding anything to the contrary contained herein, (a) the Debtor shall remain liable under the contracts, agreements, documents and instruments included in the Collateral (including without limitation Dealer Agreements, Advances to Dealers, Installment Contracts and Leases) to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed and pay when due any taxes, including without limitation, any sales taxes payable in connection with the Dealer Agreements, Advances to Dealers, Installment Contracts or Leases and their creation and satisfaction, (b) the exercise by the Collateral Agent or any of the Benefited Parties of any of their respective rights or remedies hereunder shall not release the Debtor from any of its duties or obligations under the contracts, agreements, documents and instruments included in the Collateral, and (c) subject to the rights of Dealers under Dealer Agreements to the extent of collections on Installment Contracts or Leases for the account of such Dealers received by the Collateral Agent or any Benefited Party, neither the Collateral Agent nor any of the Benefited Parties shall have any indebtedness, liability or obligation (by assumption or otherwise) under any of the contracts, agreements, documents and instruments included in the Collateral (including without limitation any Dealer Agreement, Installment Contract or Lease) by reason of this Agreement, and none of such parties shall be obligated to perform any of the obligations or duties of the Debtor thereunder (including without limitation any obligation to make future advances to or on behalf of any Dealer or other obligor) or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.3. DELIVERY OF COLLATERAL. All certificates or other instruments representing or evidencing the Pledged Shares, promptly upon the Debtor gaining any rights therein, shall be delivered to and held by or on behalf of the Collateral Agent pursuant hereto in suitable form for transfer by delivery, or accompanied by duly executed stock powers or instruments of transfer or assignments in blank, all in form and substance reasonably satisfactory to the Collateral Agent.

SECTION 2.4. MARKING COMPUTER FILES. In connection with the security interest and lien established hereby, the Debtor hereby agrees, at its sole expense, to indicate clearly and unambiguously in its computer files with respect to the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby, that Debtor's rights to payment under such Dealer Agreements, Advances to Dealers, Installment Contracts and Leases have been pledged to the Collateral Agent pursuant to this Agreement for the benefit of the Benefited Parties.

SECTION 2.5. AFFIXING LEGENDS. The Debtor shall, within thirty (30) days from the date hereof with respect to each Dealer Agreement which constitutes Collateral on the date hereof and, with respect to each Dealer Agreement which subsequently becomes Collateral hereunder, within five (5) days of the Debtor's entering into any such agreement, clearly mark each such Dealer Agreement encumbered hereby with the following legend: "THIS AGREEMENT HAS BEEN PLEDGED TO COMERICA BANK, AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN BENEFITED PARTIES". Such legend shall be in bold, in type face at least as large as 12 point and shall be entirely in capital letters.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

To induce the Collateral Agent to enter into this Agreement and the Intercreditor Agreement, and to induce the Lenders and the Noteholders to enter into the Financing Agreements, the Debtor represents and warrants to the Collateral Agent and to each Lender and each Noteholder that as of the date hereof:

SECTION 3.1. TITLE. The Debtor is, and with respect to Collateral acquired after the date hereof the Debtor will be, the legal and beneficial owner of the Collateral free and clear of any Lien or other encumbrance, except for (a) Liens which constitute both (x) Liens which are permitted under Section 8.6 of the Credit Agreement and (y) Liens described in any of clauses (i) through (vii) of Section 6.6(a) of the Note Agreements (hereinafter, "Permitted Liens"), provided that, other than the Lien established hereby, no Lien on the Collateral described in clauses (i) or (j) of Section 2.1 shall constitute a Permitted Lien, (b) with respect to Dealer Agreements and Advances to Dealers, and the Installment Contracts, Accounts, Chattel Paper, Leases and General Intangibles (and proceeds therefrom) relating to such Dealer Agreements and Advances to Dealers, the rights of Dealers under such Dealer Agreements and (c) with respect to Installment Contracts or Leases (other than those owned outright by Debtor), Dealers' interests in financed vehicles and in the proceeds of such Installment Contracts or Leases and Dealers' interests, and the security interest and lien granted by Dealers to Debtor to secure repayment of Advances to Dealers (and all other indebtedness of Dealers to Debtor) pursuant to the applicable Dealer Agreement.

SECTION 3.2. FINANCING STATEMENTS. No financing statement, security agreement or other Lien instrument covering all or any part of the Collateral is on file in any public office with respect to any outstanding obligation of Debtor except (i) as may have been filed in favor of the Collateral Agent pursuant to this Agreement, (ii) financing statements filed to perfect Permitted Liens, and (iii) Liens described in Section 3.1(c) hereof. As of the date hereof, and to the best of Debtor's knowledge, except as otherwise disclosed on Schedule E hereto, the Debtor does not do business and has not done business within the past five (5) years under a trade name or any name other than its legal name set forth at the beginning of this Agreement.

SECTION 3.3. PRINCIPAL PLACE OF BUSINESS. The principal place of business and chief executive office of the Debtor, and the office where the Debtor keeps its books and records, is located at the address of the Debtor shown on the signature page hereto.

SECTION 3.4. LOCATION OF COLLATERAL. All Inventory (except Inventory in transit) and Equipment (other than vehicles) of the Debtor in the possession of the Debtor are located at the places specified on Schedule A hereto. If any such location is leased by the Debtor as of the date hereof, the name and address of the landlord leasing such location is identified on Schedule A hereto. None of the Inventory or Equipment of the Debtor (other than trailers, rolling stock, vessels, aircraft and vehicles) is evidenced by a Document (including, without limitation, a negotiable document of title). All certificates or other instruments owned by the Debtor representing shares of stock or other ownership interests of any Significant Domestic Subsidiary (including, without limitation, the Pledged Shares) or representing or evidencing the Non-Specified Interest will be delivered to the Collateral Agent, accompanied by duly executed stock powers or instruments of transfer or assignments in blank with respect thereto.

SECTION 3.5. PERFECTION. Upon the filing of Uniform Commercial Code financing statements in the jurisdictions listed on Schedule B attached hereto, and upon the Collateral Agent's obtaining possession of the certificates evidencing the Pledged Shares, accompanied by duly executed stock powers or instruments of transfer or assignments in blank, and upon acknowledgment by the Titling Subsidiary, in favor of the Collateral Agent, of a Notice of Registered Pledge in the form attached hereto as Schedule F, the security interest in favor of the Collateral Agent created herein will constitute a valid and perfected Lien upon and security interest in the Collateral which may be created and perfected under the UCC by filing financing statements, obtaining an acknowledgment of lien from an issuer or obtaining possession of the Collateral, subject to no junior, equal or prior Liens except for those (if any) which constitute Permitted Liens.

SECTION 3.6. PRIMARY COMPUTER SYSTEMS AND SOFTWARE; COMPUTER RECORDS AND INTELLECTUAL PROPERTY. The only material service and computer systems and related Software utilized by Debtor to service Dealer Agreements, Advances to Dealers, Installment Contracts and Leases (whether or not encumbered hereby) are (a) the Application and Contract System which is used from the time a dealer faxes an application to the Debtor until the relevant Installment Contract or Lease is received and funded, (b) the Loan Servicing System which contains all payment information and is the primary source for management information reporting, and (c) the Collection System which is used by the Debtor's collections personnel to track and service all active customer accounts. Such computer systems and software are defined (and described in greater detail) on Schedule C, attached hereto.

SECTION 3.7. PLEDGED SHARES.

(a) The Pledged Shares that are shares of a corporation have been duly authorized and validly issued and are fully paid and non-assessable, and the Pledged Shares, including the Non-Specified Interests, which are membership, partnership or other similar ownership interests have been validly granted, under the laws of the jurisdiction of organization of the issuers thereof, and, to the extent applicable, are fully paid and nonassessable.

(b) The Debtor is the legal and beneficial owner of the Pledged Shares, free and clear of any Lien (other than the Liens created by this Agreement and the Permitted Liens), and the Debtor has not sold, granted any option with respect to, assigned, transferred or otherwise disposed of any of its rights or interest in or to the Non-Specified Interests. None of the Non-Specified Interests are subject to any contractual or other restrictions upon the pledge or other transfer of such Non-Specified Interests, other than those imposed by securities laws generally.

(c) On the date hereof, the Pledged Shares constitute the percentage of the issued and outstanding shares of stock, partnership units or membership or other ownership interests of the Issuers thereof indicated on Schedule D, if applicable, and such schedule contains a description of all shares of capital stock, partnership units, membership interests and other ownership interests of or in its Significant Domestic Subsidiaries owned by the Debtor or with respect to the Non-Specified Interest in the Titling Subsidiary (as such Schedule D may from time to time be supplemented, amended or modified in accordance with the terms of this Agreement).

ARTICLE IV
COVENANTS

The Debtor covenants and agrees with the Collateral Agent that until the Benefited Obligations are paid and performed in full and all commitments to lend or provide other credit accommodations under the Credit Agreement have been terminated:

SECTION 4.1. ENCUMBRANCES. The Debtor shall not create, permit or suffer to exist, and shall defend the Collateral against, any Lien or other encumbrance (other than the Liens created by this Agreement and the Permitted Liens) or any restriction upon the pledge or other transfer thereof (other than as provided in the Financing Agreements), and shall, subject to the Permitted Liens, defend the Debtor's title to and other rights in the Collateral and the Collateral Agent's pledge and collateral assignment of and security interest in the Collateral against the claims and demands of all Persons. Except to the extent permitted by the Financing Agreements or in connection with any release of Collateral under Section 7.13 hereof (but only to the extent of any Collateral so released), the Debtor shall do nothing to impair the rights of the Collateral Agent in the Collateral.

SECTION 4.2. COLLECTION OF ACCOUNTS AND CONTRACTS; NO COMMINGLING. The Debtor shall, in accordance with its usual business practices, endeavor to collect or cause to be collected from each account debtor under its Accounts, as and when due, any and all amounts owing under

such Accounts and from any Dealer or from any obligor under an Installment Contract or Lease, as the case may be, any Advances to Dealers or other amounts owing under a Dealer Agreement, Installment Contract or Lease, as applicable. Debtor shall take the steps required under the documents relating to Permitted Securitizations to segregate any Collateral transferred, encumbered or otherwise affected by a Permitted Securitization from the Collateral encumbered under this Agreement and all proceeds or other sums received in respect thereof (provided that Dealer Agreements which cover Advances to Dealers which have been transferred pursuant to a Permitted Securitization, but which also cover Advances to Dealers encumbered hereby, may contain the legend affixed in connection with the applicable Permitted Securitization, so long as such Dealer Agreements also contain the legend required under Section 2.5 hereof). Debtor shall also cause the Titling Subsidiary to take the steps required under the Titling Subsidiary Agreements properly to allocate Non-Specified Assets to the Non-Specified Interest and Specified Assets to the applicable Specified Interests and clearly and unambiguously to indicate such allocations on its records.

SECTION 4.3. DISPOSITION OF COLLATERAL. To the extent prohibited by the terms of the Financing Agreements, the Debtor shall not enter into or consummate any transfer or other disposition of assets without the prior written consent of the applicable Benefited Parties, according to the terms of the applicable Financing Agreements.

SECTION 4.4. FURTHER ASSURANCES. At any time and from time to time, upon the request of the Collateral Agent, and at the sole expense of the Debtor, the Debtor shall promptly execute and deliver all such further agreements, documents and instruments and take such further action as the Collateral Agent may reasonably deem necessary or appropriate to preserve and perfect its security interest in and pledge and collateral assignment of the Collateral and carry out the provisions and purposes of this Agreement or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral; provided, however, that nothing contained in this Section 4.4 shall require Debtor to affix legends to the Dealer Agreements, Installment Contracts or Leases (or folders containing the same) prior to the times set forth in Sections 2.5 and 6.4, respectively. Except as otherwise expressly permitted by the terms of the Financing Agreements relating to disposition of assets, including without limitation any Permitted Securitization and except for Permitted Liens, the Debtor agrees to maintain and preserve the Collateral Agent's security interest in and pledge and collateral assignment of the Collateral hereunder. Without limiting the generality of the foregoing, the Debtor shall (a) execute and deliver to the Collateral Agent such financing statements as the Collateral Agent may from time to time require; and (b) execute and deliver to the Collateral Agent, or cause to be so executed and delivered, such other agreements, acknowledgments, documents and instruments, including without limitation stock powers, as the Collateral Agent may require to perfect and maintain the validity, effectiveness and priority of the Liens intended to be created by the Security Documents. The Debtor authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without the signature of the Debtor unless otherwise prohibited by law.

SECTION 4.5. INSURANCE. The Debtor shall maintain insurance of the types and in amounts, and under the terms and conditions, specified in the Financing Agreements and shall cause the

Collateral Agent to be named as "lender loss payee" thereunder to the full extent required to perfect and/or protect the Lien established hereby. Recoveries under any such policy of insurance shall be paid as provided in the Financing Agreements and Intercreditor Agreement.

SECTION 4.6. BAILEES. If any of the Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Debtor's agents or processors, the Debtor shall, at the request of the Collateral Agent (as directed by the Majority Benefited Parties), notify such warehouseman, bailee, agent or processor of the security interest created hereunder and shall instruct such Person to hold such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions, and shall obtain such acknowledgments and/or undertakings from such Persons as reasonably requested by Collateral Agent (as directed by the Majority Benefited Parties).

SECTION 4.7. FURNISHING OF INFORMATION AND INSPECTION RIGHTS. (a) Within 30 days following the execution and delivery of this Agreement, the Debtor agrees to deliver to the Collateral Agent one or more computer files or microfiche lists containing true and complete (and updated to the most recent month end) lists of all Dealer Agreements and Advances to Dealers, and all Installment Contracts or Leases, as applicable, securing all such Advances to Dealers or owned outright by Debtor, identified by account number, dealer number (if not owned outright by Debtor) , and pool number and the outstanding balance as of the date of such file or list. Such file or list shall be delivered to the Collateral Agent as confidential and proprietary.

(b) Thereafter:

(i) so long as no Event of Default has occurred and is continuing, upon the written request of the Collateral Agent (as directed by the Majority Benefited Parties), the Debtor shall be obligated, but not more frequently than monthly; and

(ii) upon the occurrence and during the continuance of an Event of Default, the Debtor shall be obligated, on a monthly basis whether or not Collateral Agent shall so request, and more frequently upon the written request of the Collateral Agent (as directed by the Majority Benefited Parties);

to furnish to the Collateral Agent, a computer file, microfiche list or other list identifying each of the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby by pool number, account number and dealer number (if not owned outright by Debtor) and by the outstanding balance thereof and identifying the obligor on the relevant Installment Contract or Lease, and the Debtor shall also furnish to the Collateral Agent from time to time such other information with respect to Dealer Agreements, the Advances to Dealers, Installment Contracts and Leases encumbered hereby as the Collateral Agent may reasonably request. Without impairing the rights of any Benefited Party to obtain information from the Debtor under any of the other Financing Agreements, as applicable, the Collateral Agent shall furnish copies of the foregoing to any Lender, Noteholder or Future Debt Holder upon its request following the occurrence and during the continuance of any Default or Event of Default, and Debtor hereby authorizes and approves such release. The Debtor will, at any time and from time to time during regular business hours, upon 5

days prior notice (except if any Event of Default has occurred and is continuing, when no prior notice shall be required), permit the Collateral Agent, or its agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of the Debtor for the purpose of examining such Records, and to discuss matters relating to the Advances to Dealers, Installment Contracts, Leases or the Debtor's performance hereunder and under the other Financing Documents with any of the officers, directors, employees or independent public accountants of the Debtor having knowledge of such matters; provided, however, that the Collateral Agent acknowledges that, in exercising the rights and privileges conferred in this Section 4.7, it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Debtor has a proprietary interest. The Collateral Agent agrees that all such information, practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall retain in strict confidence and shall use its reasonable efforts to ensure that its agents and representatives retain in strict confidence, and will not disclose without the prior written consent of the Debtor, any such information, practices, books, correspondence and records furnished to them except that the Collateral Agent may disclose such information (i) to its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives (provided that such Persons are informed of the confidential nature of such information), (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Collateral Agent or its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives, (iii) to the extent such information was available to the Collateral Agent on a nonconfidential basis prior to its disclosure to the Collateral Agent hereunder, (iv) to the extent the Collateral Agent is (A) required in connection with any legal or regulatory proceeding or (B) requested by any bank or other regulatory authority to disclose such information, (v) to any prospective assignee of any note or other instrument evidencing a Benefited Obligation; provided, that the Collateral Agent shall notify such assignee of the confidentiality provisions of this Section 4.7 and such assignee shall agree to be bound thereby, or (vi) to any Benefited Party, subject to the confidentiality provisions contained in this Agreement and any other Financing Agreement to which it is a party, upon the request of such party following the occurrence and during the continuance of such Default or Event of Default (but with no obligation on the part of any such Benefited Party hereunder to return such information to Collateral Agent or the Debtor if any such Default or Event of Default is subsequently cured or waived). Notwithstanding anything to the contrary in this Agreement, the Collateral Agent may reply to a request from any Person for a list of Advances to Dealers, Dealer Agreements, Installment Contracts, Leases or other information related to any Collateral referred to in any financing statement filed or acknowledgment obtained to perfect the security interest and liens established hereby, to the extent necessary to maintain the perfection or priority of such security interests or liens, or otherwise required under applicable law. The Collateral Agent agrees (at Debtor's sole cost and expense) to take such measures as shall be reasonably requested by the Debtor to protect and maintain the security and confidentiality of such information. The Collateral Agent shall exercise good faith and make diligent efforts to provide the Debtor with written notice at least five (5) Business Days prior to any disclosure pursuant to this Subsection 4.7(b).

(c) Furthermore, the Debtor shall permit the Collateral Agent and its representatives to examine, inspect and audit the Collateral and to examine, inspect and audit the Debtor's books and Records as otherwise provided under the Financing Agreements.

SECTION 4.8. CORPORATE CHANGES. The Debtor shall not change its name, identity or corporate structure in any manner that might make any financing statement filed in connection with this Agreement seriously misleading within the meaning of Section 9-402(8) of the UCC unless the Debtor shall have given the Collateral Agent thirty (30) days prior written notice thereof and shall have taken all action deemed necessary or desirable by the Collateral Agent to protect its Liens and the perfection and priority thereof. The Debtor shall not change its principal place of business, chief executive office or the place where it keeps its books and records unless it shall have given the Collateral Agent thirty (30) days prior written notice thereof and shall have taken all action deemed necessary or desirable by the Collateral Agent to cause its security interest in the Collateral to be perfected with the priority required by this Agreement.

SECTION 4.9. BOOKS AND RECORDS; INFORMATION. The Debtor shall keep accurate and complete books and records (the "Records") of the Collateral and the Debtor's business and financial condition in accordance with the Financing Agreements. Subject to Section 4.7, the Debtor shall from time to time at the request of the Collateral Agent deliver to the Collateral Agent such information regarding the Collateral and the Debtor as the Collateral Agent may reasonably request, including, without limitation, lists and descriptions of the Collateral and evidence of the identity and existence of the Collateral. Debtor shall mark its books and records to reflect the security interest of the Collateral Agent under this Agreement; provided, however, that with respect to its computer files, Debtor's compliance with Section 2.4 hereof shall be deemed to satisfy its obligations under this sentence.

SECTION 4.10. ADMINISTRATIVE AND OPERATING PROCEDURES. The Debtor will maintain and implement administrative and operating procedures (including without limitation an ability to recreate records relating to the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due under the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby (including without limitation records adequate to permit adjustments to amounts due under each of such Dealer Agreements, Advances to Dealers, Installment Contracts and Leases), and, unless it services the financial assets owned by the Titling Subsidiary, shall cause the Titling Subsidiary to maintain and implement comparable procedures and keep, maintain and/or obtain comparable information. The Debtor will give the Collateral Agent notice of any material change in the administrative and operating procedures of the Debtor (or the Titling Subsidiary) referred to in the previous sentence. Notwithstanding the foregoing, Debtor shall not be required to make or retain duplicate copies of Installment Contracts or Leases.

SECTION 4.11. EQUIPMENT AND INVENTORY.

(a) The Debtor shall keep the Equipment (other than vehicles) and Inventory (other than Inventory in transit) which is in Debtor's possession at any of the locations specified on Schedule A hereto or, upon thirty (30) days prior written notice to the Collateral Agent, at such other places within the United States of America or Canada where all action required to perfect the Collateral Agent's security interest in the Equipment and Inventory with the priority required by this Agreement shall have been taken.

(b) The Debtor shall maintain the Equipment and Inventory in accordance with the terms of the Financing Agreements.

SECTION 4.12. NOTIFICATION. The Debtor shall promptly notify the Collateral Agent in writing of any Lien, encumbrance or claim (other than a Permitted Lien) that has attached to or been made or asserted against any of the Collateral upon becoming aware of the existence of such Lien, encumbrance or claim.

SECTION 4.13. COLLECTION OF ACCOUNTS. So long as no Event of Default has occurred and is continuing and except as otherwise provided in this Section 4.13 and in Section 5.1, the Debtor shall have the right to collect and receive payments on the Accounts, Dealer Agreements, Advances to Dealers, Installment Contracts, Leases and other financial assets, and to use and expend the same in its operations, in each case in compliance with the terms of each of the Financing Agreements. In connection with such collections, the Debtor may take (and, at the Collateral Agent's direction following the occurrence and during the continuance of an Event of Default, shall take) such actions as the Debtor or the Collateral Agent may deem necessary or advisable to enforce collection of the Accounts, Dealer Agreements, Advances to Dealers, Installment Contracts and other financial assets.

SECTION 4.14. VOTING RIGHTS; DISTRIBUTIONS, ETC.

(a) So long as no Event of Default shall have occurred and be continuing (both before and after giving effect to any of the actions or other matters described in clauses (i) or (ii) of this subparagraph):

(i) The Debtor shall be entitled to exercise any and all voting and other consensual rights (including, without limitation, the right to give consents, waivers and ratifications) pertaining to any of the Pledged Shares or any part thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken without the prior written consent of the Collateral Agent which would violate any provision of this Agreement or any other Financing Agreement; and

(ii) Except as otherwise provided in this Agreement or any of the other Financing Agreements, the Debtor shall be entitled to receive and retain any and all dividends, distributions and interest paid in respect to any of the Pledged Shares; provided, however,

that in the case of any Non-Specified Assets distributed to or for the account of Debtor or in respect of the Non-Specified Interest, such Dealer Agreements, Advances to Dealers, Leases and other Non-Specified Assets shall immediately become subject to the Lien established by this Agreement, and the applicable terms and conditions hereof, without the requirement of any additional action on the part of Collateral Agent or the Benefited Parties.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) The Collateral Agent may, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, (without notice to the Debtor), transfer or register in the name of the Collateral Agent or any of its nominees, for the equal and ratable benefit of the Lenders, the Noteholders and the Future Debt Holders, any or all of the Pledged Shares, and the Proceeds thereof (in cash or otherwise) held by the Collateral Agent hereunder, and the Collateral Agent or its nominee may thereafter, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, after delivery of notice to the Debtor, exercise all voting and corporate or similar rights at any meeting of any corporation or other entity issuing any of the Pledged Shares, and any and all rights of conversion, exchange, subscription, distribution or any other rights, privileges or options pertaining to any of the Pledged Shares (including without limitation the right to direct the Titling Subsidiary to distribute all or any portion of the Non-Specified Assets to or for the account of Debtor) as if the Collateral Agent were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Pledged Shares upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation or other entity issuing any of such Pledged Shares, or upon the exercise by any such issuer or the Collateral Agent of any right, privilege or option pertaining to any of the Pledged Shares, and in connection therewith, to deposit and deliver any and all of the Pledged Shares with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Collateral Agent may determine, all without liability except to account for property actually received by it, but the Collateral Agent shall have no duty to exercise any of the aforesaid rights, privileges or options, and the Collateral Agent shall not be responsible for any failure to do so or delay in so doing.

(ii) All rights of the Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Subsection 4.14(a)(i) and to receive the dividends, interest and other distributions which it would otherwise be authorized to receive and retain pursuant to Subsection 4.14(a)(ii) shall be suspended until such Event of Default shall no longer exist, and all such rights shall, until such Event of Default shall no longer exist, thereupon become vested in the Collateral Agent which shall thereupon have the sole right, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, to exercise such voting and other consensual rights and to receive, hold and dispose of as Pledged Shares, as the case may be, such dividends, interest and other distributions.

(iii) All dividends, interest and other distributions which are received by the Debtor contrary to the provisions of this Subsection 4.14(b) (including, without limitation, any Non-Specified Assets received in respect of the Non-Specified Interest) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds and property of the Debtor and shall be forthwith paid over to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

(iv) The Debtor shall execute and deliver (or cause to be executed and delivered) to the Collateral Agent all such proxies and other instruments as the Collateral Agent may reasonably request for the purpose of enabling the Collateral Agent to exercise the voting and other rights which it is entitled to exercise pursuant to this Subsection 4.14(b) and to receive the dividends, interest and other distributions which it is entitled to receive and retain pursuant to this Subsection 4.14(b). The foregoing shall not in any way limit the Collateral Agent's power and authority granted pursuant to Section 5.1.

(v) Upon notice from the Collateral Agent, given, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, the Debtor shall cause the Titling Subsidiary to transfer to or for the account of Debtor all or such portion of the Non-Specified Assets as the Collateral Agent shall specify (subject to the direction or concurrence of the Majority Benefited Parties, as aforesaid), and to deliver all documents or instruments evidencing the same to or for the account of Debtor, as so directed, accompanied by such instruments of transfer as necessary or appropriate to effectuate such transfer (as Collateral Agent shall direct), duly executed by the Titling Subsidiary.

(vi) All rights of Debtor to designate or redesignate any Non-Specified Assets as Specified Assets and to create any additional Specified Interests (or in either case to allow the Titling Subsidiary to do so), shall be suspended and shall remain so suspended until such Event of Default shall no longer exist.

SECTION 4.15. TRANSFERS AND OTHER LIENS; ADDITIONAL INVESTMENTS. The Debtor agrees that, (a) except with the written consent of the Collateral Agent, it will not permit any Significant Domestic Subsidiary to issue to Debtor or any of Debtor's other Subsidiaries any shares of stock, membership interests, partnership units, notes or other securities or instruments (including without limitation the Pledged Shares) in addition to or in substitution for any of the Collateral, unless, concurrently with each issuance thereof, any and all such shares of stock, membership interests, partnership units, notes or instruments are encumbered in favor of the Collateral Agent under this Agreement or otherwise (it being understood and agreed that all such shares of stock, membership interests, partnership units, notes or instruments issued to Debtor shall, without further action by Debtor or Collateral Agent, be automatically encumbered by this Agreement as Pledged Shares) and (b) it will promptly upon the written request of Collateral Agent following the issuance thereof (and in any event within three Business Days following such request) deliver to the Collateral Agent (i)

an amendment, duly executed by the Debtor, in substantially the form of Exhibit A hereto (an "Amendment"), in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to Debtor or (ii) a new stock pledge, duly executed by the applicable Subsidiary, in substantially the form of this Agreement (a "New Pledge"), in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to any Subsidiary granting to Collateral Agent, for the benefit of the Benefited Parties, a first priority security interest, pledge and lien thereon, together in each case with all certificates, notes or other instruments representing or evidencing the same, and the acknowledgment of any issuer necessary or appropriate to perfect such pledge, security interest and lien on any membership or similar ownership interest. The Debtor hereby (x) authorizes the Collateral Agent to attach each Amendment to this Agreement, (y) agrees that all such shares of stock, membership interests, partnership units, notes or instruments listed in any Amendment delivered to the Collateral Agent shall for all purposes hereunder constitute Pledged Shares, and (z) is deemed to have made, upon the delivery of each such Amendment, the representations and warranties contained in Sections 3.1, 3.2, 3.4, 3.5 and 3.7 of this Agreement with respect to the Collateral covered thereby. Furthermore, the Debtor agrees that it will not permit the Titling Subsidiary to issue any other class or type of membership or other ownership interest to Debtor, other than the Non-Specified Interest, or to issue or create any Specified Interests, except in connection with and pursuant to a Permitted Securitization and only while no Default or Event of Default has occurred and is continuing.

SECTION 4.16. POSSESSION; REASONABLE CARE. Regardless of whether an Event of Default has occurred or is continuing, the Collateral Agent shall have the right to hold in its possession all Pledged Shares pledged, assigned or transferred hereunder and from time to time constituting a portion of the Collateral. The Collateral Agent may appoint one or more agents (which in no case shall be the Debtor or an affiliate of the Debtor) to hold physical custody, for the account of the Collateral Agent, of any or all of the Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property, it being understood that the Collateral Agent shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders, distribution or other matters relative to any Collateral, whether or not the Collateral Agent has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral, except, subject to the terms hereof, upon the written instructions of the Majority Benefited Parties. Following the occurrence and continuance (beyond any applicable grace or cure period) of an Event of Default, the Collateral Agent shall be entitled to take possession of the Collateral in accordance with the UCC.

SECTION 4.17. FUTURE SIGNIFICANT DOMESTIC SUBSIDIARIES. With respect to each Person which becomes a Significant Domestic Subsidiary subsequent to the date hereof, on the date such Person is created, acquired or otherwise becomes a Significant Domestic Subsidiary (whichever first occurs), Debtor will execute and deliver, or cause such Subsidiary to execute and deliver, to the Collateral Agent a security agreement, substantially in the form of this Agreement, granting to the Collateral Agent, for the benefit of the Benefited Parties, a first priority security interest, mortgage

and lien encumbering all right, title and interest of such Person in property, rights and interests of the type included in the definition of the Collateral.

Promptly following the effective date of each acquisition or creation by Debtor of a Significant Domestic Subsidiary, the Debtor from time to time shall revise Schedule D hereto and deliver a copy thereto to the Collateral Agent, adding to Schedule D the name of each such Significant Domestic Subsidiary so acquired or created (and supplying the other information required on such schedule), and upon such revision Debtor shall be deemed to have pledged 100% of the capital stock, partnership interests, membership interests or other ownership interests (to the extent owned by the Debtor) of each such Significant Domestic Subsidiary so acquired or created to Collateral Agent, for and on behalf of Benefited Parties.

ARTICLE V
RIGHTS OF THE COLLATERAL AGENT

SECTION 5.1. POWER OF ATTORNEY. The Debtor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of the Debtor or in its own name, to take, after the occurrence and during the continuance of an Event of Default, any and all actions, and to execute any and all documents and instruments which the Collateral Agent at any time and from time to time deems necessary or desirable, to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, the Debtor hereby gives the Collateral Agent the power and right on behalf of the Debtor and in its own name to do any of the following after the occurrence and during the continuance of an Event of Default, without notice to or the consent of the Debtor:

(i) to demand, sue for, collect or receive, in the name of the Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title or any other instruments for the payment of money under the Collateral or any policy of insurance;

(ii) to pay or discharge taxes, Liens or other encumbrances levied or placed on or threatened against the Collateral;

(iii) (A) to direct account debtors, Dealers, any obligors under Installment Contracts or Leases, as applicable, and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; and to direct the Titling Subsidiary to distribute all or such portion of the Non-Specified Assets to or for the account of the Debtor, as the Collateral Agent shall specify (at the direction or with the concurrence of the Majority Benefited Parties) and deliver all documents or instruments

evidencing the same to or for the account of Debtor, as so directed, accompanied by such instruments of transfer as necessary or appropriate to effectuate such transfer (as Collateral Agent shall direct), duly executed and delivered by the Titling Subsidiary; (B) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications and notices in connection with accounts and other documents relating to the Collateral; (D) to commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Debtor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; (G) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms as the Collateral Agent may determine; (H) to add or release any guarantor, indorser, surety or other party to any of the Collateral; (I) to renew, extend or otherwise change the terms and conditions of any of the Collateral; (J) to make, settle, compromise or adjust any claim under or pertaining to any of the Collateral (including claims under any policy of insurance); and (K) to sell, transfer, pledge, convey, make any agreement with respect to, or otherwise deal with, any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and the Debtor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve, maintain, or realize upon the Collateral and the Collateral Agent's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable. The Collateral Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Collateral Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. This power of attorney is conferred on the Collateral Agent solely to protect, preserve, maintain and realize upon its security interest in the Collateral. The Collateral Agent shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve or maintain any Lien given to secure the Collateral.

SECTION 5.2. SETOFF. In addition to and not in limitation of any rights of any Benefited Party under applicable law, the Collateral Agent and each Benefited Party shall, upon acceleration of any Benefited Obligation owing to such party under the Credit Agreement, the Note Agreements or the Future Debt Documents, as the case may be, or when and to the extent any such Benefited Obligation shall otherwise be due and payable, and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Benefited Obligations owing to it (whether or

not then due) any and all balances, credits, deposits, accounts or moneys of Debtor then or thereafter on deposit with such Benefited Party; provided, however, that any such amount so applied by any Benefited Party on any of the Benefited Obligations owing to it shall be subject to the provisions of Sections 5 and 10 of the Intercreditor Agreement.

SECTION 5.3. ASSIGNMENT BY THE COLLATERAL AGENT. The Collateral Agent may at any time assign or otherwise transfer all or any portion of its rights and obligations as Collateral Agent under this Agreement and the other Security Documents (including, without limitation, the Benefited Obligations) to any other Person, to the extent permitted by, and upon the conditions contained in, the Intercreditor Agreement and the other Financing Agreements, as applicable, and such Person shall thereupon become vested with all the benefits and obligations thereof granted to the Collateral Agent herein or otherwise.

SECTION 5.4. PERFORMANCE BY THE COLLATERAL AGENT. If the Debtor shall fail to perform any covenant or agreement contained in this Agreement, the Collateral Agent may perform or attempt to perform such covenant or agreement on behalf of the Debtor, in which case Collateral Agent shall exercise good faith and make diligent efforts to give Debtor prompt prior written notice of such performance or attempted performance. In such event, the Debtor shall, at the request of the Collateral Agent, promptly pay any reasonable amount expended by the Collateral Agent in connection with such performance or attempted performance to the Collateral Agent, together with interest thereon at the interest rate set forth in the Credit Agreement, from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that the Collateral Agent shall not have any liability or responsibility for the performance of any obligation of the Debtor under this Agreement.

SECTION 5.5. RESTRICTIONS UNDER DEALER AGREEMENTS; NON-PETITION COVENANT. In exercising the rights and remedies set forth in this Agreement, the Collateral Agent (i) shall take no action with regard to any Dealer which is expressly prohibited by the related Dealer Agreement and (ii) acknowledges that, with respect to the Titling Subsidiary, the Non-Specified Interest and any Specified Interests, it shall be bound by the non-petition covenant contained in the Notice of Registered Pledge delivered by it to the Titling Subsidiary under Section 3.5 hereof.

SECTION 5.6. CERTAIN COSTS AND EXPENSES. The Debtor shall pay or reimburse the Collateral Agent within five (5) Business Days after demand for all reasonable costs and expenses (including reasonable attorney's and paralegal fees and expenses supported by an itemized billing) incurred by it in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Security Document during the existence of an Event of Default or after acceleration of any of the Benefited Obligations (including in connection with any "workout" or restructuring regarding the Benefited Obligations, and including in any insolvency proceeding or appellate proceeding); provided, however, that the Debtor shall only be required to pay or reimburse the Collateral Agent in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Security Document for the fees and expenses of one law firm in each jurisdiction governing the

establishment, perfection or priority of any security interest or lien established hereby, or governing any dispute, claim or other matter arising hereunder, at any given time, engaged on behalf of the Collateral Agent. The agreements in this Section 5.6 shall survive the payment in full of the Benefited Obligations. Notwithstanding the foregoing, the reimbursement of any fees and expenses incurred by the Benefited Parties shall be governed by the terms and conditions of the applicable Financing Agreements.

SECTION 5.7. INDEMNIFICATION. The Debtor shall indemnify, defend and hold the Collateral Agent and each Benefited Party and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorneys' and paralegals' fees and expenses supported by an itemized billing) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Benefited Obligations and the termination, resignation or replacement of the Collateral Agent or replacement of any Benefited Party) be imposed on, incurred by or asserted against any such Indemnified Person in any way relating to or arising out of this Agreement or any other Security Document or any document contemplated by or referred to herein or therein, or the transactions contemplated hereby, or any action taken or omitted by any such Indemnified Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any "Bankruptcy Proceeding" (as defined in the Intercreditor Agreement) or appellate proceeding) related to or arising out of this Agreement or the Benefited Obligations or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Debtor shall have no obligation under this Section 5.7 to any Indemnified Person (a) with respect to Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person or (b) if, in the case of an action solely among the Collateral Agent and/or the Benefited Parties (or any of them), neither the Debtor nor any of its Affiliates or employees or agents is (or has been) finally determined, in a court of competent jurisdiction, to have engaged in any wrongful conduct or in any breach of this Agreement or any of the Financing Agreements or (c) if, in the case of an action solely as between or among the Collateral Agent and/or the Benefited Parties (or any of them) on the one hand and the Debtor on the other hand, (i) Debtor has obtained a final, non-appealable judgment from a court of competent jurisdiction that neither it nor any of its Affiliates, employees or agents has engaged in any wrongful conduct or in any breach of this Agreement or any of the other Financing Agreements or (ii) the Debtor by non-appealable judgment is the prevailing party. The agreements in this Section 5.7 shall survive payment of all other Benefited Obligations.

ARTICLE VI
DEFAULT

SECTION 6.1. RIGHTS AND REMEDIES. If an Event of Default shall have occurred and be continuing, the Collateral Agent shall have the following rights and remedies, subject to the direction and/or consent of the Majority Benefited Parties as required under the Intercreditor Agreement:

(i) In addition to all other rights and remedies granted to the Collateral Agent in this Agreement, the Intercreditor Agreement or in any other Financing Agreement or by applicable law, the Collateral Agent shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral) and the Collateral Agent may also, without notice except as specified below or in the Intercreditor Agreement, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. Without limiting the generality of the foregoing, the Collateral Agent may (A) without demand or notice to the Debtor (except as required under the Financing Agreements or applicable law), collect, receive or take possession of the Collateral or any part thereof, and for that purpose the Collateral Agent (and/or its agents, servicers or other independent contractors) may enter upon any premises on which the Collateral is located and remove the Collateral therefrom or render it inoperable, and/or (B) sell, lease or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. The Collateral Agent and, subject to the terms of the Intercreditor Agreement, each of the Benefited Parties shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) and become a purchaser of the Collateral or any part thereof free of any right of redemption on the part of the Debtor, which right of redemption is hereby expressly waived and released by the Debtor to the extent permitted by applicable law. Upon the request of the Collateral Agent, the Debtor shall assemble the Collateral and make it available to the Collateral Agent at any place designated by the Collateral Agent that is reasonably convenient to the Debtor and the Collateral Agent. The Debtor agrees that the Collateral Agent shall not be obligated to give more than ten (10) days prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The Collateral Agent shall not be obligated to make any sale of Collateral if, in the exercise of its reasonable discretion, it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given. The Collateral Agent may, without notice or publication (except as required by applicable law), adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Debtor shall be liable for all reasonable expenses of retaking, holding, preparing for sale or the like, and all reasonable attorneys' fees, legal expenses and other costs and expenses incurred by the Collateral Agent in connection with the collection of the Benefited Obligations and the enforcement of the Collateral Agent's rights under this Agreement and the Intercreditor Agreement. The Debtor shall, to the extent

permitted by applicable law, remain liable for any deficiency if the Proceeds of any such sale or other disposition of the Collateral (conducted in conformity with this clause (i) and applicable law) applied to the Benefited Obligations are insufficient to pay the Benefited obligations in full. The Collateral Agent shall apply the proceeds from the sale of the Collateral hereunder against the Benefited Obligations in such order and manner as is provided in the Intercreditor Agreement.

(ii) The Collateral Agent (A) may cause any or all of the Collateral held by it to be transferred into the name of the Collateral Agent or the name or names of the Collateral Agent's nominee or nominees and (B) may direct the Titling Subsidiary to distribute all or such portion of the Non-Specified Assets to or for the account of Debtor, as the Collateral Agent shall specify (at the direction or with the concurrence of the Majority Benefited Parties) and to deliver all documents or instruments evidencing the same to or for the account of Debtor, as so directed, accompanied by such instruments of transfer as necessary or appropriate to effectuate such transfer (as Collateral Agent shall direct), duly executed and delivered by the Titling Subsidiary.

(iii) The Collateral Agent may exercise any and all rights and remedies of the Debtor under or in respect of the Collateral, including, without limitation, any and all rights of the Debtor to demand or otherwise require payment of any amount under, or performance of any provision of any of the Collateral and any and all voting rights and corporate powers in respect of the Collateral.

(iv) On any sale of the Collateral, the Collateral Agent is hereby authorized to comply with any limitation or restriction with which compliance is necessary (based on a reasoned opinion of the Collateral Agent's counsel) in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.

(v) For purposes of enabling the Collateral Agent to exercise its rights and remedies under this Section 6.1 and enabling the Collateral Agent and its successors and assigns to enjoy the full benefits of the Collateral, the Debtor hereby grants to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Debtor) to use, assign, license or sublicense any of the Computer Records or Software (including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and all computer programs used for the completion or printout thereof), exercisable upon the occurrence and during the continuance of an Event of Default (and thereafter if Collateral Agent succeeds to any of the Collateral pursuant to an enforcement proceeding or voluntary arrangement with Debtor), except as may be prohibited by any licensing agreement relating to such Computer Records or Software. This license shall also inure to the benefit of all successors, assigns, transferees of and purchasers from the Collateral Agent.

SECTION 6.2. PRIVATE SALES.

(a) In view of the fact that applicable securities laws may impose certain restrictions on the method by which a sale of the Pledged Shares may be effected after an Event of Default, Debtor agrees that upon the occurrence and during the continuance of an Event of Default, Collateral Agent may from time to time attempt to sell all or any part of the Pledged Shares by a private sale in the nature of a private placement, restricting the bidders and prospective purchasers to those who will represent and agree that they are "accredited investors" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended (the "Securities Act"), and are purchasing for investment only and not for distribution. In so doing, Collateral Agent may solicit offers for the Pledged Shares, or any part thereof, from a limited number of investors who might be interested in purchasing the Pledged Shares. Without limiting the methods or manner of disposition which could be determined to be commercially reasonable, if Collateral Agent hires a firm of regional or national reputation that is engaged in the business of rendering investment banking and brokerage services to solicit such offers and facilitate the sale of the Pledged Shares, then Collateral Agent's acceptance of the highest offer (including its own offer, or the offer of any of the Benefited Parties at any such sale) obtained through such efforts of such firm shall be deemed to be a commercially reasonable method of disposition of such Pledged Shares. The Collateral Agent shall not be under any obligation to delay a sale of any of the Pledged Shares (to the extent applicable) for the period of time necessary to permit the issuer of such securities to register such securities under the laws of any jurisdiction outside the United States, under the Securities Act or under any applicable state securities laws, even if such issuer would agree to do so.

(b) The Debtor further agrees to do or cause to be done, to the extent that the Debtor may do so under applicable law, all such other reasonable acts and things as may be necessary to make such sales or resales of any portion or all of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at the Debtor's expense.

6.3 ESTABLISHMENT OF SPECIAL ACCOUNT; AND LOCK BOX. Upon the occurrence and during the continuance of any Event of Default, there shall be established by the Debtor with Collateral Agent, for the benefit of the Benefited Parties in the name of the Collateral Agent, a segregated non-interest bearing cash collateral account ("Special Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Collateral Agent and the Benefited Parties; provided, however, that the Special Account may be an interest-bearing account with a commercial bank (including Comerica or any other Benefited Party which is a commercial bank) if determined by the Collateral Agent, in its reasonable discretion, to be practicable, invested by Collateral Agent in its sole discretion, but without any liability for losses or the failure to achieve any particular rate of return. Subject to the terms hereof and to the rights of Dealers under applicable Dealer Agreement and to the rights of the applicable creditor in respect of Permitted Securitizations, the Collateral Agent shall possess all right, title and interest in and to all funds deposited from time to time in such account. Furthermore, upon the occurrence and during the

continuance of any Event of Default, the Debtor agrees, upon the written election of Collateral Agent, to establish and maintain at Debtor's sole expense a United States Post Office lock box (the "Lock Box"), to which Collateral Agent shall have exclusive access and control. Debtor expressly authorizes Collateral Agent, from time to time, to remove the contents from the Lock Box, for disposition in accordance with this Agreement. Upon the occurrence and during the continuance of an Event of Default, Debtor shall, upon Collateral Agent's request, notify all account debtors, all Dealers under Dealer Agreements encumbered hereby, and all obligors under Installment Contracts or Leases encumbered hereby that all payments made to Debtor (a) other than by electronic funds transfer, shall be remitted, for the credit of Debtor, to the Lock Box, and Debtor shall include a like statement on all invoices, and (b) by electronic funds transfer, shall be remitted to the Special Account, and Debtor shall include a like statement on all invoices. Debtor shall execute all documents and authorizations as reasonably required by the Collateral Agent to establish and maintain the Lock Box and the Special Account. It is acknowledged by the parties hereto that any lockbox presently maintained or subsequently established by Debtor with Collateral Agent may be used, subject to the terms hereof, to satisfy the requirements set forth in the first sentence of this Section 6.3.

6.4 LEGENDING INSTALLMENT CONTRACTS AND LEASES ON DEFAULT. Upon the occurrence and during the continuance of any Event of Default, the Majority Benefited Parties may elect (the "Election"), by directing the Collateral Agent to notify the Debtor of such election, to affix to each Installment Contract and Lease encumbered by this Agreement or securing Advances to Dealers or otherwise related to a Dealer Agreement encumbered hereby (or, at Debtor's option, to the file folders containing such Installment Contracts or Leases) the following legend: "THIS AGREEMENT HAS BEEN PLEDGED TO COMERICA BANK, AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN BENEFITED PARTIES". The Election, once made by the Majority Benefited Parties, as aforesaid, shall remain in effect, and Debtor shall remain obligated to comply with such Election, notwithstanding any subsequent waiver or cure of the applicable Event of Default giving rise to such election, unless the Election is withdrawn by the Majority Benefited Parties.

6.5 DEFAULT UNDER FINANCING AGREEMENTS. It shall constitute an Event of Default under each of the Financing Agreements if (a) any representation or warranty made or deemed made by the Debtor herein or in any instrument submitted pursuant hereto proves untrue in any material adverse respect when made or deemed made, or (b) the Debtor shall breach any covenant or other provision hereof, and such breach shall continue for a period of three (3) consecutive days, in the case of any failure to pay any money due hereunder, and thirty (30) consecutive days, in the case of any other breach hereunder or (c) this Agreement shall at any time for any reason (other than in accordance with its terms or the terms of each of the Financing Agreements or with the consent of the requisite Benefited Parties) cease to be valid and binding and enforceable against the Debtor, or (d) the validity, binding effect or enforceability hereof shall be contested by any Person, or (e) the Debtor shall deny, prior to payment of the Benefited Obligations in full or the termination of this Agreement according to its terms, that it has any further liability hereunder, or (f) this Agreement (other than in accordance with its terms or the terms of each of the Financing Agreements) shall be terminated,

invalidated, revoked or set aside or in any way cease to give or provide to the Collateral Agent and the Benefited Parties the benefits purported to be created hereby.

ARTICLE VII
MISCELLANEOUS

SECTION 7.1. NO WAIVER; CUMULATIVE REMEDIES. No failure on the part of the Collateral Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

SECTION 7.2. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Collateral Agent and their respective heirs, successors and assigns, except that the Debtor may not assign any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

SECTION 7.3. AMENDMENT; ENTIRE AGREEMENT. THIS AGREEMENT (AND THE FINANCING AGREEMENTS REFERRED TO HEREIN) EMBODIES THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto.

SECTION 7.4. NOTICES. All notices, requests, consents, approvals, waivers and other communications hereunder shall be in writing (including, by facsimile transmission) and mailed, faxed or delivered to the address or facsimile number specified for notices on signature pages hereto; or, as directed to the Debtor or the Collateral Agent, to such other address or number as shall be designated by such party in a written notice to the other. All such notices, requests and communications shall, when sent by overnight delivery, or faxed, be effective when delivered for overnight (next business day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third "Business Day" (as defined in the Credit Agreement) after the date deposited into the U.S. mail, or if otherwise delivered, upon delivery; except that notices to the Collateral Agent shall not be effective until actually received by the Collateral Agent.

SECTION 7.5. GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF MICHIGAN.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER SECURITY DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF MICHIGAN OR OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE DEBTOR AND THE COLLATERAL AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE DEBTOR AND THE COLLATERAL AGENT IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY SECURITY DOCUMENT.

SECTION 7.6. HEADINGS. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

SECTION 7.7. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by the Collateral Agent shall affect the representations and warranties or the right of the Collateral Agent, the Lenders, the Noteholders or the Future Debt Holders to rely upon them.

SECTION 7.8. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 7.9. WAIVER OF BOND. In the event the Collateral Agent seeks to take possession of any or all of the Collateral by judicial process, the Debtor hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

SECTION 7.10. SEVERABILITY. Any provision of this Agreement which is determined by a court of competent jurisdiction to be 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 of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 7.11. CONSTRUCTION. The Debtor and the Collateral Agent acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity

to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Debtor and the Collateral Agent.

SECTION 7.12. TERMINATION. If all of the Benefited Obligations (other than contingent liabilities pursuant to any indemnity, including without limitation Sections 5.6 and 5.7 hereof, for claims which have not been asserted, or which have not yet accrued) shall have been paid and performed in full and all commitments to extend credit or other credit accommodations under the Credit Agreement have been terminated, the Collateral Agent shall, upon the written request of the Debtor, execute and deliver to the Debtor a proper instrument or instruments acknowledging the release and termination of the security interests created by this Agreement, and shall duly assign and deliver to the Debtor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and has not previously been sold or otherwise applied pursuant to this Agreement.

SECTION 7.13 RELEASE OF COLLATERAL. The Collateral Agent shall, upon the written request of Debtor, execute and deliver to the Debtor a proper instrument or instruments acknowledging the release of the security interest and liens established hereby (a) on any Collateral (other than the Pledged Shares) (i) which is permitted to be sold or disposed of by Debtor or any other grantor in connection with a Permitted Securitization, or (ii) the sale or other disposition of which is not otherwise prohibited under the terms of any of the other Financing Agreements (or in the event any Financing Agreement prohibits such sale or disposition, the applicable Benefited Parties under such Financing Agreement shall have consented to such sale or disposition in accordance with the terms thereof) and, at the time of such proposed release, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing, or (b) if such release has been approved by the requisite Benefited Parties in accordance with Section 3(g) of the Intercreditor Agreement.

SECTION 7.14. WAIVER OF JURY TRIAL. THE DEBTOR AND THE COLLATERAL AGENT EACH WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER SECURITY DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY EITHER SUCH PARTY AGAINST THE OTHER, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE DEBTOR AND THE COLLATERAL AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH SUCH PARTY FURTHER AGREES THAT ITS RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER SECURITY DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

SECTION 7.15. CONSISTENT APPLICATION. The rights and duties created by this Agreement shall, in all cases, be interpreted consistently with, and shall be in addition to (and not in lieu of), the rights and duties created by the Financing Agreements. In the event that any provision of this Agreement shall be inconsistent with any provision of any other Financing Agreements, such provision of this Agreement shall govern.

* * * *

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

DEBTOR:

CORPORATION CREDIT ACCEPTANCE

By: /S/Douglas W. Busk

Name:Douglas W. Busk

Title:Chief Financial Officer

Address for Notices:

Credit Acceptance Corporation
25505 W. 12 Mile Road, Suite 3000
Southfield, Michigan 48034
Fax No.: 248-827-8542
Telephone No.: 248-353-2700
Attention: Doug Busk

COLLATERAL AGENT:

COMERICA BANK as Collateral Agent

By: /S/ Michael P. Stapleton

Name:Michael P. Stapleton

Title: First Vice President

Address for Notices:

Metropolitan Loans D
One Detroit Center, 6th Floor
500 Woodward Avenue
Detroit, Michigan 48226
Fax No.: 313/222-3503
Telephone No.:313/222-4865
Attention: Scottie S. Knight

SCHEDULE A
TO
SECURITY AGREEMENT

Locations of Equipment and Inventory
(including leased locations) in the Possession of Debtor

25505 West Twelve Mile Road
Southfield, Michigan 48034

SCHEDULE B
TO
SECURITY AGREEMENT

Jurisdictions for Filing
UCC-1 Financing Statements

Michigan Secretary of State

SCHEDULE C
TO
SECURITY AGREEMENT

Primary Computer Systems and Software

Application and Contract System is software which utilizes the HP Unix operating system and is resident on the Debtor's HP9000-K410 server. It was designed by in-house personnel and TUSC, a consulting firm hired to assist with the project.

The Loan Servicing System is software which utilizes the HP Unix operating system and is resident on the Debtor's HP9000-K420 server. It was designed by in-house personnel and TUSC.

The Collection System is software which utilizes the HP Unix operating system and is resident on the Debtor's HP9000-T520 server. It was developed and is owned by Ontario Systems Corporation and licensed to the Debtor under an agreement dated November 15, 1989.

Further information regarding these systems is contained on the attached excerpt from the Debtor's Form 10-K for the year ended December 31, 1997.

SCHEDULE D
TO
SECURITY AGREEMENT

Pledged Shares

The entire Non-Specified Interest of Debtor in the Titling Subsidiary, evidenced by Certificate No. 1 issued under the Titling Subsidiary Agreements.

SCHEDULE E
TO
SECURITY AGREEMENT

Trade and Other Names

None.

SCHEDULE F
TO
SECURITY AGREEMENT

[FORM OF NOTICE OF REGISTERED PLEDGE]

AUTO LEASE SERVICES LLC

NOTICE OF REGISTERED PLEDGE

_____, 2001

TO: Auto Lease Service LLC and
Credit Acceptance Corporation
as Administrative Agent
for Auto Lease Services LLC
(the "Administrative Agent")

RE: Pledge of Certificate related to
Non-Specified Interest

Reference is made to the Limited Liability Company Agreement, dated as of March 1, 2001, as amended (the "Titling Company Agreement"), among Credit Acceptance Corporation ("CAC") as Founding Member and Auto Lease Services LLC, as Titling Company, and the Administrative Agency Agreement dated as of March 1, 2001, between such parties, as amended (the "Administrative Agency Agreement")

Each of the undersigned hereby certifies, represents and warrants as follows:

1. Pursuant to Sections 5.7 and 5.9 of the Titling Company Agreement, the Non-Specified Interest Certificate, Certificate No. 1, (the "Pledged Certificate"), has been pledged by CAC, the existing registered Holder thereof, (the "Pledgor"), to Comerica Bank, a Michigan banking corporation, in its capacity as Collateral Agent for the Benefited Parties pursuant to the Intercreditor Agreement (as such terms are defined in the attached Pledge Documents, referred to in item 2 of this Notice) (the "Pledgee").

2. Attached hereto as Exhibits [A and B] are true and complete copies of the related security agreements and other agreements (the "Pledge Documents") governing the exercise by the Pledgee of the Pledged Rights (as defined below) of the Pledgor with respect to the Pledged Certificate, as follows:

a. Amended and Restated Security Agreement dated as of March __, 2000 by CAC in favor of Comerica Bank, as Collateral Agent, for and on behalf of the Benefited Parties; and

b. Intercreditor Agreement dated as of December 15, 1998 by and among Comerica Bank, as Collateral Agent, the Lenders and the Noteholders, and consented to by CAC, as amended by First Amendment thereto dated as of March __, 2001.

3. Pursuant to the Pledge Documents, the Pledgor has agreed that the Pledgee may exercise the rights set forth in the Pledge Documents (collectively, the "Pledged Rights").

4. The pledge of the Pledged Certificate by the Pledgor to the Pledgee pursuant to the Pledge Documents, and the exercise by the Pledgee of the Pledged Rights, are each permitted by the Titling Company Agreement, and the Pledge Documents have been duly authorized, executed and delivered, and are enforceable by and against Pledgor and Pledgee, in accordance with their respective terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditors rights generally and to general equitable principles.

5. Accordingly, you are hereby authorized and directed to cause the Titling Company Registry to reflect that the Pledgee has become the Registered Pledgee with respect to the Pledged Certificate, entitled to exercise the Pledged Rights with respect to the Pledged Certificate.

6. Furthermore, Pledgee, for itself and for and on behalf of the Benefited Parties, hereby covenants that for a period of one year and one day after payment in full of all distributions to all Holders pursuant to the terms of the Titling Company Agreement, the Administrative Agency Agreement and the Series Supplements, it will not institute against, or join any Person in instituting against, the Titling Company any bankruptcy, reorganization, insolvency or liquidation proceeding, or other similar proceeding, under the laws of the United States or any state or other political subdivision thereof.

IN WITNESS WHEREOF, each of the undersigned has caused this Notice of Registered Pledge to be duly executed and delivered by its respective officer hereunto duly authorized, as of the date and year first above written.

CREDIT ACCEPTANCE CORPORATION,
as Pledgor

By: ----------

Name:

Title:

COMERICA BANK, as Collateral Agent
for the Benefited Parties pursuant
to the Intercreditor Agreement, as
Pledgee

By:

Name:

Title

FORM OF ACKNOWLEDGMENT AND CONSENT OF
AUTO LEASE SERVICES, LLC

The undersigned acknowledges receipt of: (i) notice, pursuant to Notice of Registered Pledge dated _____, 2001, that CREDIT ACCEPTANCE CORPORATION ("Assigning Member") has assigned, pledged and granted to Comerica Bank in its capacity as Collateral Agent for the Benefited Parties ("Collateral Agent") a security interest in such Assigning Member's entire interest (which constitutes the entire Non-Specified Interest) as a member in Auto Lease Services, LLC, a Delaware limited liability company ("Titling Company") and (ii) a copy of the Security Agreement dated as of March __, 2001 made between the Assigning Member and Collateral Agent (in each case, as amended or otherwise modified from time to time, the "Security Agreement"). The undersigned consents to such assignment, pledge and grant of security and agrees that upon the written request of Collateral Agent, given at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, the undersigned will (x) pay or cause to be paid to Collateral Agent all monies to the extent required in the Security Agreement, due the Assigning Member arising out of the interest of Assigning Member in Subsidiary and (y) transfer or cause to be transferred to Collateral Agent all or such portion of the Non-Specified Assets as Collateral Agent shall direct, due the Assigning Member arising out of the Non-Specified Interest of the Assigning Member in the Titling Company.

The undersigned warrants and represents to Collateral Agent that the membership interests of Subsidiary assigned hereunder to Collateral Agent are not (i) dealt in or traded on securities exchanges or in securities markets, (ii) interests in a unit investment trust that is registered as an investment company under Federal Investment Company laws and (iii) are not face amount certificates issued by a face-amount certificate company that is registered as an investment company under Federal Investment Company laws. And the undersigned further represents and warrants that the undersigned is not registered as an investment company under Federal Investment Company laws.

The undersigned warrants and represents to Collateral Agent that the Titling Company Agreement ("Titling Company Agreement") governing the Titling Company continues to be in full force and effect and that, to the knowledge of the undersigned, no event has occurred or condition exists which reasonably would be expected to result in a defense, offset or counterclaim limiting the Titling Company's obligations to distribute any monies due or to become due to the Assigning Member in accordance with such operating agreement. The undersigned further warrants and represents to Collateral Agent that the Titling Company Agreement authorizes the assignment and security interest made by such Assigning Member to Collateral Agent. The undersigned agrees that, unless and until Collateral Agent shall have exercised its rights and remedies under the Security Agreement and then only to the extent set forth therein, Collateral Agent shall have no responsibility for any of the liabilities or obligations of the Assigning Member to the undersigned nor any interest in any of the rights of the Assigning Member under the Titling Company Agreement. Nothing in this

Acknowledgment and Consent shall be construed to expand the rights of the Collateral Agent under the Security Agreement.

In Witness Whereof, each of the undersigned parties has executed this acknowledgment and consent as of March __, 2001.

AUTO LEASE SERVICES, LLC

By:

Its:

CREDIT ACCEPTANCE CORPORATION,
as Administrative Agent pursuant
to the Administrative Agency
Agreement

By:

Its:

EXHIBIT A
TO
SECURITY AGREEMENT

FORM OF AMENDMENT

This Amendment, dated _____, 20__, is delivered pursuant to Section 4.15 of the Security Agreement referred to below. The undersigned hereby agrees that this Amendment may be attached to the Security Agreement dated as of March __, 2001, between the undersigned and Comerica Bank, as the Collateral Agent for the benefit of the Banks and the Noteholders referred to therein (the "Security Agreement"), and that the shares of stock, membership interests, partnership units, notes or other instruments listed on Schedule 1 annexed hereto shall be and become part of the Collateral referred to in the Security Agreement and shall secure payment and performance of all Benefited Obligations as provided in the Security Agreement.

Capitalized terms used herein but not defined herein shall have the meanings therefor provided in the Security Agreement.

CREDIT ACCEPTANCE CORPORATION

By: ----------

Name: ----------

Title: ----------

COMERICA BANK, as Collateral Agent

By: ----------

Name: ----------

Title: ----------

SCHEDULE I
TO
SECURITY AGREEMENT

ISSUER OF STOCK OR OTHER INTEREST	CLASS OF STOCK OR OTHER INTEREST	CERTIFICATE NO(s)	PAR VALUE	NUMBER OF SHARES	OUTSTANDING SHARES(1)
AUTO LEASE SERVICES LLC	ENTIRE NON-SPECIFIED INTEREST	1	N/A	N/A	N/A

(1)Modify headings to the extent necessary to identify membership interests, partnership units, notes or other instruments.

4(g)5

EXECUTION COPY

FIRST AMENDMENT TO INTERCREDITOR AGREEMENT

This FIRST AMENDMENT TO INTERCREDITOR AGREEMENT dated as of March 30, 2001 ("Amendment") is entered into by and among (a) Comerica Bank ("Comerica"), acting in its capacity as agent (in such capacity, the "Agent") for and on behalf of the various financial institutions which are, or may from time to time hereafter become, parties to the Credit Agreement, (b) the undersigned Lenders (including Comerica in its individual capacity), (c) the undersigned Noteholders, and (d) Comerica, in its capacity as collateral agent hereunder (together with its successors and assigns, the "Collateral Agent") and is acknowledged by Credit Acceptance Corporation, a Michigan corporation ("Company") as issuer of the Credit Notes and the Senior Notes.

RECITALS

A. Agent, Collateral Agent, each of the undersigned Lenders (or their predecessors), and the undersigned Noteholders (or their predecessors) entered into that certain Intercreditor Agreement dated as of December 15, 1998 which was acknowledged by the Company as of such date (the "Intercreditor Agreement").

B. At the request of the Company, and in connection with prior amendments to the Credit Agreement and the Note Agreements, the undersigned parties have agreed to amend the terms and conditions of the Intercreditor Agreement, but only as set forth herein.

NOW, THEREFORE, the parties have entered into this Amendment to acknowledge and confirm various matters, as follows:

1. The definition of "Security Documents" contained in the Intercreditor Agreement is amended and restated in its entirety, as follows:

> "Security Documents' shall mean this Agreement, the Security Agreement, the Share Charge, each security agreement executed and delivered by the Company or any other Grantor pursuant to Section 7.23 of the Credit Agreement and Section 6.23 of the Note Agreements and shall include any other agreements or instruments which provide security with respect to any Benefited Obligation which are executed and delivered after the date hereof, including, without limitation, the security interest, lien and charge over the Company's partnership interests in the Scottish Partnership (to the extent required to be delivered by the Company under the Credit Agreement and the Note Agreements), but which shall not include those certain fixed and floating charges to be granted by CAC UK and the English Special Purpose Entity in favor of Comerica Bank, in its capacity as Agent

(but not as Collateral Agent) under the Credit Agreement, as security for certain obligations of the foreign Permitted Borrowers under the Credit Agreement."

2. The definition of "Significant Domestic Subsidiary" contained in the Intercreditor Agreement is amended and restated in its entirety, as follows:

"Significant Domestic Subsidiary has the meaning ascribed to that term in the Credit Agreement, as amended through and including the Fifth Amendment to the Third Amended and Restated Credit Agreement dated as of March 8, 2001, but without giving effect to any amendment thereto after the date of such Fifth Amendment."

3. The Lenders and the Noteholders further acknowledge and agree (and by its execution of the Acknowledgment set forth below, the Company agrees) that the capitalization of the Scottish Partnership with the share capital of CAC UK under clause (ii) of the definition "UK Restructuring" contained in the Credit Agreement and the Note Agreements may be effected by the Company directly, or indirectly, by the transfer to Credit Acceptance Corporation of Nevada, Inc. or another Domestic Subsidiary of approximately 10% of the outstanding share capital of CAC UK and the contribution by such transferee to the Scottish Partnership of such shares in exchange for an equity interest of approximately 10% (as of the date of such transfer) in the Scottish Partnership.

4. Except to the extent otherwise defined herein, all capitalized terms used in this Amendment shall have their respective meanings as set forth in the Intercreditor Agreement.

5. Agent, Collateral Agent, the Lenders, the Noteholders and Company hereby acknowledge that, subject to the terms hereof, the Intercreditor Agreement is and shall remain in full force and effect according to its terms.

6 This Amendment may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

* * *

[SIGNATURES FOLLOW ON SUCCEEDING PAGES]

IN WITNESS WHEREOF, the undersigned parties have caused this Amendment to be duly executed and delivered as of the date first above written.

COMERICA BANK,
as Agent and as Collateral Agent

By: /S/ Mike Stapleton

Its: First Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

LENDERS:

COMERICA BANK

By: /S/ Mike Stapleton

Its: First Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

COMERICA BANK - CANADA

By: /S/Robert Rosen

Its: Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

NATIONAL CITY BANK OF MINNEAPOLIS

By: /S/Steve Berglund

Its: Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

LASALLE BANK NATIONAL ASSOCIATION

By: /S/ Daniel Garces

Its: Assistant Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

BANK OF AMERICA, N.A.

By: /S/Elizabeth Kurilecz

Its: Managing Director

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

HARRIS TRUST AND SAVINGS BANK

By: /S/ Michael Camelli

Its: Assistant Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

UNION BANK OF CALIFORNIA, N.A.

By: /S/Robert Nagel

Its: Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

NOTEHOLDERS:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR AMERICAN PIONEER LIFE INSURANCE COMPANY OF NEW YORK

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR AMERICAN PROGRESSIVE LIFE AND HEALTH INSURANCE COMPANY OF NEW YORK

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR FEDERATED RURAL ELECTRIC INSURANCE CORP.

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR TOWER LIFE INSURANCE COMPANY

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR MUTUAL
PROTECTIVE INSURANCE COMPANY

By /S/K Lange

Name: Kathy Lange
Title:

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR PHYSICIANS
LIFE INSURANCE COMPANY VISTA 500

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR WORLD
INSURANCE COMPANY

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR VESTA FIRE
INSURANCE CORPORATION

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR MEDICO LIFE
INSURANCE COMPANY

By /S/K Lange

Name: Kathy Lange
Title:

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

ACCEPTED:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR CENTRAL
STATES HEALTH & LIFE COMPANY OF
OMAHA

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR THE CHARLES
SCHWAB TRUST COMPANY FBO GUARANTY
INCOME LIFE INSURANCE COMPANY

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR AMERICAN
COMMUNITY MUTUAL INSURANCE

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR CENTRAL RE
CORP. & PHOENIX

By /S/K Lange

Name: Kathy Lange
Title:

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR OLD GUARD
MUTUAL INSURANCE COMPANY

By /S/K Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR CSA FRATERNAL
LIFE

By /S/K Lange

Name: Kathy Lange
Title:
:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR KANAWHA
INSURANCE COMPANY

By /S/K Lange

Name: Kathy Lange
Title:

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

OZARK NATIONAL LIFE INSURANCE COMPANY

By /S/S Allen Weber

Name: Allen Weber
Title: Executive Vice President and Treasurer

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY
BY CIGNA INVESTMENTS, INC.
(authorized agent)

By /S/ Debra J. Height

Name:
Title: Managing Director

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

PAN AMERICAN LIFE INSURANCE COMPANY

By /S/ Luis Ingles. Jr. C.F.A.

Name:
Title: Senior Vice President-
Investments

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY
BY: PHOENIX INVESTMENT COUNSEL, INC.

By Rosemary T. Strekel

Name:
Title: Senior Managing Director

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

ALLSTATE LIFE INSURANCE CO.

By /S/ JEFFREY A. MAZER

Name:
Title:

By /S/ PATRICIA W. WILSON

Name:
Title:

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

WILLIAM BLAIR & COMPANY, LLC

By William Blair & Company, LLC,
Attorney-in-Fact

By /S/ JAMES D. MCKINNEY
Name:
Title:Principal

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

CONNECTICUT GENERAL LIFE INSURANCE COMPANY
BY CIGNA INVESTMENTS, INC.
(authorized agent)

By /S/ Debra J. Height

Name:
Title:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,
ON BEHALF OF ONE OR MORE SEPARATE ACCOUNTS
BY CIGNA INVESTMENTS, INC.
(authorized agent)

By /S/ Debra J. Height

Name:
Title:

ACE PROPERTY AND CASUALTY INSURANCE COMPANY (F.K.A. CIGNA PROPERTY AND CASUALTY INSURANCE COMPANY)
BY CIGNA INVESTMENTS, INC.
(authorized agent)

By /S/ Debra J. Height

Name:
Title:

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

PHOENIX HOME LIFE MUTUAL INSURANCE
COMPANY
BY: PHOENIX INVESTMENT COUNSEL, INC.

By
Name:
Title:

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

ACKNOWLEDGED BY:

CREDIT ACCEPTANCE CORPORATION

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

Date: March 30, 2001

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERCREDITOR AGREEMENT]

EXHIBIT 10(g)(1)

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), dated April 3, 2001, is between Karl Sigerist, residing at Calgery, Alberta CN. (hereinafter "Sigerist", "you" or "your"), and Credit Acceptance Corporation, a Michigan corporation (hereinafter "CAC", "Company", "us" or "our").

BACKGROUND

A. CAC is a specialized financial services company providing funding, receivables management, collection, sales training and related products and services to automobile dealers located in the United States, the United Kingdom, Canada and Ireland. CAC's principal business is providing automobile dealers with a financing source for used car purchasers who have limited access to traditional sources of consumer credit, such as banks and credit unions, due to their lack of credit history or a poor credit history.

B. CAC is the sole shareholder of Credit Acceptance Corporation UK Limited and Credit Acceptance Corporation of Ireland Limited, collectively (the "Subsidiaries"). CAC desires to hire Sigerist as the Managing Director of the Subsidiaries.

C. Sigerist is willing and agrees to accept such employment on the terms and conditions stated in this Agreement.

AGREEMENTS

1. Employment. The Board of Directors of CAC ("the Board") will appoint Sigerist as Managing Director of the Subsidiaries, and Sigerist will accept such employment, upon the terms and subject to the conditions set forth in this Agreement.

2. Duties During Employment Period.

(a) Sigerist shall perform and discharge well and faithfully such lawful duties for the Subsidiaries as may be assigned to Sigerist from time to time by the Board or by the operating executive of CAC to whom supervisory responsibilities with respect to the Subsidiaries has been assigned. Sigerist shall devote sufficient time, attention, and energies to the business of the Subsidiaries reasonably necessary to achieve the Subsidiaries business objectives, and shall not during the term of this Agreement engage in any other business activity, whether or not such activity is pursued for gain, profit, or other pecuniary advantage, that conflicts or interferes with the performance of his duties as Managing Director of the Subsidiaries or conflicts or interferes with the business of CAC, its subsidiaries or divisions.

3. Relocation. Sigerist agrees to establish a residence in the United Kingdom on or before August, 2001. CAC agrees to pay all necessary moving and travel expenses related to this relocation for you, your wife and your son.

4. Term of Employment. Employment under this Agreement shall commence on the date of this Agreement and shall be for an indefinite period subject to termination in accordance with Section 5 of this Agreement. It is recognized by both parties that continued employment is at the discretion of CAC and that your employment may be terminated, with or without cause, at any time.

5. Termination.

(a) Termination For Cause: In the event that your employment is terminated for cause, the Board will provide you with 30 days notice of the effective date of the termination (the "Termination Date") and the reason or reasons of the termination. You will have until the Termination Date to cure or rectify the reason or reasons for the termination, unless the Board had previously notified you that your continued employment beyond the date you were notified of the Termination Date would be injurious to the Subsidiaries or CAC monetarily or otherwise. In the event of termination for cause, you will be entitled only to the amount of your salary and vacation pay earned up to the Termination Date. Examples of termination for cause include, but may not be limited to, the following:

(i) Your willful and habitual failure to perform your duties as an employee of CAC and the Subsidiaries;

(ii) Your pleading guilty or no contest to, or conviction of, any crime or criminal offense involving theft, fraud, embezzlement, misrepresentation of assets, malicious mischief, or any felony; or

(iii) Your willful engagement in conduct, which the Board reasonably determines, was intended to be injurious to the Subsidiaries or CAC monetarily or otherwise, including, but not limited to, conduct that constitutes a violation of Section 8 of this Agreement;

(b) Termination Without Cause: In the event that your employment is terminated without cause, including termination as the result of Disability, (Disability is defined in the same manner as it is defined in CAC's Employee Stock Option Plan), subject to the execution of a Severance Agreement in substantially the form attached hereto as Exhibit A, CAC agrees to pay you a severance package as follows:

(i) Ten (10) months of your then current salary, less all applicable deductions;

(ii) Continuation of all existing housing allowance, car allowance, health, dental life and disability coverage for a period of ten (10) months

(iii) Payment of the prior year bonus being carried over to current year as provided for in Section 6 (c) of this Agreement

(iv) CAC employee stock options in accordance with the terms and conditions of the Option Agreement referenced in Section 6 (b) of this Agreement;

Examples of termination without cause include, but may not be limited to the following:

(i) There is a material adverse change in your employment terms or duties as set forth in Section 2 of this Agreement;

(ii) The Board requires that you relocate outside the United Kingdom;

(iii) The Subsidiaries are sold to an unrelated third party;

(c) In the event of your death, your employment shall be deemed to cease as of the date of your death, and your rights pursuant to Section 6 shall cease as of such date, except as provided in the individual Option Agreement between you and CAC. CAC also agrees to the payment of the prior year bonus being carried over to current year as provided for in Section 6 (c) of this Agreement.

(d) If you voluntarily terminate your employment, your employment shall be deemed to cease as of the date of such termination and your rights pursuant to Section 6 shall cease as of such date.

6. Employment Period Compensation.

(a) Salary. For services rendered by Sigerist under this Agreement, you will be paid an annual base salary of $215,132.00. Such salary shall be payable at such intervals as salaries are paid generally to salaried employees of the Subsidiaries. The Compensation Committee of the Board of Directors of CAC may, from time to time, increase your salary, in its sole discretion, as it deems appropriate in light of your performance.

(b) Grant of Options. CAC will grant to Sigerist, as of the date this Agreement is executed, options to purchase 75,000 shares of CAC common stock at an exercise price per share of $6.00. This option grant will be made in accordance with and governed by CAC's Employee Stock Option Plan (the "Plan") and CAC's Non-Qualified Stock Option Agreement ("Option Agreement"), a copy of which is attached hereto as Exhibit B and is incorporated into this Agreement by reference. All options issued to

Sigerist shall be subject to all of the terms and conditions of the Plan and Option Agreement as amended from time to time, and shall vest on the anniversary date of this Agreement as follows:

Year 1	5,000
Year 2	10,000
Year 3	15,000
Year 4	20,000
Year 5	25,000

(c) Bonus Program. While employed at CAC, Sigerist shall participate in an Executive Bonus Program as approved by the Compensation Committee of CAC's Board from time to time. The Executive Bonus Program will be based upon a formula driven by the Economic Value Added ("EVA") of the Subsidiaries. The calculation utilized in determining the EVA of the Subsidiaries will be adopted by the Compensation Committee of the Board from time to time, and will be consistent with the EVA calculation used to determine the executive bonus for CAC executives with similar positions and compensation. The Executive Bonus will be payable in two parts, with 50% of the current year bonus paid to you and 50% carried over to the next year. The Executive Bonus will be calculated in accordance with the Bonus Plan (as amended from time to time by the Compensation Committee of the Board) attached hereto as Exhibit C.

(d) Other Benefits. While employed at CAC, CAC will provide Sigerist and his immediate family with fringe benefits including health, dental, life and disability coverage no less favorable than those then being received generally by senior executives of CAC and in a manner and amount consistent with his position and compensation.

(e) Housing allowance. While employed at CAC and living in the United Kingdom, CAC will provide a housing allowance of $2868.42 per month.

(f) Car allowance . While employed at CAC and living in the United Kingdom, CAC will provide a car allowance of $394.42 per month.

(g) Reimbursement of tax preparation and legal fees. You will be entitled to a reimbursement of reasonable amounts paid to tax professionals in connection with tax return preparation and legal fees in connection with the review of this Agreement.

(h) Business Expenses. You will be reimbursed for all travel, entertainment and business expenses related to the performance of your duties under this Agreement upon presentment of the appropriate receipts.

(i) Vacation. You will be entitled to three (3) weeks of paid vacation time annually.

7. Indemnification. In consideration for your services, CAC shall, in the absence of fraud or other improper intentional conduct on your part, (excluding unintentional bad management decisions), either directly or through an existing Director and Officer insurance policy, indemnify you, whether then in office or not, for the reasonable cost and expenses incurred by you in connection with the defense of, or for advice concerning any claim asserted or proceeding brought against you by reason of you being or having been a director, stockholder or officer of CAC or of any subsidiary of CAC, whether or not wholly owned, to the maximum extent permitted by law.

8. Confidentiality and Non-Competition Agreement. Sigerist acknowledges and recognizes the highly competitive nature of the Subsidiaries and CAC's business and, accordingly, for the consideration set forth in paragraph 6 above, Sigerist agrees to execute the Confidentiality and Non-Competition Agreement attached hereto as Exhibit D.

9. Notices. Any notice required or permitted to be given under this Agreement shall be deemed properly given if in writing and if mailed by registered or certified mail, postage prepaid with return receipt requested or sent by express courier service, charges prepaid by shipper, to his residence in the case of notices to Sigerist, and to the principal offices of CAC, to the attention of its Chief Operating Officer, Brett A. Roberts (with a copy to CAC's General Counsel - Attention Charles A. Pearce, Esq.) in the case of notices to CAC (or to such other address as a party is directed pursuant to written notice from the other party).

10. Assignment. This Agreement shall not be assignable by either party except by CAC to any subsidiary or affiliate of CAC or any successor in interest to the Division or CAC's business provided CAC guarantees the performance of this Agreement upon assignment.

11. Entire Agreement. This instrument contains the entire agreement of the parties relating to the subject of employment, and supersedes and replaces in its entirety any previously executed or existing Agreements. The terms and conditions of this Agreement may not be waived, changed, modified, extended or discharged orally but only by agreement in writing signed by the party against whom enforcement of any such waiver, change, modification, extension or discharge is sought. The waiver by CAC of a breach of any provision of this Agreement by Sigerist shall not operate or be construed as a waiver of a breach of any other provision of this Agreement or of any subsequent breach by Sigerist.

12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the United States, State of Michigan without regard to its conflict of laws principles.

13. Alternative Dispute Resolution. Other than CAC's remedies set forth in the Confidentiality and Non Competition Agreement attached as Exhibit D, any disputes and differences arising between the parties in connection with or relating to this Agreement or the parties relationship with respect hereto shall be settled and finally determined by arbitration, pursuant to the then current version of the Model Employment Arbitration Procedures of the

American Arbitration Association. The arbitration will take place in Oakland County, State of Michigan, Untied States of America. .

14. Headings. The headings of the Sections are for convenience only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

15. Currency. All references to currency in this Agreement are to the United States Dollar.

The parties have executed this Agreement on April 3, 2001.

CREDIT ACCEPTANCE CORPORATION	KARL SIGERIST
By: /S/ CHARLES A. PEARCE	/S/ KARL SIGERISTR
Name: Charles A. Pearce	
Its: Vice President, General Counsel and Corporate Secretary	

EXHIBIT A

SEVERANCE AGREEMENT

WHEREAS, it is the intent of _____ to separate from employment with the Company; and

WHEREAS, the parties to this Agreement are desirous of finally and amicably resolving all matters of dispute between them;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. As used herein, "Company" means _____ and its/their parent corporations, affiliated organizations, subsidiaries, predecessors, successors and assigns, and all of its/their past, present and future directors, officers, agents, employees, representatives, owners and stockholders.

2. _____ hereby voluntarily and irrevocably resigns his/her employment with the Company, effective upon the expiration of the revocation period contained in Paragraph 13 of this Agreement.

3. _____ promises and agrees that, contemporaneously with his/her signing this Agreement, he/she will sign and submit to the Company the attached letter of resignation.

4. _____ promises and agrees not to apply at any time after the date of this Agreement for employment with the Company, or any of its subsidiaries, parent corporations or affiliated organizations, and agrees to initiate no legal or administrative proceedings to obtain such employment or to seek damages for the failure to obtain such employment.

5. _____, for his/herself, his/her heirs, legal representatives and assigns his/hereby forever releases the Company and all of its/their parent corporations, affiliated organizations, subsidiaries, predecessors, successors and assigns, and all of its/their past, present and future directors, officers, agents, employees, representatives, owners and

stockholders both personally and in their representative capacities of and from all claims, contracts, promises and damages, upon or by reason of any matter, cause or thing whatsoever, whether known or unknown, which _____ ever had or now has, up to the expiration of the revocation period contained in Paragraph 13 of this Agreement, including, but not limited to, claims for employment discrimination, breach of contract, claims for attorney fees, claims under constitutional, statutory or common law; claims under the Age Discrimination in Employment Act of 1967 or the Older Workers' Benefit Protection Act; and claims that he/she was unfairly or illegally discriminated against, treated or separated from employment with the Company.

6. _____ promises and agrees that he/she will not, at any time, file any claim, legal or administrative, that he/she ever had, now has, or which accrues through the expiration of the revocation period contained in Paragraph 13 of this Agreement, against the Company and its/their parent corporations, affiliated organizations, subsidiaries, predecessors, successors and assigns, and all of its/their past, present and future directors, officers, agents, employees, representatives, owners and stockholders. He/she further promises and agrees that in the event he/she does file such a claim, he/she shall immediately return all amounts paid to his/her under this Agreement, that he/she will pay all damages, costs and actual attorney fees incurred as a result of defending such a claim, and that all other provisions of this Agreement shall remain in full force and effect.

7. _____ agrees that he/she, his/her agents and anyone acting on his/her behalf shall not, at any time, disclose the terms and conditions of this Agreement, unless legally compelled to do so by a court or administrative agency of competent jurisdiction. She further warrants and represents that he/she has made no such disclosure prior to the execution of this Agreement. Because no exact measure of the damage to the Company for breach of this non-disclosure Agreement can be determined, and for the purpose of liquidating the amount of this damage and not as a penalty, it is agreed that in the event of a breach of this non-disclosure Agreement, the damages shall be and are hereby fixed, liquidated and determined

as all amounts paid to _____, and on his/her behalf, under this Agreement. Nothing contained herein shall be construed as precluding the Company from seeking injunctive relief for a breach or threatened breach of this non-disclosure Agreement.

8. _____ agrees that he/she, his/her agents and anyone acting on his/her behalf shall refrain from making any disparaging public or private comments concerning the Company and its/their parent corporations, affiliated organizations, subsidiaries, predecessors, successors and assigns, and all of its/their past, present and future directors, officers, agents, employees, representatives, owners and stockholders. Because no exact measure to the Company for breach of this Agreement can be determined, and for purposes of liquidating the amount of this damage, and not as a penalty, it is agreed that in the event of a breach of this Agreement, the damages are hereby fixed, liquidated and determined as all amounts paid to _____, or on his/her behalf, under this Agreement.

9. _____ promises and agrees that he/she will honor and abide by all of the terms and conditions of the Confidentiality and Non-Compete Agreements which shall continue in effect between _____ and the Company. _____ further promises and agrees that any and all information learned in the course of employment with the Company shall be held in the strictest confidence and not be disclosed to any person or third party. In the event _____ violates this Agreement, the Company shall retain and may exercise all legal rights and pursue all legal remedies available. In addition, because no exact measure of the damage to the Company for breach of this Agreement can be determined, and for the purpose of liquidating the amount of this damage and not as a penalty, it is agreed that in the event of a breach of this Agreement, the damages shall be and are hereby fixed, liquidated and determined as all amounts paid to _____, and on his/her behalf, under this Agreement. Nothing contained herein shall be construed as precluding the Company from seeking injunctive relief for a breach or threatened breach of this Agreement. _____ promises and agrees that he/she will pay all damages, costs and actual attorney fees incurred as a result of the Company pursing such

a claim or as a result of such disclosure or breach of this Agreement and that all other provisions of this Agreement shall remain in full force and effect.

10. In exchange for the covenants, promises and Agreements of _____ contained herein, the Company promises and agrees as follows:

A. Upon the expiration of the revocation period contained in Paragraph 13 of this Agreement, the Company will execute and deliver to _____ the attached letter of reference.

B. Upon the expiration of the revocation period contained in Paragraph 13 of this Agreement, in the event it receives a written request for an employment reference directed to _____, the Company will state or provide in writing only the information contained in the attached letter of reference.

C. Upon the expiration of the revocation period contained in Paragraph 13 of this Agreement, the Company will pay to _____ the severance package set forth in Section 5 (b) of the Employment Agreement dated April ____, 2001.

11. _____ is his/hereby advised to consult with an attorney before signing this Agreement, and represents that he/she is entering into this Agreement voluntarily, and after full consultation with his/her attorney.

12. _____ acknowledges that he/she has been given a period of twenty-one (21) days within which to consider this Agreement.

13. _____ understands that within seven (7) days of signing this Agreement, he/she may revoke this Agreement, and further understands that this Agreement shall not become effective or enforceable until this revocation period has expired without his/her having revoked this Agreement.

14. Nothing contained in this Agreement shall be construed as an admission of wrongdoing or liability by the Company and its/their parent corporations, affiliated organizations,

subsidiaries, predecessors, successors and assigns, and all of its/their past, present and future directors, officers, agents, employees, representatives, owners and stockholders. Rather, this Agreement is entered into so as to amicably resolve disputed issues of fact, liability, and damages in the best interest of all parties concerned without legal expense and litigation costs.

15. This document constitutes the entire understanding of the parties, and no other Agreement, policy or plan between these parties shall be binding unless entered into after the date of this Agreement, in writing, and signed by all the parties.

16. If any provision of this Agreement is determined by any court or administrative agency of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms and provisions shall remain in full force and effect and shall not be affected thereby.

Dated this _____ day of _____, _____

COMPANY

_____ By:_____

EXHIBIT B

[CAC LOGO]

NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE
CREDIT ACCEPTANCE CORPORATION
1992 EMPLOYEE STOCK OPTION PLAN

THIS AGREEMENT IS ENTERED INTO EFFECTIVE AS OF APRIL 3, 2001 BY AND BETWEEN CREDIT ACCEPTANCE CORPORATION ("CORPORATION") AND KARL SIGERIST ("OPTIONEE"), PURSUANT TO THE CREDIT ACCEPTANCE CORPORATION 1992 STOCK OPTION PLAN ("PLAN"). THE CORPORATION HEREBY GRANTS TO THE OPTIONEE A NON-QUALIFIED STOCK OPTION TO PURCHASE A TOTAL OF 75,000 SHARES OF COMMON STOCK, SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE PLAN AND AS HEREINAFTER PROVIDED (THE "OPTION"). CAPITALIZED TERMS NOT DEFINED IN THIS AGREEMENT SHALL HAVE THE MEANINGS RESPECTIVELY ASCRIBED TO THEM IN THE PLAN.

1. OPTION PRICE. THE OPTION SHALL BE EXERCISABLE AT A PRICE OF $6.00 PER SHARE.

2. OPTION EXERCISE.

(a) THE OPTION SHALL BECOME EXERCISABLE IN INSTALLMENTS AS DESCRIBED IN SECTION 6 (b) OF THE EMPLOYMENT AGREEMENT, DATED APRIL 3, 2001, BETWEEN THE CORPORATION AND THE OPTIONEE. TO THE EXTENT NOT EXERCISED, INSTALLMENTS SHALL ACCUMULATE AND THE OPTIONEE MAY EXERCISE THEM THEREAFTER IN WHOLE OR IN PART. ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY NOTWITHSTANDING, THE OPTION SHALL EXPIRE AND NO LONGER BE EXERCISABLE AFTER THE DATE WHICH IS THE TENTH (10TH) ANNIVERSARY OF THE DATE OF THIS AGREEMENT.

(b) THE OPTION SHALL BE EXERCISABLE BY A WRITTEN NOTICE IN THE FORM ATTACHED HERETO WHICH SHALL:

(i) STATE THE ELECTION TO EXERCISE THE OPTION, THE NUMBER OF SHARES WITH RESPECT TO WHICH IT IS BEING EXERCISED, THE PERSON IN WHOSE NAME THE STOCK CERTIFICATE OR CERTIFICATES FOR SUCH SHARES OF COMMON STOCK ARE TO BE REGISTERED, AND THE ADDRESS AND SOCIAL SECURITY NUMBER OF SUCH PERSON;

(ii) BE SIGNED BY THE PERSON OR PERSONS ENTITLED TO EXERCISE THE OPTION, AND IF THE OPTION IS BEING EXERCISED BY A PERSON OR PERSONS OTHER THAN THE OPTIONEE, BE ACCOMPANIED BY PROOF

SATISFACTORY TO THE CORPORATION'S LEGAL COUNSEL OF THE RIGHT OF SUCH PERSON OR PERSONS TO EXERCISE THE OPTION; AND

(iii) BE IN WRITING AND DELIVERED TO THE TREASURER OF THE CORPORATION PURSUANT TO SECTION 12 OF THIS AGREEMENT.

(c) PAYMENT OF THE FULL PURCHASE PRICE OF ANY SHARES WITH RESPECT TO WHICH THE OPTION IS BEING EXERCISED SHALL ACCOMPANY THE NOTICE OF EXERCISE OF THE OPTION. PAYMENT SHALL BE MADE (i) IN CASH OR BY CERTIFIED CHECK, BANK DRAFT OR MONEY ORDER; (ii) IF THE COMMITTEE SO APPROVES AT THE TIME OF EXERCISE, BY TENDERING TO THE CORPORATION SHARES OF COMMON STOCK THEN OWNED BY THE OPTIONEE, DULY ENDORSED FOR TRANSFER OR WITH DULY EXECUTED STOCK POWER ATTACHED, WHICH SHARES SHALL BE VALUED AT THEIR FAIR MARKET VALUE AS OF THE DATE OF SUCH EXERCISE AND PAYMENT; OR (iii) IF THE COMMITTEE SO APPROVES AT THE TIME OF EXERCISE, BY DELIVERY TO THE CORPORATION OF A PROPERLY EXECUTED EXERCISE NOTICE, ACCEPTABLE TO THE CORPORATION, TOGETHER WITH IRREVOCABLE INSTRUCTIONS TO THE OPTIONEE'S BROKER TO DELIVER TO THE CORPORATION A SUFFICIENT AMOUNT OF CASH TO PAY THE EXERCISE PRICE AND ANY APPLICABLE INCOME AND EMPLOYMENT WITHHOLDING TAXES, IN ACCORDANCE WITH A WRITTEN AGREEMENT BETWEEN THE CORPORATION AND THE BROKERAGE FIRM ("CASHLESS EXERCISE") IF, AT THE TIME OF EXERCISE, THE CORPORATION HAS ENTERED INTO SUCH AN AGREEMENT.

3. TERMINATION OF EMPLOYMENT.

(a) TERMINATION WITHOUT CAUSE PRIOR TO OPTION BECOMING EXERCISABLE. SUBJECT TO THE PROVISIONS OF PARAGRAPH 10 OF THIS AGREEMENT, IF, PRIOR TO THE DATE THAT THE OPTIONS SHALL FIRST BECOME EXERCISABLE THE OPTIONEE'S EMPLOYMENT SHALL BE TERMINATED WITHOUT CAUSE, ALL OUTSTANDING OPTIONS, WHETHER OR NOT EXERCISABLE ON THE DATE OF TERMINATION, SHALL BECOME IMMEDIATELY EXERCISABLE. IN THIS EVENT, THE OPTIONEE SHALL HAVE THE RIGHT, PRIOR TO THE EARLIER OF (i) THE EXPIRATION OF THE OPTION OR (ii) TWO YEARS AFTER SUCH TERMINATION OF EMPLOYMENT, TO EXERCISE THE OPTION, SUBJECT TO ANY OTHER LIMITATION ON THE EXERCISE OF THE OPTION IN EFFECT AT THE DATE OF EXERCISE.

(b) TERMINATION, OTHER THAN WITHOUT CAUSE, PRIOR TO OPTION BECOMING EXERCISABLE. IF, PRIOR TO THE DATE THAT THE OPTIONS SHALL FIRST BECOME EXERCISABLE THE OPTIONEE'S EMPLOYMENT SHALL BE TERMINATED, WITH CAUSE, OR BY THE ACT, DEATH, DISABILITY, OR RETIREMENT OF THE OPTIONEE, THE OPTIONEE'S RIGHT TO EXERCISE THE OPTION SHALL TERMINATE AND ALL RIGHTS HEREUNDER SHALL CEASE.

(c) TERMINATION, OTHER THAN WITHOUT CAUSE AND OTHER THAN BECAUSE OF DEATH OR DISABILITY AFTER OPTION BECOMES EXERCISABLE. IF, ON OR AFTER THE DATE THAT THE OPTION SHALL FIRST BECOME EXERCISABLE, THE OPTIONEE'S EMPLOYMENT SHALL BE TERMINATED FOR CAUSE OTHER THAN DEATH OR DISABILITY, THE OPTIONEE SHALL HAVE THE RIGHT, PRIOR TO THE EARLIER OF (i) THE EXPIRATION OF THE OPTION OR (ii) THREE MONTHS AFTER SUCH TERMINATION OF EMPLOYMENT, TO EXERCISE THE OPTION TO THE EXTENT THAT IT WAS EXERCISABLE AND IS UNEXERCISED ON THE DATE OF SUCH TERMINATION OF EMPLOYMENT, SUBJECT TO ANY OTHER LIMITATION ON THE EXERCISE OF THE OPTION IN EFFECT AT THE DATE OF EXERCISE.

(d) TERMINATION BECAUSE OF DEATH OR DISABILITY AFTER OPTION BECOMES EXERCISABLE. IF, ON OR AFTER THE DATE THAT THE OPTION SHALL HAVE BECOME EXERCISABLE, THE

OPTIONEE SHALL DIE OR BECOME DISABLED WHILE AN EMPLOYEE OR WHILE THE OPTION REMAINS EXERCISABLE, THE OPTIONEE OR THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE OPTIONEE (AS THE CASE MAY BE), OR THE PERSON OR PERSONS TO WHOM THE OPTION SHALL HAVE BEEN TRANSFERRED (IF SUCH TRANSFER WAS MADE IN COMPLIANCE WITH THE PLAN AND SECTION 7 OF THIS AGREEMENT), SHALL HAVE THE RIGHT, PRIOR TO THE EARLIER OF (i) THE EXPIRATION OF THE OPTION OR (ii) ONE YEAR FROM THE DATE OF THE OPTIONEE'S DEATH OR TERMINATION DUE TO SUCH DISABILITY TO EXERCISE THE OPTION TO THE EXTENT THAT IT WAS EXERCISABLE AND UNEXERCISED ON THE DATE OF DEATH OR TERMINATION, SUBJECT TO ANY OTHER LIMITATION ON EXERCISE IN EFFECT AT THE DATE OF EXERCISE.

4. OPTIONEE'S AGREEMENT. THE OPTIONEE AGREES TO ALL THE TERMS STATED IN THIS AGREEMENT, AS WELL AS TO THE TERMS OF THE PLAN (WHICH SHALL CONTROL IN CASE OF CONFLICT WITH THIS AGREEMENT), A COPY OF WHICH IS AVAILABLE FROM HUMAN RESOURCES.

5. WITHHOLDING. THE OPTIONEE CONSENTS TO WITHHOLDING FROM THIS COMPENSATION OF ALL APPLICABLE PAYROLL AND INCOME TAXES WITH RESPECT TO THE OPTION. IF THE OPTIONEE IS NO LONGER EMPLOYED BY THE CORPORATION AT THE TIME ANY APPLICABLE TAXES WITH RESPECT TO THE OPTION ARE DUE AND MUST BE REMITTED BY THE CORPORATION, THE OPTIONEE AGREES TO PAY APPLICABLE TAXES TO THE CORPORATION, AND THE CORPORATION MAY DELAY ISSUANCE OF A CERTIFICATE UNTIL PROPER PAYMENT OF SUCH TAXES HAS BEEN MADE BY THE OPTIONEE. IF THE COMMITTEE SO APPROVES AT THE TIME OF EXERCISE, THE OPTIONEE MAY SATISFY HIS OBLIGATIONS UNDER THIS SECTION 5 BY (i) MAKING AN ELECTION, NOTICE OF WHICH SHALL BE IN WRITING AND PROMPTLY DELIVERED TO THE COMMITTEE, AND TENDERING PREVIOUSLY-ACQUIRED SHARES OF COMMON STOCK OR HAVING SHARES OF COMMON STOCK WITHHELD FROM THE SHARES OF COMMON STOCK TO BE RECEIVED UPON EXERCISE, PROVIDED THAT THE SHARES HAVE AN AGGREGATE FAIR MARKET VALUE ON THE DATE OF EXERCISE OF THE OPTION SUFFICIENT TO SATISFY IN WHOLE OR IN PART THE APPLICABLE WITHHOLDING TAXES; OR (ii) UTILIZING THE CASHLESS EXERCISE PROCEDURE DESCRIBED IN SECTION 2(c). EXCEPT AS PERMITTED UNDER RULE 16B-3 PROMULGATED UNDER THE EXCHANGE ACT, IF THE OPTIONEE IS SUBJECT TO THE INSIDER TRADING RESTRICTION OF SECTION 16(b) OF THE EXCHANGE ACT, THE OPTIONEE MAY USE COMMON STOCK TO SATISFY THE APPLICABLE WITHHOLDING REQUIREMENTS ONLY IF NOTICE OF ELECTION TO SO USE COMMON STOCK IS GIVEN OR BECOMES EFFECTIVE WITHIN THE "WINDOW PERIODS" SET FORTH IN RULE 16B-3, OR IF SUCH ELECTION IS IRREVOCABLE AND MADE AT LEAST SIX MONTHS PRIOR TO THE DATE OF THE EXERCISE OF THE OPTION.

6. RIGHTS AS SHAREHOLDER. THE OPTIONEE SHALL HAVE NO RIGHTS AS A SHAREHOLDER OF THE CORPORATION WITH RESPECT TO ANY OF THE SHARES COVERED BY THE OPTION UNTIL THE ISSUANCE OF A STOCK CERTIFICATE OR CERTIFICATES UPON THE EXERCISE OF THE OPTION, AND THEN ONLY WITH RESPECT TO THE SHARES REPRESENTED BY SUCH CERTIFICATE OR CERTIFICATES. NO ADJUSTMENT SHALL BE MADE FOR DIVIDENDS OR OTHER RIGHTS WITH RESPECT TO SUCH SHARES FOR WHICH THE RECORD DATE IS PRIOR TO THE DATE SUCH CERTIFICATE OR CERTIFICATES ARE ISSUED.

7. NON-TRANSFERABILITY OF OPTION. THE OPTION SHALL NOT BE TRANSFERRED IN ANY MANNER OTHER THAN BY WILL, THE LAWS OF DESCENT OR DISTRIBUTION OR PURSUANT TO A QUALIFIED DOMESTIC RELATIONS ORDER AS DEFINED BY THE CODE OR TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT, OR THE RULES THEREUNDER. DURING THE LIFETIME OF THE OPTIONEE, THE OPTION SHALL BE EXERCISED ONLY BY THE OPTIONEE. NO TRANSFER OF THE OPTION SHALL BE EFFECTIVE TO BIND THE CORPORATION UNLESS THE CORPORATION SHALL HAVE BEEN FURNISHED WITH WRITTEN NOTICE THEREOF AND SUCH EVIDENCE AS THE CORPORATION MAY DEEM NECESSARY TO

ESTABLISH THE VALIDITY OF THE TRANSFER AND THE ACCEPTANCE BY THE TRANSFEREE OF THE TERMS AND CONDITIONS OF THE OPTION.

8. COMPLIANCE WITH SECURITIES, TAX AND OTHER LAWS. THE OPTION MAY NOT BE EXERCISED IF THE ISSUANCE OF SHARES UPON SUCH EXERCISE WOULD CONSTITUTE A VIOLATION OF ANY APPLICABLE FEDERAL OR STATE SECURITIES LAW OR ANY OTHER LAW OR VALID REGULATION. AS A CONDITION TO EXERCISE OF THE OPTION, THE CORPORATION MAY REQUIRE THE OPTIONEE, OR ANY PERSON ACQUIRING THE RIGHT TO EXERCISE THE OPTION, TO MAKE ANY REPRESENTATION OR WARRANTY THAT THE CORPORATION DEEMS TO BE NECESSARY UNDER ANY APPLICABLE SECURITIES, TAX, OR OTHER LAW OR REGULATION.

9. ADJUSTMENTS. IN THE EVENT THAT THE COMMITTEE SHALL DETERMINE THAT ANY DIVIDEND OR OTHER DISTRIBUTION (WHETHER IN THE FORM OF CASH, COMMON STOCK, OTHER SECURITIES, OR OTHER PROPERTY), RECAPITALIZATION, STOCK SPLIT, REVERSE STOCK SPLIT, REORGANIZATION, MERGER, CONSOLIDATION, SPLIT-UP, SPIN-OFF, COMBINATION, REPURCHASE, OR EXCHANGE OF COMMON STOCK OR OTHER SECURITIES OF THE CORPORATION, ISSUANCE OF WARRANTS OR OTHER RIGHTS TO PURCHASE COMMON STOCK OR OTHER SECURITIES OF THE CORPORATION, OR OTHER SIMILAR CORPORATE TRANSACTION OR EVENT AFFECTS THE COMMON STOCK SUCH THAT AN ADJUSTMENT IS DETERMINED BY THE COMMITTEE TO BE APPROPRIATE IN ORDER TO PREVENT DILUTION OR ENLARGEMENT OF THE BENEFITS OR POTENTIAL BENEFITS INTENDED TO BE MADE AVAILABLE BY THE GRANT OF THE OPTION, THE COMMITTEE IS PERMITTED TO ADJUST THE TERMS OF THE OPTION AS PROVIDED IN THE PLAN.

10. CHANGE OF CONTROL. EXCEPT AS PROVIDED BELOW, IN THE EVENT OF A CHANGE OF CONTROL, EACH OPTION SHALL BE CANCELED IN EXCHANGE FOR PAYMENT IN CASH OF AN AMOUNT EQUAL TO THE EXCESS OF THE CHANGE OF CONTROL PRICE OVER THE EXERCISE PRICE THEREOF. NOTWITHSTANDING THE IMMEDIATELY PRECEDING SENTENCE, NO CANCELLATION, CASH SETTLEMENT OR ACCELERATION OF VESTING SHALL OCCUR WITH RESPECT TO ANY OPTION IF THE COMMITTEE REASONABLY DETERMINES IN GOOD FAITH PRIOR TO THE OCCURRENCE OF A CHANGE OF CONTROL THAT SUCH OPTION SHALL BE HONORED OR ASSUMED, OR NEW RIGHTS SUBSTITUTED THEREFOR (SUCH HONORED, ASSUMED OR SUBSTITUTED OPTION HEREINAFTER CALLED AN "ALTERNATIVE OPTION"), BY A PARTICIPANT'S EMPLOYER (OR THE PARENT OR A SUBSIDIARY OF SUCH EMPLOYER) IMMEDIATELY FOLLOWING THE CHANGE OF CONTROL, PROVIDED THAT ANY SUCH ALTERNATIVE OPTION MUST:

(i) BE BASED ON STOCK WHICH IS TRADED ON AN ESTABLISHED SECURITIES MARKET, OR WHICH WILL BE SO TRADED WITHIN SIXTY (60) DAYS OF THE CHANGE OF CONTROL;

(ii) PROVIDE SUCH PARTICIPANT (OR EACH PARTICIPANT IN A CLASS OF PARTICIPANTS) WITH RIGHTS AND ENTITLEMENT SUBSTANTIALLY EQUIVALENT TO OR BETTER THAN THE RIGHTS, TERMS AND CONDITIONS APPLICABLE UNDER SUCH OPTION, INCLUDING, BUT NOT LIMITED TO, AN IDENTICAL OR BETTER EXERCISE OR VESTING SCHEDULE AND IDENTICAL OR BETTER TIMING AND METHODS OF PAYMENT; AND

(iii) HAVE SUBSTANTIALLY EQUIVALENT ECONOMIC VALUE TO SUCH OPTION (DETERMINED AT THE TIME OF THE CHANGE OF CONTROL).

"CHANGE OF CONTROL PRICE" MEANS THE HIGHEST PRICE PER SHARE OFFERED IN CONJUNCTION WITH ANY TRANSACTION RESULTING IN A CHANGE OF CONTROL (AS DETERMINED IN GOOD FAITH BY THE COMMITTEE IF ANY PART OF THE OFFERED PRICE IS PAYABLE OTHER THAN IN CASH) OR, IN THE CASE OF A CHANGE OF CONTROL OCCURRING SOLELY BY REASON OF A CHANGE IN THE COMPOSITION OF THE BOARD, THE HIGHEST FAIR MARKET VALUE OF THE STOCK ON ANY OF THE 30 TRADING DAYS IMMEDIATELY PRECEDING THE DATE ON WHICH A CHANGE OF CONTROL OCCURS.

11. NO RIGHT TO EMPLOYMENT. THE GRANTING OF THE OPTION DOES NOT CONFER UPON THE OPTIONEE ANY RIGHT TO BE RETAINED AS AN EMPLOYEE.

12. AMENDMENT AND TERMINATION OF OPTION. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE CORPORATION MAY NOT, WITHOUT THE CONSENT OF THE OPTIONEE, ALTER OR IMPAIR ANY OPTION GRANTED UNDER THE PLAN. THE OPTION SHALL BE CONSIDERED TERMINATED IN WHOLE OR IN PART, TO THE EXTENT THAT, IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN, IT CAN NO LONGER BE EXERCISED FOR SHARES ORIGINALLY SUBJECT TO THE OPTION.

13. NOTICES. EVERY NOTICE RELATING TO THIS AGREEMENT SHALL BE IN WRITING AND IF GIVEN BY MAIL SHALL BE GIVEN BY REGISTERED OR CERTIFIED MAIL WITH RETURN RECEIPT REQUESTED. ALL NOTICES TO THE CORPORATION OR THE COMMITTEE SHALL BE SENT OR DELIVERED TO THE TREASURER OF THE CORPORATION AT THE CORPORATION'S HEADQUARTERS. ALL NOTICES BY THE CORPORATION TO THE OPTIONEE SHALL BE DELIVERED TO THE OPTIONEE PERSONALLY OR ADDRESSED TO THE OPTIONEE AT THE OPTIONEE'S LAST RESIDENCE ADDRESS AS THEN CONTAINED IN THE RECORDS OF THE CORPORATION OR SUCH OTHER ADDRESS AS THE OPTIONEE MAY DESIGNATE. EITHER PARTY BY NOTICE TO THE OTHER MAY DESIGNATE A DIFFERENT ADDRESS TO WHICH NOTICES SHALL BE ADDRESSED. ANY NOTICE GIVEN BY THE CORPORATION TO THE OPTIONEE AT THE OPTIONEE'S LAST DESIGNATED ADDRESS SHALL BE EFFECTIVE TO BIND ANY OTHER PERSON WHO SHALL ACQUIRE RIGHTS HEREUNDER.

IN WITNESS WHEREOF, THE CORPORATION, BY ITS DULY AUTHORIZED OFFICER, AND THE OPTIONEE HAVE EXECUTED THIS AGREEMENT EFFECTIVE AS OF THE DATE AND YEAR FIRST ABOVE WRITTEN.

CREDIT ACCEPTANCE CORPORATION

BY: ----------

ITS: ----------

OPTIONEE:

BY:/S/ KARL SIGERIST ----------

EXHIBIT C

EVA BONUS CALCULATION

ALL DEFINITIONS AND CALCULATIONS LISTED BELOW RELATED SOLELY TO THE OPERATION OF THE SUBSIDIARIES

EVA bonus = 3% x EVA prior year (if positive) + 7% * [EVA current year minus EVA prior year]

EVA = NOPAT - (WACC x Average Total Capital)

NOPAT = (Adjusted Operating income + interest expense)*(1 - Tax rate)

WACC = [Cost of Equity * (Average Equity/Average Total Capital)] + [Cost of Debt * (1 - tax rate) * (Average Debt/Average Total Capital)]

Cost of Equity = 30 year US government bond rate + 6% + ((2 x Debt/Equity)/100) (ie at debt to equity of 2:1 and a US government bond rate of 6% the Cost of Equity would be 16%)

The debt to equity ratio for purposes of computing the Cost of Equity is equal to the consolidated debt to equity ratio of CAC

Adjusted Operating Income = Pre tax operating income of Corporation included in CAC's consolidated results + any bonus accrued pursuant to this agreement.

[CAC LOGO]
CREDIT ACCEPTANCE CORPORATION

EXHIBIT D

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This confidentiality and non-competition agreement (the "Agreement") is entered into between Karl Sigerist (hereinafter referred to as "I") and Credit Acceptance Corporation (hereinafter referred to as the "Company").

I understand and acknowledge that during my employment with the Company, certain information not generally known in the industry in which the Company is or may be engaged in has been and will be disclosed to me about the business, customers, suppliers, products, services and financial statements of the Company, including without limitation, the dealer/customer lists, sales, costs, records, products, property, discounts, computer programs, forms, methods of billing, methods of collecting accounts, computer software, marketing, other corporate activities of the Company and other confidential information relative to the Company's actual or prospective dealers/customers, employees, and investors (hereinafter collectively referred to as "Confidential Information").

In consideration of the understandings set forth above and in consideration of my continued employment by the Company and the compensation paid or to be paid for my services by the Company, the Company and I agree and covenant as follows:

1. I will not in any way, directly or indirectly, use, disseminate, disclose, lecture upon or publish any Confidential Information outside the ordinary course of my duties.

2. I will sign all papers and do such other acts as the Company may deem necessary or desirable or may reasonably require of me to protect its rights to such confidential Information.

3. During and after such employment by the Company, I will not divulge, reproduce or exhibit to others or appropriate for my own use or benefit or for the use and benefit of others any Confidential Information I may receive, acquire or develop, or have received, acquired or developed, during my employment by the Company which relates to the Company, unless and until such information becomes generally available to the public through no fault of my own or unless such disclosure or appropriation is authorized in writing by the Company outside the ordinary course of my duties.

4. I shall not in any manner disrupt or attempt to disrupt any relationship which the Company may have with its employees, suppliers, dealers, customers, lessors, banks, consultants and other persons or entities with whom business dealings or ongoing relationships exist, nor induce any of such parties to terminate or otherwise alter the manner in which such relationships are being conducted with the Company.

5. I shall at no time remove from the Company's premises or retain without the Company's written consent any of the Company's confidential Information, unpublished records, books of account, books, corporate documents, correspondence, papers, memoranda, notes, manuals, computer software, or copies of or extracts from any of the foregoing outside the ordinary course of my duties.

6. Upon termination of my employment, I shall promptly deliver to the Company all Confidential Information, records, books of account, books, corporate documents, correspondence, papers, memoranda, notes, manuals, computer software, or copies of or extracts from any of the foregoing and all other property of the Company, which are then in my possession or under my control, unless authorized in writing by the Company to retain any such materials.

7. I acknowledge and agree that the Company will be irreparably harmed should I, in any manner, enter into competition with the Company. During the period of my employment with the Company and in the event of termination for cause or my voluntary resignation, for a period of two (2) years thereafter and in the event of my termination without cause, for a period of ten (10) months thereafter, I will not, directly or indirectly, in any capacity whatsoever (including, but not limited to, as an officer, director, employee, partner, agent, representative, advisor, consultant, or shareholder of any person, firm, partnership, corporation, association or any entity):

   a. Solicit the trade or patronage of, disclose the name of, or take any action that shall cause the interruption or termination of the business relationship between the Company and any existing or prospective dealer, customer or supplier of the Company;

   b. Directly or indirectly engage in, own, manage, finance, operate, joint control, participate in, or derive any benefits whatsoever, from any business engaged in any activity that is in competition in any manner with the business of the Company, and/or its successors, within the geographic and market location in which the Company conducts its business; or

   c. Induce or attempt to induce away, or aid, assist or abet any other party or person in inducing or attempting to induce away, any other employee of the Company from his or her employment with the Company.

8. I hereby acknowledge that breach of this Agreement shall result in irreparable harm to the Company, for which there is no adequate remedy at law and for which the ascertainment of damages will be difficult. As a result, the Company shall be entitled without having to prove the inadequacy of other remedies at law to specific enforcement of this Agreement and any money damages as well as both temporary relief (without notice or bond) and permanent injunctive relief (without being required to post bond or other security).

9. This agreement shall be binding on my heirs, devisees, executors, administrators or other legal representatives and assigns and shall inure to the benefit of the Company and its successors and assigns in interest.

10. I hereby acknowledge that this Agreement may be assigned without my consent in connection with a sale, transfer, or other assignment of all or substantially all of the assets of, or merger of the Company.

11. I have read and understand and hereby agree to the foregoing and acknowledge receipt of one copy of this Agreement.

12. Each paragraph and provision of this Agreement is sevarable from the Agreement, and if one provision or part thereof is declared invalid, the remaining provisions shall nevertheless remain in full force and effect.

13. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Michigan, without regard to any principles of conflict of laws that would require the application of the law of another jurisdiction.

Date: _____ _____

Signature

CREDIT ACCEPTANCE CORPORATION

By: /S/ CHARLES A. PEARCE

Its: Vice President, General Counsel and Corporate Secretary

EXHIBIT 10(g)(2)

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), dated April 19, 2001, is between Keith McCluskey, residing at 3565 Fawnrun Drive, Cincinnati, Ohio (hereinafter "McCluskey", "you" or "your"), and Credit Acceptance Corporation, a Michigan corporation (hereinafter "CAC", "Company", "us" or "our").

BACKGROUND

A. CAC is a specialized financial services company providing funding, receivables management, collection, sales training and related products and services to automobile dealers. CAC's principal business is providing automobile dealers with a financing source for used car purchasers who have limited access to traditional sources of consumer credit, such as banks and credit unions, due to their lack of credit history or a poor credit history (collectively the "Guaranteed Credit Approval System" or "GCAS").

B. McCluskey is the dealer principal and President of McCluskey Chevrolet, Inc, an Ohio corporation (the "Dealership") and President of AutoNet Finance.com, a division of CAC (the "Division").

C. CAC desires to hire McCluskey as its Chief Marketing Officer to market and promote the GCAS.

D. McCluskey is willing and agrees to accept such employment on the terms and conditions stated in this Agreement.

AGREEMENTS

1. Employment. The Board of Directors of CAC ("the Board") has confirmed the appointment of McCluskey as Chief Marketing Officer of CAC, and McCluskey accepts such employment, upon the terms and subject to the conditions set forth in this Agreement. McCluskey retains his previous title and responsibilities as President of the Division.

2. Duties During Employment Period.

(a) McCluskey shall perform and discharge well and faithfully such duties for CAC as may be assigned to McCluskey from time to time by the Board or by the operating executive of CAC to whom supervisory responsibilities with respect to McCluskey has been assigned. McCluskey shall devote sufficient time, attention, and energies to the business of CAC reasonably necessary to achieve CAC's business objectives, and shall not during the term of this Agreement engage in any other business activity, whether or not such activity is pursued for gain, profit, or other pecuniary advantage, other than service as a director of a corporation which does not compete with the Division or CAC or any affiliated company, except as provided in Section 2(b).

(b) CAC acknowledges that McCluskey has interests in the other businesses existing as of the date of this Agreement described in Exhibit A to this Agreement (the "Existing Businesses") and agrees that this Section 2 shall not prevent McCluskey from devoting time, attention and energies to the Existing Businesses, provided that devoting such time, attention and energies to the Existing Businesses does not materially detract from McCluskey's performance of his duties under this Agreement.

3. Relocation. McCluskey acknowledges and agrees that in order for McCluskey to devote sufficient time, attention, and energies to the business of CAC, that McCluskey must relocate his primary residence from its current location to the metropolitan Detroit area on or before August 1, 2001. CAC agrees to pay all reasonable and necessary moving expenses related to this relocation.

4. Term of Employment.

(a) The term of this Agreement shall continue indefinitely, provided however, that either of the parties may terminate this Agreement by giving written notice of such termination to the other party not less than thirty (30) days prior to the effective date of the termination specified in such notice. In the event of any such termination of this Agreement without cause by CAC, CAC shall pay to McCluskey all salary and other compensation accrued through and including the date of any such termination and reimburse any business expenses incurred by McCluskey up to and including the date of such termination.

(b) In addition to the right of termination provided in paragraph (a) CAC may terminate this Agreement forthwith and without notice to you in the event you commit any act of embezzlement, theft, fraud, or dishonesty related to your employment, or in the event you commit any material breach of this Agreement or CAC's policies as they may be from time to time set forth in CAC's Employee Handbook, of which you shall receive a current and updated copy.

(c) This Agreement terminates automatically upon your death.

(d) Whenever we make a reference in this Agreement to termination "under any circumstances", such term shall mean and include termination by either of the parties, with or without cause, termination upon your death, termination by mutual agreement or acquiescence of the parties, and termination for any other reason or under any other circumstances.

5. Employment Period Compensation.

(a) Salary. For services rendered by McCluskey under this Agreement, CAC shall pay McCluskey an annual base salary of $250,000 per year. Such salary shall be payable at such intervals as salaries are paid generally to salaried employees of the

Company. The Compensation Committee of the Board may, from time to time, increase McCluskey's salary above that set forth above, in its sole discretion, as it deems appropriate in light of the performance of McCluskey.

(b) Grant of Options. CAC shall grant to McCluskey, as of the date this Agreement is executed, options to purchase 1,000,000 shares of CAC common stock at $6.09 per share. This option grant shall be made in accordance with and governed by CAC's Employee Stock Option Plan (the "Plan") and CAC's Non-Qualified Stock Option Agreement ("Option Agreement"), a copy of which is attached hereto as Exhibit B and is incorporated into this Agreement by reference. All options issued to McCluskey shall be subject to all of the terms and conditions of the Plan and Option Agreement as amended from time to time, and shall vest as set forth in Exhibit C to this Agreement.

(c) Bonus Program. While employed at CAC, McCluskey shall participate in an Executive Bonus Program as approved by the Compensation Committee of the Board from time to time. The Executive Bonus Program will be based upon a formula driven by the Economic Value Added ("EVA") of CAC North America, which includes CAC, the Division, CAC of Canada and CAC Leasing (collectively "CACNA"). The calculation utilized in determining the EVA of CACNA will be adopted by the Compensation Committee of the Board from time to time, and will be consistent with the EVA calculation used to determine the executive bonus for all other CAC executives. The Executive Bonus will be payable in two parts, with 50% of the current year bonus paid to you and 50% carried over to the next year. The Executive Bonus will be calculated in accordance with the Bonus Plan (as amended from time to time by the Compensation Committee of the Board) attached hereto as Exhibit H.

(d) Other Benefits. While CAC employs McCluskey, CAC shall provide McCluskey with fringe benefits no less favorable than those then being received generally by salaried employees of CAC and in a manner and amount consistent with his position, compensation, seniority and age.

(e) Advance. In connection with the execution of the May 24, 1999 Consulting Agreement entered into by and between CAC and the Dealership, CAC made a cash advance to the Dealership in the amount of $850,000 against bonuses payable to the Dealership (the "Advance"). To evidence its obligation to repay the Advance, the Dealership executed and delivered to CAC a promissory note, a copy of which is attached and incorporated into this Agreement as Exhibit D (the "Note"). In furtherance of the covenants of this Agreement, McCluskey has agreed to personally guarantee the Note by executing the Guarantee in the form attached hereto as Exhibit I. All unpaid principal and interest under the Note shall be due and payable by Dealership on the tenth anniversary of this Agreement. This provision shall specifically supersede the term originally set forth in the Note.

(f) Additional Advance. Concurrently with the execution of this Agreement, and in furtherance of McCluskey's duty under paragraph 3 of this Agreement, CAC will

make a cash advance of $1,500,000 to McCluskey (the "Additional Advance"). To evidence his obligation to repay the Additional Advance, concurrently with the execution of this Agreement, McCluskey will execute and deliver to CAC a promissory note in substantially the form attached to this Agreement as Exhibit E (the "Note 2"). McCluskey agrees to pay to CAC the Net Proceeds received from the sale of his primary residence as soon as the sale funds have been distributed. Net Proceeds means all amounts that are due and payable to McCluskey as a result of the sale of his primary residence in Cincinnati. McCluskey agrees to use reasonable efforts to close on the sale of his primary residence in Cincinnati on or before December 31, 2001; provided, however, that the determination of adequate consideration for the sale of his primary residence in Cincinnati shall be in the sole discretion of McCluskey. All unpaid principal and interest under Note 2 shall be due and payable on the tenth anniversary of the date of this Agreement.

6. Confidentiality and Non-Competition Agreement. McCluskey acknowledges and recognizes the highly competitive nature of the Division's and CAC's business and, accordingly, for the consideration set forth in paragraph 5 above, McCluskey agrees to execute the Confidentiality and Non-Competition Agreement attached hereto as Exhibit F.

7. Notices. Any notice required or permitted to be given under this Agreement shall be deemed properly given if in writing and if mailed by registered or certified mail, postage prepaid with return receipt requested or sent by express courier service, charges prepaid by shipper, to his residence in the case of notices to McCluskey (with a copy to Thomas J. Kirkwood, Esq., at 312 Walnut Street, 14th Floor, Cincinnati, Ohio 45202), and to the principal offices of CAC, to the attention of its President, Michael Knoblauch (with a copy to CAC's General Counsel - Attention Charles A. Pearce, Esq.) in the case of notices to CAC (or to such other address as a party is directed pursuant to written notice from the other party).

8. Assignment. This Agreement shall not be assignable by either party except by CAC to any subsidiary or affiliate of CAC or any successor in interest to the Division or CAC's business.

9. Entire Agreement. This instrument contains the entire agreement of the parties relating to the subject of employment, and supersedes, replaces and cancels in its entirety any previously executed or existing Employment Agreement, Consulting Agreement, Option Agreement attachment, Annex or Exhibit, except for those existing Agreements or Notes that have been incorporated herein by reference. The terms and conditions of this Agreement may not be waived, changed, modified, extended or discharged orally but only by agreement in writing signed by the party against whom enforcement of any such waiver, change, modification, extension or discharge is sought. The waiver by CAC of a breach of any provision of this Agreement by McCluskey shall not operate or be construed as a waiver of a breach of any other provision of this Agreement or of any subsequent breach by McCluskey.

10. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without regard to its conflict of laws principles.

11. Alternative Dispute Resolution. Other than CAC's remedies set forth in the Confidentiality and Non Competition Agreement attached as Exhibit G, any disputes and differences arising between the parties in connection with or relating to this Agreement or the parties relationship with respect hereto shall be settled and finally determined in accordance with the Credit Acceptance Corporation Alternative Dispute Resolution Policy, a copy of which is attached hereto as Exhibit G.

12. Headings. The headings of the Sections are for convenience only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

The parties have executed this Agreement on April 19, 2001.

CREDIT ACCEPTANCE CORPORATION	KEITH MCCLUSKEY
By: /S/ BRETT A. ROBERTS	/S/ KEITH MCCLUSKEY
Name: Brett A. Roberts	
Its: Chief Operating Officer	

EXHIBIT A

EXISTING BUSINESSES

1. McCluskey Chevrolet, Inc.

2. Driver's Mart of Cincinnati, LLC, d/b/a "AutoNation of Cincinnati"

3. AutoNet Finance Company, a division of McCluskey Chevrolet, Inc.

EXHIBIT B

[CAC LOGO]

NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE
CREDIT ACCEPTANCE CORPORATION
1992 EMPLOYEE STOCK OPTION PLAN

THIS AGREEMENT IS ENTERED INTO EFFECTIVE AS OF APRIL 19, 2001 BY AND BETWEEN CREDIT ACCEPTANCE CORPORATION ("CORPORATION") AND KEITH MCCLUSKEY ("OPTIONEE"), PURSUANT TO THE CREDIT ACCEPTANCE CORPORATION 1992 STOCK OPTION PLAN ("PLAN"). THE CORPORATION HEREBY GRANTS TO THE OPTIONEE A NON-QUALIFIED STOCK OPTION TO PURCHASE A TOTAL OF 1,000,000 SHARES OF COMMON STOCK, SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE PLAN AND AS HEREINAFTER PROVIDED (THE "OPTION"). CAPITALIZED TERMS NOT DEFINED IN THIS AGREEMENT SHALL HAVE THE MEANINGS RESPECTIVELY ASCRIBED TO THEM IN THE PLAN.

1. OPTION PRICE. THE OPTION SHALL BE EXERCISABLE AT A PRICE OF $6.00 PER SHARE.

2. OPTION EXERCISE. (a) THE OPTION SHALL BECOME EXERCISABLE IN INSTALLMENTS AS DESCRIBED IN EXHIBIT C TO THE EMPLOYMENT AGREEMENT, DATED APRIL 19, 2001, BETWEEN THE CORPORATION AND THE OPTIONEE. TO THE EXTENT NOT EXERCISED, INSTALLMENTS SHALL ACCUMULATE AND THE OPTIONEE MAY EXERCISE THEM THEREAFTER IN WHOLE OR IN PART. ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY NOTWITHSTANDING, THE OPTION SHALL EXPIRE AND NO LONGER BE EXERCISABLE AFTER THE DATE WHICH IS THE TENTH (10TH) ANNIVERSARY OF THE DATE OF THIS AGREEMENT.

(b) THE OPTION SHALL BE EXERCISABLE BY A WRITTEN NOTICE IN THE FORM ATTACHED HERETO WHICH SHALL:

(i) STATE THE ELECTION TO EXERCISE THE OPTION, THE NUMBER OF SHARES WITH RESPECT TO WHICH IT IS BEING EXERCISED, THE PERSON IN WHOSE NAME THE STOCK CERTIFICATE OR CERTIFICATES FOR SUCH SHARES OF COMMON STOCK ARE TO BE REGISTERED, AND THE ADDRESS AND SOCIAL SECURITY NUMBER OF SUCH PERSON;

(ii) BE SIGNED BY THE PERSON OR PERSONS ENTITLED TO EXERCISE THE OPTION, AND IF THE OPTION IS BEING EXERCISED BY A PERSON OR PERSONS OTHER THAN THE OPTIONEE, BE ACCOMPANIED BY PROOF

SATISFACTORY TO THE CORPORATION'S LEGAL COUNSEL OF THE RIGHT OF SUCH PERSON OR PERSONS TO EXERCISE THE OPTION; AND

(iii) BE IN WRITING AND DELIVERED TO THE TREASURER OF THE CORPORATION PURSUANT TO SECTION 12 OF THIS AGREEMENT.

(c) PAYMENT OF THE FULL PURCHASE PRICE OF ANY SHARES WITH RESPECT TO WHICH THE OPTION IS BEING EXERCISED SHALL ACCOMPANY THE NOTICE OF EXERCISE OF THE OPTION. PAYMENT SHALL BE MADE (i) IN CASH OR BY CERTIFIED CHECK, BANK DRAFT OR MONEY ORDER; (ii) IF THE COMMITTEE SO APPROVES AT THE TIME OF EXERCISE, BY TENDERING TO THE CORPORATION SHARES OF COMMON STOCK THEN OWNED BY THE OPTIONEE, DULY ENDORSED FOR TRANSFER OR WITH DULY EXECUTED STOCK POWER ATTACHED, WHICH SHARES SHALL BE VALUED AT THEIR FAIR MARKET VALUE AS OF THE DATE OF SUCH EXERCISE AND PAYMENT; OR (iii) IF THE COMMITTEE SO APPROVES AT THE TIME OF EXERCISE, BY DELIVERY TO THE CORPORATION OF A PROPERLY EXECUTED EXERCISE NOTICE, ACCEPTABLE TO THE CORPORATION, TOGETHER WITH IRREVOCABLE INSTRUCTIONS TO THE OPTIONEE'S BROKER TO DELIVER TO THE CORPORATION A SUFFICIENT AMOUNT OF CASH TO PAY THE EXERCISE PRICE AND ANY APPLICABLE INCOME AND EMPLOYMENT WITHHOLDING TAXES, IN ACCORDANCE WITH A WRITTEN AGREEMENT BETWEEN THE CORPORATION AND THE BROKERAGE FIRM ("CASHLESS EXERCISE") IF, AT THE TIME OF EXERCISE, THE CORPORATION HAS ENTERED INTO SUCH AN AGREEMENT.

3. TERMINATION OF EMPLOYMENT.

(a) TERMINATION PRIOR TO OPTION BECOMING EXERCISABLE. IF, PRIOR TO THE DATE THAT THE OPTIONS SHALL FIRST BECOME EXERCISABLE THE OPTIONEE'S EMPLOYMENT SHALL BE TERMINATED, WITH OR WITHOUT CAUSE, OR BY THE ACT, DEATH, DISABILITY, OR RETIREMENT OF THE OPTIONEE, THE OPTIONEE'S RIGHT TO EXERCISE THE OPTION SHALL TERMINATE AND ALL RIGHTS HEREUNDER SHALL CEASE.

(b) TERMINATION OTHER THAN BECAUSE OF DEATH OR DISABILITY AFTER OPTION BECOMES EXERCISABLE. IF, ON OR AFTER THE DATE THAT THE OPTION SHALL FIRST BECOME EXERCISABLE, THE OPTIONEE'S EMPLOYMENT SHALL BE TERMINATED FOR ANY REASON OTHER THAN DEATH OR DISABILITY, THE OPTIONEE SHALL HAVE THE RIGHT, PRIOR TO THE EARLIER OF (i) THE EXPIRATION OF THE OPTION OR (ii) THREE MONTHS AFTER SUCH TERMINATION OF EMPLOYMENT, TO EXERCISE THE OPTION TO THE EXTENT THAT IT WAS EXERCISABLE AND IS UNEXERCISED ON THE DATE OF SUCH TERMINATION OF EMPLOYMENT, SUBJECT TO ANY OTHER LIMITATION ON THE EXERCISE OF THE OPTION IN EFFECT AT THE DATE OF EXERCISE.

(c) TERMINATION BECAUSE OF DEATH OR DISABILITY AFTER OPTION BECOMES EXERCISABLE. IF, ON OR AFTER THE DATE THAT THE OPTION SHALL HAVE BECOME EXERCISABLE, THE OPTIONEE SHALL DIE OR BECOME DISABLED WHILE AN EMPLOYEE OR WHILE THE OPTION REMAINS EXERCISABLE, THE OPTIONEE OR THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE OPTIONEE (AS THE CASE MAY BE), OR THE PERSON OR PERSONS TO WHOM THE OPTION SHALL HAVE BEEN TRANSFERRED (IF SUCH TRANSFER WAS MADE IN COMPLIANCE WITH THE PLAN AND SECTION 7 OF THIS AGREEMENT), SHALL HAVE THE RIGHT, PRIOR TO THE EARLIER OF (i) THE EXPIRATION OF THE OPTION OR (ii) ONE YEAR FROM THE DATE OF THE OPTIONEE'S DEATH OR TERMINATION DUE TO SUCH DISABILITY TO EXERCISE THE OPTION TO THE EXTENT THAT IT WAS EXERCISABLE AND UNEXERCISED ON THE DATE OF DEATH OR TERMINATION, SUBJECT TO ANY OTHER LIMITATION ON EXERCISE IN EFFECT AT THE DATE OF EXERCISE.

4. OPTIONEE'S AGREEMENT. THE OPTIONEE AGREES TO ALL THE TERMS STATED IN THIS AGREEMENT, AS WELL AS TO THE TERMS OF THE PLAN (WHICH SHALL CONTROL IN CASE OF CONFLICT WITH THIS AGREEMENT), A COPY OF WHICH IS AVAILABLE FROM HUMAN RESOURCES.

5. WITHHOLDING. THE OPTIONEE CONSENTS TO WITHHOLDING FROM THIS COMPENSATION OF ALL APPLICABLE PAYROLL AND INCOME TAXES WITH RESPECT TO THE OPTION. IF THE OPTIONEE IS NO LONGER EMPLOYED BY THE CORPORATION AT THE TIME ANY APPLICABLE TAXES WITH RESPECT TO THE OPTION ARE DUE AND MUST BE REMITTED BY THE CORPORATION, THE OPTIONEE AGREES TO PAY APPLICABLE TAXES TO THE CORPORATION, AND THE CORPORATION MAY DELAY ISSUANCE OF A CERTIFICATE UNTIL PROPER PAYMENT OF SUCH TAXES HAS BEEN MADE BY THE OPTIONEE. IF THE COMMITTEE SO APPROVES AT THE TIME OF EXERCISE, THE OPTIONEE MAY SATISFY HIS OBLIGATIONS UNDER THIS SECTION 5 BY (i) MAKING AN ELECTION, NOTICE OF WHICH SHALL BE IN WRITING AND PROMPTLY DELIVERED TO THE COMMITTEE, AND TENDERING PREVIOUSLY-ACQUIRED SHARES OF COMMON STOCK OR HAVING SHARES OF COMMON STOCK WITHHELD FROM THE SHARES OF COMMON STOCK TO BE RECEIVED UPON EXERCISE, PROVIDED THAT THE SHARES HAVE AN AGGREGATE FAIR MARKET VALUE ON THE DATE OF EXERCISE OF THE OPTION SUFFICIENT TO SATISFY IN WHOLE OR IN PART THE APPLICABLE WITHHOLDING TAXES; OR (ii) UTILIZING THE CASHLESS EXERCISE PROCEDURE DESCRIBED IN SECTION 2(c). EXCEPT AS PERMITTED UNDER RULE 16b-3 PROMULGATED UNDER THE EXCHANGE ACT, IF THE OPTIONEE IS SUBJECT TO THE INSIDER TRADING RESTRICTION OF SECTION 16(b) OF THE EXCHANGE ACT, THE OPTIONEE MAY USE COMMON STOCK TO SATISFY THE APPLICABLE WITHHOLDING REQUIREMENTS ONLY IF NOTICE OF ELECTION TO SO USE COMMON STOCK IS GIVEN OR BECOMES EFFECTIVE WITHIN THE "WINDOW PERIODS" SET FORTH IN RULE 16b-3, OR IF SUCH ELECTION IS IRREVOCABLE AND MADE AT LEAST SIX MONTHS PRIOR TO THE DATE OF THE EXERCISE OF THE OPTION.

6. RIGHTS AS SHAREHOLDER. THE OPTIONEE SHALL HAVE NO RIGHTS AS A SHAREHOLDER OF THE CORPORATION WITH RESPECT TO ANY OF THE SHARES COVERED BY THE OPTION UNTIL THE ISSUANCE OF A STOCK CERTIFICATE OR CERTIFICATES UPON THE EXERCISE OF THE OPTION, AND THEN ONLY WITH RESPECT TO THE SHARES REPRESENTED BY SUCH CERTIFICATE OR CERTIFICATES. NO ADJUSTMENT SHALL BE MADE FOR DIVIDENDS OR OTHER RIGHTS WITH RESPECT TO SUCH SHARES FOR WHICH THE RECORD DATE IS PRIOR TO THE DATE SUCH CERTIFICATE OR CERTIFICATES ARE ISSUED.

7. NON-TRANSFERABILITY OF OPTION. THE OPTION SHALL NOT BE TRANSFERRED IN ANY MANNER OTHER THAN BY WILL, THE LAWS OF DESCENT OR DISTRIBUTION OR PURSUANT TO A QUALIFIED DOMESTIC RELATIONS ORDER AS DEFINED BY THE CODE OR TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT, OR THE RULES THEREUNDER. DURING THE LIFETIME OF THE OPTIONEE, THE OPTION SHALL BE EXERCISED ONLY BY THE OPTIONEE. NO TRANSFER OF THE OPTION SHALL BE EFFECTIVE TO BIND THE CORPORATION UNLESS THE CORPORATION SHALL HAVE BEEN FURNISHED WITH WRITTEN NOTICE THEREOF AND SUCH EVIDENCE AS THE CORPORATION MAY DEEM NECESSARY TO ESTABLISH THE VALIDITY OF THE TRANSFER AND THE ACCEPTANCE BY THE TRANSFEREE OF THE TERMS AND CONDITIONS OF THE OPTION.

8. COMPLIANCE WITH SECURITIES, TAX AND OTHER LAWS. THE OPTION MAY NOT BE EXERCISED IF THE ISSUANCE OF SHARES UPON SUCH EXERCISE WOULD CONSTITUTE A VIOLATION OF ANY APPLICABLE FEDERAL OR STATE SECURITIES LAW OR ANY OTHER LAW OR VALID REGULATION. AS A CONDITION TO EXERCISE OF THE OPTION, THE CORPORATION MAY REQUIRE THE OPTIONEE, OR ANY PERSON ACQUIRING THE RIGHT TO EXERCISE THE OPTION, TO MAKE ANY REPRESENTATION OR

WARRANTY THAT THE CORPORATION DEEMS TO BE NECESSARY UNDER ANY APPLICABLE SECURITIES, TAX, OR OTHER LAW OR REGULATION.

9. ADJUSTMENTS. IN THE EVENT THAT THE COMMITTEE SHALL DETERMINE THAT ANY DIVIDEND OR OTHER DISTRIBUTION (WHETHER IN THE FORM OF CASH, COMMON STOCK, OTHER SECURITIES, OR OTHER PROPERTY), RECAPITALIZATION, STOCK SPLIT, REVERSE STOCK SPLIT, REORGANIZATION, MERGER, CONSOLIDATION, SPLIT-UP, SPIN-OFF, COMBINATION, REPURCHASE, OR EXCHANGE OF COMMON STOCK OR OTHER SECURITIES OF THE CORPORATION, ISSUANCE OF WARRANTS OR OTHER RIGHTS TO PURCHASE COMMON STOCK OR OTHER SECURITIES OF THE CORPORATION, OR OTHER SIMILAR CORPORATE TRANSACTION OR EVENT AFFECTS THE COMMON STOCK SUCH THAT AN ADJUSTMENT IS DETERMINED BY THE COMMITTEE TO BE APPROPRIATE IN ORDER TO PREVENT DILUTION OR ENLARGEMENT OF THE BENEFITS OR POTENTIAL BENEFITS INTENDED TO BE MADE AVAILABLE BY THE GRANT OF THE OPTION, THE COMMITTEE IS PERMITTED TO ADJUST THE TERMS OF THE OPTION AS PROVIDED IN THE PLAN.

10. CHANGE OF CONTROL. EXCEPT AS PROVIDED BELOW, IN THE EVENT OF A CHANGE OF CONTROL, EACH OPTION SHALL BE CANCELED IN EXCHANGE FOR PAYMENT IN CASH OF AN AMOUNT EQUAL TO THE EXCESS OF THE CHANGE OF CONTROL PRICE OVER THE EXERCISE PRICE THEREOF. NOTWITHSTANDING THE IMMEDIATELY PRECEDING SENTENCE, NO CANCELLATION, CASH SETTLEMENT OR ACCELERATION OF VESTING SHALL OCCUR WITH RESPECT TO ANY OPTION IF THE COMMITTEE REASONABLY DETERMINES IN GOOD FAITH PRIOR TO THE OCCURRENCE OF A CHANGE OF CONTROL THAT SUCH OPTION SHALL BE HONORED OR ASSUMED, OR NEW RIGHTS SUBSTITUTED THEREFOR (SUCH HONORED, ASSUMED OR SUBSTITUTED OPTION HEREINAFTER CALLED AN "ALTERNATIVE OPTION"), BY A PARTICIPANT'S EMPLOYER (OR THE PARENT OR A SUBSIDIARY OF SUCH EMPLOYER) IMMEDIATELY FOLLOWING THE CHANGE OF CONTROL, PROVIDED THAT ANY SUCH ALTERNATIVE OPTION MUST:

(i) BE BASED ON STOCK WHICH IS TRADED ON AN ESTABLISHED SECURITIES MARKET, OR WHICH WILL BE SO TRADED WITHIN SIXTY (60) DAYS OF THE CHANGE OF CONTROL;

(ii) PROVIDE SUCH PARTICIPANT (OR EACH PARTICIPANT IN A CLASS OF PARTICIPANTS) WITH RIGHTS AND ENTITLEMENT SUBSTANTIALLY EQUIVALENT TO OR BETTER THAN THE RIGHTS, TERMS AND CONDITIONS APPLICABLE UNDER SUCH OPTION, INCLUDING, BUT NOT LIMITED TO, AN IDENTICAL OR BETTER EXERCISE OR VESTING SCHEDULE AND IDENTICAL OR BETTER TIMING AND METHODS OF PAYMENT; AND

(iii) HAVE SUBSTANTIALLY EQUIVALENT ECONOMIC VALUE TO SUCH OPTION (DETERMINED AT THE TIME OF THE CHANGE OF CONTROL).

"CHANGE OF CONTROL PRICE" MEANS THE HIGHEST PRICE PER SHARE OFFERED IN CONJUNCTION WITH ANY TRANSACTION RESULTING IN A CHANGE OF CONTROL (AS DETERMINED IN GOOD FAITH BY THE COMMITTEE IF ANY PART OF THE OFFERED PRICE IS PAYABLE OTHER THAN IN CASH) OR, IN THE CASE OF A CHANGE OF CONTROL OCCURRING SOLELY BY REASON OF A CHANGE IN THE COMPOSITION OF THE BOARD, THE HIGHEST FAIR MARKET VALUE OF THE STOCK ON ANY OF THE 30 TRADING DAYS IMMEDIATELY PRECEDING THE DATE ON WHICH A CHANGE OF CONTROL OCCURS.

11. NO RIGHT TO EMPLOYMENT. THE GRANTING OF THE OPTION DOES NOT CONFER UPON THE OPTIONEE ANY RIGHT TO BE RETAINED AS AN EMPLOYEE.

12. AMENDMENT AND TERMINATION OF OPTION. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE CORPORATION MAY NOT, WITHOUT THE CONSENT OF THE OPTIONEE, ALTER OR IMPAIR ANY OPTION GRANTED UNDER THE PLAN. THE OPTION SHALL BE CONSIDERED TERMINATED IN WHOLE OR IN PART, TO THE EXTENT THAT, IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN, IT CAN NO LONGER BE EXERCISED FOR SHARES ORIGINALLY SUBJECT TO THE OPTION.

13. NOTICES. EVERY NOTICE RELATING TO THIS AGREEMENT SHALL BE IN WRITING AND IF GIVEN BY MAIL SHALL BE GIVEN BY REGISTERED OR CERTIFIED MAIL WITH RETURN RECEIPT REQUESTED. ALL NOTICES TO THE CORPORATION OR THE COMMITTEE SHALL BE SENT OR DELIVERED TO THE TREASURER OF THE CORPORATION AT THE CORPORATION'S HEADQUARTERS. ALL NOTICES BY THE CORPORATION TO THE OPTIONEE SHALL BE DELIVERED TO THE OPTIONEE PERSONALLY OR ADDRESSED TO THE OPTIONEE AT THE OPTIONEE'S LAST RESIDENCE ADDRESS AS THEN CONTAINED IN THE RECORDS OF THE CORPORATION OR SUCH OTHER ADDRESS AS THE OPTIONEE MAY DESIGNATE. EITHER PARTY BY NOTICE TO THE OTHER MAY DESIGNATE A DIFFERENT ADDRESS TO WHICH NOTICES SHALL BE ADDRESSED. ANY NOTICE GIVEN BY THE CORPORATION TO THE OPTIONEE AT THE OPTIONEE'S LAST DESIGNATED ADDRESS SHALL BE EFFECTIVE TO BIND ANY OTHER PERSON WHO SHALL ACQUIRE RIGHTS HEREUNDER.

IN WITNESS WHEREOF, THE CORPORATION, BY ITS DULY AUTHORIZED OFFICER, AND THE OPTIONEE HAVE EXECUTED THIS AGREEMENT EFFECTIVE AS OF THE DATE AND YEAR FIRST ABOVE WRITTEN.

CREDIT ACCEPTANCE CORPORATION

BY:/S/ BRETT A. ROBERTS

ITS: CHIEF OPERATING OFFICER

OPTIONEE:

BY:/S/ KEITH MCCLUSKEY

EXHIBIT C

OPTION VESTING SCHEDULE

Set forth below is the schedule of the vesting of the Options. Vesting of Options is dependent upon the achievement of CACNA achieving the EVA goals set forth below.

The calculation utilized in determining the EVA of CACNA for purposes of this Option Vesting Schedule will be the same calculation utilized in determining McCluskey's Executive Bonus in accordance with paragraph 5 (c) of the Employment Agreement. The EVA calculation of CACNA will be adopted by the Compensation Committee of the Board of Directors from time to time, and will be the identical calculation used to determine the executive bonus for all other CAC executives.

Vesting Schedule

The corresponding Options will vest on the date CACNA's EVA calculation meets or exceeds the following targets.

CACNA EVA calculation(1)	Incremental Number Vested	Cumulative Number Vested
+$12,115,390	200,000	200,000
+$17,115,390	200,000	400,000
+$22,115,390	300,000	700,000
+$27,115,390	300,000	1,000,000

- --------
(1) The EVA Calculation refers to the annual EVA of CACNA (not a cumulative or change calculation). If the EVA calculation falls below the base year calculation (originally a negative 7,884,610), this base line figure must be recovered first by subtracting the shortfall from the following year's EVA calculation.

EXHIBIT D

MAY 24, 1999 PROMISSORY NOTE

(PLEASE SEE ATTACHED)

EXHIBIT D

PROMISSORY NOTE (NOTE 2)

PROMISSORY NOTE

$1,500,000 Southfield, Michigan

April 19, 2001

Keith McCluskey, an Ohio resident (the "Borrower"), having a residence address at 3565 Fawnrun Drive, Cincinnati, Ohio, promises to pay to the order of Credit Acceptance Corporation, a Michigan corporation (the "Note Holder"), having a business address at Silver Triangle Building, 25505 West Twelve Mile Road, Suite 3000, Southfield Michigan 48034, the principal sum of $1,500,000 with interest on the unpaid principal balance accruing from January 1, 2002, until paid, at the annual rate of 5.22% simple interest.

DUE DATE; AGREEMENT TO PAY. The Borrower agrees to repay to the Note Holder at the business address set forth above the entire principal amount together with simple interest on the principal amount at the annual rate of 5.22% on or before April 19, 2011. Interest shall accrue from January 1, 2002 on the unpaid principal balance until payment in full.

REMEDIES. If suit is brought to collect the indebtedness evidenced by this Promissory Note, the Note Holder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorneys' fees.

OPTIONAL PREPAYMENT. The Borrower may prepay the principal amount outstanding in whole or in part without premium or penalty. Any payments made on or before December 31, 2001 shall be applied entirely to the $1,500,000 principal amount. After December 31, 2001, any partial prepayment shall be applied first to accrued interest and then to principal amount. Prepayments may be made in whole or in part without penalty at any time.

MAXIMUM INTEREST UNDER LAW. In no event shall the interest rate charged or received under this Promissory Note at any time exceed the maximum interest rate permitted under applicable law. Payments received by the Note Holder under this Promissory Note which would otherwise cause the interest rate under this Promissory Note to exceed such maximum interest rate shall, to the extent of such excess, be deemed prepayments of principal and applied as such as provided in this Promissory Note. If the Note Holder shall reasonably determine that the legal authority to charge the interest rate under this Promissory Note has been adjudicated to be usurious or otherwise limited by statute, or law, then the interest rate hereunder shall be reduced to the limit of such validity as provided by statute or law, so that in no event shall any exaction of interest be possible under this Note in excess of the limit of such validity.

OPPORTUNITY TO CONSULT COUNSEL. The Borrower acknowledges that it has had an opportunity to consult with counsel of its own choosing regarding this Promissory Note.

GENERAL. Presentment, notice of dishonor, and protest are waived by all makers, sureties, guarantors and endorsers of this Promissory Note. This Promissory Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns. Any notice provided for in this Promissory Note shall be in writing and shall be delivered or mailed, and if mailed, shall be deemed given when deposited in the mail first-class, postage prepaid, registered or certified mail, return receipt requested, sent to the Borrower's and Note Holder's respective addresses specified in this Promissory Note or such other address as the addressee may have specified in a notice duly given to the sender. This Promissory Note shall be construed in accordance with the laws of the State of Michigan.

KEITH MCCLUSKEY

By: /S/ KEITH MCCLUSKEY

[CAC LOGO]
CREDIT ACCEPTANCE CORPORATION

EXHIBIT F

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This confidentiality and non-competition agreement (the "Agreement") is entered into between Keith McCluskey (hereinafter referred to as "I") and Credit Acceptance Corporation (hereinafter referred to as the "Company"). All capitalized terms in this Agreement shall have the same meaning assigned to them in the Employment Agreement.

I understand and acknowledge that during my employment with the Company, certain information not generally known in the industry in which the Company is or may be engaged in has been and will be disclosed to me about the business, customers, suppliers, products, services and financial statements of the Company, including without limitation, the dealer/customer lists, sales, costs, records, products, property, discounts, computer programs, forms, methods of billing, methods of collecting accounts, computer software, marketing, other corporate activities of the Company and other confidential information relative to the Company's actual or prospective dealers/customers, employees, and investors (hereinafter collectively referred to as "Confidential Information").

I understand and agree that this Agreement does not and nothing in it shall be construed to create an employment contract between myself and the Company, and that I am an at-will employee, and that my employment with the Company may be terminated at any time with or without cause.

In consideration of the understandings set forth above and in consideration of my continued employment by the Company and the compensation paid or to be paid for my services by the Company, the Company and I agree and covenant as follows:

1. I will not in any way, directly or indirectly, use, disseminate, disclose, lecture upon or publish any Confidential Information.

2. I will sign all papers and do such other acts as the Company may deem reasonably necessary or desirable and may reasonably require of me to protect its rights to such confidential Information.

3. During and after such employment by the Company, I will not divulge, reproduce or exhibit to others or appropriate for my own use or benefit or for the use and benefit of others any Confidential Information I may receive, acquire or develop, or have received, acquired or developed, during my employment by the Company which relates to the Company, unless and until such information becomes generally available to the public through no fault of my own or unless such disclosure or appropriation is authorized in writing by the Company.

4. I shall not in any manner knowingly and intentionally disrupt or attempt to disrupt any relationship which the Company may have with its employees, suppliers, dealers, customers, lessors, banks, consultants and other persons or entities with whom business dealings or ongoing relationships exist, nor induce any of such parties to terminate or otherwise alter the manner in which such relationships are being conducted with the Company.

5. I shall at no time remove from the Company's premises or retain without the Company's written consent any of the Company's confidential Information, unpublished records, books of account, books, corporate documents, correspondence, papers, memoranda, notes, manuals, computer software, or copies of or extracts from any of the foregoing.

6. Upon termination of my employment, I shall promptly deliver to the Company all Confidential Information, records, books of account, books, corporate documents, correspondence, papers, memoranda, notes, manuals, computer software, or copies of or extracts from any of the foregoing and all other property of the Company, which are then in my possession or under my control, unless authorized in writing by the Company to retain any such materials.

7. I acknowledge and agree that the Company will be irreparably harmed should I, in any manner, enter into competition with the Company. During the period of my employment with the Company and for a period of two (2) years commencing on the date of my termination of employment with the Company for whatever reason, I will not, directly or indirectly, in any capacity whatsoever (including, but not limited to, as an officer, director, employee, partner, agent, representative, advisor, consultant, or shareholder of any person, firm, partnership, corporation, association or any entity):

   a. Solicit the trade or patronage of, disclose the name of, or take any action that shall cause the interruption or termination of the business relationship between the Company and any existing or prospective dealer, customer or supplier of the Company;

   b. Directly or indirectly engage in, own, manage, finance, operate, joint control, participate in, or derive any benefits whatsoever, from any business engaged in any activity that is in competition in any manner with the business of the Company, and/or its successors, within the geographic and market location in which the Company conducts its business; or

   c. Induce or attempt to induce away, or aid, assist or abet any other party or person in inducing or attempting to induce away, any other employee of the Company from his or her employment with the Company.

8. I hereby acknowledge that breach of this Agreement shall result in irreparable harm to the Company, for which there is no adequate remedy at law and for which the ascertainment of damages will be difficult. As a result, the Company shall be entitled without having to prove the inadequacy of other remedies at law to specific enforcement of this Agreement and any money damages as well as both temporary relief (without notice or bond) and permanent injunctive relief (without being required to post bond or other security).

9. Nothing in this Agreement will be construed or interpreted to require me to cause the Dealership or any of the Existing Businesses to purchase any products or services from the Division or the Company or to prevent the Dealership or any of the Existing Businesses from offering to their retail customers financing programs provided by or through any financing sources other than the Division or CAC or to prevent me from owning, controlling, or managing one or more of the Existing Businesses.

10. This agreement shall be binding on my heirs, devisees, executors, administrators or other legal representatives and assigns and shall inure to the benefit of the Company and its successors and assigns interest.

11. I hereby acknowledge that this Agreement may be assigned without my consent in connection with a sale, transfer, or other assignment of all or substantially all of the assets of, or merger of the Company.

12. I have read and understand and hereby agree to the foregoing and acknowledge receipt of one copy of this Agreement.

13. Each paragraph and provision of this Agreement is servarable from the Agreement, and if one provision or part thereof is declared invalid, the remaining provisions shall nevertheless remain in full force and effect.

14. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Michigan, without regard to any principles of conflict of laws that would require the application of the law of another jurisdiction.

Date: ----------

Signature

CREDIT ACCEPTANCE CORPORATION

By: /S/ BRETT A. ROBERTS

Its: CHIEF OPERATING OFFICER

EXHIBIT G

CREDIT ACCEPTANCE CORPORATION

ALTERNATIVE DISPUTE RESOLUTION ("ADR") POLICY AND PROCEDURE

I. COVERAGE

A. GENERALLY

This ADR Policy and Procedure is the sole and exclusive method by which an employee ("You", or an equivalent personal pronoun) and the Company (collectively, "the parties") are required to resolve the covered disputes arising out of or related to your employment with the Company or the termination of that employment, each of which, as described below, is referred to as an "employment-related dispute", including such disputes arising out of or related to any of the following subjects:

B. COVERED CLAIMS

1. Any disciplinary action or other adverse employment decision of the Company or any statement related to your employment, your performance or your termination; which action, decision, or statement you claim is wrongful, in violation of, and arises out of or is related to any current or future federal, state or local civil rights laws, fair employment laws, wage and hour laws, fair labor or employment standards laws, laws against discrimination, equal pay laws, wage and salary payment laws, laws in regard to employment benefits or protections, family and medical leave laws, and whistleblower laws, including by way of example, but not limited to, the federal Civil Rights Acts of 1886, 1971, 1964 and 1991, the Age Discrimination in Employment Act of 1967, the Fair Labor Standards Act, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act, and the Employee Retirement Income Security Act, as they have been or may be amended from time to time; or

2. Disputes over the arbitrability of any controversy or claim which arguably is or may be subject to this ADR Policy and Procedure.

C. CLAIMS NOT COVERED.

1. Claims you may have for workers' compensation or unemployment compensation benefits are not covered by this ADR Policy and Procedure.

2. Also not covered are claims by CAC for injunctive and/or other equitable relief, including but not limited to, claims for unfair competition and/or the use and/or unauthorized disclosure of trade secrets or confidential information, as to which you understand and agree that CAC may seek and obtain relief from a court of competent jurisdiction.

3. Claims with an aggregate value of less than one thousand ($1000) dollars are not covered by this ADR Policy and Procedure.

II. PRE-ADR PROCEDURES

A. WRITTEN NOTICE OF CLAIM/TIMELINESS - In order to initiate an ADR proceeding pursuant to this ADR Policy and Procedure, the aggrieved party must notify the other party by giving written notice of a claim. Written notice of a claim must be provided within one year of the date the aggrieved party first discovers or has knowledge of the event or series of events that give rise to the claim. Failure to provide written notice as required in this Part will extinguish the claim in its entirety and will be deemed a waiver of the claim even if there is a federal or state statute of limitations which would have given more time to pursue the claim. This notice provision is not intended to extend the applicable statute of limitations such that any claims that would be time barred had the claim been brought in a court action, will remain time barred in the arbitration process.

1. The Company will provide written notice to me at the most current address reflected in my personnel file.

2. You will provide written notice to the Company at Credit Acceptance Corporation, Silver Triangle Building, 25505 West Twelve Mile Road, Suite 3000, Southfield, Michigan 48034-8339. Attention: Corporate legal and Compliance

3. Any written notice the Company or you provide must be sent by certified or registered mail, return receipt requested. The notice shall be effective on the date it is mailed.

B. CONTENTS OF WRITTEN NOTICE OF CLAIM - The written notice shall contain the following:

1. A statement describing the claim that is being asserted;

2. A statement of the facts upon which the claim is based; and

3. The damages, if any, that are being claimed.

III. STEP 1: NEGOTIATION

If you have an employment-related dispute, you should discuss it with your immediate supervisor, or the person to whom your immediate supervisor reports, or your human resources representative. You and the Company shall attempt in good faith to negotiate a resolution of any employment-related dispute.

IV. STEP 2: MEDIATION

If an employment-related dispute cannot be settled through negotiation and remains unresolved 15 days after it is asserted, you or the Company may submit the dispute to mediation and the parties shall attempt in good faith to resolve the dispute by mediation, under the mediation procedure of the American Arbitration Association ("AAA"). Unless the parties agree otherwise in writing, the mediation shall be conducted by a single mediator, and the mediator shall be selected from the AAA panel pursuant to AAA rules. The mediation shall be conducted in the city and state in which the Company office in which you work(ed) is located. Unless the

parties agree otherwise, the cost of the mediator's reasonable professional fees and expenses and any reasonable administrative fee will be paid by the Company.

V. STEP 3: BINDING ARBITRATION

A. Generally any and all claims covered by this ADR Policy and Procedure, not resolved in Steps 1 and 2 above, shall be resolved solely and exclusively through arbitration as provided herein. Except as provided elsewhere in this ADR Policy and Procedure, neither one of us will initiate or prosecute any lawsuit or administrative action (other than an administrative charge of discrimination) that is in any way related to any claim covered by this ADR Policy and Procedure. Either party may compel arbitration pursuant to this ADR Policy and Procedure and may enforce any Arbitration Award made pursuant to the ADR Policy and Procedure in any court of competent jurisdiction.

B. PRELIMINARY ARBITRATION PROCEDURES

1. TIMING/FORUM/LOCATION. If an employment-related dispute cannot be settled through mediation and remains unresolved 45 days after the appointment of a mediator, you or the Company may submit the dispute to arbitration and the dispute shall be settled in arbitration by a single arbitrator in accordance with the applicable rules for arbitration of employment disputes of the then-current Model Employment Arbitration Procedures of the American Arbitration Association ("AAA"). The arbitration shall take place in or near the city and state in which the Company office in which you work(ed) is located.

2. REPRESENTATION. It is understood that both the Company and you have the right to choose -- and to be represented by -- legal counsel or any other representative at any and all stages of the arbitration proceeding.

3. QUALIFICATIONS AND SELECTION OF THE ARBITRATOR.

a. QUALIFICATIONS -- The Arbitrator ("Arbitrator") selected pursuant to the provisions of this Agreement shall be licensed to practice law in the state in which the arbitration hearing is held.

b. SELECTION PROCESS -- Each party shall receive a list of the names of the same six arbitrators selected by the American Arbitration Association ("AAA"). Each party shall strike any and all names on the list that it deems unacceptable. In the event only one common name remains on each list of the parties, that remaining person shall be appointed as the Arbitrator. In the event more than one common name remains on each list of the parties, then the parties shall strike names alternately, with the Company making the first strike, until only one name remains, and that remaining person shall be appointed as the Arbitrator. In the event no common name appears after the initial striking of names, then an additional list of six arbitrators shall be supplied by the AAA and the striking process shall resume until an Arbitrator is selected.

4. DISCOVERY

a. DEPOSITIONS. Each party shall have the right to take the deposition of one person and of any witness the other party designates as an expert to testify at trial.

b. PRODUCTION OF DOCUMENTS. Each party shall have the right to request the production of documents from the other party.

c. SUBPOENA. Each party shall have the right to subpoena witnesses to attend the hearing and the production of documents pursuant to the course of the arbitration.

d. ADDITIONAL DISCOVERY PROCEDURES. The arbitrator may, at his or her sole discretion and only upon a showing of substantial need, order additional discovery beyond what is explicitly provided for in this ADR Policy and Procedure.

e. NOTIFICATION OF WITNESSES AND EXHIBITS. In order to use the testimony of any witnesses, including any expert, or any exhibits, a party must supply a written list of any and all witnesses and copies of all exhibits intended to be used at the arbitration hearing no less than 40 days prior to the arbitration. The list of witnesses and copies of exhibits must be supplied to the other party either in person or through certified or registered mail, return receipt requested.

f. PRE-HEARING DISPUTES. In furtherance of the assurance of procedural fairness, the Arbitrator shall have the jurisdiction and authority to hear and rule on any pre-hearing disputes including (but not limited to any discovery) which may arise between the parties to the arbitration.

C. ARBITRATION PROCEDURES.

1. GENERALLY. Arbitration shall be in accord with the then-current Model Employment Arbitration Procedures of the AAA.

2. LAW TO BE APPLIED. The Arbitrator shall apply the substantive law of the state in which the claim arose, or federal law, or both, as deemed applicable and relevant by the Arbitrator for the claim asserted.

3. MOTION TO DISMISS AND SUMMARY JUDGMENT. The Arbitrator shall have the jurisdiction and authority to hear and decide a Motion to Dismiss or a Motion for Summary Judgment by either party. The Arbitrator shall apply the Federal Rules of Civil Procedure in hearing and deciding such a Motion.

4. STENOGRAPHIC RECORD. Any party desiring a stenographic record of the arbitration hearing shall make arrangements directly with a stenographer and shall notify the other parties of these arrangements in advance of the hearing. The requesting party or parties shall pay the cost of the record. If the transcript is agreed by the parties to be, or determined by the Arbitrator to be, the official record of the proceeding, it must be made available to the Arbitrator and to the other parties for inspection at a date, time, and place determined by the Arbitrator. Either party shall have the right, at its own expense, to receive a written transcript of all of the arbitration proceedings.

5. POST-HEARING BRIEF. The Arbitrator shall have the authority to grant leave to either party, upon their request, to file a post-hearing brief. The Arbitrator shall determine the time limit for filing and the format and contents of the brief.

6. WRITTEN OPINION. The Arbitrator shall render a written opinion within 60 days after the date of the closing of the hearing. Unless the parties agree otherwise, the written opinion shall be in the form typically rendered in labor arbitrations and executed in the manner required by law.

7. CONFIDENTIALITY OF RESULTS. Unless the parties agree otherwise, the result of the arbitration shall be confidential, and may not be disclosed to third parties, including (but not limited to) newspapers or legal publishers.

D. SCOPE OF THE ARBITRATION AND POWER OF THE ARBITRATOR

1. ARBITRATOR SHALL RESOLVE ALL CLAIMS. Except as otherwise provided in this Agreement, the Arbitrator shall have exclusive jurisdiction to hear and resolve any and all claims covered by this ADR Policy and Procedure, including (but not limited to) disputes relating to the interpretation, applicability, or formation of this Agreement. Except as otherwise provided herein, no court or agency -- whether federal, state, local or otherwise -- shall have any jurisdiction to hear or resolve any claims covered by this ADR Policy and Procedure.

2. SCOPE OF AWARD. Except as otherwise provided herein, the Arbitrator shall have the authority to award any remedy permitted by law. Except as provided in the immediately following sentence, the Arbitrator shall have the jurisdiction and authority to award specific performance to either party regarding any claim. Notwithstanding the forgoing to the contrary, the Arbitrator may not award either reinstatement of employment or a promotion.

3. ARBITRATION IS FINAL AND BINDING. The Arbitrator's opinion will constitute a final and binding resolution of any and all claims either party may have against the other. Neither party may appeal the results of the arbitration to any federal, state, local or other court or agency.

E. FEES AND EXPENSES

1. ARBITRATOR'S FEES AND EXPENSES. Except as otherwise provided in the Agreement, the parties shall share equally any and all fees and expenses of the Arbitrator. Each party will deposit funds or post other security for its share of the Arbitrator's fee, in an amount and manner determined by the Arbitrator, 10 days before the first day of hearing.

2. ATTORNEYS' FEES. Each party shall pay for its own costs and attorneys' fees, if any. However, in the event a party prevails on a statutory claim for which attorneys' fees may be awarded to the prevailing party, or if the parties have a written agreement providing for payment of attorneys' fees to the prevailing party, the Arbitrator has authority to award reasonable attorneys' fees to the prevailing party.

3. WITNESS FEES AND EXPENSES. The fees and expenses of a witness shall be paid by the party producing or subpoenaing such a witness.

VI. INTERSTATE COMMERCE

It is understood that Credit Acceptance Corporation is engaged in transactions involving interstate commerce and that your employment involves such commerce.

VII. PROVISIONAL REMEDIES

You or the Company may file a complaint or commence a court action to obtain an injunction to enforce the provisions of this ADR Policy and Procedure or to seek a preliminary injunction or other provisional relief to maintain the status quo in aid of or pending the application or enforcement of this ADR Policy and Procedure. Despite such action, the parties shall continue to participate in good faith in this ADR Policy and Procedure.

VIII. ADMINISTRATIVE AGENCIES

Nothing in this ADR Policy and Procedure is intended to prevent you from filing a complaint or charge with any administrative agency, including, but not limited to, the Equal Employment Opportunity Commission, the Michigan Department of Civil Rights and/or the National Labor Relations Board.

IX. AT-WILL EMPLOYMENT/WAIVER OF JURY OR COURT TRIAL

This ADR Policy and Procedure does not alter the at-will status of your employment. Nothing in this ADR Policy and Procedure limits in any way your right or the Company's right to terminate your employment at any time, for any or no reason, with or without notice. This ADR Policy and Procedure does not require the Company to start the arbitration process before taking disciplinary action of any kind, including without limitation the termination of your employment. THIS POLICY WAIVES ANY RIGHT THAT YOU OR THE COMPANY MAY HAVE TO A JURY TRIAL OR A COURT TRIAL OF ANY HEREIN COVERED EMPLOYMENT-RELATED DISPUTE.

X. TERMINATION OF THE ADR POLICY AND PROCEDURE

This ADR Policy and Procedure may be terminated by the Company at any time by giving you and all other employees to whom this ADR Policy and Procedure applies at least 90 days written notice of such termination. However, such termination shall not be effective as to any employment-related dispute arising out of events that occur on or before the date of termination of this ADR Policy and Procedure.

XI. SURVIVAL/REQUIREMENTS FOR MODIFICATION OR AMENDMENT

This ADR Policy and Procedure shall survive the termination of your employment. It can only be modified or amended by a writing signed by the parties which specifically states an intent to modify or amend this ADR Policy and Procedure.

XII. SOLE AND ENTIRE AGREEMENT

This is the complete Agreement of the parties on the subject of ADR Policy and Procedure and the within described employment-related disputes. This ADR Policy and Procedure supersedes any prior or contemporaneous oral or written understanding on the subject. No party is relying on any representations, oral or written, on the subject of the affect, enforceability or meaning of this ADR Policy and Procedure, except as specifically set forth in this ADR Policy and Procedure.

XIII. CONSIDERATION

The promises by Credit Acceptance Corporation and you to enter into this ADR Policy and Procedures process and to ultimately, if not resolved otherwise, arbitrate differences, rather than litigate them before courts or other bodies, provide consideration for each other. In addition, your hiring by CAC provides further consideration for this ADR Policy and Procedures Agreement.

XIV. ADR AGREEMENT

By your and the Company's signature on the separate Agreement on Alternative Dispute Resolution, you and the Company agree that this ADR Policy and Procedure shall mandatorily apply and be the sole and exclusive method by which you and the Company are required to resolve the hereinbefore described employment-related disputes, to the fullest extent permitted and not prohibited or restricted by law.

Although this ADR Policy and Procedure is common to all subsidiaries and affiliates of Credit Acceptance Corporation (the "entity"), the common application of the ADR Agreement and this ADR Policy and Procedure and the collective reference to the term "Company" do not confer upon any employee any rights as to any entity against which that employee otherwise would not have such rights or subject any entity to any obligations to any employee of another entity towards whom the first entity otherwise would not have any obligation.

XV. CONSTRUCTION/SAVINGS PROVISION

Should any provision of this ADR Policy and Procedure be held invalid, illegal or unenforceable, you and the Company agree that it shall be deemed to be modified so that its purpose can lawfully be effectuated and the balance of this ADR Policy and Procedure shall remain in full force and effect. You and the Company further agree that the provisions of this ADR Policy and Procedure shall be deemed severable and the invalidity or enforceability of any provision shall not affect the validity of enforceability of the other provisions hereof.

XVI. DURATION OF AGREEMENT

I understand and agree that this Agreement will continue in full force and effect both during my entire period of employment with the Company and, if applicable, after my termination of employment with the Company.

XVII. HEADING FOR CONVENIENCE ONLY

Headings of the sections in this Agreement are inserted for convenience only and are not to be considered in the construction of any provisions hereof.

XVIII. AGREEMENT IS NOT AN EMPLOYMENT AGREEMENT

This ADR Policy and Procedure shall not be deemed or construed to be a contract of employment between the Company and me. Nothing in this Agreement shall be deemed or construed to give me the right to be retained in the employ of the Company, or to interfere with the Company's right to discharge me at any time. In addition, this Agreement shall not be deemed or construed to give the Company the right to require me to remain in its employ or interfere with my right to terminate my employment at any time.

XIX. VOLUNTARY AGREEMENT

BY YOUR SIGNATURE ON THE SEPARATE AGREEMENT ON ALTERNATIVE DISPUTE RESOLUTION, YOU ACKNOWLEDGE THAT YOU HAVE CAREFULLY READ THIS ADR POLICY AND PROCEDURE, THAT YOU UNDERSTAND ITS TERMS, THAT ALL UNDERSTANDINGS AND AGREEMENTS BETWEEN CAC AND YOU RELATING TO THE SUBJECTS COVERED IN THIS ADR POLICY AND PROCEDURE ARE CONTAINED IN IT, AND THAT YOU HAVE ENTERED INTO THE AGREEMENT VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS BY CAC OTHER THAN THOSE CONTAINED IN THIS ADR POLICY AND PROCEDURE ITSELF.

YOU FURTHER ACKNOWLEDGE THAT YOU HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH YOUR PRIVATE LEGAL COUNSEL AND HAVE AVAILED YOURSELF OF THAT OPPORTUNITY TO THE EXTENT YOU WISH TO DO SO.

Exhibit H

EVA BONUS CALCULATION

EVA Bonus = 1.625% x EVA prior year (if positive) + 3.75% *[EVA current year minus EVA prior year]

EVA = NOPAT - (WACC x Average Total Capital)

NOPAT = (Adjusted Operating income + interest expense)*(1 - Tax rate)

WACC = [Cost of Equity * (Average Equity/Average Total Capital)] + [Cost of Debt * (1 - tax rate) * (Average Debt/Average Total Capital)]

Cost of Equity = 30 year US government bond rate + 6% + ((2 x Debt/Equity)/100) (ie at debt to equity of 2:1 and a US government bond rate of 6% the Cost of Equity would be 16%)

The debt to equity ratio for purposes of computing the Cost of Equity is equal to the consolidated debt to equity ratio of CAC

Adjusted Operating Income = Pre tax operating income of Corporation included in CAC's consolidated results + any bonus accrued pursuant to this agreement.

EXHIBIT I

GUARANTY

GUARANTY. Credit Acceptance Corporation ("CAC"), of 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339, advanced to McCluskey Chevrolet, Inc, an Ohio corporation and its successors (the "Borrower"), $850,000 plus interest pursuant to the terms and conditions of a Promissory Note ("Note"), dated May 24, 1999 (referred to collectively as "Liabilities"). The undersigned (the "Guarantor"), being the President of the Borrower and having determined that executing this Guaranty is in his and the Borrowers best interest and to his and the Borrowers financial benefit, hereby absolutely and unconditionally guaranties to CAC, as primary obligor and not merely as surety, that the Liabilities will be paid when due, whether by acceleration or otherwise. The Guarantor will not only pay the Liabilities, but will also reimburse CAC for accrued and unpaid interest, and any expenses, including reasonable attorneys' fees, that CAC may pay in collecting from the Borrower or the Guarantor, and for liquidating any collateral.

LIMITATION: The Guarantor's obligation under this Guaranty shall not exceed the principal amount of EIGHT HUNDRED AND FIFITY THOUSAND and 00/100 DOLLARS ($850,000), plus interest, expenses, and fees. Unless otherwise specified below, the Guarantor's obligation shall be payable in U.S. Dollars.

CONTINUED RELIANCE: CAC may continue to make loans or extend credit to the Borrower based on this Guaranty until it receives written notice of termination from the Guarantor. That notice shall be effective at the opening of CAC for business on the day after receipt of the notice. If terminated, the Guarantor will continue to be liable to CAC for any Liabilities created, assumed or committed to at the time the termination becomes effective, and all subsequent renewals, extensions, modifications and amendments of the Liabilities.

SECURITY. This guaranty shall be unsecured.

ACTION REGARDING BORROWER: If any monies become available that CAC can apply to the Liabilities, CAC may apply them in any manner it chooses, including but not limited to applying them against liabilities which are not covered by this Guaranty. CAC may take any action against the Borrower, any collateral, or any other person liable for any of the Liabilities. CAC may release the Borrower or anyone else from the Liabilities, either in whole or in part, or release any collateral, and need not perfect a security interest in any collateral. CAC does not have to exercise any rights that it has against the Borrower or anyone else, or make any effort to realize on any collateral or right of set-off. If the Borrower requests more credit or any other benefit, CAC may grant it and CAC may grant renewals, extensions, modifications and amendments of the Liabilities and otherwise deal with the Borrower or any other person as CAC sees fit and as if this Guaranty were not in effect. The Guarantor's obligations under this Guaranty shall not be released or affected by (a) any act or omission of CAC, (b) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of the Borrower, or any receivership, insolvency, bankruptcy, reorganization, or other similar proceedings affecting the Borrower or any of its assets, or (c) any change in the composition or structure of the Borrower or Guarantor, including a merger or consolidation with any other person or entity.

NATURE OF GUARANTY: This Guaranty is a guaranty of payment and not of collection. Therefore, CAC may insist that the Guarantor pay immediately, and CAC is not required to attempt to collect first from the Borrower, any collateral, or any other person liable for the Liabilities. The obligation of the Guarantor shall be subject to no conditions of any kind, and shall be absolute, regardless of the unenforceability of any provisions of any agreement between the Borrower and CAC, or the existence of any defense, setoff or counterclaim which the Borrower may assert.

OTHER GUARANTORS: If there is more than one Guarantor, the obligations under this Guaranty shall be joint and several. In addition, each Guarantor shall be jointly and severally liable with any other guarantor of the Liabilities. If CAC elects to enforce its rights against less than all guarantors of the Liabilities, that election shall not release Guarantor from its obligations under this Guaranty. The compromise or release of any of the obligations of any of the other guarantors or the Borrower shall not serve to waive, alter or release the Guarantor's obligations. This Guaranty is not conditioned on anyone else executing this or any other guaranty.

ACCELERATION: In the event of the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of the Borrower, or any receivership, insolvency, bankruptcy, reorganization, or other similar proceedings affecting the Borrower or any of its assets, the Guarantor agrees that all Liabilities due under the Note will become immediately due and payable to CAC.

WAIVER OF SUBROGATION: The Guarantor expressly waives any and all rights of subrogation, contribution, reimbursement, indemnity, exoneration, implied contract, recourse to security or any other claim (including any claim, as that term is defined in the federal Bankruptcy Code, and any amendments) which the Guarantor may now have or later acquire against the Borrower, any other entity directly or contingently liable for the Liabilities or against the Collateral, arising from the existence or performance of the Guarantor's obligations under this Guaranty.

The Guarantor further agrees that should any payments to CAC on the Liabilities be in whole or in part, invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy act or code, state or federal law, common law or equitable doctrine, this Guaranty and any Collateral shall remain in full force and effect (or be reinstated as the case may be) until payment in full of any such amounts, which payment shall be due on demand.

WAIVERS: The Guarantor waives any right it may have to receive notice of the following matters before CAC enforces any of its rights: (a) CAC's acceptance of this Guaranty, (b) any credit that CAC extends to the Borrower, (c) the Borrower's default, (d) any demand, or (e) any action that CAC takes regarding the Borrower, anyone else, any collateral, or any Liability, which it might be entitled to by law or under any other agreement. Any waiver shall affect only the specific terms and time period stated in the waiver. CAC may waive or delay enforcing any of its rights without losing them. No modification or waiver of this Guaranty shall be effective unless it is in writing and signed by the party against whom it is being enforced.

REPRESENTATIONS BY GUARANTOR: Guarantor represents that the execution and delivery of this Guaranty and the performance of the obligations it imposes do not violate any

law, do not conflict with any agreement by which it is bound, do not require the consent or approval of any governmental authority or any third party, and that this Guaranty is a valid and binding agreement, enforceable according to its terms. Each Guarantor further represents that all balance sheets, profit and loss statements, and other information, if any, furnished to CAC are accurate and fairly reflect the financial condition of the organizations and persons to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates.

NOTICES: Notice from one party to another relating to this Guaranty shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address or telecopier number set forth under its name by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, with return receipt requested, (c) first class or express mail, postage prepaid, (d) Federal Express or like overnight courier service or (e) telecopy or other wire transmission with request for assurance of receipt in a manner typical with respect to communications of that type. Notice made in accordance with this section shall be deemed delivered on receipt if delivered by hand or wire transmission, on the third business day after mailing if mailed by first class, registered or certified mail, or on the next business day after mailing or deposit with an overnight courier service if delivered by express mail or overnight courier. Notwithstanding the foregoing, notice of termination of this Guaranty shall be deemed received only upon the receipt of actual written notice by CAC in accordance with the paragraph above labeled "Continued Reliance."

LAW AND JUDICIAL FORUM THAT APPLY: This agreement is governed by Michigan law. The Guarantor agrees that any legal action or proceeding against it with respect to any of its obligations under this Guaranty may be brought in any state or federal court located in the State of Michigan, as CAC in its sole discretion may elect. By the execution and delivery of this Guaranty, the Guarantor submits to and accepts, with regard to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts. The Guarantor waives any claim that the State of Michigan is not a convenient forum or the proper venue for any such suit, action or proceeding.

MISCELLANEOUS: The Guarantor's liability under this Guaranty is independent of its liability under any other guaranty previously or subsequently executed by the Guarantor or any one of them, singularly or together with others, as to all or any part of the Liabilities, and may be enforced for the full amount of this Guaranty regardless of the Guarantor's liability under any other guaranty. This Guaranty is binding on the Guarantor's heirs, successors and assigns, and will operate to the benefit of CAC and its successors and assigns. The use of headings shall not limit the provisions of this Guaranty. All discussions and documents arising between this Guaranty and the last guaranty signed by the Guarantor as to the Borrower are merged into this Guaranty.

WAIVER OF JURY TRIAL: CAC and the Guarantor, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this Guaranty. Neither CAC nor the Guarantor shall seek to consolidate, by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either CAC or the Guarantor except by a written instrument executed by both of them.

Dated: April 19, 2001

Guarantor:

/S/ KEITH MCCLUSKEY

Keith McCluskey

Guarantors Address:

3565 Fawnrun Drive
- ---

Cincinnati, Ohio
- ---

Telephone:
- ---

Witnesses:

- ---

- ---

Notary Public:

Signed and sworn before me this _____ day of _____2001.

- ---
Notary Public

Notary Public State of _____ County of _____

My commission expires_____