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 June 30, 2003

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 by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). 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 July 1, 2003 was 42,388,148.

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PART I. - FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED INCOME STATEMENTS

(Dollars in thousands, except per share data)	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
	(UNAUDITED)		(UNAUDITED)	
Revenue:				
Finance charges	$ 26,431	$ 25,522	$ 50,687	$ 50,407
Lease revenue	1,784	4,428	4,120	9,587
Ancillary product income	4,233	3,794	9,966	7,391
Premiums earned	757	1,054	1,512	2,494
Other income	2,767	3,791	6,616	7,568
Total revenue	35,972	38,589	72,901	77,447
Costs and expenses:				
General and administrative	5,198	6,383	10,961	12,100
Salaries and wages	8,687	7,448	17,204	14,952
Sales and marketing	2,483	1,809	4,660	3,590
Stock-based compensation expense	1,428	565	1,803	1,047
Provision for insurance and warranty claims	209	570	308	1,133
Provision for credit losses	2,863	3,562	6,772	7,077
Depreciation of leased assets	1,167	2,566	2,715	5,507
United Kingdom asset impairment expense	10,493	-	10,493	-
Interest	1,401	2,457	2,997	4,762
Total costs and expenses	33,929	25,360	57,913	50,168
Operating income	2,043	13,229	14,988	27,279
Foreign exchange gain	14	11	29	27
Income before provision for income taxes	2,057	13,240	15,017	27,306
Provision for income taxes	1,049	4,774	5,416	12,643
Net income	$ 1,008	$ 8,466	$ 9,601	$ 14,663
Net income per common share:				
Basic	$ 0.02	$ 0.20	$ 0.23	$ 0.35
Diluted	$ 0.02	$ 0.19	$ 0.23	$ 0.34
Weighted average shares outstanding:				
Basic	42,321,170	42,535,312	42,317,443	42,486,667
Diluted	42,868,265	43,821,716	42,629,844	43,684,127

See accompanying notes to consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)	AS OF	
	JUNE 30, 2003	DECEMBER 31, 2002
ASSETS:	(Unaudited)	
Cash and cash equivalents	$ 22,068	$ 13,466
Investments-- held to maturity	456	173
Loans receivable	857,502	778,674
Allowance for credit losses	(5,100)	(5,497)
Loans receivable, net	852,402	773,177
Floorplan receivables	2,964	4,450
Lines of credit	2,817	3,655
Notes receivable (including $1,548 and $1,513 from affiliates as of June 30, 2003 and December 31,2002, respectively)	2,074	3,899
Investment in operating leases	9,328	17,879
Property and equipment, net	18,355	19,951
Other assets	7,077	5,166
Total Assets	$ 917,541	$ 841,816
LIABILITIES AND SHAREHOLDERS' EQUITY:		
LIABILITIES:		
Lines of credit	$ 8,305	$ 43,555
Secured financing	100,000	58,153
Mortgage note	5,813	6,195
Capital lease obligations	1,538	1,938
Accounts payable and accrued liabilities	33,034	28,341
Dealer holdbacks, net	417,043	362,534
Deferred income taxes, net	4,010	10,058
Income taxes payable	11,700	6,094
Total Liabilities	581,443	516,868
SHAREHOLDERS' EQUITY:		
Common stock	422	423
Paid-in capital	124,446	124,263
Retained earnings	208,459	198,858
Accumulated other comprehensive income - cumulative translation adjustment	2,771	1,404
Total Shareholders' Equity	336,098	324,948
Total Liabilities and Shareholders' Equity	$ 917,541	$ 841,816

See accompanying notes to consolidated financial statements.

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars In Thousands)	SIX MONTHS ENDED JUNE 30,	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 9,601	$ 14,663
Adjustments to reconcile cash provided by operating activities:		
Provision for credit losses	6,772	7,077
Depreciation	2,231	2,735
Depreciation of leased assets	2,715	5,507
Loss on retirement of property and equipment	-	276
Provision (credit) for deferred income taxes	(6,048)	9,109
Tax benefit from exercise of stock options	86	1,555
Stock-based compensation	1,566	(692)
United Kingdom asset impairment	10,493	--
Change in operating assets and liabilities:		
Accounts payable and accrued liabilities	4,309	(1,948)
Income taxes payable	5,606	683
Lease payment receivable	1,183	535
Unearned insurance premiums, insurance reserves and fees	(223)	(492)
Deferred dealer enrollment fees, net	384	43
Other assets	(1,911)	3,088
Net cash provided by operating activities	36,764	42,139
CASH FLOWS FROM INVESTING ACTIVITIES:		
Principal collected on loans receivable	174,957	170,648
Advances to dealers	(200,121)	(155,711)
Payments of dealer holdbacks	(15,394)	(16,273)
Operating lease acquisitions	-	(874)
Deferred costs from lease acquisitions	-	(201)
Operating lease liquidations	3,446	5,792
Decrease (increase) in floor plan receivables	1,209	(394)
Decrease in lines of credit	838	819
Decrease (increase) in notes receivable -- affiliates	(35)	28
Decrease in notes receivable -- non-affiliates	1,860	351
Purchases of property and equipment	(634)	(3,168)
Net cash (used in) provided by investing activities	33,874	1,017
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (repayments) under lines of credit	(35,250)	18,057
Proceeds from secured financings	100,000	28,552
Repayments of secured financings	(58,153)	(85,847)
Principal payments under capital lease obligations	(400)	556
Repayment of senior notes and mortgage note	(382)	(356)
Repurchase of common stock	(1,828)	(6,325)
Proceeds from stock options exercised	358	3,470
Net cash (used in) provided by financing activities	4,345	(41,893)
Effect of exchange rate changes on cash	1,367	3,658
Net increase in cash and cash equivalents	8,602	4,921
Cash and cash equivalents, beginning of period	13,466	15,773
Cash and cash equivalents, end of period	$ 22,068	$ 20,694

See accompanying notes to consolidated financial statements.

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" or "GAAP") 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, 2002 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 Annual Report on Form 10-K for the year ended December 31, 2002 for Credit Acceptance (the "Company").

Certain amounts have been reclassified to conform to the 2003 presentation, including reclassification due to the Company's change in segment disclosures. See Note 11. Additionally, the results for prior periods were restated related to the Company's adoption of the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123") under the retroactive restatement method selected by the Company as described in SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure." See Note 10.

The preparation of financial statements in conformity with generally accepted accounting principles 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. ACCOUNTING STANDARDS

Pursuant to SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", an impairment analysis is performed on the net asset value of the United Kingdom, Canada, and Automobile Leasing operations on a quarterly basis. This analysis compares the undiscounted forecasted future net cash flows (including servicing expenses and any payments due dealers under servicing agreements) of each operation to the operation's net asset value at the balance sheet date. The impairment analysis for operations which are being liquidated reduces the future cash flows by the amount of servicing expenses (under SFAS No. 144), while the impairment analysis for advances relating to continuing operations does not (under SFAS No. 144). If this analysis indicates that the asset is impaired, the Company is required to write down the value of the asset to the present value of the forecasted net cash flows.

United Kingdom -- Effective June 30, 2003, the Company decided to stop originating retail installment contracts (referred to as "Contracts" or "Loans") in the United Kingdom. In analyzing the expected cash flows from this operation, the Company has assumed lower collection rates than were assumed before the decision to liquidate. These lower collection rates reflect uncertainties (such as potentially higher employee turnover or reduced morale) in the servicing environment that may arise as a result of the decision to liquidate. As a result, the assets were deemed to be impaired and the Company recorded an after-tax expense of $6.4 million to reduce the carrying value of the operation's dealer-partner advances to the present value (using a discount rate of 13%) of the forecasted cash flows relating to the dealer-partner advances less estimated future servicing expenses.

Canada -- Effective June 30, 2003, the Company decided to stop originating Loans in Canada. Since Loans originated in Canada are serviced in the United States, the Company evaluated cash flows related to the Canadian operation based on the same collection rate assumptions as were used before the decision to liquidate. Based upon management's analysis, no write down of the net asset value of the Canadian operation was necessary at June 30, 2003.

Leasing -- Effective January 1, 2002, the Company decided to stop originating automobile leases. Based upon management's analysis, no write down of the net asset value of the leasing operation was necessary at June 30, 2003.

2. ACCOUNTING STANDARDS -- (CONTINUED)

In June 2002, the Financial Accounting Standards Board issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," which nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in Restructuring)." SFAS No. 146 requires a liability for a cost associated with an exit or disposal activity to be recognized and measured initially at its fair value in the period in which the liability is incurred, rather than at the time of commitment to an exit plan. The Company adopted this standard for exit or disposal activities initiated after December 31, 2002. As a result of the Company's decision to exit the United Kingdom business, the Company recognized: (i) $300,000 after-tax increase in salaries and wages resulting from employee severance expenses and (ii) $100,000 after-tax reduction in other income due to a refund of profit sharing income on ancillary products to an ancillary product provider which was based on volume targets no longer attainable due to the decision to stop Loan originations. As of June 30, 2003, the remaining liability for these expenses was $200,000. The Company may record an additional liability for payment of future lease obligations under a rental agreement through September 2007 once the Company stops using the office space in the United Kingdom. The Company expects to stop using the United Kingdom office space in the fourth quarter of 2005 or first quarter of 2006.

3. LOANS RECEIVABLE

Loans receivable consisted of the following (in thousands):

	AS OF	
	JUNE 30, 2003	DECEMBER 31, 2002
Gross Loans receivable	$ 1,015,773	$ 919,022
Unearned finance charges	(155,100)	(136,954)
Unearned insurance premiums, insurance reserves and fees	(3,171)	(3,394)
Loans receivable	$ 857,502	$ 778,674
Non-accrual Loans	$ 202,451	$ 220,978
Non-accrual Loans as a percent of gross Loans receivable	19.9%	24.0%

A summary of changes in gross Loans receivable is as follows (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Balance, beginning of period	$ 970,703	$ 937,632	$ 919,022	$ 906,808
Gross amount of Loans accepted	206,859	146,869	438,905	338,950
Net cash collections on Loans	(112,533)	(111,383)	(227,563)	(226,463)
Charge-offs	(55,568)	(39,634)	(120,222)	(81,469)
Currency translation	6,312	10,686	5,631	6,344
Balance, end of period	$ 1,015,773	$ 944,170	$ 1,015,773	$ 944,170

3. LOANS RECEIVABLE -- (CONCLUDED)

A summary of the change in the allowance for credit losses is as follows (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Balance, beginning of period	$ 5,051	$ 4,909	$ 5,497	$ 4,745
Provision for Loan losses	833	491	1,150	951
Charge-offs	(830)	(461)	(1,585)	(733)
Currency translation	46	87	38	63
Balance, end of period	$ 5,100	$ 5,026	$ 5,100	$ 5,026

Loans receivable are collateralized by the related vehicles, with the Company having the right to repossess the vehicle in the event that the consumer defaults on the payment terms of the Loan. Repossessed collateral is valued at the lower of the carrying amount of the receivable or estimated fair value, less estimated costs of disposition, and is classified in Loans receivable on the balance sheets. At June 30, 2003 and December 31, 2002, repossessed assets totaled approximately $6.3 million and $8.6 million, respectively. The Company's policy for non-accrual Loans is 90 days measured on a recency basis (no payments received for 90 days). The Company charges-off delinquent Loans at nine months on a recency basis.

4. FLOORPLAN RECEIVABLES AND LINES OF CREDIT

A summary of the change in the allowance for floorplan receivables and lines of credit losses is as follows (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Balance, beginning of period	$ 1,323	$ 1,945	$ 1,041	$ 1,827
Provision for credit losses	14	392	277	526
Charge-offs	(990)	--	(961)	--
Currency translation	10	22	--	6
Balance, end of period	$ 357	$ 2,359	$ 357	$ 2,359

5. INVESTMENT IN OPERATING LEASES

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

	AS OF	
	JUNE 30, 2003	DECEMBER 31, 2002
Gross leased assets	$ 17,767	$ 26,821
Accumulated depreciation	(9,978)	(12,304)
Gross deferred costs	2,635	3,956
Accumulated amortization of deferred costs	(2,075)	(2,706)
Lease payments receivable	979	2,112
Investment in operating leases	$ 9,328	$ 17,879

5. INVESTMENT IN OPERATING LEASES -- (CONCLUDED)

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Balance, beginning of period	$ 13,312	$ 35,743	$ 18,355	$ 43,470
Gross operating leases originated	-	22	-	1,075
Depreciation of operating leases	(1,167)	(2,566)	(2,715)	(5,507)
Lease payments due	1,840	4,415	4,189	9,397
Collections on operating leases	(2,002)	(3,998)	(4,589)	(8,641)
Charge-offs	(318)	(559)	(783)	(1,291)
Operating lease liquidations	(2,589)	(4,087)	(5,616)	(9,517)
Currency translation	252	276	487	260
Balance, end of period	$ 9,328	$ 29,246	$ 9,328	$ 29,246

6. DEALER HOLDBACKS AND RESERVE FOR ADVANCE LOSSES

Dealer holdbacks consisted of the following (in thousands):

	AS OF	
	JUNE 30, 2003	DECEMBER 31, 2002
Dealer holdbacks	$ 810,741	$ 734,625
Less: advances (net of reserve of $19,361 and $15,494 at June 30, 2003 and December 31, 2002, respectively)	(393,698)	(372,091)
Dealer holdbacks, net	$ 417,043	$ 362,534

A summary of the change in the reserve for advance losses (classified with net dealer holdbacks in the accompanying balance sheets) is as follows (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Balance, beginning of period	$ 17,878	$ 10,009	$ 15,494	$ 9,161
Provision for advance losses	1,463	1,368	4,139	2,830
Charge-offs	(136)	(1,409)	(402)	(1,974)
Currency translation	156	229	130	180
Balance, end of period	$ 19,361	$ 10,197	$ 19,361	$ 10,197

7. NET INCOME PER SHARE

Basic net income per share has been computed by dividing net income by the weighted average number of common shares outstanding. Diluted net income per share has been computed by dividing net income by the total of the weighted average number of common shares and common stock equivalents outstanding. Common stock equivalents included in the computation represent shares issuable upon assumed exercise of stock options that would have a dilutive effect using the treasury stock method. The share effect is as follows:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Weighted average common shares outstanding	42,321,170	42,535,312	42,317,443	42,486,667
Common stock equivalents	547,095	1,286,404	312,401	1,197,460
Weighted average common shares and common stock equivalents	42,868,265	43,821,716	42,629,844	43,684,127

The diluted net income per share calculation excludes stock options to purchase approximately 1,041,309 shares and 1,657,430 shares in the three and six months ended June 30, 2003, respectively, and 232,030 shares and 280,193 shares in the same periods in 2002 as inclusion of these options would be anti-dilutive to the net income per share due to the relationship between the exercise prices and the average market price of common stock during these periods.

8. RELATED PARTY TRANSACTIONS

In the normal course of its business, the Company regularly accepts assignments of Loans originated by affiliated dealer-partners owned by: (i) the Company's majority shareholder and Chairman; (ii) the Company's President; and (iii) a member of the Chairman's family. Loans accepted from these affiliated dealer-partners were approximately $5.4 million and $11.8 million or 2.6% and 2.7%, respectively, of total Loans accepted for the three and six months ended June 30, 2003, respectively, and $4.3 million and $9.7 million or 2.9%, respectively, of total Loans accepted for the same periods in 2002. Loans receivable from affiliated dealer-partners represented approximately 2.9% and 2.8% of the gross Loans receivable balance as of June 30, 2003 and December 31, 2002, respectively. The Company accepts Loans from affiliated dealer-partners and nonaffiliated dealer-partners on the same terms. Advance balances from affiliated dealer-partners were $10.7 million or 2.7% of total advances and $10.4 million or 2.8% of total advances as of June 30, 2003 and December 31, 2002, respectively.

The Company records interest income from unsecured notes receivable from the Company's President with a total balance of $1.5 million as of June 30, 2003 and December 31, 2002. The note bears interest at a rate of 5.22% with interest and principal due on April 19, 2011. Total income earned on the note receivable was $17,000 and $35,000 for the three and six months ended June 30, 2003 and 2002.

In the normal course of business, the Company records receivables from dealer-partners for ancillary product charge backs on repossessed leased vehicles. Charge back receivables from affiliated dealer-partners owned by the Company's President were $10,000 as of June 30, 2003 and December 31, 2002.

In the normal course of business, the Company analyzes the viability of new products and services by first offering them to a small group of dealer-partners, which includes affiliated dealer-partners, prior to offering them to the entire network of dealer-partners. The Company received fees for direct mail lead generation services provided to affiliated dealer-partners owned by the Company's majority shareholder and Chairman totaling $19,000 and $27,000 for the three and six months ended June 30, 2002, respectively. The Company did not provide these services to affiliated dealer-partners in 2003.

9. INCOME TAXES

The Company's effective tax rate was 51.0% and 36.1% for the three and six months ended June 30, 2003 compared to 36.0% and 46.3% for the same periods in 2002. Detail by business unit follows:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Income (loss) before provision (credit) for income taxes:				
United States	$ 13,147	$ 11,704	$ 24,658	$ 24,362
United Kingdom	(10,963)	1,792	(9,212)	3,415
Automobile Leasing	(252)	(519)	(766)	(1,365)
Other	125	263	337	894
Total income before provision for income taxes	$ 2,057	$ 13,240	$ 15,017	$ 27,306
Provision (credit) for income taxes:				
United States	$ 4,444	$ 4,384	$ 8,477	$ 11,880
United Kingdom	(3,369)	496	(2,924)	932
Automobile Leasing	(99)	(214)	(298)	(509)
Other	73	108	161	340
Total provision for income taxes	$ 1,049	$ 4,774	$ 5,416	$ 12,643
Effective tax rate:				
United States	33.8%	37.5%	34.4%	48.8%
United Kingdom	30.7%	27.7%	31.7%	27.3%
Automobile Leasing	39.3%	41.2%	38.9%	37.3%
Other	58.4%	41.1%	47.8%	38.0%
Total effective tax rate	51.0%	36.0%	36.1%	46.3%

The changes in the effective tax rate are attributable to changes in the provision (credit) for income taxes in the United States, United Kingdom, Automobile Leasing, and Other segments, which are discussed for each segment in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

10. CAPITAL TRANSACTIONS

At June 30, 2003, the Company has two stock-based compensation plans for employees and directors. Prior to June 30, 2003, the Company accounted for those plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations. In the second quarter of 2003, the Company adopted the fair value recognition and measurement provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", as amended by SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure" for stock-based employee compensation. Under the retroactive restatement transition method selected by the Company described in SFAS No. 148, the Company restated all prior periods to reflect the stock-based compensation expense that would have been recognized had the recognition provisions of SFAS No. 123 been applied to all awards granted to employees or directors after January 1, 1995. The following table summarizes the reported and restated results:

(Dollars in thousands)	2002		2001		2000		1999	
	REPORTED	RESTATED	REPORTED	RESTATED	REPORTED	RESTATED	REPORTED	RESTATED
REVENUE:								
Finance charges	$ 97,744	$ 97,744	$ 90,169	$ 90,169	$ 80,580	$ 80,580	$ 76,896	$ 76,896
Lease revenue	16,101	16,101	21,853	21,853	13,019	13,019	1,034	1,034
Ancillary product income	15,620	15,620	11,920	11,920	6,987	6,987	5,720	5,720
Premiums earned	4,512	4,512	6,572	6,572	9,467	9,467	10,389	10,389
Other income	20,357	20,357	16,815	16,815	13,558	13,558	21,789	21,789
Total revenue	154,334	154,334	147,329	147,329	123,611	123,611	115,828	115,828
COSTS AND EXPENSES:								
General and administrative	25,274	25,274	21,365	21,365	22,119	22,119	26,205	26,205
Salaries and wages	29,042	29,042	27,170	27,170	21,232	21,232	23,315	23,315
Sales and marketing	7,623	7,623	7,685	7,685	5,790	5,790	5,355	5,355
Stock-based compensation expense	14	2,072	379	1,755	-	1,955	242	3,252
Provision for insurance and warranty claims	1,861	1,861	1,544	1,544	2,984	2,984	3,498	3,498
Provision for credit losses	23,212	23,212	13,594	13,594	12,051	12,051	56,932	56,932
Depreciation of leased assets	9,669	9,669	12,485	12,485	7,004	7,004	569	569
Valuation adjustment on retained interest in securitization	-	-	-	-	-	-	13,517	13,517
Interest	9,058	9,058	14,688	14,688	16,431	16,431	16,576	16,576
Total costs and expenses	105,753	107,811	98,910	100,286	87,611	89,566	146,209	149,219
Other operating income:								
Gain on sale of subsidiary	-	-	-	-	-	-	14,720	14,720
Operating income (loss)	48,581	46,523	48,419	47,043	36,000	34,045	(15,661)	(18,671)
Foreign exchange loss	-	-	(42)	(42)	(11)	(11)	(66)	(66)
Income (loss) before provision (credit) for income taxes	48,581	46,523	48,377	47,001	35,989	34,034	(15,727)	(18,737)
Provision (credit) for income taxes	18,880	18,154	19,174	18,586	12,339	11,655	(5,041)	(6,091)
Net income (loss)	$ 29,701	$ 28,369	$ 29,203	$ 28,415	$ 23,650	$ 22,379	$(10,686)	$ (12,646)

10. CAPITAL TRANSACTIONS -- (CONCLUDED)

In connection with the adoption of the fair value method of accounting for stock-based compensation, the Company recorded stock-based compensation expense of $1,429,000 and $1,803,000 for the three and six months ended June 30, 2003. For the same periods in 2002, the amount of stock-based compensation expense increased to $565,000 and $1,047,000 from $448,000 and $756,000 previously reported. While the number of stock options outstanding declined during the periods, stock-based compensation expense increased as a result of a change in assumptions that reduced the period over which certain performance based stock options are expected to vest.

As of June 30, 2003, the cumulative decrease in retained earnings as a result of this restatement was $17.2 million. The decrease in retained earnings was offset by a $19.3 million increase in paid-in capital and a $2.1 million decrease in deferred income taxes, net. The impact on paid-in capital and retained earnings for the interim periods of 2002 and 2003 was as follows:

	2002								2003	
	1ST Q		2ND Q		3RD Q		4TH Q		1ST Q	
	REPORTED	RESTATED	REPORTED	RESTATED	REPORTED	RESTATED	REPORTED	RESTATED	REPORTED	RESTATED
Paid-in capital	$ 113,000	$ 129,102	$ 108,460	$ 124,000	$ 107,571	$ 124,263	$ 107,164	$ 124,263	$ 107,142	$ 124,534
Retained earnings	$ 191,471	$ 176,692	$ 200,018	$ 185,156	$ 209,449	$ 193,769	$ 214,856	$ 198,858	$ 223,692	$ 207,451

The impact of this restatement on net income was a decrease of $244,000, $84,000, and $201,000 for the three months ended March 31, 2003 and the three and six months ended June 30, 2002, respectively, as follows.

(Dollars in thousands)	THREE MONTHS ENDED MARCH 31, 2003		THREE MONTHS ENDED JUNE 30, 2002		SIX MONTHS ENDED JUNE 30, 2002	
	REPORTED	RESTATED	REPORTED	RESTATED	REPORTED	RESTATED
REVENUE:						
Finance charges	$ 24,256	$ 24,256	$ 25,522	$ 25,522	$ 50,407	$ 50,407
Lease revenue	2,336	2,336	4,428	4,428	9,587	9,587
Ancillary product income	5,733	5,733	3,794	3,794	7,391	7,391
Premiums earned	755	755	1,054	1,054	2,494	2,494
Other income	3,849	3,849	3,791	3,791	7,568	7,568
Total revenue	36,929	36,929	38,589	38,589	77,447	77,447
COSTS AND EXPENSES:						
General and administrative	5,763	5,763	6,383	6,383	12,100	12,100
Salaries and wages	8,517	8,517	7,448	7,448	14,952	14,952
Sales and marketing	2,177	2,177	1,809	1,809	3,590	3,590
Stock-based compensation expense	-	375	448	565	756	1,047
Provision for insurance and warranty claims	99	99	570	570	1,133	1,133
Provision for credit losses	3,909	3,909	3,562	3,562	7,077	7,077
Depreciation of leased assets	1,548	1,548	2,566	2,566	5,507	5,507
Interest	1,596	1,596	2,457	2,457	4,762	4,762
Total costs and expenses	23,609	23,984	25,243	25,360	49,877	50,168
Operating income	13,320	12,945	13,346	13,229	27,570	27,279
Foreign exchange gain	15	15	11	11	27	27
Income before provision for income taxes	13,335	12,960	13,357	13,240	27,597	27,306
Provision for income taxes	4,498	4,367	4,807	4,774	12,733	12,643
Net income	$ 8,837	$ 8,593	$ 8,550	$ 8,466	$ 14,864	$ 14,663

Stock options outstanding for 1999-2002 and the interim periods of 2002 and 2003 were as follows:

	AS OF JUNE 30,		AS OF DECEMBER 31,			
	2003	2002	2002	2001	2000	1999
Total options outstanding	4,415,491	4,710,598	4,601,754	4,893,411	4,652,611	5,256,463

11. BUSINESS SEGMENT INFORMATION

In the second quarter of 2003, the Company re-evaluated its business segments as a result of the decision to stop Loan originations in the United Kingdom and Canada. As a result, the Company has four reportable business segments: United States, United Kingdom, Automobile Leasing, and Other. Selected segment information is set forth below (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Revenue:				
United States	$ 30,544	$ 27,371	$ 59,893	$ 54,023
United Kingdom	2,862	5,125	6,863	10,445
Automobile Leasing	2,077	4,781	4,706	10,271
Other	489	1,312	1,439	2,708
Total revenue	$ 35,972	$ 38,589	$ 72,901	$ 77,447
Income (loss) before provision (credit) for income taxes:				
United States	$ 13,147	$ 11,704	$ 24,658	$ 24,362
United Kingdom	(10,963)	1,792	(9,212)	3,415
Automobile Leasing	(252)	(519)	(766)	(1,365)
Other	125	263	337	894
Total income before provision for income taxes	$ 2,057	$ 13,240	$ 15,017	$ 27,306

12. SUBSEQUENT EVENT

On July 9, 2003, the Company entered into a series of forward contracts with a commercial bank to hedge foreign currency risk associated with the cash flows anticipated from the exit of the United Kingdom operation. In connection with this transaction, the Company will deliver 29.0 million pounds sterling to the commercial bank which will be exchanged into United States dollars at an agreed upon rate on a monthly basis beginning July 31, 2003 through June 30, 2005. The Company believes that this transaction will minimize the currency exchange risk associated with an adverse change in the relationship between the United States dollar and the pound sterling as it repatriates cash from the United Kingdom operation. However, as the Company has not adopted hedge accounting under 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", future changes in the fair value of these forward contracts are expected to increase or decrease net income.

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

GENERAL

The Company's business model relies on its ability to forecast Loan performance. The Company's forecasts impact Loan pricing and structure as well as the required reserve for advance losses. The following table presents forecasted collection rates, advance rates, the spread (the forecasted collection rate less the advance rate), and the percentage of the forecasted collections which have been realized through June 30, 2003. The amounts presented are expressed as a percent of total Loan value by year of Loan origination.

	As of June 30, 2003			
Year	Forecasted Collection%	Advance %	Spread %	% of Forecast Realized
1992	81%	35%	46%	100%
1993	76%	37%	39%	100%
1994	62%	42%	20%	100%
1995	56%	46%	10%	99%
1996	56%	49%	7%	99%
1997	59%	49%	10%	99%
1998	67%	50%	17%	99%
1999	72%	54%	18%	98%
2000	71%	53%	18%	93%
2001	68%	49%	19%	73%
2002	70%	46%	24%	40%

The risk of a forecasting error declines as Loans age. For example, the risk of a material forecasting error for business written in 1995 is very small, with 99% of the total amount forecasted already realized. In contrast, the Company's forecast for recent Loan originations is much less precise. If the Company produces disappointing operating results, it will likely be because the Company overestimated future Loan performance.

The spread between the forecasted collection rate and the advance rate reduces the Company's risk of advance losses. Because collections are applied to advances on an individual dealer-partner basis, a wide spread does not eliminate the risk of advance losses, but it does reduce the risk significantly. The Company made no material changes in credit policy or pricing in the second quarter, other than routine changes designed to maintain current profitability levels.

One method for evaluating the reasonableness of the Company's forecast is to examine the trends in forecasted collection rates over time. The following table compares the Company's forecast as of June 30, 2003 with the forecast as of March 31, 2003.

Year	March 31, 2003 Forecasted Collection %	June 30, 2003 Forecasted Collection %	Variance
1992	81%	81%	-
1993	76%	76%	-
1994	62%	62%	-
1995	56%	56%	-
1996	56%	56%	-
1997	59%	59%	-
1998	67%	67%	-
1999	72%	72%	-
2000	71%	71%	-
2001	67%	68%	1%
2002	68%	70%	2%

The Company first began publishing collection forecasts in its 2001 Annual Report. Forecasted collection rates declined in 2002 when a difficult collection system conversion negatively impacted collection results and in the first quarter of 2003 due to post repossession collection results (known as deficiency balance collections) declining from the prior trend line. Forecasted collection rates stabilized in the second quarter of 2003.

Accurately predicting future collection rates is critical to the Company's success. The Company's historical results indicate the risk of an unintended adverse change in the profitability of Loan originations is increased during periods of high growth. The

growth rate experienced in the second quarter of 2003 is higher than the Company's expected long-term growth rate. However, the Company believes that the investments in infrastructure in 2002, combined with decreases in Loan origination volumes in 2002, have adequately prepared the Company for this growth. The Company intends to make every possible effort to forecast results as accurately as possible. The Company will continue to publish collection forecasts and allow the precision of its estimates to be fully visible to shareholders.

RESULTS OF OPERATIONS

Three and Six Months Ended June 30, 2003 Compared to Three and Six Months Ended June 30, 2002

The following tables present income statement data on a consolidated basis as well as for the Company's four business segments, United States, United Kingdom, Automobile Leasing and Other.

Consolidated

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 2003	% OF REVENUE	THREE MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 26,431	73.5 %	$ 25,522	66.1 %
Lease revenue	1,784	4.9	4,428	11.5
Ancillary product income	4,233	11.8	3,794	9.8
Premiums earned	757	2.1	1,054	2.8
Other income	2,767	7.7	3,791	9.8
Total revenue	35,972	100.0	38,589	100.0
COSTS AND EXPENSES:				
General and administrative	5,198	14.4	6,383	16.5
Salaries and wages	8,687	24.1	7,448	19.3
Sales and marketing	2,483	6.9	1,809	4.7
Stock-based compensation expense	1,428	4.0	565	1.5
Provision for insurance and warranty claims	209	0.6	570	1.5
Provision for credit losses	2,863	8.0	3,562	9.2
Depreciation of leased assets	1,167	3.2	2,566	6.6
United Kingdom asset impairment expense	10,493	29.2	-	-
Interest	1,401	3.9	2,457	6.4
Total costs and expenses	33,929	94.3	25,360	65.7
Operating income	2,043	5.7	13,229	34.3
Foreign exchange gain	14	-	11	-
Income before provision for income taxes	2,057	5.7	13,240	34.3
Provision for income taxes	1,049	2.9	4,774	12.4
Net income	$ 1,008	2.8 %	$ 8,466	21.9 %

(Dollars in thousands)	SIX MONTHS ENDED JUNE 30, 2003	% OF REVENUE	SIX MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 50,687	69.4 %	$ 50,407	65.1 %
Lease revenue	4,120	5.7	9,587	12.4
Ancillary product income	9,966	13.7	7,391	9.5
Premiums earned	1,512	2.1	2,494	3.2
Other income	6,616	9.1	7,568	9.8
Total revenue	72,901	100.0	77,447	100.0
COSTS AND EXPENSES:				
General and administrative	10,961	15.0	12,100	15.6
Salaries and wages	17,204	23.6	14,952	19.3
Sales and marketing	4,660	6.4	3,590	4.6
Stock-based compensation expense	1,803	2.5	1,047	1.4
Provision for insurance and warranty claims	308	0.4	1,133	1.5
Provision for credit losses	6,772	9.3	7,077	9.1
Depreciation of leased assets	2,715	3.7	5,507	7.1
United Kingdom asset impairment expense	10,493	14.4	-	-
Interest	2,997	4.1	4,762	6.1
Total costs and expenses	57,913	79.4	50,168	64.7
Operating income	14,988	20.6	27,279	35.3
Foreign exchange gain	29	-	27	-
Income before provision for income taxes	15,017	20.6	27,306	35.3
Provision for income taxes	5,416	7.4	12,643	16.3
Net income	$ 9,601	13.2 %	$ 14,663	19.0 %

For the three months ended June 30, 2003, net income declined to $1.0 million compared to $8.5 million for the same period in 2002. The reduction in net income for the period was primarily due to the $7.6 million loss incurred in the United Kingdom business segment in 2003 compared to net income of $1.3 million in 2002. The loss was primarily the result of $11.1 million in asset impairment and other expenses recorded in connection with the Company's decision to stop Loan originations in the United Kingdom. The impact of the loss in the United Kingdom was partially offset by an increase in net income in the United States to $8.7 million in 2003 from $7.3 million for the same period in 2002.

The increase in net income in the United States was due to an increase in total revenue to $30.5 million for the three months ended June 30, 2003 compared to $27.4 million for the same period in 2002 as a result of increases in: (i) finance charges to $23.2 million in 2003 from $20.4 million in 2002 as a result of an increase in the average size of the Loan portfolio due to an increase in Loan originations in 2003, and (ii) ancillary product income to $4.2 million in 2003 from $3.3 million in 2002 due to an increase in commissions on third-party service contracts offered by dealer-partners. Partially offsetting the increase in revenue were increases in the following expenses: (i) salaries and wages to $7.2 million in 2003 from $6.0 million in 2002 due to an increase in corporate infrastructure in the second half of 2002, (ii) stock-based compensation expense to $1.4 million in 2003 from $500,000 in 2002 as a result of a change in assumptions that reduced the period over which certain performance based stock options are expected to vest, and (iii) provision for credit losses to $1.5 million in 2003 from $700,000 in 2002 due to increases in the provision for advance losses and the provision for earned but unpaid revenue.

For the six months ended June 30, 2003, net income declined to $9.6 million from $14.7 million for the same period in 2002. The decrease in net income for the period was primarily due to the $6.3 million loss incurred in the United Kingdom business segment in 2003 compared to net income of $2.5 million in 2002. The loss was primarily the result of $11.1 million in asset impairment and other expenses recorded in connection with the Company's decision to stop Loan originations in the United Kingdom. The impact of the loss in the United Kingdom was partially offset by an increase in net income in the United States to $16.2 million in 2003 from $12.5 million in 2002.

The increase in net income in the United States in 2003 was primarily due to two tax related adjustments that increased the provision for income taxes and decreased net income in 2002 by $2.6 million. Other factors which impacted net income were an increase in total revenue to $59.9 million in 2003 from $54.0 million in 2002 as a result of increases in: (i) finance charges to $44.0 million in 2003 from $40.0 million in 2002 as a result of an increase in the average size of the Loan portfolio due to an increase in Loan originations in 2003, and (ii) ancillary product income to $9.0 million in 2003 from $6.5 million in 2002 due to an increase in commissions on third-party service contracts offered by dealer-partners. Partially offsetting the increase in revenue were increases in the following expenses: (i) salaries and wages to $14.5 million in 2003 from $11.9 million in 2002 due to an increase in corporate infrastructure in the second half of 2002, (ii) stock-based compensation expense to $1.6 million in 2003 from $800,000 in 2002 as a result of a change in assumptions that reduced the period over which certain performance based stock

options are expected to vest, and (iii) provision for credit losses to $4.1 million in 2003 from $1.2 million in 2002 due to increases in the provision for advance losses in the first quarter of 2003 due to a decline in recovery rates versus the prior trend line.

The results of operations for the Company as a whole are attributable to changes described by segment in the discussion of the results of operations in the United States, United Kingdom, Automobile Leasing, and Other business segments. The following discussion of the results of operations for interest expense is provided on a consolidated basis, as the explanation is not meaningful by business segment.

Interest. Interest expense decreased to $1.4 million and $3.0 million for the three and six months ended June 30, 2003 from $2.5 million and $4.8 million for the same periods in 2002. The decrease in interest expense was primarily the result of the impact of a decrease in average outstanding debt. For the three months ended June 30, 2003, the decrease was also impacted by the decrease in the weighted average interest rate to 4.9% from 5.6% for the same period in 2002, which was 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. For the six months ended June 30, 2003, the decrease in interest expense was partially offset by the increase in the weighted average interest rate to 5.6% from 5.1% for the same period in 2002, which was the result of an increased impact of borrowing fees and costs on average interest rates due to lower average outstanding borrowings.

United States

The United States segment primarily consists of the Company's United States retail automobile loan operations.

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 2003	% OF REVENUE	THREE MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 23,195	75.9%	$ 20,425	74.6%
Ancillary product income	4,189	13.7	3,332	12.2
Premiums earned	757	2.5	1,054	3.8
Other income	2,403	7.9	2,560	9.4
Total revenue	30,544	100.0	27,371	100.0
COSTS AND EXPENSES:				
General and administrative	4,352	14.2	5,043	18.4
Salaries and wages	7,199	23.6	5,982	21.9
Sales and marketing	1,818	6.0	1,577	5.8
Stock-based compensation expense	1,353	4.4	458	1.7
Provision for insurance and warranty claims	209	0.7	570	2.1
Provision for credit losses	1,490	4.9	680	2.5
Interest	958	3.1	1,352	4.9
Total costs and expenses	17,379	56.9	15,662	57.3
Operating income	13,165	43.1	11,709	42.7
Foreign exchange loss	(18)	(0.1)	(5)	-
Income before provision for income taxes	13,147	43.0	11,704	42.7
Provision for income taxes	4,444	14.5	4,384	16.0
Net income	$ 8,703	28.5%	$ 7,320	26.7%

(Dollars in thousands)	SIX MONTHS ENDED JUNE 30, 2003	% OF REVENUE	SIX MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 43,954	73.4%	$ 40,007	74.1%
Ancillary product income	9,038	15.1	6,505	12.0
Premiums earned	1,512	2.5	2,494	4.6
Other income	5,389	9.0	5,017	9.3
Total revenue	59,893	100.0	54,023	100.0
COSTS AND EXPENSES:				
General and administrative	9,128	15.2	9,007	16.7
Salaries and wages	14,489	24.2	11,944	22.1
Sales and marketing	3,656	6.1	3,089	5.7
Stock-based compensation expense	1,649	2.8	848	1.6
Provision for insurance and warranty claims	308	0.5	1,133	2.1
Provision for credit losses	4,072	6.8	1,193	2.2
Interest	1,904	3.2	2,459	4.6
Total costs and expenses	35,206	58.8	29,673	55.0
Operating income	24,687	41.2	24,350	45.0
Foreign exchange gain (loss)	(29)	-	12	-
Income before provision for income taxes	24,658	41.2	24,362	45.0
Provision for income taxes	8,477	14.2	11,880	22.0
Net income	$ 16,181	27.0%	$ 12,482	23.0%

Finance Charges. Finance charges increased to $23.2 million and $44.0 million for the three and six months ended June 30, 2003 from $20.4 million and $40.0 million for the same periods in 2002 primarily due to an increase in the average size of the Loan portfolio resulting from an increase in Loan originations in 2003. This increase was partially offset by a reduction in the average annualized yield on the Company's Loan portfolio to 12.9% and 12.6% for the three and six months ended June 30, 2003 from 13.0% for the same periods in 2002. This decrease was primarily due to an increase in the average initial contract term of the Company's Loan portfolio as of June 30, 2003 compared to the same period in 2002. Selected Loan origination data follows:

(Dollars in thousands)	DECEMBER 31,			THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	2001	2002	2003	2002	2003	2002
Loan originations	$371,045	$646,572	$571,690	$190,870	$134,829	$411,152	$306,883
Number of Loans originated	45,898	61,277	49,650	14,736	11,678	32,942	27,481
Number of active dealer-partners (1)	1,130	1,120	789	677	571	721	687
Loans per active dealer-partner	40.6	54.7	62.9	21.8	20.5	45.7	40.0
Average Loan size	$ 8.1	$ 10.6	$ 11.5	$ 13.0	$ 11.5	$ 12.5	$ 11.2

(1) Active dealer-partners are dealer-partners who submitted at least one Loan during the period.

Ancillary Product Income. Ancillary product income increased to $4.2 million and $9.0 million for the three and six months ended June 30, 2003 from $3.3 million and $6.5 million for the same periods in 2002 due to an increase in commissions on third party service contract products offered by dealer-partners, primarily due to the increase in Loan originations compared to the same periods in 2002.

Premiums Earned. Premiums earned decreased to $800,000 and $1.5 million for the three and six months ended June 30, 2003 from $1.1 million and $2.5 million for the same periods in 2002 primarily due to a decrease in penetration rates on the Company's in-house service contract and credit life and accident and health products in 2002 and 2003.

Other Income. Other income decreased to $2.4 million for the three months ended June 30, 2003 from $2.6 million for the same period in 2002 primarily due to a decrease of $150,000 in income from direct mail lead generation services as a result of the Company discontinuing its in-house direct mail lead generation program and referring dealer-partners to a third party provider of such services.

Other income increased to $5.4 million for the six months ended June 30, 2003 from $5.0 million for the same period in 2002. The increase was due to interest income of $600,000 received from the Internal Revenue Service in connection with a change in tax accounting methods that affect the characterization and timing of revenue recognition for tax purposes, offset by a

decrease of $100,000 in income from direct mail lead generation services as a result of the Company discontinuing its in-house direct mail

lead generation program and referring dealer-partners to a third party provider of such services.

General and Administrative. General and administrative expenses decreased to $4.4 million for the three months ended June 30, 2003 from $5.0 million for the same period in 2002 due to: (i) a decrease of $300,000 in depreciation expense due primarily to one of the Company's primary computer systems becoming fully depreciated in June 2002 and (ii) a decrease of $200,000 in losses on the retirement of assets resulting from the write-off of computer software in 2002.

General and administrative expenses remained relatively consistent at $9.1 million for the six months ended June 30, 2003 compared to $9.0 million for the same period in 2002. A decrease of $400,000 in depreciation expense due primarily to one of the Company's primary computer systems becoming fully depreciated in June 2002 and a decrease of $200,000 in losses on the retirement of assets resulting from the write-off of computer software in 2002 were partially offset by the 2002 reversal of $300,000 in state tax related expense originally recorded in 2001.

Salaries and Wages. Salaries and wages expenses increased to $7.2 million and $14.5 million for the three and six months ended June 30, 2003 from $6.0 million and $11.9 million for the same periods in 2002 resulting primarily from additions to the Company's corporate infrastructure in the second half of 2002.

Sales and Marketing. Sales and marketing expenses increased to $1.8 million and $3.7 million for the three and six months ended June 30, 2003 from $1.6 million and $3.1 million for the same periods in 2002 due primarily to increased sales commissions as a result of increased unit volumes.

Stock-based Compensation Expense. Stock-based compensation expense increased to $1.4 million and $1.6 million for the three and six months ended June 30, 2003 from $500,000 and $800,000 for the same periods in 2002. While the number of stock options outstanding declined during the periods, stock-based compensation expense increased as a result of a change in assumptions that reduced the period over which certain performance based stock options are expected to vest. Refer to Notes to Consolidated Financial Statements -- Note 10 for further discussion on the adoption of SFAS No. 123, "Accounting for Stock-Based Compensation".

Provision for Insurance and Service Contract Claims. The provision for insurance and service contract claims, as a percent of premiums earned, decreased to 27.6% and 20.4% for the three and six months ended June 30, 2003 from 54.1% and 45.4% for the same periods in 2002. The decreases are due to: (i) the reserve for incurred but not reported claims on the Company's in-house service contract product not being reduced proportionally with the reduction in unearned premiums in 2002, thereby increasing claims expense as a percentage of premiums earned and (ii) an increase in the percent of total claims paid relating to the Company's credit life and accident and health products, which have a lower ratio of claims paid to premiums earned than the Company's service contract product.

Provision for Credit Losses. The provision for credit losses increased to $1.5 million and $4.1 million for the three and six months ended June 30, 2003 from $700,000 and $1.2 million for the same periods in 2002. The provision for credit losses consists of two components: (i) a provision for losses on advances to dealer-partners that are not expected to be recovered through collections on the related Loan portfolio and (ii) a provision for earned but unpaid revenue on Loans which were transferred to non-accrual status during the period. The increase in the provision for credit losses for the three months ended June 30, 2003 was due to: (i) an increase in the provision for losses on advances to $800,000 from $300,000 in 2002 and (ii) an increase in the provision for earned but unpaid revenue on Loans to $700,000 from $400,000 in 2002 which was due to the increase in the size of the Loan portfolio.

The Company's current period provision for advance losses is comprised of: (i) estimated losses incurred during the current period on advances originated in the current period, (ii) estimated losses incurred during the current period on advances originated in prior periods due to changes in forecasted collection rates and (iii) revisions of prior period loss estimates for reasons not attributable to current period events. The Company estimates losses created on advances originated during the period, for which there is very little Loan performance data, using loss estimates on business originated in prior periods, adjusted for other variables, such as the spread between the advance rate and the forecasted collection rate, the volume of advances originated, and improvements in risk management and pricing compared to prior periods. The increase in the provision for losses on advances for the three months ended June 30, 2003 was due primarily to an increase in the estimate of losses on advances originated in this period. This was caused by the reduction in forecasted collection rates reported in the third and fourth quarters of 2002 and first quarter of 2003 which increased the estimate of losses on prior period advances. In addition, the increased provision for losses reflected higher levels of originations during the quarter ended June 30, 2003.

For the six months ended June 30, 2003, the increase in the provision for credit losses was due primarily to a $2.5 million increase in the provision for advance losses as a result of a reduction in the Company's forecast of future collections on its portfolio of Loans in the first quarter of 2003.

Provision for Income Taxes. The effective tax rate decreased to 33.8% and 34.4% for the three and six months ended June 30, 2003 from 37.5% and 48.8% for the same periods in 2002. The reduction in the effective tax rate for the three months ended June 30, 2003 was due to a change in estimate of taxes due on repatriation of United Kingdom earnings. This change in estimate was due to an increase in the United Kingdom pound sterling exchange rate versus the United States dollar which enabled the Company to utilize foreign tax credits that it had previously assumed would not be utilizable.

The reduction in the effective tax rate for the six months ended June 30, 2003, was primarily due to a decrease of 16.3% resulting from an expense recorded in 2002 for estimated taxes due upon repatriation of prior years' earnings in the United Kingdom. The reduction in the effective tax rate for the six months ended June 30, 2003 was partially offset by an increase of 2.7% resulting from the reversal of expense in 2002 due to a change in estimate of state income tax owed.

United Kingdom

The United Kingdom segment consists of the Company's United Kingdom retail automobile loan operations. This segment is being liquidated as the Company decided to stop originating Loans in the United Kingdom effective June 30, 2003.

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 2003	% OF REVENUE	THREE MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 2,812	98.3 %	$ 4,646	90.7 %
Ancillary product income	44	1.5	462	9.0
Other income	6	0.2	17	0.3
Total revenue	2,862	100.0	5,125	100.0
COSTS AND EXPENSES:				
General and administrative	632	22.1	621	12.1
Salaries and wages	1,176	41.1	1,055	20.6
Sales and marketing	638	22.3	158	3.1
Stock-based compensation expense	75	2.6	107	2.1
Provision for credit losses	811	28.4	1,160	22.6
United Kingdom asset impairment expense	10,493	366.6	-	-
Interest	-	-	235	4.6
Total costs and expenses	13,825	483.1	3,336	65.1
Operating income (loss)	(10,963)	(383.1)	1,789	34.9
Foreign exchange gain	-	-	3	-
Income (loss) before provision for income taxes	(10,963)	(383.1)	1,792	34.9
Provision (credit) for income taxes	(3,369)	(117.7)	496	9.7
Net income (loss)	$ (7,594)	(265.4) %	$ 1,296	25.2 %

(Dollars in thousands)	SIX MONTHS ENDED JUNE 30, 2003	% OF REVENUE	SIX MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 5,914	86.2%	$ 9,509	91.0%
Ancillary product income	928	13.5	886	8.5
Other income	21	0.3	50	0.5
Total revenue	6,863	100.0	10,445	100.0
COSTS AND EXPENSES:				
General and administrative	1,192	17.4	1,353	12.9
Salaries and wages	2,047	29.8	2,086	20.0
Sales and marketing	944	13.8	331	3.2
Stock-based compensation expense	154	2.2	199	1.9
Provision for credit losses	1,245	18.1	2,506	24.0
United Kingdom asset impairment expense	10,493	152.9	-	-
Interest	-	-	558	5.3
Total costs and expenses	16,075	234.2	7,033	67.3
Operating income (loss)	(9,212)	(134.2)	3,412	32.7
Foreign exchange gain	-	-	3	-
Income (loss) before provision for income taxes	(9,212)	(134.2)	3,415	32.7
Provision (credit) for income taxes	(2,924)	(42.6)	932	8.9
Net income (loss)	$ (6,288)	(91.6)%	$ 2,483	23.8%

Finance Charges. Finance charges decreased to $2.8 million and $5.9 million for the three and six months ended June 30, 2003 from $4.6 million and $9.5 million for the same periods in 2002 primarily as the result of a decrease in the average size of the Loan portfolio due to a decrease in Loan originations in 2002 and the first quarter of 2003. To a lesser extent, the decrease in finance charges was due to a reduction in the average annualized yield on the Company's Loan portfolio to 11.4% and 12.1% for the three and six months ended June 30, 2003 from 12.9% and 12.8% for the same periods in 2002. The decreases in the average annual yield were primarily due to increases in the: (i) average initial term of the Company's Loan portfolio as of June 30, 2003 compared to the same period in 2002 and (ii) non-accrual percentage to 28.8% as of June 30, 2003 from 27.1% as of the same period in 2002. Selected Loan origination data follows:

(Dollars in thousands)	DECEMBER 31,			THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	2001	2002	2003	2002	2003	2002
Loan originations	$142,228	$122,817	$ 43,325	$ 13,358	$ 9,365	$ 22,784	$ 26,903
Number of Loans originated	10,664	9,121	3,062	758	651	1,363	1,955
Number of active dealer-partners(1)	205	215	147	65	45	86	151
Loans per active dealer-partner	52.0	42.4	20.8	11.7	14.5	15.8	12.9
Average Loan size	$ 13.3	$ 13.5	$ 14.1	$ 17.6	$ 14.4	$ 16.7	$ 13.8

(1) Active dealer-partners are dealer-partners who submitted at least one Loan during the period.

Ancillary product income. Ancillary product income decreased to $50,000 for the three months ended June 30, 2003 from $500,000 for the same period in 2002 primarily due to: (i) a refund of $150,000 of profit sharing income on ancillary products to an ancillary product provider which was based on volume targets no longer attainable due to the decision to stop Loan originations and (ii) a change in the Company's revenue recognition policy for ancillary products in the third quarter of 2002. Prior to the change in revenue recognition policy, the Company recognized ancillary product revenue over the life of the Loan or ancillary product, depending upon the product. The Company's current policy is to recognize this revenue at the time the ancillary product is sold. The change in the Company's revenue recognition policy, combined with a decline in Loan originations in 2002 and the first quarter of 2003, resulted in a decrease in ancillary product commissions.

Ancillary product income remained consistent at $900,000 for the six months ended June 30, 2003 and 2002 due to the receipt of $500,000 in revenue under an ancillary products profit sharing agreement with an insurance provider, offset by a decrease of $500,000 resulting from the change in the revenue recognition policy and decline in Loan originations in 2002 and the first quarter of 2003.

Other Income. Other income remained relatively consistent for the three

and six months ended June 30, 2003 and 2002.

General and Administrative. General and administrative expenses remained consistent at $600,000 for the three months ended June 30, 2003 and 2002. General and administrative expenses remained relatively consistent at $1.2 million for the six months ended June 30, 2003 compared to $1.4 million for the same period in 2002.

Salaries and Wages. Salaries and wages expenses remained relatively consistent at $1.2 million and $2.0 million for the three and six months ended June 30, 2003 compared to $1.1 million and $2.1 million for the same periods in 2002. Employee severance costs of $250,000 associated with the Company's decision to stop Loan originations in the United Kingdom were offset by a decrease in salaries and wages of $100,000 and $400,000 for the three and six months ended June 30, 2003, respectively, as a result of a reduction in staffing levels.

Sales and Marketing. Sales and marketing expenses increased to $600,000 and $900,000 for the three and six months ended June 30, 2003 from $200,000 and $300,000 for the same periods in 2002 primarily due to: (i) employee severance costs of $250,000 associated with the Company's decision to stop Loan originations in the United Kingdom and (ii) increased salaries and wages of $200,000 and $400,000, respectively, as a result of an increase in sales and marketing personnel in an effort to increase Loan originations.

Stock-based Compensation Expense. Stock-based compensation expense remained consistent at $100,000 and $200,000 for the three and six months ended June 30, 2003 and 2002. Refer to Notes to Consolidated Financial Statements -- Note 10 for further discussion on the adoption of SFAS No. 123, "Accounting for Stock-Based Compensation".

Provision for Credit Losses. The provision for credit losses decreased to $800,000 and $1.2 million for the three and six months ended June 30, 2003 from $1.2 million and $2.5 million for the same periods in 2002. The provision for credit losses consists of two components: (i) a provision for losses on advances to dealer-partners that are not expected to be recovered through collections on the related Loan portfolio; and (ii) a provision for earned but unpaid revenue on Loans which were transferred to non-accrual status during the period. The decreases in the provision for credit losses were primarily due to decreases in the provision for losses on advances to dealer-partners to $700,000 and $1.1 million in the three and six months ended June 30, 2003, respectively, from $1.1 million and $2.2 million for the same periods in 2002, respectively, due to an increase in the spread between the advance rate and the forecasted collection rate.

United Kingdom Asset Impairment Expense. Effective June 30, 2003, the Company elected to stop originating Loans in the United Kingdom. As a result of this decision, the Company recorded an expense consisting of: (i) $9.8 million to reduce the carrying value of the operation's dealer-partner advances to the present value (using a discount rate of 13%) of the forecasted cash flows relating to the dealer-partner advances less estimated future servicing expenses and (ii) a write-off of $700,000 of fixed assets which will no longer be used in the operation. In determining the impairment of dealer-partner advances, the Company analyzed the expected cash flows from this operation assuming lower collection rates than were assumed before the decision to liquidate. These lower collection rates reflect uncertainties (such as potentially higher employee turnover or reduced morale) in the servicing environment that may arise as a result of the decision to liquidate. Refer to Notes to Consolidated Financial Statements -- Note 2 for further discussion on the impairment analysis in accordance with SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets".

Provision (Credit) for Income Taxes. The effective tax rate increased to 30.7% and 31.7% for the three and six months ended June 30, 2003 from 27.7% and 27.3% for the same periods in 2002. The changes in the effective rate for the three and six months ended June 30, 2003 were attributable to a restructuring of the legal entities within this business segment. This restructuring provides the United Kingdom business segment with a fixed dollar amount of tax benefit. The impact of this fixed benefit on the effective tax rates varies based upon (i) whether the business segment reports income or loss, and (ii) the amount of the income or loss. For the three and six months ended June 30, 2002, the restructuring tax benefit reduced the effective tax rate on the business segments earnings. For the three and six months ended June 30, 2003, since the business segment reported a pre-tax loss, the restructuring tax benefit increased the amount of the credit for income taxes, thereby increasing the effective tax rate. This increase in the effective tax rate was partially offset by a reduction in the impact of the restructuring benefit on the effective tax rate due to the magnitude of the loss in 2003.

Automobile Leasing

The Automobile Leasing segment consists of the Company's automobile leasing operations. This segment is being liquidated as the Company decided to stop originating leases in early 2002.

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 2003	% OF REVENUE	THREE MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Lease revenue	$ 1,784	85.9%	$ 4,428	92.6%
Other income	293	14.1	353	7.4
Total revenue	2,077	100.0	4,781	100.0
COSTS AND EXPENSES:				
General and administrative	139	6.7	485	10.1
Salaries and wages	247	11.9	348	7.3
Provision for credit losses	555	26.7	1,330	27.8
Depreciation of leased assets	1,167	56.2	2,566	53.7
Interest	253	12.2	584	12.2
Total costs and expenses	2,361	113.7	5,313	111.1
Operating loss	(284)	(13.7)	(532)	(11.1)
Foreign exchange gain	32	1.5	13	0.3
Loss before credit for income taxes	(252)	(12.2)	(519)	(10.8)
Credit for income taxes	(99)	(4.8)	(214)	(4.5)
Net loss	$ (153)	(7.4)%	$ (305)	(6.3)%

(Dollars in thousands)	SIX MONTHS ENDED JUNE 30, 2003	% OF REVENUE	SIX MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Lease revenue	$ 4,120	87.5 %	$ 9,587	93.3 %
Other income	586	12.5	684	6.7
Total revenue	4,706	100.0	10,271	100.0
COSTS AND EXPENSES:				
General and administrative	437	9.3	1,279	12.5
Salaries and wages	520	11.0	792	7.7
Sales and marketing	-	-	21	0.2
Provision for credit losses	1,193	25.4	2,849	27.7
Depreciation of leased assets	2,715	57.7	5,507	53.6
Interest	665	14.1	1,200	11.7
Total costs and expenses	5,530	117.5	11,648	113.4
Operating loss	(824)	(17.5)	(1,377)	(13.4)
Foreign exchange gain	58	1.2	12	-
Loss before credit for income taxes	(766)	(16.3)	(1,365)	(13.4)
Credit for income taxes	(298)	(6.3)	(509)	(5.0)
Net loss	$ (468)	(10.0)%	$ (856)	(8.4) %

Lease Revenue. Lease revenue decreased to $1.8 million and $4.1 million for the three and six months ended June 30, 2003 from $4.4 million and $9.6 million for the same periods in 2002 primarily due to the decrease in the dollar value of the Company's lease portfolio. The decrease was the result of the Company's decision to stop originating automobile leases in the first quarter of 2002.

Other Income. Other income, as a percent of revenue, increased to 14.1% and 12.5% for the three and six months ended June 30, 2003 from 7.4% and 6.7% for the same periods in 2002 due to revenue from gains recognized on leases terminated before their maturity date remaining consistent as lease revenue declined.

General and Administrative. General and administrative expenses decreased to $100,000 and $400,000 for the three and six months ended June 30, 2003 from $500,000 and $1.3 million for the same periods in 2002 primarily due to a decreases of: (i) $200,000 and $400,000, respectively, in the provision for

uncollectible receivables from dealer-partners for ancillary product charge backs on repossessed leased vehicles and (ii) $100,000 in third party lease servicing costs due to a reduction in the number of leases being serviced. For the six months ended June 30, 2003, the decrease was also due to an expense of $100,000 recorded in 2002 for the impairment of certain assets.

Salaries and Wages. Salaries and wages expenses, as a percent of revenue, increased to 11.9% and 11.0% for the three and six months ended June 30, 2003 from 7.3% and 7.7% for the same periods in 2002 primarily due to servicing salaries and wages expenses declining at a slower rate than the decline in revenue producing leases.

Sales and Marketing. There were no sales and marketing expenses for the three and six months ended June 30, 2003 due to discontinuing automobile lease originations in January 2002.

Provision for Credit Losses. The provision for credit losses, as a percent of revenue, decreased to 26.7% and 25.4% for the three and six months ended June 30, 2003 from 27.8% and 27.7% for the same periods in 2002 primarily due to the decline in the frequency of lease repossessions.

Depreciation of Leased Assets. Depreciation of leased assets, including the amortization of initial direct lease costs, is recorded on a straight-line basis to the residual value of leased vehicles over their scheduled lease terms. Depreciation expense, as a percent of revenue, increased to 56.2% and 57.7% for the three and six months ended June 30, 2003 from 53.7% and 53.6% for the same periods in 2002 primarily due to a reduction in the average residual value, as a percent of original lease value, in the lease portfolio.

Credit for Income Taxes. The effective tax rate decreased to 39.3% for the three months ended June 30, 2003 from 41.2% for the same period in 2002. The effective tax rate increased to 38.9% for the six months ended June 30, 2003 from 37.3% for the same period in 2002. The changes in the effective tax rates did not have material impact on financial results.

Other

The Other segment consists of the Company's Canadian retail automobile loan operations and secured lines of credit and floorplan financing products offered to certain dealer-partners. In June 2003, the Company decided to stop originating Loans in Canada. The Company is also reducing its investment in secured lines of credit and floorplan financing offered to certain dealer-partners.

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 2003	% OF REVENUE	THREE MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 424	86.7%	$ 451	34.4%
Other income	65	13.3	861	65.6
Total revenue	489	100.0	1,312	100.0
COSTS AND EXPENSES:				
General and administrative	75	15.3	234	17.8
Salaries and wages	65	13.3	63	4.8
Sales and marketing	27	5.5	74	5.6
Provision for credit losses	7	1.4	392	29.9
Interest	190	38.9	286	21.8
Total costs and expenses	364	74.4	1,049	79.9
Income before provision for income taxes	125	25.6	263	20.1
Provision for income taxes	73	14.9	108	8.2
Net income	$ 52	10.7%	$ 155	11.9%

(Dollars in thousands)	SIX MONTHS ENDED JUNE 30, 2003	% OF REVENUE	SIX MONTHS ENDED JUNE 30, 2002	% OF REVENUE
REVENUE:				
Finance charges	$ 819	56.9%	$ 891	32.9%
Other income	620	43.1	1,817	67.1
Total revenue	1,439	100.0	2,708	100.0
COSTS AND EXPENSES:				
General and administrative	204	14.2	461	17.0
Salaries and wages	148	10.3	130	4.8
Sales and marketing	60	4.2	149	5.5
Provision for credit losses	262	18.2	529	19.5
Interest	428	29.7	545	20.1
Total costs and expenses	1,102	76.6	1,814	66.9
Income before provision for income taxes	337	23.4	894	33.1
Provision for income taxes	161	11.2	340	12.6
Net income	$ 176	12.2%	$ 554	20.5%

Finance charges. Finance charges decreased to $400,000 and $800,000 for the three and six months ended June 30, 2003 from $500,000 and $900,000 for the same periods in 2002. Finance charges decreased for the three and six months ended June 30, 2003 primarily due to a reduction in the average annualized yield on the Company's Loan portfolio to 12.5% and 12.2% for the three and six months ended June 30, 2003 from 13.0% and 12.8% for the same periods in 2002. This decrease was primarily due to an increase in the percent of non-accrual Loans to 20.0% as of June 30, 2003 from 17.4% as of the same period in 2002.

Other Income. Other income decreased to $100,000 and $600,000 for the three and six months ended June 30, 2003 from $900,000 and $1.8 million for the same periods in 2002. The decreases for the three and six months ended June 30, 2003 are primarily due to the decreases in revenue from secured lines of credit and floorplan financing offered to certain dealer-partners of $800,000 and $1.2 million, respectively, as the Company continues to reduce its investment in these products.

General and Administrative. General and administrative expenses decreased to $100,000 and $200,000 for the three and six months ended June 30, 2003 from $200,000 and $500,000 for the same periods in 2002 as a result of a general reduction in the amount of resources dedicated to the Canadian operations.

Salaries and Wages. Salaries and wages expenses, as a percent of revenue, increased to 13.3% and 10.3% for the three and six months ended June 30, 2003 from 4.8% for the same periods in 2002 primarily due to salaries and wages relating to the Company's floorplan and line of credit loan products remaining relatively constant as the income from these products declined as a result of the Company's decision to decrease its investment in these products.

Sales and Marketing. Sales and marketing expenses decreased to $50,000 for the three and six months ended June 30, 2003 from $100,000 for the same periods in 2002 due primarily to decreased sales commissions in the Canadian automobile loan operations as a result of decreased unit volumes.

Provision for Credit Losses. The provision for credit losses decreased by $400,000 and $300,000, respectively, for the three and six months ended June 30, 2003 compared to the same periods in 2002 primarily due to the decreases in the provision for floorplan loan losses as the Company continues to reduce its investment in this product.

Provision for Income Taxes. The effective tax rate increased to 58.4% and 47.8% for the three and six months ended June 30, 2003 from 41.1% and 38.0% for the same periods in 2002. The increases in the effective rate for the three and six months ended June 30, 2003 compared to the same periods in 2002 were due to losses reported in the floorplan and line of credit businesses in 2003. These businesses are based in the United States, and have a lower effective tax rate than the Canadian automobile loan business. As a result, the tax benefit from losses incurred in these businesses does not fully offset taxes relating to profits earned in the Canadian automobile loan operation, thereby increasing the effective tax rate for the business segment.

AVERAGE CAPITAL ANALYSIS

The following presentation of financial results and subsequent analysis is based on analyzing the income statement as a percent of capital invested. This information provides an additional perspective on the financial performance of the Company in addition to the presentation of the Company's results as a percent of revenue. The Company believes this information provides a useful measurement of how effectively the Company is utilizing its capital.

Consolidated

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30, 2003	% OF AVERAGE CAPITAL (1)	THREE MONTHS ENDED JUNE 30, 2002	% OF AVERAGE CAPITAL (1)
REVENUE:				
Finance charges	$ 26,431	24.1 %	$ 25,522	21.5 %
Lease revenue	1,784	1.6	4,428	3.7
Ancillary product income	4,233	3.9	3,794	3.2
Premiums earned	757	0.7	1,054	0.9
Other income	2,767	2.5	3,791	3.2
Total revenue	35,972	32.8	38,589	32.5
COSTS AND EXPENSES:				
General and administrative	5,198	4.7	6,383	5.4
Salaries and wages	8,687	7.9	7,448	6.3
Sales and marketing	2,483	2.2	1,809	1.5
Stock-based compensation expense	1,428	1.3	565	0.5
Provision for insurance and warranty claims	209	0.2	570	0.5
Provision for credit losses	2,863	2.6	3,562	3.0
Depreciation of leased assets	1,167	1.1	2,566	2.1
United Kingdom asset impairment expense	10,493	9.6	-	-
Interest	1,401	1.3	2,457	2.1
Total costs and expenses	33,929	30.9	25,360	21.4
Operating income	2,043	1.9	13,229	11.1
Foreign exchange gain	14	-	11	-
Income before provision for income taxes	2,057	1.9	13,240	11.1
Provision for income taxes	1,049	1.0	4,774	4.0
Net income	$ 1,008	0.9 %	$ 8,466	7.1 %
Average capital (1)	$ 438,684		$ 474,285	

(Dollars in thousands)	SIX MONTHS ENDED JUNE 30, 2003	% OF AVERAGE CAPITAL (1)	SIX MONTHS ENDED JUNE 30, 2002	% OF AVERAGE CAPITAL (1)
REVENUE:				
Finance charges	$ 50,687	23.4 %	$ 50,407	21.0 %
Lease revenue	4,120	1.9	9,587	4.0
Ancillary product income	9,966	4.6	7,391	3.1
Premiums earned	1,512	0.7	2,494	1.0
Other income	6,616	3.0	7,568	3.1
Total revenue	72,901	33.6	77,447	32.2
COSTS AND EXPENSES:				
General and administrative	10,961	5.1	12,100	5.0
Salaries and wages	17,204	7.9	14,952	6.2
Sales and marketing	4,660	2.1	3,590	1.5
Stock-based compensation expense	1,803	0.8	1,047	0.4
Provision for insurance and warranty claims	308	0.1	1,133	0.5
Provision for credit losses	6,772	3.1	7,077	3.0
Depreciation of leased assets	2,715	1.3	5,507	2.3
United Kingdom asset impairment expense	10,493	4.9	-	-
Interest	2,997	1.4	4,762	2.0
Total costs and expenses	57,913	26.7	50,168	20.9
Operating income	14,988	6.9	27,279	11.3
Foreign exchange gain	29	-	27	-
Income before provision for income taxes	15,017	6.9	27,306	11.3
Provision for income taxes	5,416	2.5	12,643	5.2
Net income	$ 9,601	4.4 %	$ 14,663	6.1 %
Average capital (1)	$ 434,022		$ 480,620	

(1) Average capital is equal to the average amount of debt and equity during the period in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The calculation of average capital follows:

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Average debt	$ 101,821	$ 172,077	$101,147	$182,381
Average shareholders' equity	336,863	302,208	332,875	298,239
Average capital	$ 438,684	$ 474,285	$434,022	$480,620

RETURN ON CAPITAL ANALYSIS

Return on capital is equal to net operating profit after-tax (net income plus interest expense after-tax) divided by average capital as follows:

(Dollars in thousands)	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Net income	$ 1,008	$ 8,466	$ 9,601	$ 14,663
Interest expense	$ 1,401	$ 2,457	$ 2,997	$ 4,762
Tax rate	65.0%	65.5%	65.0%	65.6%
Interest expense after-tax	$ 911	$ 1,609	$ 1,948	$ 3,124
Net operating profit after-tax	$ 1,919	$ 10,075	$ 11,549	$ 17,787
Average capital	$ 438,684	$ 474,285	$434,022	$480,620
Return on capital	1.7%	8.5%	5.3%	7.4%

The Company's return on capital decreased to 1.7% and 5.3% for the three and six months ended June 30, 2003 from 8.5% and 7.4% for the same periods in 2002. The decreases in return on capital were primarily due to a reduction in the return on capital in the United Kingdom business segment as a result of the $7,238,000 after-tax adjustment for asset impairment and accrued expenses related to the Company's decision to stop originating Loans in the United Kingdom. This adjustment decreased the Company's reported return on capital by 6.6% and 3.4% for the three and six months ended June 30, 2003, respectively. Refer to Notes to Consolidated Financial Statements -- Note 2 for further discussion on the impairment analysis in accordance with SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets".

For the three months ended June 30, 2003, the reduction in the return on capital was also due to decreases in the return on capital in the Automobile Leasing and Other business segments. Partially offsetting the decreases in the return on capital in the United Kingdom, Automobile Leasing and Other segments was an increase in the return on capital in the United States to 10.2% in 2003 from 9.4% in 2002 and an increase in the percent of total capital invested in the United States to 83.6% in 2003 from 73.6% in 2002. The increase in the return on capital in the United States was due to increases in: (i) finance charges as a percent of average capital due to a reduction in the amount advanced to dealer-partners as a percent of the gross Loan amount, and (ii) ancillary product income, which is recognized upon the sale of the ancillary product. Ancillary product income, as a percent of average capital, increased as a result of Loan originations increasing at a faster rate than average capital in the United States. Partially offsetting these increases in revenue were increases in the following expenses as a percent of average capital: (i) salaries and wages due to the increase in corporate infrastructure in the second half of 2002, (ii) stock-based compensation expense as a result of a change in assumptions that reduced the period over which certain performance based stock options are expected to vest, and (iii) provision for credit losses due to increases in the provision for advance losses and the provision for earned but unpaid revenue.

For the six months ended June 30, 2003, the reduction in the return on capital was also due to decreases in the return on capital in the Automobile Leasing and Other business segments. Partially offsetting the decreases in the return on capital in the United Kingdom, Automobile Leasing and Other segments was an increase in the return on capital in the United States to 9.8% in 2003 from 8.1% in 2002 and an increase in the percent of total capital invested in the United States to 82.1% in 2003 from 72.6% in 2002. The increase in the return on capital in the United States was due to increases in: (i) finance charges as a percent of average capital due to a reduction in the amount advanced to dealer-partners as a percent of the gross Loan amount, and (ii) ancillary product income, which is recognized upon the sale of the ancillary product. Ancillary product income, as a percent of average capital, increased as a result of Loan originations increasing at a faster rate than average capital in the United States. Partially offsetting these increases in revenue were increases in the following expenses as a percent of average capital: (i) salaries and wages due to the increase in corporate infrastructure in the second half of 2002, (ii) stock-based compensation expense as a result of a change in assumptions that reduced the period over which certain performance based stock options are expected to vest, (iii) provision for credit losses due to increases in the provision for advance losses in the first quarter of 2003 due to a decline in recovery rates versus the prior trend line, and (iv) provision for income taxes for two tax related adjustments in 2002.

ECONOMIC PROFIT

Economic profit or loss represents net operating profit after-tax less an imputed cost of equity. By considering an imputed cost of equity, the Company's economic profit or loss calculation differs from net income or loss under GAAP, which does not assign a cost of equity. Management assumes a cost of equity equal to 10% of average shareholders' equity in its economic profit or loss calculations, which approximates the long-term rate of return on publicly traded equity investments. Economic profit or loss is a measurement of how efficiently the Company utilizes its capital. The Company has used economic profit internally since January 1, 2000 to evaluate its performance. The Company's goal is to maximize the amount of economic profit per share generated. The Company generated an economic loss of ($7,414,000), or ($0.18) per adjusted share, for the three months ended June 30, 2003 compared to an economic profit of $911,000, or $0.02 per adjusted share, for the same period in 2003. The economic loss increased to ($7,043,000), or ($0.17) per adjusted share, for the six months ended June 30, 2003 from ($249,000), or ($0.01) per adjusted share, for the same period in 2002.

The following presents the calculation of the Company's economic loss for the periods indicated (dollars in thousands, except per share data):

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
Economic profit (loss)				
Net income (1)	$ 1,008	$ 8,466	$ 9,601	$ 14,663
Imputed cost of equity at 10% (2)	(8,422)	(7,555)	(16,644)	(14,912)
Total economic profit (loss)	$ (7,414)	$ 911	$ (7,043)	$ (249)
Weighted average shares outstanding	42,321,170	42,535,312	42,317,443	42,486,667
Economic profit (loss) per share (3)	$ (0.18)	$ 0.02	$ (0.17)	$ (0.01)

(1) Consolidated net income from the Consolidated Statement of Income. See "Item 1. Consolidated Financial Statements."
(2) Cost of equity is equal to 10% (on an annual basis) of total average shareholders' equity, which was $336,863,000 and $332,875,000 for the three and six months ended June 30, 2003, respectively, and

$302,208,000 and $298,239,000 for the three and six months ended June 30, 2002, respectively, calculated as described in the Average Capital Analysis.

(3) Economic profit (loss) per share equals the economic profit (loss) divided by the weighted average shares outstanding.

CRITICAL ACCOUNTING POLICIES

The Company's consolidated financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, the Company evaluates its estimates, including those related to the reserve for advance losses, the allowance for credit losses, and the allowance for lease vehicle losses. Item 7 of the Company's Annual Report on Form 10-K discusses several critical accounting policies, which the Company believes involve a high degree of judgment and complexity. There have been no material changes to that information during the three and six months ended June 30, 2003.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of capital are cash flows from operating activities, collections on Loans receivable, borrowings under the Company's credit agreements and secured financings. The Company's principal need for capital has been to fund cash advances made to dealer-partners in connection with the acceptance of Loans and for the payment of dealer holdbacks to dealer-partners who have repaid their advance balances.

The Company's cash flow requirements are dependent on future levels of Loan originations. In the three and six months ended June 30, 2003, the Company experienced increases in Loan originations compared to the same periods in 2002 primarily due to increases in the number of active dealer-partners and Loans per active dealer-partner. The Company expects Loan originations to increase in future periods and, to the extent this trend does continue, the Company will experience an increase in its need for capital.

The Company currently finances its operation through: (i) a bank line of credit facility; (ii) secured financings; (iii) a mortgage loan; and (iv) capital lease obligations.

Line of Credit Facility -- At June 30, 2003, the Company had a $135.0 million credit agreement with a commercial bank syndicate. The facility has a commitment period through June 9, 2005. The agreement provides that, at the Company's discretion, interest is payable at either the eurodollar rate plus 140 basis points, or at the prime rate (4.0% as of June 30, 2003). The eurodollar borrowings may be fixed for periods of up to six months. Borrowings under the credit agreement are subject to a borrowing base limitation equal to 65% of advances to dealer-partners and leased vehicles (as reflected in the consolidated financial statements and related notes), less a hedging reserve (not exceeding $1.0 million), the amount of letters of credit issued under the line of credit, and the amount of other debt secured by the collateral which secures the line of credit. Currently, the borrowing base limitation does not inhibit the Company's borrowing ability under the line of credit. The credit agreement has certain restrictive covenants, including a minimum required ratio of the Company's assets to debt, its liabilities to tangible net worth, and its earnings before interest, taxes and non-cash expenses to fixed charges. Additionally, the agreement requires that the Company maintain a specified minimum level of net worth. Borrowings under the credit agreement are secured by a lien on most of the Company's assets. The Company must pay annual and quarterly fees on the amount of the commitment. As of June 30, 2003, there was approximately $8.3 million outstanding under this facility.

Secured Financing -- On June 27, 2003, the Company's wholly-owned subsidiary, Credit Acceptance Funding 2003-1 LLC ("Funding 2003-1"), completed a secured financing transaction, in which Funding 2003-1 received $100.0 million in financing. In connection with this transaction, the Company conveyed, for cash and the sole membership interest in Funding 2003-1, dealer-partner advances having a carrying amount of approximately $134.0 million to Funding 2003-1, which, in turn, conveyed the advances to a trust, which issued $100 million in notes to qualified institutional investors. A financial insurance policy was issued in connection with the transaction by Radian Asset Assurance. The policy guarantees the timely payment of interest and ultimate repayment of principal on the final scheduled distribution date. The notes are rated "AA" by Standard & Poor's Rating Services. The proceeds of the secured financing were used by the Company to reduce outstanding borrowings under the Company's credit facility. Until December 15, 2003, the Company and Funding 2003-1 may receive additional proceeds from the transaction by having the Company convey additional dealer-partner advances to Funding 2003-1 which could then be conveyed by Funding 2003-1 to the trust and used by the trust as collateral to support additional borrowings. The secured financing creates loans for which the trust is liable and which are secured by security interests in all assets of the trust and of Funding 2003-1. Such loans are non-recourse to the Company, even though the trust, Funding 2003-1 and the Company are consolidated for financial reporting purposes. The notes bear interest at a fixed rate of 2.77%. The expected annualized cost of the secured financing, including underwriters fees, the insurance premium and other costs is approximately 6.8%. As Funding 2003-1 is organized as a separate legal entity from the Company, assets of Funding 2003-1 (including the conveyed dealer-partner advances) will not be available to satisfy the general obligations of the Company until the secured financing is repaid. The Company receives a monthly servicing fee paid out of collections equal to 6% of the collections received with respect to the conveyed dealer-partner

advances and related Loans. Except for the servicing fee and payments due to dealer-partners, the Company does not receive, or have any rights in, any portion of such collections until the trust's underlying indebtedness is paid in full, either through such collections or through a prepayment of the indebtedness. Thereafter, remaining collections would be paid over to Funding 2003-1 as the sole beneficiary of the trust where they would be available to be distributed to the Company as the sole member of Funding 2003-1, or the Company may choose to cause Funding 2003-1 to repurchase the remaining dealer-partner advances from the trust and then dissolve, whereby the Company would become the owner of such remaining collections.

The secured financing transaction that had been outstanding as of March 31, 2003 between the Company's wholly-owned subsidiary, CAC Warehouse Funding Corp. ("Warehouse Funding"), and an institutional investor, in which Warehouse Funding had received $75.0 million in financing, was repaid in the second quarter of 2003. The Company has completed a total of nine secured financing transactions, eight of which have been repaid in full. Information about the currently outstanding secured financing transaction is as follows (dollars in thousands):

Issue Number	Close Date	Original Balance	Secured Financing Balance at June 30, 2003	Secured Dealer Advance Balance at June 30, 2003	Balance as Percent of Original Balance
2003-1	June 2003	$100,000	$100,000 *	$134,892	100%

* Bears a fixed interest rate of 2.77% and is anticipated to fully amortize within 16 months.

Mortgage Loan -- The Company has a mortgage loan from a commercial bank that is secured by a first mortgage lien on the Company's headquarters building and an assignment of all leases, rents, revenues and profits under all present and future leases of the building. The loan matures on May 1, 2004, bearing interest at a fixed rate of 7.07%, and requires monthly payments of $99,582 and a balloon payment at maturity for the balance of the loan. The Company believes that the monthly payments under the mortgage loan can be made from cash resources available to the Company and that the balloon payment will be refinanced at the time it is due.

Capital Lease Obligations -- As of June 30, 2003, the Company has twelve capital lease obligations outstanding related to various computer equipment, with monthly payments totaling $82,598. These capital lease obligations bear interest at rates ranging from 4.45% to 9.22% and have maturity dates between June 2004 and March 2006. The Company believes that capital lease obligation payments can be made from cash resources available to the Company at the time such payments are due.

The Company's total balance sheet indebtedness increased to $115.7 million at June 30, 2003 from $109.8 million at December 31, 2002. In addition to the balance sheet indebtedness as of June 30, 2003, the Company also has contractual obligations resulting in future minimum payments under operating leases.

A summary of the total future contractual obligations requiring repayments is as follows (in thousands):

	PERIOD OF REPAYMENT			
CONTRACTUAL OBLIGATIONS	< 1 YEAR	1-3 YEARS	> 3 YEARS	TOTAL
Secured financing	$ 75,000	$ 25,000	$ -	$ 100,000
Lines of credit	4,275	4,030	-	8,305
Mortgage loan	5,813	-	-	5,813
Capital lease obligations	909	629	-	1,538
Non-cancelable operating lease obligations	336	446	278	1,060
Total contractual cash obligations	$ 86,333	$ 30,105	$ 278	$ 116,716

United Kingdom Repatriation -- As a result of the Company's decision to stop Loan originations in the United Kingdom, the capital invested in the United Kingdom operation will be reinvested in the United States operation. Based on management's analysis of estimated future cash flows, the Company expects that approximately $50.9 million will be recovered and reinvested in the United States. It is expected that approximately 70% of this amount will be recovered within one year, 90% within two years, and the remainder within three years. In order to manage the foreign currency risk associated with the expected cash flows, the Company entered into forward contracts to deliver 29.0 million pounds sterling to the commercial bank which will be exchanged into United States dollars at an agreed upon rate with a commercial bank beginning July 31, 2003 through June 30, 2005.

Repurchase and Retirement of Common Stock -- 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 1.0 million 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, November 10, 2000, and May 20, 2002, the Company's Board of Directors authorized increases in the Company's stock repurchase program of an additional 1.0 million shares. As of June 30, 2003, the Company has repurchased approximately 5.2 million shares of the 6.0 million shares authorized to be repurchased under this program at a cost of $32.5 million. The 6.0 million shares, which can be repurchased through the open market or in privately negotiated transactions, represent approximately 13.0% of the shares outstanding at the beginning of the program.

Based upon anticipated cash flows, management believes that cash flows from operations, various financing alternatives available to the Company, and amounts available under its credit agreement will provide sufficient financing for debt maturities and for future operations. The Company's ability to borrow funds may be impacted by many economic and financial market conditions. If the various financing alternatives were to become limited or unavailable to the Company, the Company's operations could be materially and adversely affected.

FORWARD-LOOKING STATEMENTS

The Company makes forward-looking statements in this report and may make such statements in future filings with the Securities and Exchange Commission. It may also make forward-looking statements in its press releases or other public or shareholder communications. The Company's forward-looking statements are subject to risks and uncertainties and include information about its expectations and possible or assumed future results of operations. When the Company uses any of the words "believes," "expects," "anticipates," "estimates" or similar expressions, it is making forward-looking statements.

The Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all of its forward-looking statements. These forward-looking statements represent the Company's outlook only as of the date of this report. While the Company believes that its forward-looking statements are reasonable, actual results could differ materially since the statements are based on our current expectations, which are subject to risks and uncertainties. Factors that might cause such a difference, without limitation, include the following:

- increased competition from traditional financing sources and from non-traditional lenders,
- the unavailability of funding at competitive rates of interest,
- the Company's potential inability to continue to obtain third party financing on favorable terms,
- the Company's potential inability to generate sufficient cash flow to service its debt and fund its future operations,
- 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 potential inability to maintain or increase the volume of Loans,
- 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 increase in the amount or severity of litigation against the Company,
- the loss of key management personnel, and
- the effect of terrorist attacks and potential attacks.

Other factors not currently anticipated by management may also materially and adversely affect the Company's results of operations. The Company does not undertake, and expressly disclaims any obligation, to update or alter its forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS.

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 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 2002 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to cause the material information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 to be recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

PART II. - OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On June 6, 2003, the Board of Directors approved amendments to the Company's Bylaws modifying the provisions relating to indemnification included in Article XI. The Amended and Restated Bylaws are attached to this Form 10-Q as an exhibit.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Shareholders on May 15, 2003 at which the shareholders considered the election of six directors. The following table sets forth the number of votes for and withheld with respect to each nominee.

Nominee	Votes For	Votes Withheld
Brett A. Roberts	40,412,425	921,067
Donald A. Foss	41,272,421	61,071
Harry E. Craig	41,272,421	61,071
Sam M. LaFata	41,272,421	61,071
Daniel P. Leff	40,415,425	918,067
Thomas N. Tryforos	41,272,421	61,071

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 filed a current report on Form 8-K pursuant to Items 7, 9 and 12, dated April 24, 2003, reporting that the Company issued a press release announcing its financial results for the three months ended March 31, 2003, a copy of which was filed as Exhibit 99.1.

The Company filed a current report on Form 8-K pursuant to Items 5 and 7, dated June 2, 2003, reporting that the Company issued a press release on June 2, 2003 announcing the decision to stop Loan originations in Canada and the United Kingdom effective June 30, 2003 and that the Company issued a press release dated June 3, 2003 announcing that it was preparing to engage in a $100 million asset-backed bond transaction in June 2003, copies of which were filed as Exhibit 99.1 and 99.2, respectively.

The Company filed a current report on Form 8-K pursuant to Items 5 and 7, dated June 9, 2003, reporting that the Company issued a press release announcing the renewal of its $135 million credit agreement with a group of commercial banks for two years, a copy of which was filed as Exhibit 99.1.

The Company filed a current report on Form 8-K pursuant to Items 5 and 7, dated June 27, 2003, reporting that the Company issued a press release announcing the completion of a $100 million asset-backed non-recourse secured financing, a copy of which was filed as Exhibit 99.1.

SIGNATURE

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

CREDIT ACCEPTANCE CORPORATION
(Registrant)

By: /s/ Douglas W. Busk

Douglas W. Busk
Chief Financial Officer and Treasurer
August 5, 2003

(Principal Financial Officer, Accounting Officer and Duly Authorized Officer)

INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
3(b)	Bylaws of the Company, as amended June 6, 2003
4(c)12	Second Amended and Restated Credit Agreement, dated as of June 9, 2003, among the Company, certain of the Company's subsidiaries, Comerica Bank, as Administrative Agent and Collateral Agent, and the banks signatory thereto.
4(f)(47)	Contribution Agreement dated June 27, 2003 between the Company and Credit Acceptance Funding LLC 2003-1
4(f)(48)	Back-Up Servicing Agreement dated June 27, 2003 among the Company, Credit Acceptance Funding 2003-1, Credit Acceptance Auto Dealer Loan Trust 2003-1, Systems & Services Technologies, Inc., Radian Asset Assurance Inc.
4(f)(49)	Intercreditor Agreement, dated June 27, 2003, among the Company, CAC Warehouse Funding Corp., Credit Acceptance Funding LLC 2003-1, Credit Acceptance Auto Dealer Loan Trust 2003-1, Wachovia Securities, Inc., as agent, JPMorgan Chase Bank, as trustee, and Comerica Bank, as agent.
4(f)(50)	Sale and Servicing Agreement dated June 27, 2003 among the Company, Credit Acceptance Auto Dealer Loan Trust 2003-1, Credit Acceptance Funding LLC 2003-1, JPMorgan Chase Bank, and Systems & Services Technologies, Inc.
4(f)(51)	Indenture, dated June 27, 2003, between Credit Acceptance Auto Dealer Loan Trust 2003-1 and JPMorgan Chase Bank
4(f)(52)	Amended and Restated Trust Agreement dated June 27, 2003 between Credit Acceptance Funding LLC 2003-1 and Wachovia Bank of Delaware, National Association
10(d)(9)	Form of Servicing Agreement as of April 2003
31(a)	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act.
31(b)	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act.
32	Certification of Chief Executive Officer and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) of the Securities Exchange Act.

EXHIBIT 3(b)

AMENDED AND RESTATED

BYLAWS

OF

CREDIT ACCEPTANCE CORPORATION

ARTICLE I

OFFICES

1.01 Principal Office. The principal office of the corporation shall be at such place within or outside the State of Michigan as the Board of Directors shall determine from time to time.

1.02 Other Offices. The corporation also may have offices at such other places as the Board of Directors from time to time determines or the business of the corporation requires.

ARTICLE II

SEAL

2.01 Seal. The corporation may have a seal in such form as the Board of Directors may from time to time determine. The seal may be used by causing it or a facsimile to be impressed, affixed, reproduced or otherwise.

ARTICLE III

CAPITAL STOCK

3.01 Issuance of Shares. The shares of capital stock of the corporation shall be issued in such amounts, at such times, for such consideration and on such terms and conditions as the Board shall deem advisable, subject to the Articles of Incorporation and any requirements of the laws of the State of Michigan.

3.02 Certificates for Shares. The shares of the corporation shall be represented by certificates signed by the Chairman of the Board, Vice Chairman of the Board, President or a Vice President of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. A certificate representing shares shall state upon its face that the corporation is formed under the laws of the State of Michigan, the name of the person to whom it is issued, the number and class of shares, and the designation of the series, if any, which the certificate represents and such other provisions as may be required by the laws of the State of Michigan.

3.03 Transfer of Shares. The shares of the capital stock of the corporation are transferable only on the books of the corporation upon surrender of the certificate therefor, properly endorsed for transfer, and the presentation of such evidences of ownership and validity of the assignment as the corporation may require.

3.04 Registered Shareholders. The corporation shall be entitled to treat the person in whose name any share of stock is registered as the owner thereof for purposes of dividends and other distributions in the course of business, or in the course of recapitalization, consolidation, merger, reorganization, sale of assets, liquidation or otherwise and for the purpose of votes, approvals and consents by shareholders, and for the purpose of notices to shareholders, and for all other purposes whatever, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not the corporation shall have notice thereof, save as expressly required by the laws of the State of Michigan.

3.05 Lost or Destroyed Certificates. Upon the presentation to the corporation of a proper affidavit attesting the loss, destruction or mutilation of any certificate or certificates for shares of stock of the corporation, the Board of Directors shall direct the issuance of a new certificate or certificates to replace the certificates so alleged to be lost, destroyed or mutilated. The Board of Directors may require as a condition precedent to the issuance of new certificates a bond or agreement of indemnity, in such form and amount and with such sureties, or without sureties, as the Board of Directors may direct or approve.

ARTICLE IV

SHAREHOLDERS AND MEETINGS OF SHAREHOLDERS

4.01 Place of Meetings. All meetings of shareholders shall be held at the principal office of the corporation or at such other place as shall be determined by the Board of Directors and stated in the notice of meeting.

4.02 Annual Meeting. The annual meeting of the shareholders of the corporation shall be held on the last Monday of the fifth calendar month after the end of the corporation's fiscal year at 2 o'clock in the afternoon, or on such other date and at such other time as may be determined by the Board of Directors. Directors shall be elected at each annual meeting and such other business transacted as may come before the meeting.

4.03 Special Meetings. Special meetings of shareholders may be called by the Board of Directors, the Chairman of the Board (if such office is filled) or the President and shall be called by the President or Secretary at the written request of shareholders holding a majority of the shares of stock of the corporation outstanding and entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called.

4.04 Notice of Meetings. Except as otherwise provided by statute, written notice of the time, place and purposes of a meeting of shareholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each shareholder of record entitled to vote at the meeting, either personally or by mailing such notice to his last address as it appears on the books of the corporation. No notice need be given of an adjourned meeting of the shareholders provided the time and place to which such meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment a new record date is fixed for the adjourned meeting a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice as provided in this Bylaw.

4.05 Record Dates. The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at a

meeting of shareholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action. The date fixed shall not be more than 60 nor less than 10 days before the date of the meeting, nor more than 60 days before any other action. In such case only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or adjournment thereof, or to express consent or to dissent from such proposal, or to receive payment of such dividend or to receive such allotment of rights, or to participate in any other action, as the case may be, notwithstanding any transfer of any stock on the books of the corporation, or otherwise, after any such record date. Nothing in this Bylaw shall affect the rights of a shareholder and his transferee or transferor as between themselves.

4.06 List of Shareholders. The Secretary of the corporation or the agent of the corporation having charge of the stock transfer records for shares of the corporation shall make and certify a complete list of the shareholders entitled to vote at a shareholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with the address of, and the number of shares held by, each shareholder; be produced at the time and place of the meeting; be subject to inspection by any shareholder during the whole time of the meeting; and be prima facie evidence as to who are the shareholders entitled to examine the list or vote at the meeting.

4.07 Quorum. Unless a greater or lesser quorum is required in the Articles of Incorporation or by the laws of the State of Michigan, the shareholders present at a meeting in person or by proxy who, as of the record date for such meeting, were holders of a majority of the outstanding shares of the corporation entitled to vote at the meeting shall constitute a quorum at the meeting. Whether or not a quorum is present, a meeting of shareholders may be adjourned by a vote of the shares present in person or by proxy. When the holders of a class or series of shares are entitled to vote separately on an item of business, this Bylaw applies in determining the presence of a quorum of such class or series for transaction of such item of business.

4.08 Proxies. A shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize other persons to act for the shareholder by proxy. A proxy shall be signed by the shareholder or the shareholder's authorized agent or representative and shall not be valid after the expiration of three years from its date unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the shareholder executing it except as otherwise provided by the laws of the State of Michigan.

4.09 Voting. Each outstanding share is entitled to one vote on each matter submitted to a vote, unless otherwise provided in the Articles of Incorporation. Votes shall be cast in writing and signed by the shareholder or the shareholder's proxy. When an action, other than the election of directors, is to be taken by a vote of the shareholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, unless a greater vote is required by the Articles of Incorporation or by the laws of the State of Michigan. Except as otherwise provided by the Articles of Incorporation, directors shall be elected by a plurality of the votes cast at any election.

ARTICLE V

DIRECTORS

5.01 Number. The business and affairs of the corporation shall be managed by a Board of not less than one nor more than eleven directors as shall be fixed from time to time by the Board of Directors. The directors need not be residents of Michigan or shareholders of the corporation.

5.02 Election, Resignation and Removal. Directors shall be elected at each annual meeting of the shareholders, each to hold office until the next annual meeting of shareholders and until the director's successor is elected and qualified, or until the director's resignation or removal. A director may resign by written notice to the corporation. The resignation is effective upon its receipt by the corporation or a subsequent time as set forth in the notice of resignation. A director or the entire Board of Directors may be removed, with or without cause, by vote of the holders of a majority of the shares entitled to vote at an election of directors.

5.03 Vacancies. Vacancies in the Board of Directors occurring by reason of death, resignation, removal, increase in the number of directors or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, unless filled by proper action of the shareholders of the corporation. Each person so elected shall be a director for a term of office continuing only until the next election of directors by the shareholders.

5.04 Annual Meeting. The Board of Directors shall meet each year immediately after the annual meeting of the shareholders, or within three (3) days of such time excluding Sundays and legal holidays if such later time is deemed advisable, at the place where such meeting of the shareholders has been held or such other place as the Board may determine, for the purpose of election of officers and consideration of such business that may properly be brought before the meeting; provided, that if less than a majority of the directors appear for an annual meeting of the Board of Directors the holding of such annual meeting shall not be required and the matters which might have been taken up therein may be taken up at any later special or annual meeting, or by consent resolution.

5.05 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such times and places as the majority of the directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all the directors. Special meetings of the Board may be called by the Chairman of the Board (if such office is filled) or the President and shall be called by the President or Secretary upon the written request of any two directors.

5.06 Notices. No notice shall be required for annual or regular meetings of the Board or for adjourned meetings, whether regular or special. Twenty-four hours written notice, or by telephone or electronic transmission, shall be given for special meetings of the Board, and such notice shall state the time, place and purpose or purposes of the meeting.

5.07 Quorum. A majority of the Board of Directors then in office, or of the members of a committee thereof, constitutes a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the acts of the Board or of the committee, except as a larger vote may be required by the laws of the State of Michigan. A member of the Board or of a committee designated by the Board may

participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with the other participants. Participation in a meeting in this manner constitutes presence in person at the meeting.

5.08 Executive and Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, appoint three or more members of the Board as an executive committee to exercise all powers and authorities of the Board in management of the business and affairs of the corporation, except that the committee shall not have power or authority to (a) amend the Articles of Incorporation; (b) adopt an agreement of merger or consolidation; (c) recommend to shareholders the sale, lease or exchange of all or substantially all of the corporation's property and assets; (d) recommend to shareholders a dissolution of the corporation or revocation of a dissolution; (e) amend these Bylaws; (f) fill vacancies in the Board; or (g) unless expressly authorized by the Board, declare a dividend or authorize the issuance of stock.

The Board of Directors from time to time may, by like resolution, appoint such other committees of one or more directors to have such authority as shall be specified by the Board in the resolution making such appointments. The Board of Directors may designate one or more directors as alternate members of any committee who may replace an absent or disqualified member at any meeting thereof.

5.09 Dissents. A director who is present at a meeting of the Board of Directors, or a committee thereof of which the director is a member, at which action on a corporate matter is taken is presumed to have concurred in that action unless the director's dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation promptly after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a written dissent with the Secretary of the corporation within a reasonable time after the director has knowledge of the action.

5.10 Compensation. The Board of Directors, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the corporation as directors or officers.

ARTICLE VI

NOTICES, WAIVERS OF NOTICE AND MANNER OF ACTING

6.01 Notices. All notices of meetings required to be given to shareholders, directors, or any committee of directors may be given personally or by mail to any shareholder, director, or committee member at his or her last address as it appears on the books of the corporation or by electronic transmission, but in the case of shareholders, only in the form consented to by the shareholder. The notice shall be deemed to be given at the time it is mailed or otherwise dispatched or, if given by electronic transmission, when electronically transmitted to the person entitled to the notice, but in the case of shareholders only if sent in a manner authorized by the shareholder. Telephonic notice may also be given for special meetings of the board of directors or committees thereof as provided in Section 5.06.

6.02 Waiver of Notice. Notice of the time, place and purpose of any meeting of shareholders, directors or committee of directors may be waived by telecopy, telegram, radiogram, cablegram or other writing, either before or after the meeting, or in such other manner as may be permitted by the laws of the State of Michigan. Attendance of a person at any meeting of shareholders, in person or by proxy, or at any meeting of directors or of a committee of directors, constitutes a waiver of notice of the meeting except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

6.03 Action Without a Meeting. Except as may be provided otherwise in the Articles of Incorporation for action to be taken by shareholders, any action required or permitted at any meeting of shareholders or directors or committee of directors may be taken without a meeting, without prior notice and without a vote, if all of the shareholders or directors or committee members entitled to vote thereon consent thereto in writing.

ARTICLE VII

OFFICERS

7.01 Number. The Board of Directors shall elect or appoint a President, a Secretary and a Treasurer, and may select a Chairman of the Board, a Vice Chairman of the Board, a Chief Executive Officer, a Chief Operating Officer and one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. Any two or more of the above offices, except those of President and Vice President, may be held by the same person. No officer shall execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law, the Articles of Incorporation or these Bylaws to be executed, acknowledged, or verified by one or more officers.

7.02 Term of Office, Resignation and Removal. An officer shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed and qualified, or until his resignation or removal. An officer may resign by written notice to the corporation. The resignation is effective upon its receipt by the corporation or at a subsequent time specified in the notice of resignation. An officer may be removed by the Board with or without cause. The removal of an officer shall be without prejudice to his contract rights, if any. The election or appointment of an officer does not of itself create contract rights.

7.03 Vacancies. The Board of Directors may fill any vacancies in any office occurring for whatever reason.

7.04 Authority. All officers, employees and agents of the corporation shall have such authority and perform such duties in the conduct and management of the business and affairs of the corporation as may be designated by the Board of Directors and these Bylaws.

ARTICLE VIII

DUTIES OF OFFICERS

8.01 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the shareholders and of the Board of Directors at which the Chairman is present.

8.02 Chief Executive Officer. The Chief Executive Officer shall see that all orders and resolutions of the Board are carried into effect and shall have the general powers of supervision and management usually vested in the chief executive officer of a corporation, including the authority to vote all securities of other corporations and organizations held by the corporation. The Chief Executive Officer shall preside at all meetings of the shareholders and of the Board of Directors at which the Chairman is not present, shall have the power to act on behalf of and perform the duties and exercise the powers and authorities of the Chairman in case of the Chairman's absence or disability, and may execute any documents in the name of the corporation. The Chief Executive Officer shall be ex officio a member of all management committees.

8.03 President. The President of the corporation shall direct and coordinate the activities of the organization in accordance with policies, goals and objectives established by the Chief Executive Officer. The President shall assist the Chief Executive Officer in seeing that all orders and resolutions of the Board are carried into effect. He may execute any documents in the name of the corporation and shall have such other powers and duties as may be prescribed by the Board or delegated by the Chief Executive Officer.

8.04 Chief Operating Officer. The Chief Operating Officer of the corporation shall direct and coordinate the activities of the organization in accordance with policies, goals and objectives established by the Chief Executive Officer. The Chief Operating Officer shall assist the Chief Executive Officer in seeing that all orders and resolutions of the Board are carried into effect. The Chief Operating Officer may execute any documents in the name of the corporation and shall have such other powers and duties as may be prescribed by the Board or delegated by the Chief Executive Officer.

8.05 Vice-Presidents. The Vice Presidents, in order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President may from time to time prescribe.

8.06 Secretary. The Secretary shall attend all meetings of the Board of Directors and of shareholders and shall record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all meetings of the shareholders and of the Board of Directors, and shall keep in safe custody the seal of the corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an Assistant Secretary. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless the Board disapproves such delegation.

8.07 Treasurer. The Treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books of the corporation; and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall render to the Chief Executive Officer and directors, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the corporation. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless the Board of Directors disapproves such delegation.

8.08 Assistant Secretaries and Treasurers. The Assistant Secretaries, in order of their seniority, shall perform the duties and exercise the powers and authorities of the

Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, in the order of their seniority, shall perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers shall also perform such duties as may be delegated to them by the Chairman, Chief Executive Officer. Secretary and Treasurer, respectively, and also such duties as the Board of Directors may prescribe.

ARTICLE IX

SPECIAL CORPORATE ACTS

9.01 Orders for Payment of Money. All checks, drafts, notes, bonds, bills of exchange and orders for payment of money of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

9.02 Contracts and Conveyances. The Board of Directors of the corporation may in any instance designate the officer and/or agent who shall have authority to execute any contract, conveyance, mortgage or other instrument on behalf of the corporation, or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officers or agents, the Chairman of the Board, the President or any Vice President, and the Secretary or Assistant Secretary or Treasurer or Assistant Treasurer, may execute the same in the name and on behalf of this corporation and may affix the corporate seal thereto.

ARTICLE X

BOOKS AND RECORDS

10.01 Maintenance of Books and Records. The proper officers and agents of the corporation shall keep and maintain such books, records and accounts of the corporation's business and affairs, minutes of the proceedings of its shareholders, Board and committees, if any, and such stock ledgers and lists of shareholders, as the Board of Directors shall deem advisable, and as shall be required by the laws of the State of Michigan and other states or jurisdictions empowered to impose such requirements. Books, records and minutes may be kept within or without the State of Michigan in a place which the Board shall determine.

10.02 Reliance on Books and Records. In discharging his or her duties, a director or an officer of the corporation is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following: (a) one or more directors, officers, or employees of the corporation, or of a business organization under joint control or common control whom the director or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, public accountants, engineers, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence, or (c) a committee of the Board of Directors of which he or she is not a member if the director or officer reasonably believes the Committee merits confidence. A director or officer is not entitled to rely on such information if he or she has knowledge concerning the matter in question that makes such reliance unwarranted.

ARTICLE XI

INDEMNIFICATION

11.01 Non-Derivative Actions. Subject to all of the other provisions of this Article XI, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the corporation), by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

11.02 Derivative Actions. Subject to all of the provisions of this Article XI, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the corporation unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

11.03 Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 11.01 or 11.02 of these Bylaws, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against expenses (including attorneys' fees) incurred by such person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.03.

11.04 Definitions. For the purposes of Sections 11.01 and 11.02, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; "serving at the request of the corporation" shall include any service as a director, officer, employee, or agent of the

corporation which imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the corporation or its shareholders" as referred to in Sections 11.01 and 11.02.

11.05 Contract Right; Limitation on Indemnity. The right to indemnification conferred in this Article XI shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the corporation as well as in such person's capacity as a director or officer. Except as provided in Section 11.03 of these Bylaws, the corporation shall have no obligations under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board of Directors.

11.06 Determination That Indemnification is Proper. Any indemnification under Section 11.01 or 11.02 of these Bylaws (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 11.01 or 11.02, whichever is applicable. Such determination shall be made in any of the following ways:

(i) By a majority vote of a quorum of the Board consisting of directors who were not parties to such action, suit or proceeding.

(ii) If the quorum described in clause (i) above is not obtainable, then by a committee of directors who are not parties to the action, suit or proceeding. The committee shall consist of not less than two disinterested directors.

(iii) By independent legal counsel in a written opinion. Legal counsel for this purpose shall be chosen by the Board or its committee prescribed in clauses (i) or (ii), or if a quorum of the Board cannot be obtained under clause (i) and a committee cannot be designated under clause (ii), by the Board.

(iv) By the shareholders. Shares held by directors or officers who are parties or threatened to be made parties to the action, suit or proceeding may not be voted.

11.07 Proportionate Indemnity. If a person is entitled to indemnification under Section 11.01 or 11.02 of these Bylaws for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

11.08 Expense Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 11.01 or 11.02 of these Bylaws shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding if the corporation receives from the person requesting such advance the following: (i) a written affirmation of the person's good faith belief that the person has met the applicable standard of conduct in Section 11.01 or 11.02 and (ii) a written undertaking by or on behalf of the person to

repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

11.09 Non-Exclusivity of Rights. The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

11.10 Indemnification of Employees and Agents of the Corporation. The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article XI with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

11.11 Former Directors and Officers. The indemnification provided in this Article XI continues as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

11.12 Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify the person against such liability under these Bylaws or the laws of the State of Michigan.

11.13 Changes in Michigan Law. In the event of any change of the Michigan statutory provisions applicable to the corporation relating to the subject matter of this Article XI, then the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions, but only to the extent that any such change permits the corporation to provide broader indemnification rights than such provisions permitted the corporation to provide prior to any such change. Subject to Section 11.14, the Board of Directors is authorized to amend these Bylaws to conform to any such changed statutory provisions.

11.14 Amendment or Repeal of Article XI. No amendment or repeal of this Article XI shall apply to or have any effect on any director or officer of the corporation for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

ARTICLE XII

AMENDMENTS

12.01 Amendments. Subject to Section 11.14, the Bylaws of the corporation may be amended, altered or repealed, in whole or in part, by the shareholders or by the Board of Directors at any meeting duly held in accordance with these Bylaws, provided that notice of the meeting includes notice of the proposed amendment, alteration or repeal.

ARTICLE XIII

CONTROL SHARES AND CONTROL SHARE ACQUISITIONS

13.01 Control Share Acquisitions. The corporation is subject to Chapter 7B, "Control Share Acquisitions," of the Michigan Business Corporation Act, effective on the first day on which the corporation has 100 or more shareholders of record. As long as the corporation is subject to Chapter 7B, shares of capital stock of the corporation constituting "control shares" acquired in "control share acquisitions" (as defined in Chapter 7B) have the same voting rights as were accorded the shares before the "control share acquisition" only to the extent granted by resolution approved by the shareholders of the Company in accordance with Chapter 7B.

13.02 Redemption of Control Shares. Control shares as to which all of the following conditions are met may be redeemed by the corporation, upon approval by the Board of Directors, at any time after such conditions have been met:

(a) (i) An acquiring person statement has been filed with the corporation, a meeting of the shareholders of the corporation has been held at which the voting rights of the control shares have been submitted to the shareholders for a vote, and the shareholders do not grant full voting rights to the control shares; or

(ii) If an "acquiring person statement" (as such term appears in Section 795 of the Michigan Business Corporation Act) has not been filed with the corporation with respect to a control share acquisition and the redemption is completed during the period ending 60 days after the last acquisition of control shares, or the power to direct the exercise of voting power of control shares, by the acquiring persons; and

(b) The consideration to be paid for the control shares consists of cash, property or securities of the corporation, or any combination thereof, including shares of capital stock of the corporation or debt obligations of the corporation; and

(c) The price to be paid for the control shares does not exceed the fair value of the shares, as determined by the Board of Directors, which value shall not be less than the highest price paid per share by the acquiring person in the control share acquisition.

13.03 Procedures. The Board of Directors may, by resolution, adopt procedures for the giving of notice of such redemption to the "acquiring person" and for the delivery of certificates representing the control shares to be acquired in exchange for the corporation's payment of fair value therefor.

CREDIT ACCEPTANCE CORPORATION

BYLAW AMENDMENTS

ADOPTED JUNE 6, 2003
EFFECTIVE JUNE 6, 2003

ARTICLE XI
INDEMNIFICATION

11.01 Nonderivative Actions. Subject to all of the other provisions of this Article XI, the corporation shall, to the fullest extent permitted by applicable law, indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director or officer of the corporation, or, while serving as a director or officer of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorney fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person (i) did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, (ii) with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful, or (iii) received a financial benefit to which he or she is not entitled, intentionally inflicted harm on the corporation or its shareholders, violated Section 551 of the Michigan Business Corporation Act or intentionally committed a criminal act.

11.02 Derivative Actions. Subject to all of the provisions of this Article XI, the corporation shall, to the fullest extent permitted by applicable law, indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the corporation or, while serving as a director or officer of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorney fees) and amounts paid in settlement actually and reasonably incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders. However, indemnification shall not be made for any claim, issue or matter in which the person has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred. The termination of any action or suit by settlement shall not, of itself, create a presumption that the person (i) did not act in good faith and in a manner that the

person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, or (ii) received a financial benefit to which he or she is not entitled, intentionally inflicted harm on the corporation or its shareholders, violated Section 551 of the Michigan Business Corporation Act or intentionally committed a criminal act.

11.03 Expenses of Successful Defense. To the extent that a director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 11.01 or 11.02, or in defense of any claim, issue, or matter in the action, suit or proceeding, the corporation shall indemnify such director or officer against actual and reasonable expenses (including attorney fees) incurred by the person in connection with the action, suit or proceeding and any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Section 11.03.

11.04 Definitions. For the purposes of Sections 11.01 and 11.02, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or its beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the corporation or its shareholders" as referred to in Sections 11.01 and 11.02.

11.05 Contract Right; Limitation on Indemnity. The right to indemnification conferred in Article XI shall be a contract right and shall apply to services of a director or officer as an employee or agent of the corporation as well as in the person's capacity as a director or officer. Except as otherwise expressly provided in this Article XI, the corporation shall have no obligation under this Article XI to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board of Directors.

11.06 Determination That Indemnification Is Proper. (a) Any indemnification under Sections 11.01 or 11.02 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 11.01 or 11.02, whichever is applicable, and upon an evaluation of the reasonableness of expenses and amounts paid in settlement. The determination and evaluation shall be made in any of the following ways:

(1) by a majority vote of a quorum of the Board of Directors consisting of directors who are not parties or threatened to be made parties to the action, suit or proceeding;

(2) if a quorum cannot be obtained under clause (1), by a majority of the members of a committee of two or more directors who are not parties or threatened to be made parties to the action, suit or proceeding;

(3) if the corporation has one or more "independent directors" (as defined in Section 107(3) of the Michigan Business Corporation Act ("MBCA")) who are not parties or threatened to be made parties to the action, suit or proceeding, by a unanimous vote of all such directors;

(4) by independent legal counsel in a written opinion, which counsel is selected by the Board or a committee as provided in clauses (1) or (2) above, or if a quorum cannot be obtained under clause (1) and a committee cannot be designated under clause (2), by the Board of Directors; or

(5) by the shareholders, but shares held by directors, officers, employees or agents who are parties or threatened to be made parties to the action, suit or proceeding may not be voted on the determination.

(b) To the extent that the Articles of Incorporation include a provision eliminating or limiting the liability of a director pursuant to MBCA Section 209, the corporation shall indemnify a director for the expenses and liabilities described below without a determination that the director has met the standard of conduct set forth in MBCA Sections 561 and 562, but no indemnification may be made except to the extent authorized in MBCA Section 564c, if the director received a financial benefit to which he or she was not entitled, intentionally inflicted harm on the corporation or its shareholders, violated MBCA Section 551, or intentionally violated criminal law. In connection with an action or suit by or in the right of the corporation, as described in Section 11.02, indemnification under this Section 11.06(b) may be for expenses, including attorneys' fees, actually and reasonably incurred. In connection with an action, suit or proceeding other than one by or in the right of the corporation, as described in Section 11.02, indemnification under this Section 11.06(b) may be for expenses, including attorneys' fees, actually and reasonably incurred, and for judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred. If this Section 11.06(b) requires indemnification of a director without a determination that the director has met the standard of conduct set forth in MBCA Sections 561 and 562, the corporation hereby waives its right to raise the director's failure to meet such standard of conduct as a defense to an action brought by the director or as grounds for a claim to recover advances made by the corporation pursuant to this Article XI and any such failure shall not be raised by or on behalf of the corporation.

11.07 Authorizations of Payment.

Authorizations of payment under Sections 11.01 and 11.02 of these Bylaws shall be made in any of the following ways:

(a) by the Board of Directors:

(1) if there are two or more directors who are not parties or threatened to be made parties to the action, suit or proceeding, by a majority vote of all such directors (a majority of whom shall for this purpose constitute a quorum);

(2) by a majority of the members of a committee of two or more directors who are not parties or threatened to be made parties to the action, suit or proceeding;

(3) if the corporation has one or more "independent directors" (as defined in MBCA Section 107(3)) who are not parties or threatened to be made parties to the action, suit or proceeding, by a majority vote of all such directors who are not parties or threatened to be made parties, a majority of whom shall constitute a quorum for this purpose; or

(4) if there are no "independent directors" and less than two directors who are not parties or threatened to be made parties to the action, suit or proceeding, by the vote necessary for action by the Board of Directors provided in these Bylaws, in which authorization all directors may participate; or

(b) by the shareholders, but shares held by directors, officers, employees or agents who are parties or threatened to be made parties to the action, suit or proceeding may not be voted on the authorization.

11.08 Proportionate Indemnity. If a person is entitled to indemnification under Sections 11.01 or 11.02 for a portion of expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement, but not for the total amount, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines or amounts paid in settlement for which the person is entitled to be indemnified.

11.09 Expense Advance. The corporation shall pay or reimburse the reasonable expenses incurred by a person referred to in Sections 11.01 or 11.02 who is a party or threatened to be made a party to an action, suit or proceeding in advance of final disposition of the proceeding if the person furnishes the corporation a written undertaking executed personally, or on his or her behalf, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct, if any, required by the MBCA for the indemnification of the person under the circumstances. An evaluation of reasonableness under this Section 11.09 shall be made as specified in Section 11.06, and authorizations shall be made in the manner specified in Section 11.07, unless the advance is mandatory. A provision in the articles of incorporation, these bylaws, a resolution by the Board of Directors or the shareholders or an agreement making indemnification mandatory shall also make advancement of expenses mandatory unless the provision specifically provides otherwise.

11.10 Non-Exclusivity of Rights. The indemnification or advancement of expenses provided under this Article XI is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

11.11 Indemnification of Employees and Agents of the Corporation. The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of Article XI with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

11.12 Former Directors and Officers. The indemnification provided in Article XI continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of the person.

11.13 Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify the person against the liability under these bylaws or applicable law. If the articles of incorporation include a provision eliminating or limiting the liability of a director pursuant to MBCA Section 209(1)(c), such insurance may be purchased from an insurer owned by the corporation, but such insurance may insure against monetary liability to the corporation or its shareholders only to the extent to which the corporation could indemnify the director under Section 11.06(b).

11.14 Changes in Michigan Law. If there is any change of the Michigan statutory provisions applicable to the corporation relating to the subject matter of this Article XI, then the indemnification to which any person shall be entitled under this Article XI shall be determined by the changed provisions, but only to the extent that the change permits the corporation to provide broader indemnification rights than the provisions permitted the corporation to provide before the change. Subject to Section 11.15, the Board of Directors is authorized to amend these bylaws to conform to any such changed statutory provisions.

11.15 Amendment or Repeal of Article XI. No amendment or repeal of Article XI shall apply to or have any effect on any director or officer of the corporation for or with respect to any acts or omissions of the director or officer occurring before the amendment or repeal.

EXHIBIT 4(c)(12)

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SECOND AMENDED AND RESTATED

CREDIT ACCEPTANCE CORPORATION

CREDIT AGREEMENT

DATED AS OF JUNE 9, 2003

COMERICA BANK, AS ADMINISTRATIVE AGENT
AND COLLATERAL AGENT

BANC OF AMERICA SECURITIES, LLC AS SOLE LEAD ARRANGER
AND SOLE BOOK MANAGER

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SECOND AMENDED AND RESTATED
CREDIT AGREEMENT

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT ("Agreement") is made as of the 9th day of June, 2003, by and among the Banks signatory hereto (individually, "Bank", and collectively "Banks"), Comerica Bank, as administrative agent and collateral agent for the Banks (in such capacity, "Agent"), Credit Acceptance Corporation, a Michigan corporation ("Company") and Credit Acceptance Corporation UK Limited, a corporation organized under the laws of England ("CAC UK"), CAC of Canada Limited, a corporation organized under the laws of Canada ("CAC Canada") and Credit Acceptance Corporation Ireland Limited, a corporation organized under the laws of the Republic of Ireland ("CAC Ireland").

RECITALS

A. Company has requested that the Banks amend, renew and/or extend to it and to the Permitted Borrowers (as defined below), credit in the aggregate amount (subject to the Revolving Credit Optional Increase, as defined below) of up to One Hundred Thirty Five Million Dollars ($135,000,000) consisting of (i) the Revolving Credit (as defined below) previously extended to Company and the Permitted Borrowers pursuant to that certain Amended and Restated Credit Acceptance Corporation Credit Agreement dated as of June 11, 2001 (as amended, the "Prior Credit Agreement") by and among Company, the Permitted Borrowers, the Banks signatory thereto and Comerica Bank, individually and in its capacity as Agent, and (ii) letters of credit all on the terms and conditions set forth herein.

B. The Banks are prepared to extend such credit as aforesaid by amendment and renewal (but not in novation) of the Prior Credit Agreement, but only on the terms and conditions set forth in this Agreement.

NOW THEREFORE, COMPANY, PERMITTED BORROWERS, AGENT AND THE BANKS AGREE:

1. DEFINITIONS

For the purposes of this Agreement the following terms will have the following meanings:

"Account Party(ies)" shall mean, with respect to any Letter of Credit, the account party or parties (which shall be Company and/or any Permitted Borrower) as named in an application to the Agent for the issuance of such Letter of Credit.

"Additional Commitment Fee" shall mean the additional commitment fee payable to Agent for distribution to the Banks pursuant to Section 2.13, hereof.

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

"Advance(s)" shall mean, as the context may indicate, a borrowing requested by Company or by a Permitted Borrower, and made by Banks under Section 2.1 or 4.1 of this Agreement, as the case may be, or requested by the Company or by a Permitted Borrower and made by the Swing Line Bank under Section 2.5 hereof (including without limitation any readvance, refunding or conversion of such borrowing pursuant to Section 2.3, 2.5(c) or 4.4 hereof) and any advance in respect of a Letter of Credit under Section 3.6 hereof (including without limitation the unreimbursed amount of any draws under Letters of Credit), and shall include, as applicable, a Eurocurrency-based Advance, a Quoted Rate Advance, a Prime-based Advance and a Swing Line Advance.

"Advances to Dealers" shall mean, as of any applicable date of determination, the Dollar Amount of advances in respect of Installment Contracts, as such amount would appear in the footnotes to the financial statements of the Company and its Subsidiaries prepared in accordance with GAAP (and if such amount is not shown net of such reserves, then net of any reserves established by the Company as an allowance for credit losses related to such advances not expected to be recovered), provided that, for purposes of the definition of Collateral determining the Borrowing Base and compliance with the covenants under Section 7.4 through 7.7 and 7.17 hereof, Advances to Dealers shall not include (a) any such advances (and the related Installment Contracts) transferred or encumbered pursuant to a Permitted Securitization or assigned to a Securitized Pool (whether or not attributable to the Company under GAAP), unless and until such advances (and the related Installment Contracts) are reassigned to the Company or a Subsidiary of the Company or such encumbrances are discharged any such advances (and the related Installment Contracts, if any) made to a Dealer in connection with a Program Contract or (b) Charged-Off Advances, to the extent that such Charged-Off Advances exceed the portion of the Company's allowance for credit losses related to reserves against such advances not expected to be recovered, as such allowance would appear in the footnotes to the financial statements of the Company and its Subsidiaries prepared in accordance with GAAP at such time. For purposes of this definition, "Charged-Off Advances" shall mean those Advances to Dealers which the Company or any of its Subsidiaries has determined, based on the application of a static pool analysis or otherwise, are completely or partially impaired, to the extent of such impairment.

"Affiliate" shall mean, at any time, a Person (other than a Subsidiary) (a) that directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, the Company; (b) that beneficially owns or holds five percent (5%) or more of any class of the voting stock of the Company; (c) five percent (5%) or more of the voting stock (or in the case of a Person that is not a corporation, five percent (5%) or more of the equity interest) of which is beneficially owned or held by the Company or a Subsidiary; or (d) that is an officer or director (or a member of the immediate family of an officer or director) of the Company or any Subsidiary; in each case, at such time. As used in this definition, "Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" shall mean Comerica Bank, a Michigan banking corporation, or any successor appointed in accordance with Section 12.4 hereof.

"Agent's Correspondent" shall mean:

(a) for Advances in Sterling, Barclays Bank plc., London, Great Britain;

(b) for Advances in C$, Bank of Nova Scotia, Toronto, or such other bank or banks as Agent may from time to time designate by written notice to Company, the Permitted Borrowers and the Lenders; and

(c) for Advances in Eurodollars, Agent's Grand Cayman Branch (or for the account of said branch office, at Agent's main office in Detroit, Michigan, United States);

or at such other bank or banks as Agent may from time to time designate by written notice to Company, the Permitted Borrowers and the Banks.

"Agent's Fees" shall mean those fees and expenses required to be paid by Company to Agent under Section 12.8 hereof.

"Aggregate Commitment" shall mean the Revolving Credit Maximum Amount, as in effect from time to time.

"Aggregate Sublimit" shall mean, as of any applicable date of determination, that amount equal to thirty percent (30%) of Company's Consolidated Tangible Net Worth, determined as of the end of each fiscal quarter based upon the financial statements required to be delivered under Section 7.3(b) or 7.3(c) hereof, as the case may be, or (subject to the terms hereof) determined on a monthly basis at the request of the Company based on monthly financial statements to be delivered pursuant to Section 2.14(b) hereof, (and giving effect to any changes in net worth shown in the applicable financial statements on the required date of delivery thereof).

"Allowances for Credit Losses" shall mean those allowances or reserves established by Company or its Subsidiaries in arriving at installment contracts receivable, net or Leased Vehicles, as the case may be, on its Consolidated balance sheets, as specifically identified in such financial statements or as disclosed in the footnotes thereto; provided that Allowances for Credit Losses shall not include allowances or reserves attributable to retail installment contracts or leases which are not at such time "Installment Contracts" or "Leases," as the case may be, due to the proviso in the definition of such terms in this Agreement.

"Alternate Base Rate" shall mean, for any day, an interest rate per annum equal to the Federal Funds Effective Rate in effect on such day, plus one percent (1%).

"Alternative Currency" shall mean British Pounds Sterling ("Sterling"), and Canadian Dollars ("C$"), and, subject to the prior written approval of Agent and each of the Banks and to the terms and conditions of this Agreement, such other freely convertible foreign currencies including (subject to the terms hereof) the "Euro", as requested by the Company or a Permitted Borrower and acceptable to Agent and the Banks, in their reasonable discretion. Any reference to a National Currency Unit of a Participating Member State in this definition of "Alternative Currency" shall be deemed to also include a reference to the Euro Unit.

"Applicable Fee Percentage" shall mean, as of any date of determination thereof, the applicable percentage used to calculate certain of the fees due and payable hereunder, determined

by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 1.1.

"Applicable Interest Rate" shall mean the Eurocurrency-based Rate, the Prime-based Rate or, with respect to Swing Line Advances, the Quoted Rate, as selected by Company or a Permitted Borrower from time to time subject to the terms and conditions of this Agreement.

"Applicable Margin" shall mean, as of any date of determination thereof, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 1.1.

"Assignment Agreement" shall have the meaning ascribed to such term in Section 13.8(c) hereof.

"Back-End Dealer Agreement(s)" shall mean Dealer Agreements referred to in clause (i) of the definition of Dealer Agreements.

"Banks" shall mean the Banks signatory hereto (including the New Banks) and any assignee which becomes a Bank pursuant to Section 13.8(c) hereof.

"Borrowing Base Certificate" shall mean a Borrowing Base Certificate, substantially in the form of Exhibit O (and determining the amount of Advances to Dealers and Leased Vehicles as of the most recent quarter end, in the case of regular borrowing base certificates delivered under Section 7.3(d) hereof, and as of the most recent month-end, in the case of all other Borrowing Base Certificates submitted hereunder), with appropriate insertions and executed by an authorized Officer of the Company and accompanied, when submitted in connection with a Permitted Securitization or a sale of accounts under Section 8.9 hereof, by a breakdown of the contemplated net securitization or sale proceeds to be received (or actually received, as the case may be) from such transaction, and reasonable supporting calculations.

"Borrowing Base Limitation" shall mean, as of any date of determination, an amount equal to the sum of (i) sixty-five percent (65%) of Advances to Dealers and (ii) sixty-five percent (65%) of Leased Vehicles, minus (iii) the Hedging Reserve and minus (iv) the aggregate principal amount outstanding from time to time of any Debt (other than the Indebtedness) secured by any of the Collateral.

"Business Day" shall mean any day on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, London (except with respect to any Prime-based Advances), and New York and if funds are to be paid or made available in any Alternative Currency, on such day in the place where such funds are to be paid or made available and, if the applicable Business Day relates to the borrowing or payment of a Eurocurrency-based Advance denominated in Euros, on which banks and foreign exchange markets are open for business in the city where disbursements of or payments on such Advance are to be made which is a Trans-European Business Day.

"CAC Canada" is defined in the Preamble.

"CAC Ireland" is defined in the Preamble.

"CAC Leasing" shall mean CAC Leasing, Inc., a Michigan corporation and a wholly-owned Subsidiary of Company.

"CAC Life" shall mean Credit Acceptance Corporation Life Insurance Company, an Arizona corporation and a wholly-owned Subsidiary of Company.

"CAC South Dakota" shall mean Credit Acceptance Corporation of South Dakota, Inc., a South Dakota corporation.

"CAC UK" is defined in the Preamble.

"Canadian BA Rate" shall mean, with respect to the relevant Advance of C$ to CAC Canada, the rate per annum quoted by Agent's Correspondent as the Agent's bid rate for C$ bankers' acceptances having a comparable face value as the amount of such Advance and a tenor identical to the applicable Eurocurrency-Interest Period as of 10:00 a.m. (Toronto time) on the first day of such Interest Period.

"Canadian BA Period" shall mean, for Advances of C$ to CAC Canada, an Interest Period of 30 days, 60 days, 90 days or with the consent of the Agent 180 days.

"Canadian Prime Rate" shall mean, for any day, the per annum rate of interest in effect for such day as announced from time to time by the Agent's Canadian Affiliate in Toronto, Ontario as its "prime rate." (The "prime rate" is a rate set by such Canadian Affiliate based upon various factors including such Canadian Affiliate's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate.) Any change in the prime rate by such Canadian Affiliate shall take effect at the opening of business on such day.

"Canadian Prime-based Rate" shall mean, for any day, that rate of interest which is equal to the sum of the Applicable Margin plus the greater of (i) the Canadian Prime Rate and (ii) an interest rate per annum equal to the Canadian BA Rate in effect on such day, plus one percent (1%).

"Capital Assets" shall mean all assets of a Person other than intangible assets (so classified in accordance with GAAP), inventories, accounts receivable and Investments in and securities of any other Person.

"Capitalized Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) with respect to which the discounted present value of the rental obligations of such Person as lessee thereunder, in conformity with GAAP, is required to be capitalized on the balance sheet of that Person.

"Cleanup Call(s)" shall mean:

(a) in the case of an optional cleanup call, a cleanup call to be exercised at the option of the Company, the Titling Subsidiary or a Special Purpose Subsidiary under the terms of the applicable Permitted Securitization (provided that, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing when

such option is exercised), in an amount not in excess of (i) Fifteen Percent (15%) of the initial amount received by the Company, the Titling Subsidiary or a Special Purpose Subsidiary pursuant to such Permitted Securitization (before fees and other deductions), it being understood that, for purposes of the calculation under clause (a)(i) of this definition, each tranche of a multi-tranche Permitted Securitization shall be considered a separate Permitted Securitization or (ii) in the case of any Securitization Transaction structured on a revolving basis, fifteen percent (15%) of the maximum aggregate availability at any time to Company, the Titling Subsidiary or a Special Purpose Subsidiary, each such optional cleanup call to be accompanied (x) by the repurchase of or release of encumbrances on Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles), as the case may be, previously transferred or encumbered pursuant to such Permitted Securitization in an amount equal to at least the amount of such cleanup call, or (y) if such Leased Vehicles or Leases are held by the Titling Subsidiary, by the reallocation of such Leases and Leased Vehicles from the applicable Specified Interest to the Non-Specified Interest in an amount equal to at least the amount of such clean-up call; and

(b) in the case of a mandatory cleanup call, a mandatory cleanup call to be exercised at the option of the investors under the terms of the applicable Permitted Securitization, in an amount not in excess of (i) Two and One-Half Percent (2 1/2%) of the aggregate amount received by the Company, the Titling Subsidiary or a Special Purpose Subsidiary pursuant to the Permitted Securitization to which such mandatory cleanup call relates (before fees and other deductions), it being understood that, for purposes of the calculation under clause (b)(i) of this definition, all tranches of a multi-tranche Permitted Securitization shall be considered one Permitted Securitization or (ii) in the case of any Securitization Transaction structured on a revolving basis, Two and One-Half Percent (2 1/2%) of the maximum aggregate availability at any time to Company, the Titling Subsidiary or a Special Purpose Subsidiary, each such mandatory Cleanup Call to be accompanied (x) by the repurchase of or release of encumbrances on Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles), as the case may be, previously transferred or encumbered pursuant to such Permitted Securitization in an amount equal to at least the lesser of (A) the amount of such cleanup call or (B) the book value at the time of such cleanup call of the Advances to Dealers, Leased Vehicles, Installment Contracts or Leases previously transferred or encumbered pursuant to such Permitted Securitization, or (y) if such Leased Vehicles or Leases are held by the Titling Subsidiary, by the reallocation of such Leases and Leased Vehicles from the applicable Specified Interest to the Non-Specified Interest in an amount equal to at least the lesser of (A) the amount of such clean-up call or (B) the book value at the time of such cleanup call of the Leased Vehicles and Leases currently held in such Specified Interest.

"Collateral" shall mean (a) all right, title and interest of each of the Company and each of its Significant Domestic Subsidiaries in, to and under its accounts, inventory, machinery, equipment, contract rights, chattel paper, general intangibles, including without limitation Advances to Dealers, Leased Vehicles, Dealer Agreements (and any amounts advanced to or

liens granted by Dealers thereunder), Installment Contracts, Leases and related financial property (such Dealer Agreements, Advances to Dealers and the Installment Contracts, Leases, accounts, contract rights, chattel paper and general intangibles relating to such Dealer Agreements, Advances to Dealers and Leased Vehicles, being subject to the rights, if any, of Dealers under Dealer Agreements) and all Program Agreements (but excluding any Program Contracts, it being understood that the security interest in Program Agreements shall be subject to the rights of the Program Participants under the Program Agreements), Intercompany Notes and computer records and software relating thereto, whether now owned or hereafter acquired by such Person, (b) with respect to Indebtedness of the Permitted Borrowers and subject to Sections 7.20 and 7.22 hereof, all right, title and interest of CAC UK, the English Special Purpose Subsidiary, CAC Canada and CAC Ireland, as the case may be in, to and under its accounts, inventory, contract rights, chattel paper, general intangibles, including without limitation Advances to Dealers, Leased Vehicles, Dealer Agreements (and any amounts advanced to or liens granted by Dealers thereunder), Installment Contracts, Leases and related financial assets (such Dealer Agreements, Advances to Dealers, and the Installment Contracts, Leases, accounts, contract rights, chattel paper and general intangibles relating thereto) being subject to the rights, if any, of Dealers under Dealer Agreements (and, computer records and software relating thereto, whether now owned or hereafter acquired), (c) the entire Non-Specified Interest at any time held by the Company or any Subsidiary, (d) one hundred percent (100%) of the share capital of each Significant Domestic Subsidiary of the Company (whether direct or indirect), (e) one hundred percent (100%) of the share capital of T&C Subsidiary and of CAC South Dakota (whether or not constituting a Significant Domestic Subsidiary), (f) not less than sixty-five percent (65%) of the aggregate partnership interests of the Scottish Partnership, and (g) all proceeds and products of the foregoing.

"Collateral Documents" shall mean (i) that certain Second Amended and Restated Security Agreement dated as of June 11, 2001 and executed and delivered by Company in favor of the Agent, as Collateral Agent pursuant to the Intercreditor Agreement (as amended, the "Security Agreement"), and encumbering the property described therein, (ii) an assignation executed and delivered by Company in favor of the Agent, as Collateral Agent pursuant to the Intercreditor Agreement, and encumbering the Collateral described in clause (f) of the definition of Collateral, (iii) debentures executed and delivered by CAC UK and by the English Special Purpose Subsidiary in favor of the Agent, for and on behalf of the Banks (and not as Collateral Agent pursuant to the Intercreditor Agreement) and encumbering the applicable property described in clause (b) of the definition of Collateral, (iv) those certain lien, charge or other security documents to be executed and delivered hereunder by CAC Canada and CAC Ireland in favor of the Agent, for and on behalf of the Banks and not as Collateral Agent pursuant to the Intercreditor Agreement and encumbering the applicable Collateral described in clause (b) of the definition of Collateral, (v) those certain lien, charge or other security documents executed and delivered, or to be executed and delivered hereunder in order to encumber 100% of the share capital of the T&C Subsidiary, executed and delivered (or to be executed and delivered) by the Company or any of its subsidiaries and delivered to the Agent, as Collateral Agent (as aforesaid) and (vi) all other security documents (including, without limitation, financing statements, stock powers, acknowledgments, registrations, joinders and the like) executed by the Company or any of its Subsidiaries and delivered to the Agent, as Collateral Agent (as aforesaid), as of the date thereof or, from time to time, subsequent thereto in connection with such security documents,

this Agreement or the other Loan Documents, as such security documents may be in each case amended or further amended (subject to the Intercreditor Agreement) from time to time.

"Commitment Fee" shall mean the commitment fee payable to Agent for distribution to the Banks pursuant to Section 2.13, hereof.

"Company" is defined in the Preamble.

"Company Guaranty" shall mean that certain amended and restated guaranty of all of the Indebtedness outstanding from the Permitted Borrowers executed and delivered by the Company to the Agent, on behalf of the Banks, as of the date of the Prior Credit Agreement, as such guaranty may be amended from time to time.

"Consolidated" or "Consolidating" shall, when used with reference to any financial information pertaining to (or when used as a part of any defined term or statement pertaining to the financial condition of) Company and its Subsidiaries, mean the accounts of Company and its Subsidiaries determined on a consolidated or consolidating basis, as the case may be, all determined as to principles of consolidation and, except as otherwise specifically required by the definition of such term or by such statements, as to such accounts, in accordance with GAAP applied on a consistent basis and consistent with the financial statements as at and for the fiscal year ended December 31, 2002.

"Consolidated Fixed Charges" shall mean, for any period, the sum of (a) Consolidated Interest Expense for such period, plus (b) Operating Rentals payable by the Company and its Subsidiaries in respect of such period under Operating Leases, plus (c) the aggregate amount of all dividends on any preferred stock of the Company declared during such period, determined after eliminating intercompany transactions among the Company and its Subsidiaries.

"Consolidated Funded Debt" shall mean, as of any applicable date of determination, all Debt of the Company and its Subsidiaries determined on a Consolidated basis according to GAAP (but including the Debt of any Special Purpose Subsidiary, whether or not includible under GAAP), plus without duplication all letters of credit, guarantees and other Guarantee Obligations of the Company and its Subsidiaries (but including any Special Purpose Subsidiary, whether or not includible under GAAP) in respect of liabilities which would constitute Debt, determined on a Consolidated basis according to GAAP.

"Consolidated Income Available for Fixed Charges" shall mean, for any period, the sum of (a) Consolidated Net Income, plus (b) the aggregate amount of income taxes, depreciation, amortization (including the amortization of any excess servicing asset) and Consolidated Fixed Charges (to the extent, and only to the extent, that such aggregate amount was reflected in the computation of Consolidated Net Income for such period), determined on a Consolidated basis for such Persons in accordance with GAAP.

"Consolidated Interest Expense" shall mean, for any period, the amount of interest charged or chargeable to the Consolidated Statement of Operations of Company and its Subsidiaries in respect of such period, as determined in accordance with GAAP.

"Consolidated Net Assets" shall mean, as of any applicable date of determination, the sum of (i) 100% of all cash and the value (at book) of all Permitted Investments; (ii) 75% of the aggregate amount of Advances to Dealers; (iii) 70% of the aggregate amount of Leased Vehicles; (iv) 60% of the aggregate amount of Floor Plan Receivables, net of the applicable reserve; and (v) 60% of Notes Receivable, net of the applicable reserve, determined on a Consolidated basis for the Company and its Subsidiaries according to GAAP, but including the amount of any such assets held by a Special Purpose Subsidiary, whether or not includible under GAAP.

"Consolidated Net Income" shall mean, for any period, net earnings (or loss) after income taxes of Company and its Subsidiaries, determined on a Consolidated basis for such Persons, as defined according to GAAP, but excluding:

(a) net earnings (or loss) of any Subsidiary accrued prior to the date it became a Subsidiary;

(b) any gain or loss (net of tax effects applicable thereto) resulting from the sale, conversion or other disposition of Capital Assets other than in the ordinary course of business;

(c) any extraordinary or non-recurring gains or losses (including, without limitation, any gain on sale generated by a Permitted Securitization, except to the extent the Company has received a cash benefit therefrom in the applicable reporting period); and any interest income generated by a Permitted Securitization, except to the extent the Company has received a cash benefit therefrom in the applicable reporting period;

(d) any gain arising from any reappraisal or write-up of assets and the non-cash effect of stock option expense (whether constituting a gain or a loss);

(e) any portion of the net earnings of any Subsidiary that for any reason is unavailable for payment of dividends to the Company or any other Subsidiary, provided that the net earnings of CAC Life that are unavailable (due to regulatory requirements applicable to CAC Life) for the payment of dividends to the Company may be included in the determination of Consolidated Net Income, to the extent that such unavailable net earnings do not exceed five percent (5%) of Consolidated Net Income (determined without giving effect to this proviso), and provided, further that so long as the net earnings of CAC Life shall be included in Consolidated Net Income pursuant to the preceding proviso, CAC Life shall not have outstanding any debt, regardless of whether any other Subsidiary may be permitted to have debt outstanding at such time by reason of a waiver of or an amendment to this Agreement;

(f) any gain or loss (net of tax effects applicable thereto) during such period resulting from the receipt of any proceeds of any insurance policy;

(g) except as set forth herein, any earnings of any Person acquired by Company or any Subsidiary through the purchase, merger or consolidation or otherwise, or earnings of any Person substantially all of the assets of which have been acquired by Company or any Subsidiary, for any period prior to the date of acquisition;

(h) net earnings of any Person (other than a Subsidiary) in which Company or any Subsidiary shall have an ownership interest unless such net earnings shall actually have been received by the Company or such Subsidiary in the form of cash distributions; and

(i) any restoration during such period to income of any contingency reserve, except to the extent that provision for such reserve

(i) was made during such period out of income accrued during such period,

(ii) was made in connection with the Company's program of financing Installment Contracts or Leases

(A) to provide for warranty claims for which the Company may be responsible, or

(B) to cover credit losses in connection with Advances to Dealers, Installment Contracts, Leased Vehicles or Leases, or

(iii) is required by applicable law with respect to reserve for claims related to the operation of CAC Life,

provided that the aggregate restoration to income during any period from reserves described in clause (ii) and clause (iii) above shall not exceed ten percent (10%) of Consolidated Net Income for such period, prior to giving effect to such restoration.

"Consolidated Tangible Net Worth" shall mean the total preferred shareholders' investment and common shareholders' investment (common stock, paid in capital and retained earnings) as computed for the Company and its Subsidiaries on a Consolidated basis under GAAP, less assets properly classified as intangible assets according to GAAP, but excluding from the determination thereof, without duplication, any excess servicing asset resulting from the transfer, pursuant to a Permitted Securitization, of Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles) and less capitalized financing fees.

"Consolidated Total Liabilities" shall mean, as of any applicable date of determination, the Consolidated total liabilities of the Company and its Subsidiaries according to GAAP (but including the liabilities of any Special Purpose Subsidiary whether or not includible under GAAP), plus without duplication all contingent obligations, including without limitation all Guarantee Obligations not otherwise reflected therein, minus Net Dealer Holdbacks and Net Leased Vehicle Dealer Holdbacks and minus deferred income of the Company and its Subsidiaries, determined on a Consolidated basis according to GAAP, except as aforesaid.

"Covenant Compliance Report" shall mean the report to be furnished by the Company to the Agent, in substantially the form attached to this Agreement as Exhibit H and certified by the chief financial officer of the Company pursuant to Section 7.3(c) hereof, as to whether the Company and its Subsidiaries are in compliance with the financial covenants contained in

Sections 7.4 through 7.7, inclusive, of this Agreement for the applicable fiscal quarter (or year-end) of the Company, as the case may be, in which report the Company shall set forth its calculations and the resultant ratios or financial tests determined thereunder, and certifying that no Default or Event of Default has occurred and is continuing.

"Current Dollar Equivalent" shall mean, as of any applicable date of determination, with respect to any Advance or Letter of Credit in an Alternative Currency, the amount of Dollars which is equivalent to the then outstanding principal amount of such Advance or Letter of Credit at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for such Alternative Currency for delivery at approximately 11:00 A.M. (Detroit time) two (2) Business Days after such date. Alternative Currency equivalents of Advances or Letters of Credit in Dollars (to the extent used herein) shall be determined by Agent in a manner consistent herewith.

"Dealer(s)" shall mean a Person engaged in the business of the retail sale or lease of new or used motor vehicles, including both businesses exclusively selling or leasing used motor vehicles and businesses principally selling or leasing new motor vehicles, but having a used vehicle department, including any such Person which constitutes an Affiliate of Company.

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

"Debt" shall mean, with respect to any Person, without duplication, (a) its liabilities for borrowed money (whether or not evidenced by a security), (b) any liabilities secured by any Lien existing on property owned by such Person (whether or not such liabilities have been assumed), (c) its liabilities in respect of Capitalized Leases, (d) the present value of all payments due under any arrangement for retention of title or any conditional sale agreement (other than a Capitalized Lease) discounted at the implicit rate, if known, with respect thereto or, if unknown, at eight and eighty-seven one-hundredths percent (8.87%) per annum, and (e) its guaranties of any liabilities of another Person constituting liabilities of a type set forth above; provided however that dealer holdbacks shall not be considered Debt of the Company or its Subsidiaries; and provided further that, solely for purposes of Section 8.5 hereof, "Debt" shall also include reimbursement obligations (contingent or otherwise) in respect of letters of credit, obligations in respect of bankers acceptances, and payment obligations, if any, under interest rate protection agreements (including without limitation interest rate swaps and similar agreements) and currency swaps and hedges and similar agreements.

"Debt Rating" shall mean the debt rating, if any, of Company's long-term non-credit enhanced senior debt obtained by the Company, from time to time, from an applicable credit rating agency of recognized national standing in the United States of America.

"Default" shall mean any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

"Dollar Amount" shall mean (a) with respect to Dollars or an amount denominated in Dollars, such amount and (b) with respect to an amount of any other Alternative Currency or an amount denominated in such Alternative Currency, the amount of Dollars that may be purchased with such amount of Alternative Currency in the interbank foreign exchange market, at the most favorable spot rate of exchange (including all related costs of conversion) applicable to the relevant transaction determined by the Agent to be available to it at or about 11:00 a.m. Detroit time (i) on the date on which such calculation would be necessary for the delivery of Dollars on the applicable date contemplated in this Agreement or (ii) for interest rate setting purposes only, on the date which is two Business Days prior to the commencement of an Interest Period (or such other number of days as shall be reasonably deemed necessary by Agent, for purposes of this Agreement). Alternative Currency amounts of Advances or Letters of Credit made, issued, carried or expressed in Dollars (to the extent used herein) shall be determined by Agent in a manner consistent herewith.

"Dollars" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Advance" shall mean any Advance other than a Eurocurrency-based Advance or any other Advance denominated in an Alternative Currency.

"Domestic Guaranty" shall mean that certain guaranty of all Indebtedness outstanding from the Company and the Permitted Borrowers dated as of the date of the Prior Credit Agreement, executed and delivered (or to be executed and delivered) by each of the Significant Domestic Subsidiaries (whether by execution thereof, or by execution of the Joinder Agreement attached as "Exhibit A" to the form of such Guaranty), to the Agent, on behalf of the Banks, as amended from time to time.

"Domestic Subsidiary" shall mean those Subsidiaries of the Company incorporated under the laws of the United States of America, or any state thereof, other than the US LLC, so long as it is a Subsidiary of a Foreign Subsidiary.

"Effective Date" shall mean June 9, 2003.

"EMU" shall mean Economic and Monetary Union as contemplated in the Treaty on European Union.

"EMU Legislation" shall mean legislative measures of the European Council (including European Council regulations) for the introduction of, changeover to or operation of a single or unified European currency (whether known as the euro or otherwise), being in part the implementation of the third stage of EMU.

"English Special Purpose Subsidiary" shall mean CAC UK Funding Ltd., a Special Purpose Subsidiary established by the Company, as part of the UK Restructuring, under the laws of England.

"Equity Offering" shall mean the issuance and sale for cash, on or after the Effective Date by Company or any of its Subsidiaries of additional capital stock or other equity interests, other than upon the exercise of employee and dealer stock options pursuant to stock option plans maintained or offered by the Company or its Subsidiaries in the ordinary course of business and not in anticipation of any sale of capital stock or equity interests to the general public, and other than the creation or disposition of any interest in the Titling Subsidiary.

"Equity Offering Adjustment" shall mean that amount to be added to the minimum Consolidated Tangible Net Worth required to be maintained under Section 7.7 hereof consisting of an amount equal to one hundred percent (100%) of each Equity Offering conducted by the Company or any of its subsidiaries, net of related costs of issuance payable to third parties, on and after the Effective Date, on a cumulative basis.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor act or code, and the regulations in effect from time to time thereunder.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) which is under common control with the Company within the meaning of Section 4001 of ERISA or is part of a group which includes the Company and would be treated as a single employer under Section 414 of the Internal Revenue Code, and any Domestic Subsidiary.

"Euro" or "Euro Unit" shall mean the currency unit of the euro as defined in the EMU Legislation.

"Eurocurrency-based Advance" shall mean any Advance (including a Swing Line Advance) which bears interest at the Eurocurrency-based Rate.

"Eurocurrency-based Rate" shall mean a per annum interest rate which is equal to the sum of (a) the Applicable Margin (subject, if applicable, to adjustment under Section 11.11 hereof), plus

(b)(i) in the case of any Eurocurrency-based Advance other than an Advance of C$ to CAC Canada described in clause (b)(ii) below, the quotient of:

(A) the per annum interest rate at which deposits in the relevant eurocurrency are offered to Agent's Eurocurrency Lending Office by other prime banks in the relevant eurocurrency market in an amount comparable to the relevant Eurocurrency-based Advance and for a period equal to the relevant Eurocurrency-Interest Period at approximately 11:00 a.m. Detroit time two (2) Business Days (or, in the case of a Eurocurrency-based Advance in Euros, on such other date as is customary in the relevant offshore interbank market) prior to the first day of such Eurocurrency-Interest Period, divided by

(B) a percentage equal to 100% minus the maximum rate on such date at which Agent is required to maintain reserves on `eurocurrency liabilities' as defined in and pursuant to Regulation D of the

Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, to the nearest whole multiple of 1/16th of 1%; or

(b)(ii) in the case of any Advances of C$ to CAC Canada, the greater of the Eurocurrency-based Rate determined in the manner set forth in clause (A) above and the Canadian BA Rate.

"Eurocurrency-Interest Period" shall mean, (a) for Swing Line Advances carried at the Eurocurrency-based Rate, an interest period of seven days, one month (or any lesser number of days agreed to in advance by Company or a Permitted Borrower, Agent and the Swing Line Bank), (b) for Eurocurrency-based Advances of C$ to CAC Canada, a Canadian BA Rate Period and (c) for all other Eurocurrency-based Advances, an interest period of one, two, three or six months (or any lesser or greater number of days agreed to in advance by Agent and the Banks), in each case as selected by Company or such Permitted Borrower, as applicable, for a Eurocurrency-based Advance pursuant to Section 2.3, 2.5, or 4.4 hereof, as the case may be.

"Eurocurrency Lending Office" shall mean, (a) with respect to the Agent, Agent's office located at its Grand Caymans Branch or such other branch of Agent, domestic or foreign, as it may hereafter designate as its Eurocurrency Lending Office by notice to Company, the Permitted Borrowers and the Banks and (b) as to each of the Banks, its office, branch or affiliate located at its address set forth on the signature pages hereof (or identified thereon as its Eurocurrency Lending Office), or at such other office, branch or affiliate of such Bank as it may hereafter designate as its Eurocurrency Lending Office by notice to Company and Agent.

"Event of Default" shall mean any of the events specified in Section 9.1 hereof.

"Existing Advance(s)" shall mean Advances made under the Prior Credit Agreement (as defined therein) which are outstanding on the Effective Date.

"Existing Letter of Credit" shall mean a letter of credit issued under the Prior Credit Agreement which is outstanding on the Effective Date hereof.

"Federal Funds Effective Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

"Fees" shall mean the Agent's Fees, the Revolving Credit Facility Fee, the Commitment Fee, the Additional Commitment Fee and the Letter of Credit Fees.

"Fixed Charge Coverage Ratio" shall mean, as of any applicable date of determination, the ratio of (a) Consolidated Income Available for Fixed Charges for the period of four (4) consecutive fiscal quarters of the Company most recently ended at such time to (b) Consolidated Fixed Charges for such period.

"Floor Plan Receivables" shall mean, as of any applicable date of determination, the aggregate amount outstanding from Dealers pursuant to financing extended to such Dealers by Company or any of its Subsidiaries for used motor vehicle inventories, such financing to be secured by the related motor vehicle inventories and any future cash collections owed by Company or its Subsidiaries to the Dealer under the applicable Dealer Agreement in respect of outstanding Advances to Dealers (and the related Installment Contracts) or Leased Vehicles (and the related Leases)

"Foreign Guaranty" shall mean that certain guaranty of all Indebtedness outstanding from the Permitted Borrowers dated as of the date of the Prior Credit Agreement, executed and delivered (or to be executed and delivered) by each of the Significant Foreign Subsidiaries, (whether by execution thereof, or by execution of the Joinder Agreement attached as Exhibit "A" to such Guaranty) to the Agent, on behalf of the Banks, as amended from time to time.

"Foreign Subsidiaries" shall mean all of the Company's Subsidiaries other than its Domestic Subsidiaries.

"Funding Conditions" shall mean those conditions required to be satisfied prior to or concurrently with the funding of any Future Debt, as follows:

(a) Within a period of one hundred eighty (180) days prior to the date any such Debt is incurred, Company shall have provided to the Agent and the Banks a Consolidated plan and financial projections meeting the requirements therefor as set forth in Section 7.3(i) of this Agreement and demonstrating that the Company would be in compliance with the financial covenants set forth in Sections 7.4 through 7.7 hereof and the Borrowing Base Limitation, if applicable, were such Debt outstanding during the applicable reporting periods;

(b) Both immediately before and immediately after such additional Debt is incurred, no Default or Event of Default (whether or not related to such additional Debt, and taking into account the incurring of such additional Debt) has occurred and is continuing;

(c) If such additional Debt shall be issued pursuant to loan documents containing covenants which are more restrictive than the covenants contained in this Agreement, Company shall, upon the written request of the Majority Banks, enter into amendments to this Agreement to extend the benefit of such covenants to the Banks;

(d) Concurrently with the incurring of such additional Debt, the proceeds of such Debt, net of third party expenses incurred by the Company in connection with the

issuance of such Debt, shall first be applied to reduce (i) the principal, interest and other amounts under other Future Debt then outstanding or (ii) principal, interest and other amounts owing under the Revolving Credit (to the extent then outstanding, and including the aggregate amount of drawings made under any Letter of Credit for which the Agent has not received full payment), subject to the right to reborrow in accordance with this Agreement; provided, however, that to the extent that on the date any reduction of the principal balance outstanding under the Revolving Credit shall be required under this clause (d), the Indebtedness under the Revolving Credit is being carried, in whole or in part, at the Eurocurrency-based Rate and no Default or Event of Default has occurred and is continuing, the Company may, after prepaying that portion of the Indebtedness then carried at the Prime-based Rate, deposit the amount of such required principal reductions in a cash collateral account to be held by the Agent, for and on behalf of the Banks (which shall be an interest-bearing account), on such terms and conditions as are reasonably acceptable to Agent and the Majority Banks and, subject to the terms and conditions of such cash collateral account, sums on deposit therein shall be applied (until exhausted) to reduce the principal balance of the Revolving Credit on the last day of each Interest Period attributable to the applicable Eurocurrency-based Advances of the Revolving Credit (subject to the right to reborrow, as aforesaid); and provided further that Agent and the Banks acknowledge that any proceeds of Future Debt remaining after the application of such proceeds as required by this clause (d) may be held or invested in Permitted Investments or otherwise invested or applied in any manner not prohibited by this Agreement; and

(e) If such additional Debt is to be secured, the applicable Lien shall arise only pursuant to the Security Agreement and/or the other Collateral Documents and each of the holders of such Debt shall become a party to the Intercreditor Agreement and shall execute and deliver such additional or related Loan Documents, as reasonably requested by the Agent.

"Future Debt" shall mean Debt evidenced by Long Term Notes; provided that the aggregate principal amount of all such Debt outstanding at any time from and after the date hereof shall not exceed One Hundred Fifty Million Dollars ($150,000,000); and provided further that, at the time any such Debt is incurred, the Funding Conditions have been satisfied. For the purposes of this definition, "Long Term Notes" shall mean unsecured or secured non-revolving promissory notes to be issued by the Company, which Debt shall have a term extending at least beyond the Revolving Credit Maturity Date then in effect, have an amortization schedule not greater than level amortization to maturity (but with no principal payments required for a period of at least 12 months) and have no requirement for mandatory early repayment except (x) upon default, (y) following a change in control or (z) following the sale of any material portion of the assets of the Company or any of its Subsidiaries, to the extent of the proceeds of such sale.

"Future Debt Documents" shall mean the promissory note(s), guaranty(ies), agreement(s) or other documents, instruments and certificates executed and delivered, subject to the terms of this Agreement, to evidence or secure (or otherwise relating to) Future Debt, as the same may be amended from time to time and any and all other documents executed in exchange therefor or replacement or renewal thereof.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect on the date hereof, consistently applied.

"Gross Dealer Holdbacks" shall mean the aggregate amount, as of any applicable date of determination, of dealer holdbacks under Dealer Agreements relating to Installment Contracts utilized in arriving at Dealer holdbacks, net on the Consolidated balance sheet of the Company and its Subsidiaries, as disclosed in the footnotes thereto; provided that Gross Dealer Holdbacks shall not include the amount of dealer holdbacks attributable to retail installment contracts which are not at such time "Installment Contracts" due to the proviso in the definition of such term in this Agreement.

"Guarantee Obligation(s)" shall mean as to any Person (the "guaranteeing person") any obligation of the guaranteeing person in respect of any obligation of another Person (including, without limitation, any bank under any letter of credit), the creation of which was evidenced or induced by a reimbursement agreement, counter-indemnity, endorsement or similar obligation issued by the guaranteeing person, in either case guaranteeing or in effect guaranteeing any Debt, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. To the extent not otherwise determinable, the amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation (as outstanding on the applicable date of determination) in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by Company in good faith.

"Guaranties" shall mean the Company Guaranty, the Domestic Guaranty and the Foreign Guaranty.

"Guarantor(s)" shall mean each Significant Subsidiary which is required by the Banks to guarantee the obligations of the Company and/or the Permitted Borrowers hereunder and under the other Loan Documents.

"Hazardous Material" shall mean and include any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Hazardous Material Laws.

"Hazardous Material Law(s)" shall mean all laws, codes, ordinances, rules, regulations, orders, decrees and directives issued by any federal, state, local, foreign or other governmental or quasi-governmental authority or body (or any agency, instrumentality or political subdivision thereof) pertaining to Hazardous Material on or about the Material Property or any portion thereof including, without limitation, those relating to soil, surface, subsurface ground water conditions and the condition of the ambient air; any so-called "superfund" or "superlien" law; and any other federal, state, foreign or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect. For the purposes of this definition "Material Property" shall mean any property, whether personal or real, owned, leased or otherwise used by the Company or any of the Subsidiaries which is material to the operations of the Company and the Subsidiaries, taken as a whole.

"Hedging Agreement(s)" shall mean any Interest Rate Protection Agreements and any foreign currency exchange agreements (including without limitation foreign currency hedges and swaps) or other foreign exchange transactions, or any combination of such transactions or agreements or any option with respect to any such transactions or agreements entered into by Company and/or any of its Subsidiaries to manage existing or anticipated foreign exchange risk and not for speculative purposes.

"Hedging Reserve" shall mean a reserve under the Borrowing Base Limitation equal to the lesser of (i) One Million Dollars ($1,000,000) and (ii) the aggregate amount of Net Hedging Obligations outstanding from time to time (determined in the manner set forth herein) maintained by the Company for the benefit of those Banks or their Affiliates which provide Hedging Agreements to the Company, any Domestic Subsidiary or a Permitted Borrower under or in connection with this Agreement, and allocated to such Banks or their Affiliates in the amounts so determined and reported by the Company in its quarterly Borrowing Base Certificates or any updated Borrowing Base Certificates from time to time submitted by the Company hereunder; provided that the adequacy of the amounts established by the Company for the applicable exposure under a Hedging Agreement shall be subject to review and approval by the Majority Banks and each affected Bank, from time to time at the request of such Banks.

"Hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement in its entirety and not to any particular paragraph or provision of this Agreement.

"Indebtedness" shall mean all indebtedness and liabilities, whether direct or indirect, absolute or contingent, owing by Company or any of the Permitted Borrowers to the Banks (or any of them) or to the Agent, in any manner and at any time, under this Agreement or the other Loan Documents, whether evidenced by the Notes, the Guaranties, Letter of Credit Agreements or otherwise, due or hereafter to become due, now owing or that may hereafter be incurred by the Company, any of the Permitted Borrowers or any Account Party to, or acquired by, the Banks or by Agent, and all Net Hedging Obligations in respect of Hedging Agreements entered into between Company, any Domestic Subsidiary and/or a Permitted Borrower and a Bank or an Affiliate of a Bank (up to the maximum amount of the Hedging Reserve, as determined and allocated hereunder) and any judgments that may hereafter be rendered on such indebtedness or any part thereof, with interest according to the rates and terms specified, or as provided by law,

and any and all consolidations, amendments, renewals, replacements or extensions of any of the foregoing.

"Installment Contract(s)" shall mean retail installment contracts for the sale of new or used motor vehicles assigned outright by Dealers to Company or a Subsidiary of Company or written by Dealers in the name of the Company or a Subsidiary of the Company (and funded by Company or such Subsidiary) or assigned by Dealers to Company or a Subsidiary of Company, 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 Company 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 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 Company or a Subsidiary of the Company or such encumbrances are discharged.

"Intercompany Loans" shall mean any loan or advance in the nature of a loan by the Company to any Subsidiary or by any Subsidiary to any other Subsidiary or to the Company.

"Intercompany Loans, Advances and Investments" shall mean any Intercompany Loan and any other advance or Investment by the Company to or in a Subsidiary or by any Subsidiary to or in the Company or any other Subsidiary.

"Intercompany Note(s)" shall mean the promissory notes substantially in the form of Exhibit N, attached hereto, issued or to be issued by the Company or any Subsidiary to evidence an Intercompany Loan, and pledged to the Agent (in its capacity as Collateral Agent under the Intercreditor Agreement and/or as Agent hereunder.)

"Intercreditor Agreement" shall mean that certain Intercreditor Agreement executed and delivered as of December 15, 1998 by and among the Banks, the holders of certain other Debt and the Agent, as Collateral Agent thereunder, and acknowledged and accepted by the Company and the Permitted Borrowers, as amended by First Amendment dated as of March 30, 2001 and Second Amendment dated as of June 10, 2002, and as further amended from time to time.

"Interest Period" shall mean:

(a) with respect to a Eurocurrency-based Advance, a Eurocurrency-Interest Period commencing on the day a Eurocurrency-based Advance is made, or on the effective date of an election of the Eurocurrency-based Rate made under Section 2.3 or hereof, as the case may be, and

(b) with respect to a Swing Line Advance, a period of one (1) to thirty (30) days agreed to in advance by Company and the Swing Line Bank as selected by Company pursuant to Section 2.5(c),

provided that (i) any Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day, except that as to a Eurocurrency-Interest

Period, if the next succeeding Business Day falls in another calendar month, such Eurocurrency-Interest Period shall end on the next preceding Business Day, and (ii) when a Eurocurrency-Interest Period begins on a day which has no numerically corresponding day in the calendar month during which such Eurocurrency-Interest Period is to end, it shall end on the last Business Day of such calendar month, and (iii) no Interest Period shall extend beyond the maturity date set forth in the Note to which such Interest Period is to apply.

"Interest Rate Protection Agreement(s)" shall mean any interest rate, swap, cap, floor, collar, forward rate agreement or other rate protection transaction, or any combination of such transactions or agreements or any option with respect to any such transactions or agreements now existing or hereafter entered into by Company or any of its Subsidiaries to manage existing or anticipated interest rate risk and not for speculative purposes.

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

"Investment" shall mean, in respect of any Person, any loan, advance, extension of credit, Guarantee Obligation or contribution of capital or any investment in, or purchase or other acquisition of, stocks, notes, debentures or other securities of such Person.

"Issuing Office" shall mean Agent's office located at One Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48275 or such other office as Agent shall designate as its Issuing Office.

"Joinder Agreement (Guaranty)" shall mean a joinder agreement in the form attached as "Exhibit A" to the form of the Domestic Guaranty and to the form of the Foreign Guaranty, to be executed and delivered by any Person required to be a Guarantor pursuant to Section 7.19 of this Agreement.

"Lead Arranger" shall mean Banc of America Securities, LLC, or such successor lead arranger and sole book manager as appointed by the Company under Section 12.15 hereof.

"Leased Vehicles" shall mean, as of any applicable date of determination, the Dollar Amount of advances in respect of Leases, as such amount would appear in the footnotes to the financial statements of the Company and its Subsidiaries prepared in accordance with GAAP or, if specifically identified, elsewhere in such financial statements, net of depreciation on the motor vehicles which are covered by Leases with respect to which such Leased Vehicles are attributable (and if such amount is not shown net of such reserves, then net of any reserves established by the Company as an Allowance for Credit Losses related to such advances not expected to be recovered), provided that for purposes of the definition of Collateral determining the Borrowing Base and compliance with the covenants under Section 7.4 through 7.7 and 7.17 hereof, Leased Vehicles shall not include (a) the amount of any such advances attributable to any Leases transferred or encumbered or reallocated from the Non-Specified Interest to a Specified Interest pursuant to a Permitted Securitization or assigned to a Securitized Pool (whether or not attributable to the Company under GAAP) unless and until such advances (and the related Leases) are either reassigned to the Company or a Subsidiary of the Company (other than the Titling Subsidiary) or such encumbrances are discharged, or such advances (and the related

Leases and vehicles) are reallocated from the applicable Specified Interest to the Non-Specified Interest or (b) Charged-Off Advances, to the extent that such Charged-Off Advances (i) exceed the portion of the Company's Allowance for Credit Losses related to reserves against such advances not expected to be recovered, as such allowance would appear in the footnotes to the financial statements of the Company and its Subsidiaries prepared in accordance with GAAP at such time or if specifically identified, elsewhere in such financial statements and (ii) have not already been eliminated in the determination of Leased Vehicles. For purposes of this definition, "Charged-off Advances" shall mean those Leased Vehicles which the Company or any of its Subsidiaries has determined, based on the application of a static pool or comparable analysis or otherwise, are completely or partially impaired, to the extent of such impairment.

"Lease(s)" shall mean the retail agreements for the lease of motor vehicles assigned outright by Dealers to Company or a Subsidiary of Company or written by a Dealer in the name of the Company or a Subsidiary of Company (and funded by Company or such Subsidiary) or assigned by Dealers to Company or a Subsidiary of Company, 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 Company or any Subsidiary transfers or encumbers its interest in any Leases or reallocates such Leases from the Non-Specified Interest to a Specified Interest pursuant to a Permitted Securitization, such Leases shall, from and after the date of such transfer or encumbrance or such reallocation, cease to be considered Leases under this Agreement (reducing the amount of Leased Vehicles by the outstanding amount of Leased Vehicles attributable to such Leases) unless and until such Leases are reassigned to Company or a Subsidiary of the Company (other than the Titling Subsidiary) or such encumbrances have been discharged or such Leases are reallocated from the applicable Specified Interest to the Non-Specified Interest.

"Lenders" shall mean the Banks, the Noteholders and the Future Debt Holders (as defined in the Intercreditor Agreement).

"Letter of Credit Agreement" shall mean, in respect of each Letter of Credit, the application and related documentation satisfactory to the Agent of an Account Party or Account Parties requesting Agent to issue such Letter of Credit, as amended from time to time.

"Letter of Credit Fees" shall mean the fees payable to Agent for the accounts of the Banks in connection with Letters of Credit pursuant to Section 3.4 hereof.

"Letter of Credit Maximum Amount" shall mean as of any date of determination the lesser of: (a) Fifteen Million Dollars ($15,000,000); or (b) the Revolving Credit Maximum Amount as of such date, minus the aggregate principal amount of Advances outstanding as of such date under the Revolving Credit Notes and the Swing Line Notes.

"Letter of Credit Obligation(s)" shall mean the obligation of an Account Party or Account Parties under this Agreement and each Letter of Credit Agreement to reimburse the Agent for each payment made by the Agent under the Letter of Credit issued pursuant to such Letter of Credit Agreement, together with all other sums, fees, charges and amounts which may be owing to the Agent under such Letter of Credit Agreement.

"Letter of Credit Payment" shall mean any amount paid or required to be paid by the Agent in its capacity hereunder as issuer of a Letter of Credit as a result of a draft or other demand for payment under any Letter of Credit.

"Letter(s) of Credit" shall mean any standby or documentary letters of credit issued by Agent at the request of or for the account of an Account Party or Account Parties pursuant to Article 3 hereof, including without limitation any Existing Letters of Credit.

"Lien" shall mean any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, option, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, or any other type of lien, charge or encumbrance, whether based on common law, statute or contract; provided that the term "Lien" shall not include any negative pledge clauses in agreements relating to the borrowing of money or the obligation of Company or any of its Subsidiaries (a) to remit monies held by it in connection with dealer holdbacks (including, without limitation, with respect to Leases or Installment Contracts), claims or refunds under insurance policies or claims or refunds under service contracts or (b) to make deposits in trust or otherwise as required under re-insurance agreements and pursuant to state regulatory requirements, unless the Company or any of its Subsidiaries, as the case may be, has encumbered its interest in such monies or deposits or in other property of the Company to secure such obligations.

"Loan Documents" shall mean, collectively, this Agreement, the Notes, the Guaranties, the Letter of Credit Agreements, the Collateral Documents and any other documents, instruments or agreements executed pursuant to or in connection with any such document, or this Agreement, as such documents may be amended, renewed, replaced or extended from time to time.

"Luxembourg Subsidiary" shall mean a wholly-owned direct or indirect Subsidiary of the Company organized under the laws of Luxembourg.

"Majority Banks" shall mean at any time Banks holding 66-2/3% of the aggregate principal amount of the Indebtedness then outstanding under the Notes (provided that, for purposes of determining Majority Banks hereunder, Indebtedness outstanding under the Swing Line Notes shall be allocated among the Banks based on their respective Percentages of the Revolving Credit), or, if no Indebtedness is then outstanding, Banks holding 66-2/3% of the Percentages.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business or financial condition of the Company and its Subsidiaries, taken as a whole, (b) the ability of each of the Company and its Subsidiaries to perform their material obligations under this Agreement, the Notes (if issued) or any other Loan Document to which any of them is a party, as the case may be, or (c) the validity or enforceability of any material provision of this Agreement, any of the Notes (if issued) or any of the other Loan Documents (as determined by Agent and the Majority Banks) or the rights or remedies of the Agent or the Banks hereunder or thereunder.

"Moody's" shall mean Moody's Investors Service, Inc., and its successors.

"Multiemployer Plan" shall mean any Pension Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"National Currency Unit" shall mean a fraction or multiple of one Euro Unit expressed in units of the former national currency of a Participating Member State.

"Net Dealer Holdbacks" shall mean, as of any applicable date of determination, (a) Gross Dealer Holdbacks minus (b) Advances to Dealers.

"Net Hedging Obligation(s)" shall mean, in respect of any one or more Hedging Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreements, (a) for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark to market value(s) for such Hedging Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreements, which may include any Bank or Affiliate of such Bank.

"Net Leased Vehicle Dealer Holdbacks" shall mean, as of any date of determination thereof, with respect to Dealer Agreements relating to Leases, amounts due to Dealers at such time from collections of Leased Vehicles by the Company or any Subsidiary (other than with respect to Leases which have been transferred or encumbered or reallocated from the Non-Specified Interest to a Specified Interest pursuant to a Permitted Securitization and (x) have not been reassigned to the Company or a Subsidiary of the Company or the encumbrances on which have not been discharged or (y) have not been reallocated from the applicable Specified Interest to the Non-Specified Interest) pursuant to the applicable Dealer Agreements.

"New Bank" is defined in clause (b) of Section 2.17.

"New Bank Addendum" shall mean an addendum, substantially in the form of Exhibit M hereto, to be executed and delivered by each Bank becoming a party to this Agreement pursuant to Section 2.17 hereof.

"Non-Specified Assets" is defined in the Titling Subsidiary Agreements.

"Non-Specified Interest" is defined in the Titling Subsidiary Agreements.

"Notes" shall mean the Revolving Credit Notes or the Swing Line Notes, or any or all of the Revolving Credit Notes, and the Swing Line Notes as the context indicates, and in the absence of such indication, all such notes.

"Notes Receivable" shall mean, as of any applicable date of determination, the aggregate amount outstanding under promissory notes issued by Dealers to Company or its Subsidiaries to evidence working capital loans by Company or any of its Subsidiaries to Dealers.

"Operating Lease" shall mean any lease other than a Capitalized Lease.

"Operating Rental" shall mean all rental payments that the Company or any of its Subsidiaries, as lessee, is required to make under the terms of any Operating Lease.

"Outright Dealer Agreement(s)" shall mean Dealer Agreements referred to in clause (ii) of the definition of Dealer Agreements.

"Participating Member State" shall mean such country so described in any EMU Legislation.

"PBGC" shall mean the Pension Benefit Guaranty Corporation under ERISA, or any successor corporation.

"Pension Plan(s)" shall mean all employee pension benefit plans of Company, any ERISA Affiliate or any Permitted Borrower, as defined in Section 3(2) of ERISA.

"Percentage" shall mean, with respect to any Bank, its percentage share, as set forth on Exhibit D hereto (and stated as a percentage and/or a Dollar amount), of the Letters of Credit, and/or the Revolving Credit, as the context indicates, as such Exhibit may be revised from time to time by Agent in accordance with Section 13.8(d) hereof.

"Permitted Acquisition" shall mean any acquisition by the Company or any of its Subsidiaries (other than the Titling Subsidiary or any Special Purpose Subsidiary), including any such acquisition conducted as a Permitted Merger, of assets, businesses or business interests or shares of stock or other ownership interests of or in any other Person conducted in accordance with the following requirements:

(a) not less than twenty (20) nor more than ninety (90) days prior to the commencement of each such proposed acquisition, the Company provides written notice thereof to Agent (with drafts of all material documents pertaining to such proposed acquisition to be furnished to Agent within not less than twenty (20) days prior to such proposed acquisition);

(b) on the date of any such acquisition, all necessary or appropriate governmental, quasi-governmental, agency, regulatory or similar approvals of applicable jurisdictions (or the respective agencies, instrumentalities or political subdivisions, as applicable, of such jurisdictions) and all necessary or appropriate non-governmental and other third-party approvals which, in each case, are material to such acquisition have been obtained and are in effect, and the Company and its Subsidiaries are in full compliance therewith, and all necessary or appropriate declarations, registrations or other filings with any court, governmental or regulatory authority, securities exchange or any other person have been made;

(c) the aggregate value of all of such acquisitions, including the value of any proposed new acquisition, conducted while this Agreement remains in effect as Permitted Acquisitions (but excluding any acquisition conducted with the specific written approval of the Majority Banks, and not as a Permitted Acquisition hereunder) computed on the basis of total acquisition consideration paid or incurred, or to be paid or incurred, by the Company or its Subsidiaries with respect thereto, including, in the case of an acquisition of assets, all indebtedness which is assumed or to which such assets are subject and, in the case of the acquisition of stock or other ownership interests, all indebtedness to which such stock or other ownership interests, are subject, shall not exceed Ten Million Dollars

($10,000,000) (or the Alternative Currency equivalent thereof, if applicable), determined as of the date of such acquisition;

(d) within thirty (30) days after any such acquisition has been completed the Company shall deliver to the Agent executed copies of all material documents pertaining to such acquisition, and the Company, its Subsidiaries and any of the corporate entities involved in such acquisition shall execute or cause to be executed, and provide or cause to be provided to Agent, for the Banks, such documents and instruments (including without limitation, the Guaranties as required by Section 7.19 hereof, and opinions of counsel, amendments, acknowledgments, consents and evidence of approvals or filings) as reasonably requested by Agent, if any; and

(e) both immediately before and after such acquisition, no Default or Event of Default (whether or not related to such acquisition), has occurred and is continuing.

"Permitted Borrower Addendum" shall mean an addendum substantially in the form attached hereto as Exhibit P, to be executed and delivered by each Permitted Borrower which becomes a party to this Agreement after the Effective Date, as such Exhibit may be amended from time to time.

"Permitted Borrower(s)" shall mean CAC UK, CAC Canada, CAC Ireland and any other Foreign Subsidiary which is a 100% Subsidiary and which, after the Effective Date and with the prior written consent of each of the Banks, becomes a party to this Agreement pursuant to Section 2.1(a) hereof.

"Permitted CAC UK Debt" shall mean additional Debt of CAC UK issued as part of any short term, working capital or overdraft loan facility denominated in an Alternative Currency in an aggregate amount at any time outstanding (determined on the date any such Debt is incurred) not to exceed the greater of (a) twelve and one-half percent (12.5%) of Consolidated Tangible Net Worth or (b) the equivalent of Ten Million Dollars ($10,000,000) in such Alternative Currency, less the aggregate amount at any time outstanding of overdraft lines of credit or similar credit facilities in the name of CAC UK permitted under Section 8.5(e) hereof; provided that such Debt (i) is unsecured, except to extent of any Lien granted by CAC UK which is permitted under Section 8.6(d) hereof, (ii) is not guaranteed or otherwise supported by Company or any of its other Subsidiaries, and (iii) both immediately before and immediately after such additional Debt is incurred, no Default or Event of Default (whether or not related to such additional Debt, and taking into account the incurring of such additional Debt) has occurred and is continuing.

"Permitted Currencies" shall mean Dollars or any Alternative Currency.

"Permitted Guaranties" shall mean (i) any Guarantee Obligation provided by the Company, for the benefit of a Subsidiary, covering the Debt or other obligation or liability permitted to be incurred or entered into by such Subsidiary, and any other Guarantee Obligation of the Company in the ordinary course of business, (ii) any guaranties provided by a Significant Subsidiary of the Company of the Debt outstanding to the Noteholders or the Future Debt Holders, provided that concurrently with the giving of any such guaranty, such Subsidiary shall

enter into a Guaranty on substantially similar terms and providing an equal and ratable benefit to the Banks or (iii) any agreement or other undertaking by the Company, as servicer or administrative agent of the Installment Contracts or Leases covered by a Permitted Securitization or as administrative agent for the Titling Subsidiary under the Titling Subsidiary Agreements, (A) to advance funds equal to the interest component of obligations issued as part of a Permitted Securitization and payable from collections on such Installment Contracts or Leases or (B) to advance funds, upon the expiration or termination of a Lease held by the Titling Subsidiary or a Lease included in a Permitted Securitization, in the amount the Company and its Subsidiaries expect to receive upon the sale or other disposition of the vehicle subject to such Lease or (C) to advance funds equal to any portion of the "constant yield payment" (as defined in the Administrative Agency Agreement or the applicable Securitization Documents) due in any particular period which was not received with respect to a Lease held by the Titling Subsidiary or a securitized Lease, such payments in the case of each of subclauses (A), (B) and (C) of this clause (iii), to be repayable to Company on a priority basis from such collections, sales or other dispositions, provided that the aggregate amount of such advances under subclause (A), (B), and (C) of this clause (iii) at any time outstanding shall not exceed $1,500,000 or (D) to transfer funds to the Titling Subsidiary to reacquire Leases (and the related leased vehicles) as may be required from time to time under the Administrative Agency Agreement, but only to the extent such Leases (and leased vehicles) are allocated to a Specified Interest immediately prior to the making of the related transfer and (iv) other Guarantee Obligations of the Subsidiaries in an aggregate amount not to exceed, at any time outstanding, $1,000,000 and (v) Guarantee Obligations arising out of terms of any Program Agreement requiring the repurchase of a Program Contract with respect to which there has been a breach of covenant or representation under the Program Agreement.

"Permitted Investments" shall mean:

(a) Investments in direct obligations of, or obligations guarantied by, the United States of America or any agency of the United States of America the obligations of which agency carry the full faith and credit of the United States of America, provided that such obligations (other than Investments by CAC Life in such obligations made to match liabilities incurred in the ordinary course of business) mature within one (1) year from the date of acquisition thereof;

(b) Investments in any obligation of any state or municipality thereof that at the time of acquisition thereof have an assigned rating of "A" or higher by S&P (or an equivalent or higher rating by another credit rating agency of recognized national standing in the United States of America), provided that such obligations (other than Investments by CAC Life in such obligations made to match liabilities incurred in the ordinary course of business) mature within one (1) year from the date of acquisition thereof;

(c) Investments in negotiable certificates of deposit issued by commercial banks organized under the laws of the United States of America or any state thereof, having capital, surplus and undivided profits aggregating at least Fifty Million Dollars ($50,000,000) and the long-term unsecured debt obligations of which are rated "A" or higher by S&P (or an equivalent or higher rating by another credit rating agency of

recognized national standing in the United States of America), provided that such certificates of deposit (other than Investments by CAC Life in such certificates of deposit made to match liabilities incurred in the ordinary course of business) mature within one (1) year from the date of acquisition thereof;

(d) Investments in corporate debt obligations of corporations organized under the laws of the United States of America or any state thereof that at the time of acquisition thereof have an assigned rating of "A" or higher by S&P (or an equivalent or higher rating by another credit rating agency of recognized national standing in the United States of America); and

(e) Investments in preferred stock of corporations organized under the laws of the United States of America or any state thereof that have an assigned rating of "A" or higher by S&P (or an equivalent or higher rating by another credit rating agency of recognized national standing in the United States of America); and

(f) Investments by any foreign subsidiary in obligations similar in nature, term and credit quality to those enumerated in paragraphs (a) through (e) above, except that the applicable jurisdiction of formation or operation shall be substituted for the United States of America in each case.

"Permitted Liens" shall mean, with respect to any Person:

(a) any Liens granted under or established by this Agreement or the other Loan Documents;

(b) Liens for taxes not yet due and payable or which are being contested in good faith by appropriate proceedings diligently pursued, provided that such provision for the payment of all such taxes known to such Person has been made on the books of such Person as may be required by GAAP;

(c) mechanics', materialmen's, banker's, carriers', warehousemen's and similar Liens arising in the ordinary course of business and securing obligations of such Person that are not overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens and encumbrances shall have been duly suspended; and (ii) such provision for the payment of such liens and encumbrances has been made on the books of such Person as may be required by GAAP;

(d) Liens arising in connection with worker's compensation, unemployment insurance, old age pensions (subject to the applicable provisions of this Agreement) and social security benefits which are not overdue or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such Liens shall have been duly suspended; and (ii) such provision for the payment of such Liens has been made on the books of such Person as may be required by GAAP;

(e) (i) Liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States or any foreign government or any agency thereof entered into in the ordinary course of business and (ii) liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and fiscal agents and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided that full provision for the payment of all such obligations set forth in clauses (i) and (ii) has been made on the books of such Person as may be required by GAAP;

(f) Liens in the nature of any minor imperfections of title, including but not limited to easements, covenants, rights-of-way or other similar restrictions, which, either individually or in the aggregate, could not reasonably be expected to materially adversely affect the present or future use of the property to which they relate, or to have a material adverse effect on the sale or lease of such property, or (iii) render title thereto unmarketable;

(g) Liens (i) arising from judicial attachments and judgments, (ii) securing appeal bonds or supersedeas bonds, and (iii) arising in connection with court proceedings (including, without limitation, surety bonds and letters of credit or any other instrument serving a similar purpose), provided that (1) the execution or other enforcement of such Liens is effectively stayed, (2) the claims secured thereby are being contested in good faith and by appropriate proceedings, (3) adequate book reserves in accordance with GAAP shall have been established and maintained and shall exist with respect thereto, (4) such Liens do not in the aggregate detract from the value of such property and (5) the title of the Company or a Subsidiary, as the case may be, to, and its right to use, such property, is not materially adversely affected thereby; and

(h) those Liens of the Company or its Subsidiaries identified in Schedule 8.6 hereto.

"Permitted Merger(s)" shall mean any merger of (i) any Subsidiary (including, without limitation, a Permitted Borrower or Guarantor, excluding any Special Purpose Subsidiary) or any Person which is being acquired pursuant to a Permitted Acquisition into Company or any Permitted Borrower or (ii) the merger of any Subsidiary or any Person which is being acquired pursuant to a Permitted Acquisition (other than a Permitted Borrower or Guarantor) into any other Subsidiary (excluding any Special Purpose Subsidiary) or any Person which is being acquired pursuant to a Permitted Acquisition, which, in each case, satisfies and/or is conducted in accordance with the following requirements:

(a) not less than twenty (20) nor more than ninety (90) days prior to the commencement of such proposed merger, Company provides written notice thereof to Agent (with drafts of all material documents pertaining to such proposed merger to be furnished to Agent not less than twenty (20) days prior to such proposed merger);

(b) immediately following and as the direct result of any such merger, the surviving or successor entity has succeeded by operation of applicable law (as confirmed by an opinion(s) of counsel in form and substance satisfactory to the Majority Banks, if requested by Agent or the Majority Banks) to all of the obligations of the non-surviving entity under this Agreement and the other Loan Documents, and to all of the property rights of such non-surviving entity subject to the applicable Loan Documents;

(c) concurrently with such proposed merger, the surviving entity involved in such merger shall execute or cause to be executed, and provide or cause to be provided to Agent, for the Banks, such documents and instruments (including without limitation opinions of counsel, amendments, acknowledgments and consents), if any, as reasonably requested by the Majority Banks; and

(d) both immediately before and immediately after such merger, no Default or Event of Default (whether or not related to such merger), has occurred and is continuing.

"Permitted Prepayment" shall mean any prepayment of Future Debt (x) which is funded solely with the proceeds of (i) new cash equity in the form of nonconvertible common shares, (ii) Subordinated Debt, or (iii) substitute Debt permitted hereunder which satisfies the following conditions:

(a) such Debt shall have a term extending at least beyond the Revolving Credit Maturity Date then in effect, with an amortization schedule not greater than level amortization to maturity (but with no principal payments required for a period of at least 12 months) and with no provision for mandatory early repayment except (x) upon default, (y) following a change in control or (z) following the sale of any material portion of the assets of the Company or any of its Subsidiaries, to the extent of the proceeds of such sale;

(b) such Debt shall be unsecured, or, subject to the Intercreditor Agreement, secured;

(c) both immediately before and immediately after such additional Debt is incurred, no Default or Event of Default (whether or not related to such additional Debt, and taking into account the incurring of such additional Debt) has occurred and is continuing; and

(d) if such additional Debt shall be issued pursuant to loan documents containing covenants which are more restrictive than the covenants contained in this Agreement, Company shall, upon the written request of the Majority Banks, enter into amendments to this Agreement to extend the benefit of such covenants to the Banks.

in each case, issued concurrently with such prepayment or (y) which has been approved by the Majority Banks. Solely for purposes of the definition of Permitted Prepayment, any Bank which fails, within fifteen (15) Business Days of receipt of written notice from the Company of its intent to make such prepayment (identifying the Debt to be prepaid, and the amount of any such prepayment, captioned "notice of prepayment" and stating that approval is deemed to be given if an objection is not made within fifteen (15) Business Days of receipt of such notice), to object in

writing to the Company's proposed prepayment shall be deemed to have approved such prepayment.

"Permitted Repurchase" shall mean any purchases by the Company of its capital stock during the period commencing on the Effective Date and ending on the Revolving Credit Maturity Date then in effect, in an aggregate amount for all such purchases not to exceed $50,000,000; provided that at the time of any such purchase no Default or Event of Default has occurred and is continuing or would occur after giving effect thereto.

"Permitted Securitization(s)" shall mean each transfer or encumbrance (each a "disposition") of specific Advances to Dealers or Leased Vehicles funded under Back End Dealer Agreements (and any interest in and lien on the Installment Contracts, Leases, motor vehicles, and other rights and financial assets relating thereto) or of specific Installment Contracts or Leases (and any interest in and lien on motor vehicles and other rights and financial assets relating thereto) arising under Outright Dealer Agreements or (subject to the terms hereof) of Pools of such financial assets and each transfer or encumbrance (also, a "disposition") of a Specified Interest (and the reallocation of Leased Vehicles, Leases and related financial assets from the Non Specified Interest to such Specified Interest in connection therewith), in each case by the Company or one or more of its Subsidiaries to one or more Special Purpose Subsidiaries conducted in accordance with the following requirements:

(a) Each disposition shall identify with reasonable certainty the specific Advances to Dealers, Leased Vehicles, Installment Contracts or Leases covered by such disposition; and (x) such Advances to Dealers or Leased Vehicles, and the Installment Contracts, Leases, motor vehicles or other rights relating thereto shall have performance and other characteristics so that the quality of such Advances to Dealers, Leases Vehicles, Installment Contracts or Leases, as the case may be, is comparable to, but not materially better than, the overall quality of the Company's Advances to Dealers, Leased Vehicles, Installment Contracts or Leases, as applicable, as determined in good faith by the Company in its reasonable discretion or (y) with respect to any such assets assigned to an uncapped Pool subsequent to such Pool becoming a Securitized Pool in conformity with the standards set forth in clause (x) of this subparagraph (a), the assets covered by such dispositions were assigned to such Pool in the order such assets were originated and without the exercise of any discretion by the Company;

(b) Both before and after giving effect to such disposition (and taking into account any reduction in the Indebtedness with the proceeds of such disposition as required hereunder), the Company shall be in compliance with the Borrowing Base Limitation;

(c) Each such Securitization Transaction shall be structured on the basis of the issuance of Debt or other similar securities by one or more Special Purpose Subsidiaries which Debt or other securities shall be without recourse to Company and its other Subsidiaries, except to the extent of normal and customary representations and warranties given as of the date of each such disposition, and not as continuing representations and warranties, and otherwise on normal and customary terms and conditions for comparable asset based securitization transactions, which may include Cleanup Call provisions (it

being understood that, for purposes of this subparagraph (c), the terms and conditions governing Securitization Transactions made by the Company prior to January 1, 2003 shall be deemed to have been made on normal and customary terms and conditions);

(d) Concurrently with each such disposition (except for dispositions to an uncapped Securitized Pool (I) pursuant to a revolving, expansion or relending feature included in a Prior Securitization (for purposes of this definition, a "Revolving Feature") after the expiration in the ordinary course, and not as a result of any failure of a covenant or condition, early termination, default or similar event, of the period during which additional loans or advances are available under such Revolving Feature (for purposes of this definition, a "Post-Revolving Period Disposition"), or (II) pursuant to a Prior Securitization which does not have a Revolving Feature, but which included a normal and customary portion of uncapped Securitized Pools relative to the overall size of the Securitization Transaction and otherwise satisfied the requirements for a Permitted Securitization, in each case to the extent that no disposition proceeds are available as a result of such dispositions for application hereunder), the net proceeds of such disposition:

shall be applied to reduce the principal balance outstanding under the Revolving Credit (to the extent then outstanding, and including the aggregate amount of drawings made under any Letter of Credit for which the Agent has not received full payment) by the amount of such net proceeds, subject to the right to reborrow in accordance with this Agreement;

provided, however, that to the extent that, on the date any reduction of the principal balance outstanding under the Revolving Credit shall be required under this clause (d), the Indebtedness under the Revolving Credit is being carried, in whole or in part, at the Euro Currency-based Rate and no Default or Event of Default has occurred and is continuing, the Company may, after prepaying that portion of the Indebtedness then carried at the Prime-based Rate, deposit the amount of such required principal reductions in a cash collateral account to be held by the Agent, for and on behalf of the Banks (which shall be an interest-bearing account), on such terms and conditions as are reasonably acceptable to Agent and the Majority Banks and, subject to the terms and conditions of such cash collateral account, sums on deposit therein shall be applied (until exhausted) to reduce the principal balance of the Revolving Credit on the last day of each Interest Period attributable to the applicable Eurocurrency-based Advances of the Revolving Credit; and provided further that Agent and the Banks acknowledge that any proceeds of any such Debt incurred pursuant to a Permitted Securitization remaining after the application of such proceeds as required by this clause (d) may be held or invested in Permitted Investments or otherwise invested or applied in any manner not prohibited by this Agreement; and

(e) Both immediately before and after such disposition, no Default or Event of Default (whether or not related to such disposition) has occurred and is continuing.

In connection with each Permitted Securitization to be conducted hereunder, the Company shall provide the following:

(i) to the Agent, (x) not less than three (3) Business Days prior to the date of consummation thereof (or such lesser period as approved by Agent) or (y) solely in the case of dispositions to uncapped Securitized Pools pursuant to a Revolving Feature, not less than three (3) Business Days prior to the date of the release of the financial assets covered by such disposition (or such lesser period as approved by Agent), (I) a certification that, after giving effect to such disposition, it will be in compliance with the Borrowing Base Limitation and that none of the assets covered by such disposition were included in the most recent quarterly Borrowing Base Certificate delivered to Agent under Section 7.3(d) hereof prior to such disposition or (II) a new Borrowing Base Certificate (and any supporting information reasonably required by the Agent) dated as of the proposed date of the applicable disposition or release and, based on projected information, giving effect to such disposition and confirming compliance with the Borrowing Base Limitation;

(ii) to the Agent and the Banks (x) not less than five (5) Business Days prior to the date of consummation thereof (or such lesser period as approved by Agent), proposed drafts of the material Securitization Documents covering the applicable Securitization Transaction (and the term sheet or commitment relating thereto) and (y) within ten (10) Business Days following the consummation thereof, executed copies of such Securitization Documents, including, if applicable, a summary of any material changes from the draft documents delivered to Agent and the Banks prior thereto, except that if such Securitization Transaction consists solely of dispositions pursuant to a Revolving Feature, the Company shall only be required (I) under clause (x) of this subparagraph (ii), to deliver to Agent, not less than three (3) Business Days prior to the consummation thereof (or such lesser period as approved by Agent), a certification that the applicable Securitization Documents remain in effect substantially in the form previously furnished to Agent and the Banks (or identifying any material changes, and attaching any proposed amendment, supplement or other document delivered under such prior Securitization Documents to effect such dispositions) and (II) under clause (y) of this subparagraph (ii), to deliver to Agent executed copies of any such amendment, supplement or other document; and

(iii) to the Agent, (x) not less than three (3) Business Days prior to the date of consummation thereof (or such lesser period as approved by Agent) or (y) solely in the case of dispositions to uncapped Securitized Pools pursuant to a Revolving Feature, not less than three (3) Business Days prior to the date of the requested release of the financial assets covered by such dispositions (or such lesser period as approved by Agent), (I) a schedule substantially in the form delivered for Permitted Securitizations under the Prior Credit Agreement identifying the specific Advances to Dealers or Leased Vehicles and the related Installment Contracts or Leases proposed to be covered by such transaction, accompanied by (II) a request that the Agent release such assets from the Lien of

the Security Agreement and a certification that the proposed Securitization Transaction (and related dispositions) constitutes a Permitted Securitization hereunder, whereupon the financial assets covered by such dispositions which have been originated prior to the date of such release shall be promptly released by Agent, provided that in the case of a Post-Revolving Period Disposition under subclause (I) of clause (d) of this definition or a disposition to an uncapped Securitized Pool in a Prior Securitization which does not have a Revolving Feature under subclause (II) of clause (d) of this definition, all remaining financial assets assigned thereafter to the applicable uncapped Securitized Pool in the ordinary course, whether originated before or after the date of release, shall be so released and the Lien of the Security Agreement shall not attach to any such assets when the Company or any of its Subsidiaries subsequently acquires rights in, to or under such assets; and

(iv) only if the applicable Securitization Transaction is not related to a Prior Securitization or involves the disposition or release of any assets which were covered by the most recent quarterly Borrowing Base Certificate delivered to Agent under Section 7.3(d) hereof and the aggregate net book value of the Advances to Dealers or Leased Vehicles covered by such dispositions (or related series of dispositions) in any calendar month exceeds or would exceed (after giving effect to any proposed disposition) Seven Million Five Hundred Thousand Dollars ($7,500,000), collection information regarding the related Installment Contracts or Leases proposed to be covered by such transaction (with evidence supporting its determination under clause (x) of subparagraph (a) of this definition, if applicable, including without limitation a "static pool analysis" comparable to the static pool analysis required to be delivered under Section 7.3(c) hereof with respect to such Installment Contracts or Leases).

"Permitted Transfer(s)" shall mean (i) any sale, assignment, transfer or other disposition of inventory or worn-out or obsolete machinery, equipment or other such personal property in the ordinary course of business, (ii) any transfer of property by a Subsidiary to the Company or by the Company or any Subsidiary to a Domestic Subsidiary (excluding the Titling Company or any Special Purpose Subsidiary) provided that in each case, immediately before and after such transfer, no Default or Event of Default shall have occurred and be continuing, (iii) any transfer of property by the Company or a Domestic Subsidiary to a Significant Foreign Subsidiary, subject to compliance (both before and after giving effect to such transfer) with the applicable limitations contained in Section 8.8(d) hereof, provided that in each case, immediately before and after such transfer, no Default or Event of Default shall have occurred and be continuing; (iv) any transfer of the capital stock of a Special Purpose Subsidiary to the Company or to any other Subsidiary which is not a Special Purpose Subsidiary and (v) any transfer of funds or other property paid as a dividend by a Subsidiary to the Company or any other Subsidiary to the extent permitted by clause (i) of Section 8.15 hereof.

"Person" shall mean an individual, corporation, partnership, limited liability company, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

"Pools" shall mean a grouping on the books and records of the Company or any of its Subsidiaries of Advances to Dealers, Leased Vehicles, Installment Contracts or Leases originated or to be originated with the Company or any of its Subsidiaries by a Dealer and bearing the same pool identification number assigned by the Company's computer system, with (x) an "uncapped" Pool being a Pool which is not reflected on such books and records as capped and to which additional Advances to Dealers, Leases and related financial assets may be added and (y) a Pool being capped when the number of the applicable financial assets in such Pool has reached the limit established from time to time by written agreement between the relevant Dealer and the Company or Subsidiary, as applicable, in the ordinary course of business, such that no further financial assets may be added to such Pool.

"Prime Rate" shall mean the per annum interest rate established by Agent as its prime rate for its borrowers as such rate may vary from time to time, which rate is not necessarily the lowest rate on loans made by Agent at any such time.

"Prime-based Advance" shall mean an Advance (including a Swing Line Advance) which bears interest at the Prime-based Rate.

"Prime-based Rate" shall mean (i) with respect to any Advances in Dollars, the U.S. Prime-based Rate and (ii) with respect to Swing Line Advances in Canadian Dollars to CAC Canada, the Canadian Prime-based Rate.

"Prior Credit Agreement" is defined in Recital A to this Agreement.

"Prior Securitization" shall mean a Permitted Securitization (and the related Securitization Documents) consummated under the Credit Agreement prior to the particular disposition, release or other transaction then being considered.

"Program Agreement" shall mean that certain Auto Finance Alliance Program Agreement between the Company and a certain finance company dated as of May 06, 2002, as previously approved by the requisite Banks (the "Existing Agreement"), and each other agreement providing for the transfer to Program Participants of eligible Installment Contracts satisfying the applicable credit guidelines in effect under such agreement, on substantially the terms of the Existing Agreement (as determined by the Agent, in its reasonable discretion), as such agreements may be amended (subject to the terms hereof) from time to time.

"Program Contract(s)" shall mean eligible Installment Contracts satisfying basic credit guidelines applicable under a Program Agreement from time to time in effect generated by the Company's Dealers and transferred to the Company or a Subsidiary, for further transfer to a Program Participant.

"Program Participant" shall mean that certain finance company which is a party to the Existing Finance Agreement (defined in the definition of "Program Agreement") and such other Persons which contract with the Company or a Subsidiary, from time to time, under a Program Agreement.

"Program Transfer" shall mean the transfer by the Company or a Subsidiary to a Program Participant of a Program Contract.

"Prohibited Transaction" shall mean any transaction involving a Pension Plan which constitutes a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

"Quoted Rate" shall mean the rate of interest per annum offered by the Swing Line Bank in its sole discretion with respect to a Swing Line Advance.

"Quoted Rate Advance" means any Swing Line Advance which bears interest at the Quoted Rate.

"Refunded Swing Line Advance" is defined in Section 2.5(e) hereof.

"Reportable Event" shall mean a "reportable event" within the meaning of Section 4043 of ERISA and the regulations promulgated thereunder, which is material to the Company and its Subsidiaries, taken as a whole.

"Request for Advance" shall mean a Request for Advance of the Revolving Credit issued by Company or by a Permitted Borrower and countersigned by the Company under Section 2.3 of this Agreement in the form annexed hereto as Exhibit A.

"Revolving Credit" shall mean the revolving credit loan to be advanced to the Company or a Permitted Borrower by the Banks pursuant to Section 2 hereof, in an amount not to exceed the Revolving Credit Maximum Amount.

"Revolving Credit Facility Fee" shall mean the facility fee payable to Agent for distribution to the Banks pursuant to Section 2.13, hereof.

"Revolving Credit Maturity Date" shall mean the earlier to occur of (i) June 9, 2005, as such date may be extended from time to time pursuant to Section 2.16 hereof, and (ii) the date on which the Revolving Credit Maximum Amount shall be terminated pursuant to Section 2.15 or 9.2 hereof.

"Revolving Credit Maximum Amount" shall mean One Hundred Thirty Five Million Dollars ($135,000,000), subject to any increases in the Revolving Credit Maximum Amount pursuant to Section 2.18 of this Agreement, by an amount not to exceed the Revolving Credit Optional Increase, and subject to any reductions or termination of the Revolving Credit Maximum Amount under Sections 2.15 or 9.2 of this Agreement.

"Revolving Credit Notes" shall mean the Notes described in Section 2.1, hereof, made or to be made by Company or a Permitted Borrower to each of the Banks in the form annexed to this Agreement as Exhibit C-1 or C-2, as the case may be, as such Notes may be amended, renewed, replaced or extended from time to time.

"Revolving Credit Optional Increase" shall mean an amount up to Forty Million Dollars ($40,000,000), minus the portions thereof applied from time to time after the Effective Date under Section 2.17 hereof to increase the Revolving Credit Maximum Amount.

"Scottish Partnership" shall mean a partnership established by the Company under the law of Scotland pursuant to the UK Restructuring and which is a wholly-owned Subsidiary of the Company.

"Securitization Documents" shall mean any note purchase agreement (and any notes issued thereunder), transfer or security document, master trust or other trust agreement, servicing agreement, indenture, pooling agreement, contribution or sale agreement or other document, instruments and certificates executed and delivered, subject to the terms of this Agreement, to evidence or secure (or otherwise relating to) a Permitted Securitization, as the same may be amended from time to time (subject to the terms hereof) and any and all other documents executed in connection therewith or replacement or renewal thereof.

"Securitization Transaction" shall mean a transfer of, or grant of a Lien on, Advances to Dealers, Leased Vehicles, Installment Contracts, Leases, accounts receivable and/or other financial assets by the Company or any Subsidiary to a Special Purpose Subsidiary or other special purpose or limited purpose entity or the reallocation of Leases and Leased Vehicles (and related financial assets) by the Company or any Subsidiary from the Non-Specified Interest to a Specified Interest and the transfer of a Specified Interest to a Special Purpose Subsidiary or other special purpose or limited purpose entity and the issuance (whether by such Special Purpose Subsidiary or other special purpose or limited purpose entity or any other Person) of Debt or of any securities secured directly or indirectly by interests in, or of trust certificates, Specified Interests or other securities directly or indirectly evidencing interests in, such Advances to Dealers, Leased Vehicles, Installment Contracts, Leases, accounts receivable and/or other financial assets.

"Securitized Pool(s)" shall mean a Pool, whether capped or uncapped, which has been transferred to a Permitted Securitization, including a Prior Securitization.

"Security Agreement" is defined in the definition of Collateral Documents.

"Shares", "share capital", "capital stock", "stock" and words of similar import shall mean and refer to the equity capital interest under applicable law of any Person in a corporation, howsoever such interest is created or arises, whether such capital consists of common stock, preferred stock or preference shares, or other stock, and whether such capital is evidenced by a certificate, share register entry or otherwise.

"Significant Subsidiary(ies)" shall mean, as of any date of determination, any Subsidiary (i) which is a Permitted Borrower or (ii) which is designated by the Company (in writing to Agent) as a Significant Subsidiary or (iii) which has total assets (but excluding in the calculation of total assets, for any Subsidiary, any assets which constitute Intercompany Loans, Advances and Investments by such Subsidiary to Company outstanding from time to time and any assets which are acquired or arise pursuant to a Permitted Securitization, including any equity interest in a Special Purpose Subsidiary) in excess of one percent (1%) of Company's Consolidated Tangible Net Worth (or five percent (5%) in the case of CAC Reinsurance, Ltd.), determined as of the end of each fiscal quarter based upon the financial statements required to be delivered under Section 7.3(b) or 7.3(c) hereof, as the case may be (and giving effect to any changes in net worth shown in such financial statements on the required date of delivery thereof); provided,

however, that none of the Titling Subsidiary, any Special Purpose Subsidiary, the Scottish Partnership, the US LLC (so long as it is considered a Foreign Subsidiary hereunder) or the Luxembourg Subsidiary shall be a Significant Subsidiary, whether or not it satisfies the aforesaid net worth test.

"Significant Domestic Subsidiaries" shall mean those Domestic Subsidiaries identified as such on Schedule 6.6 hereto, and any Domestic Subsidiaries which become Significant Subsidiaries subsequent to the date hereof.

"Significant Foreign Subsidiaries" shall mean those Foreign Subsidiaries identified as such on Schedule 6.6 hereto, and any Foreign Subsidiaries which become Significant Subsidiaries subsequent to the date hereof.

"Single Employer Plan" shall mean any Pension Plan which does not constitute a Multiemployer Plan.

"Special Purpose Subsidiary(ies)" shall mean any wholly-owned direct or indirect Subsidiary of the Company established for the sole purpose of conducting one or more Permitted Securitizations and otherwise established and operated in accordance with customary industry practices, including the English Special Purpose Subsidiary.

"Specified Assets" is defined in the Titling Subsidiary Agreements.

"Specified Interest" is defined in the Titling Subsidiary Agreements.

"Stapled Stock Restructuring" shall mean a series of transfers, mergers, amalgamations and similar transactions involving ownership interests (but not involving any transfers of Advances to Dealers, Installment Contracts or other financial assets, or similar transactions) among the Company and its Subsidiaries, including without limitation the formation of a new wholly-owned Subsidiary under the laws of the Turks & Caicos Islands ("T&C Subsidiary"), which will be "stapled" to the Company's existing Domestic Subsidiary, CAC South Dakota (such that the shares of each stapled Subsidiary cannot be transferred without the other), the formation of a limited liability company as a Subsidiary of the T&C Subsidiary or CAC South Dakota and the transfer by the Company to CAC Scotland (or its Subsidiaries) of all of the share capital of CAC Ireland and CAC Canada, such transactions resulting in the restructuring of the ownership of the Company's Foreign Subsidiaries as shown on Exhibit R to the Credit Agreement.

"Subordinated Debt" shall mean any unsecured Debt subordinated to the prior payment and discharge in full of the Indebtedness, on written terms and conditions approved by and acceptable to each of the Banks, in their sole discretion, and issued pursuant to documentation which is less restrictive (as determined by Agent and the Banks in their reasonable discretion) than the covenants contained in this Agreement.

"Subsidiary(ies)" shall mean any other corporation, association, joint stock company, business trust, limited liability company, partnership (whether general or limited) or any other business entity of which more than fifty percent (50%) of the outstanding voting stock, share capital, membership or other interests, as the case may be, is owned either directly or indirectly

by any Person or one or more of its Subsidiaries, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by any Person and/or its Subsidiaries. Unless otherwise specified to the contrary herein or the context otherwise requires, Subsidiary(ies) shall include the Titling Subsidiary and shall refer to each Person which is a Subsidiary of the Company and "100% Subsidiary(ies) shall mean any Subsidiary whose stock or partnership, membership or other equity interests (other than directors' or qualifying shares or other interests to the extent required under applicable law) are owned directly or indirectly entirely by the Company and/or any of the Permitted Borrowers.

"Supermajority of the Banks" shall mean eighty percent (80%) of the Banks, determined on the basis of the applicable Percentages, in the same manner as the determination of Majority Banks hereunder.

"Swing Line" shall mean the revolving credit loan to be advanced to the Company or a Permitted Borrower by the Swing Line Bank pursuant to Section 2.5 hereof, in an aggregate amount (subject to the terms hereof) not to exceed, at any one time outstanding, the Swing Line Maximum Amount.

"Swing Line Advance" shall mean an Advance made by Swing Line Bank to Company or a Permitted Borrower pursuant to Section 2.5 hereof.

"Swing Line Bank" shall mean Comerica Bank, in its capacity as lender under Section 2.5 of this Agreement, and its successors and assigns.

"Swing Line Maximum Amount" shall mean Fifteen Million Dollars ($15,000,000).

"Swing Line Notes" shall mean the swing line notes described in Section 2.5 hereof, made by Company or a Permitted Borrower to Swing Line Bank in the form annexed hereto as Exhibit E-1 or E-2, as the case may be, as such Notes may be amended or supplemented from time to time, and any notes issued in substitution, replacement or renewal thereof from time to time.

"S&P" shall mean Standard & Poor's Ratings Group, and its successors.

"Trans-European Business Day" shall mean a day when the Trans-European Settlement System is open for business.

"Trans-European Settlement System" shall mean the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor.

"Treaty on European Union" shall mean the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed at Maastricht on February 7, 1992 and came into force on November 1, 1993), as amended from time to time.

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

"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 and effective as of March 1, 2001 among the Company and the Titling Subsidiary, each as amended (subject to the terms hereof) from time to time.

"T&C Subsidiary" is defined in the definition of Stapled Stock Restructuring.

"Unearned Finance Charges" shall mean, as of any applicable date of determination, the unearned finance charges utilized in deriving Installment Contract receivables, net on the Consolidated balance sheet of the Company and its Subsidiaries, as disclosed in the footnotes thereto; provided that Unearned Finance Charges shall not include unearned finance charges attributable to retail installment contracts which are not at such time "Installment Contracts", due to the proviso in the definition of such term in this Agreement.

"UK Restructuring" shall mean (i) the creation by the Company of the Scottish Partnership, the Luxembourg Subsidiary and the English Special Purpose Subsidiary, (ii) the Company's capitalization of the Scottish Partnership with CAC UK stock, (iii) Intercompany Loans from time to time from the Company to the Scottish Partnership, directly, or indirectly through one or more holding companies, in an amount substantially equivalent to the fair market value of assets being transferred to the English Special Purpose Subsidiary at such time by CAC UK, provided that such Intercompany Loans are substantially contemporaneously repaid pursuant to clauses (ix) and (x) of this definition, (iv) the contribution of a nominal amount of capital to the Luxembourg Subsidiary, (v) the contributions to capital by the Scottish Partnership to the English Special Purpose Subsidiary out of the proceeds of the Company's contemporaneous loan to the Scottish Partnership under clause (iii) of this definition, (vi) Intercompany Loans from time to time by the Scottish Partnership to the Luxembourg Subsidiary out of the proceeds of the Company's contemporaneous loan to the Scottish Partnership under clause (iii) of this definition, (vii) Intercompany Loans from time to time by the Luxembourg Subsidiary to the English Special Purpose Subsidiary substantially equal to the contemporaneous loans made to the Luxembourg Subsidiary by the Scottish Partnership, (viii) transfers from time to time of Advances to Dealers (and its rights in the related Installment Contracts or Leases) by CAC UK to the English Special Purpose Subsidiary for cash consideration in an amount substantially equivalent to the fair market value of the assets being transferred to the English Special Purpose Subsidiary at such time by CAC UK, (ix) dividends from CAC UK to Scottish partnership in an amount substantially equal to the cash received by CAC UK in exchange for the assets transferred at such time to the English Special Purpose Subsidiary, and (x) repayments from time to time of the Intercompany Loans (referred to in clause (iii) of this definition) by the Scottish Partnership to the Company, directly or indirectly through one or more holding companies.

"US LLC" shall mean that certain limited liability company chartered in the United States and established as part of the Stapled Stock Restructuring.

"U.S. Prime-based Rate" shall mean, for any day, that rate of interest which is equal to the sum of the Applicable Margin plus the greater of (i) the U.S. Prime Rate, and (ii) the Alternate Base Rate.

"U.S. Prime Rate" shall mean the per annum rate of interest announced by the Agent, at its main office from time to time as its "prime rate" (it being acknowledged that such announced rate may not necessarily be the lowest rate charged by the Agent to any of its customers), which U.S. Prime Rate shall change simultaneously with any change in such announced rate.

1.2 Euro.

(a) Redenomination of Eurocurrency-based Advances and other Advances into Euro Units.

(i) Each obligation under this Agreement of a party hereto which (A) was originally denominated in the former national currency of a Participating Member State, or (B) would otherwise have been denominated in such former national currency prior to such date shall be denominated in, or redenominated into, as applicable, the Euro Unit in accordance with EMU Legislation and applicable state law, provided that, if and to the extent that any EMU Legislation provides that amounts denominated in the euro unit or the National Currency Unit of a Participating Member State, that are payable by crediting an account of the creditor within that country, may be made in either Euro or National Currency Units, each party to this Agreement shall be entitled to pay or repay any such amounts in either the Euro Unit or such National Currency Unit.

(ii) Subject to any EMU Legislation, references in this Agreement to a minimum amount (or an integral multiple thereof) in a National Currency Unit to be paid to or by a party hereto shall be deemed to be a reference to such reasonably comparable and convenient amount (or an integral multiple thereof) in the Euro Unit as the Agent may from time to time specify.

(b) Payments.

(i) All payments by any of the Company or a Permitted Borrower or any Bank of amounts denominated in the Euro or a National Currency Unit of a Participating Member State, shall be made in immediately available, freely transferable, cleared funds to the account of the Agent in the principal financial center in such Participating Member State, as from time to time designated by the Agent for such purpose.

(ii) All amounts payable by the Agent to any party under this Agreement in the National Currency Unit of a Participating Member State shall instead be paid in the Euro Unit.

(iii) The Agent shall not be liable to any party to this Agreement in any way whatsoever for any delay, or the consequences of any delay, in the crediting to any account of any amount denominated in the Euro or a National Currency Unit of a Participating Member State.

(iv) All references herein to the London interbank or other national market with respect to any National Currency Unit of a Participating Member

State shall be deemed a reference to the applicable markets and locations referred to in the definition of "Business Day" in Section 1.1.

(c) If the basis of accrual of interest or fees expressed in this Agreement with respect to the currency of any state that becomes a Participating Member State shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest or fees in respect of Euros, such convention or practice shall replace such expressed basis effective as of and from the date on which such state becomes a Participating Member State; provided, that if any Advance in the currency of such state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Advance, at the end of the then current Interest Period.

(d) Increased Costs. The Company and the Permitted Borrowers shall, from time to time upon demand of any Bank (with a copy to the Agent), pay to such Bank the amount of any cost or increased cost incurred by, or of any reduction in any amount payable to or in the effective return on its capital to, or of interest or other return foregone by, such Bank or any holding company of such Bank as a result of the introduction of, changeover to or operation of the Euro in a Participating Member State, other than any such cost or reduction or amount foregone reflected in any interest rate hereunder.

(e) Unavailability of Euro. If the Agent at any time determines that: (i) the Euro has ceased to be utilized as the basic accounting unit of the European Community; (ii) for reasons affecting the market in Euros generally, Euros are not freely traded between banks internationally; or (iii) it is illegal, impossible or impracticable for payments to be made hereunder in Euro, then the Agent may, in its discretion declare (such declaration to be binding on all the parties hereto) that any payment made or to be made thereafter which, but for this provision, would have been payable in the Euro shall be made in a component currency of the Euro or Dollars (as selected by the Agent (the "Selected Currency") and the amount to be so paid shall be calculated on the basis of the equivalent of the Euro in the Selected Currency).

(f) Additional Changes at Agent's Discretion. This section and other provisions of this Agreement relating to Euros and the National Currency Units of Participating Member States shall be subject to such further changes (including changes in interpretation or construction) as the Agent may from time to time in its reasonable discretion notify to the Company and the Permitted Borrowers and the Banks to be necessary or appropriate to reflect the changeover to the Euro in Participating Member States.

1.3 Interest Act (Canada). For the purposes of disclosure under the Interest Act (Canada), if and to the extent applicable, whenever interest is to be paid hereunder and such interest is to be calculated on the basis of a period of less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in such period.

2. REVOLVING CREDIT

2.1 Commitment. Subject to the terms and conditions of this Agreement (including without limitation Section 2.3 hereof), each Bank severally and for itself alone agrees to make Advances of the Revolving Credit in any one or more of the Permitted Currencies to the Company or to any of the Permitted Borrowers from time to time on any Business Day during the period from the Effective Date hereof until (but excluding) the Revolving Credit Maturity Date in an aggregate amount, based on the Dollar Amount of any Advances outstanding in Dollars and the Current Dollar Equivalent of any Advances outstanding in Alternative Currencies, not to exceed at any one time outstanding such Bank's Percentage of the Revolving Credit Maximum Amount. Except as provided in Section 2.12 hereof, for purposes of this Agreement, Advances in Alternative Currencies shall be determined, denominated and redenominated as set forth in Section 2.11 hereof. All of the Advances of the Revolving Credit hereunder shall be evidenced by Revolving Credit Notes made by Company or the Permitted Borrowers to each of the Banks in the form attached hereto as Exhibit C-1 or C-2, as the case may be, subject to the terms and conditions of this Agreement. Advances of the Revolving Credit shall be subject to the following additional conditions and limitations:

(a) A Permitted Borrower shall not be entitled to request an Advance of the Revolving Credit or the Swing Line hereunder until (i) it has become a party to this Agreement, either by execution and delivery of this Agreement or of a Permitted Borrower Addendum and it has executed and delivered to the Banks, as aforesaid, Revolving Credit Notes and to the Swing Line Bank, as set forth in Section 2.5(a) hereof, a Swing Line Note, (ii) it has become a party to the Foreign Guaranty, accompanied in each case by authority documents, legal opinions and other supporting documents as required hereunder, and (iii) all other applicable requirements contained in this Agreement with respect to such Permitted Borrower (whether such requirements are applicable to the Permitted Borrower or to Company or any other Subsidiary) have been satisfied.

(b) No Permitted Borrower shall be entitled to request or maintain (or, in the case of any Eurocurrency-based Advance, maintain beyond any applicable Interest Period then in effect) an Advance of the Revolving Credit hereunder if it ceases to be a 100% Subsidiary of the Company.

(c) The maximum aggregate amount of Advances and Letters of Credit including the unreimbursed amount of any draws under any Letters of Credit) available to the Permitted Borrowers at any time hereunder, using the Current Dollar Equivalent of any such Advances or Letters of Credit (or unreimbursed draws thereunder) outstanding in any Alternative Currency (determined and tested pursuant to and in accordance with Section 2.14 hereof), shall not exceed the Aggregate Sublimit.

2.2 Accrual of Interest and Maturity. The Revolving Credit Notes, and all principal and interest outstanding thereunder, shall mature and become due and payable in full on the Revolving Credit Maturity Date, and each Advance of Indebtedness evidenced by the Revolving Credit Notes from time to time outstanding hereunder shall, from and after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Advance, its Applicable Interest Rate, its Interest Period, if any, and the amount and date of any repayment

shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error; provided, however, that any failure by the Agent to record any such information shall not relieve the Company or the applicable Permitted Borrower of its obligation to repay the outstanding principal amount of such Advance, all interest accrued thereon and any amount payable with respect thereto in accordance with the terms of this Agreement and the other Loan Documents.

2.3 Requests for and Refundings and Conversions of Advances. Company or a Permitted Borrower (with the countersignature of Company hereunder) may request an Advance of the Revolving Credit, refund any such Advance in the same type of Advance or convert any such Advance to any other type of Advance of the Revolving Credit only after delivery to Agent of a Request for Advance executed by an authorized officer of Company or of such Permitted Borrower (with the countersignature of an authorized officer of the Company), subject to the following and to the remaining provisions hereof:

(a) each such Request for Advance shall set forth the information required on the Request for Advance form annexed hereto as Exhibit A, including without limitation:

(i) the proposed date of such Advance, which must be a Business Day;

(ii) whether such Advance is a refunding or conversion of an outstanding Advance;

(iii) whether such Advance is to be a Prime-based Advance or a Eurocurrency-based Advance, and, except in the case of a Prime-based Advance, the first Interest Period applicable thereto; and

(iv) in the case of a Eurocurrency-based Advance, the Permitted Currency in which such Advance is to be made.

(b) each such Request for Advance shall be delivered to Agent by 12 noon (Detroit time) three (3) Business Days prior to the proposed date of Advance, except in the case of a Prime-based Advance, for which the Request for Advance must be delivered by 12:00 noon (Detroit time) on such proposed date;

(c) without duplication, the principal amount (or Dollar Amount of the principal amount, if such Advance of the Revolving Credit is being initially funded in an Alternative Currency) of such requested Advance, plus the principal amount (or Dollar Amount of the principal amount, if such other Advance is being initially funded in an Alternative Currency) of any other Advances of the Revolving Credit and of the Swing Line being requested on such date, plus the principal amount of all other Advances of the Revolving Credit and of the Swing Line then outstanding hereunder, in each case whether to Company or the Permitted Borrowers (using the Current Dollar Equivalent of any such Advances outstanding in any Alternative Currency, determined pursuant to the terms hereof as of the date of such requested Advance), plus the aggregate undrawn portion of any Letters of Credit which shall be outstanding as of the date of the requested Advance (based on the Dollar Amount of the undrawn portion of any Letters of Credit denominated in Dollars and the Current Dollar Equivalent of the

undrawn portion of any Letters of Credit denominated in any Alternative Currency), the aggregate face amount of Letters of Credit requested but not yet issued (determined as aforesaid) and the aggregate amount of all drawings made under any Letter of Credit for which the Agent has not received full reimbursement from the applicable Account Party (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency), shall not exceed the lesser of (i) the Revolving Credit Maximum Amount and (ii) the Borrowing Base Limitation, in each case then applicable; provided however, that, in the case of any Advance of the Revolving Credit being applied to refund an outstanding Swing Line Advance, the aggregate principal amount of Swing Line Advances to be refunded shall not be included for purposes of calculating the limitation under this Section 2.3(c);

(d) without duplication, in the case of the Permitted Borrowers, the principal amount of any Advances of the Revolving Credit and of the Swing Line being requested by the Permitted Borrowers, (determined and tested as aforesaid), on such date, plus the principal amount of any other Advances of the Revolving Credit and all Advances of the Swing Line then outstanding to the Permitted Borrowers hereunder (determined as aforesaid), plus the undrawn portion of any Letters of Credit which shall be outstanding as of the date of the requested Advance for the account of the Permitted Borrowers, plus the aggregate undrawn amount of Letters of Credit requested but not yet issued for the account of the Permitted Borrowers hereunder, (in each case determined as aforesaid), plus the unreimbursed amount of any draws under any Letters of Credit (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency) issued for the account of the Permitted Borrowers, shall not exceed the lesser of (i) the Aggregate Sublimit and (ii) the Borrowing Base Limitation, in each case then applicable;

(e) the principal amount of such Advance, plus the amount of any other outstanding Advance of the Revolving Credit to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance at least Two Million Five Hundred Thousand Dollars ($2,500,000) and (ii) in the case of a Eurocurrency-based Advance at least Two Million Five Hundred Thousand Dollars ($2,500,000) or the equivalent thereof in an Alternative Currency (or a larger integral multiple of One Million Dollars ($1,000,000), or the equivalent thereof in the Applicable Alternative Currency), and at any one time there shall not be in effect more than (x) for Advances in Dollars, five (5) Applicable Interest Rates and Interest Periods, and (y) for Advances in any Alternative Currency, three (3) Applicable Interest Rates and Interest Periods for each such currency;

(f) a Request for Advance, once delivered to Agent, shall not be revocable by Company or the Permitted Borrowers;

(g) each Request for Advance shall constitute and include a certification by the Company and the applicable Permitted Borrower, if any, as of the date thereof that:

(i) both before and after such Advance, the obligations of the Company and the Permitted Borrowers set forth in this Agreement and the other Loan Documents to which such Persons are parties are valid, binding and enforceable obligations of the Company and the Permitted Borrowers, as the case may be;

(ii) all conditions to Advances of the Revolving Credit have been satisfied, and shall remain satisfied to the date of such Advance (both before and after giving effect to such Advance);

(iii) there is no Default or Event of Default in existence, and none will exist upon the making of such Advance (both before and after giving effect to such Advance);

(iv) the representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the making of such Advance, except to the extent such representations and warranties (other than Section 6.15 hereof, which shall be deemed to be remade as of the date of such Request for purposes of this clause (iv), notwithstanding the limitation contained therein) are not, by their terms, continuing representations and warranties, but speak only as of a specific date (both before and after giving effect to such Advance); and

(v) the execution of such Request for Advance will not violate the material terms and conditions of any material contract, agreement or other borrowing of Company or the Permitted Borrowers.

Agent, acting on behalf of the Banks, may, at its option, lend under this Section 2 upon the telephone request of a person previously authorized (in a writing delivered to the Agent) by the Company or a Permitted Borrower to make such requests and, in the event Agent, acting on behalf of the Banks, makes any such Advance upon a telephone request, the requesting person shall fax to Agent, on the same day as such telephone request, a Request for Advance. The Company and each of the Permitted Borrowers hereby authorize Agent to disburse Advances under this Section 2.3 pursuant to the telephone instructions of any person purporting to be a person identified by name on a written list of persons authorized by the Company or the applicable Permitted Borrower and delivered to Agent prior to the date of such request to make Requests for Advance on behalf of the Company or such Permitted Borrower. Notwithstanding the foregoing, the Company and each of the Permitted Borrowers acknowledge that the Company and each of the Permitted Borrowers shall bear all risk of loss resulting from disbursements made upon any telephone request. Each telephone request for an Advance shall constitute a certification of the matters set forth in the Request for Revolving Credit Advance form as of the date of such requested Advance.

2.4 Disbursement of Advances.

(a) Upon receiving any Request for Advance from Company or a Permitted Borrower under Section 2.3 hereof, Agent shall promptly notify each Bank by wire, telex or telephone (confirmed by wire, telecopy or telex) of the amount and currency of such Advance to be made and the date such Advance is to be made by said Bank pursuant to its Percentage of such Advance. Unless such Bank's commitment to make Advances of the Revolving Credit hereunder shall have been suspended or terminated in accordance with this Agreement, each

Bank shall make available the amount of its Percentage of each Advance in immediately available funds in the currency of such Advance to Agent, as follows:

(i) for Domestic Advances, at the office of Agent located at One Detroit Center, Detroit, Michigan 48226, not later than 2:00 p.m. (Detroit time) on the date of such Advance; and

(ii) for Eurocurrency-based Advances, at the Agent's Correspondent for the account of the Eurocurrency Lending Office of the Agent, not later than 12 noon (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Advance by Company or a Permitted Borrower (with the countersignature of the Company as aforesaid) without exceptions noted in the compliance certification therein, Agent shall make available to Company or to the applicable Permitted Borrower, as the case may be, the aggregate of the amounts so received by it from the Banks in like funds and currencies:

(i) for Domestic Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by credit to an account of Company or such Permitted Borrower maintained with Agent or to such other account or third party as Company or such Permitted Borrower may reasonably direct; and

(ii) for Eurocurrency-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by credit to an account of Company or such Permitted Borrower maintained with Agent's Correspondent or to such other account or third party as Company or such Permitted Borrower may reasonably direct.

(c) Agent shall deliver the documents and papers received by it for the account of each Bank to such Bank or upon its order. Unless Agent shall have been notified by any Bank prior to the date of any proposed Advance that such Bank does not intend to make available to Agent such Bank's Percentage of such Advance, Agent may assume that such Bank has made such amount available to Agent on such date and in such currency, as aforesaid and may, in reliance upon such assumption, make available to Company or to the applicable Permitted Borrower, as the case may be, a corresponding amount. If such amount is not in fact made available to Agent by such Bank, as aforesaid, Agent shall be entitled to recover such amount on demand from such Bank. If such Bank does not pay such amount forthwith upon Agent's demand therefor, the Agent shall promptly notify Company and Company or the applicable Permitted Borrower shall pay such amount to Agent. Agent shall also be entitled to recover from such Bank or Company or the applicable Permitted Borrower, as the case may be, but without duplication, interest on such amount in respect of each day from the date such amount was made available by Agent to Company or such Permitted Borrower, as the case may be, to the date such amount is recovered by Agent, at a rate per annum equal to:

(i) in the case of such Bank, with respect to Domestic Advances, the Federal Funds Effective Rate, and with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required

reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and

(ii) in the case of Company or such Permitted Borrower, the rate of interest then applicable to such Advance of the Revolving Credit.

The obligation of any Bank to make any Advance of the Revolving Credit hereunder shall not be affected by the failure of any other Bank to make any Advance hereunder, and no Bank shall have any liability to the Company or any of its Subsidiaries, the Agent, any other Bank, or any other party for another Bank's failure to make any loan or Advance hereunder.

2.5 (a) Swing Line Advances. The Swing Line Bank shall, on the terms and subject to the conditions hereinafter set forth (including without limitation Section 2.5(c) hereof), make one or more advances in Dollars or in any Alternative Currency (each such advance being a "Swing Line Advance") to Company or any of the Permitted Borrowers (provided that any such Permitted Borrower has executed a Swing Line Note and Revolving Credit Notes in compliance with this Agreement) from time to time on any Business Day during the period from the date hereof to (but excluding) the Revolving Credit Maturity Date in an aggregate amount, based on the Dollar Amount of any such Advances outstanding in Dollars and the Current Dollar Equivalent of any such Advances outstanding in Alternative Currencies, not to exceed at any time outstanding the Swing Line Maximum Amount. All Swing Line Advances shall be evidenced by the Swing Line Notes, under which advances, repayments and readvances may be made, subject to the terms and conditions of this Agreement. Each Swing Line Advance shall mature and the principal amount thereof shall be due and payable by Company or the applicable Permitted Borrower on the last day of the Interest Period applicable thereto. In no event whatsoever shall any outstanding Swing Line Advance be deemed to reduce, modify or affect any Bank's commitment to make Revolving Credit Advances based upon its Percentage.

(a) Accrual of Interest. Each Swing Line Advance shall, from time to time after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Swing Line Advance, its Applicable Interest Rate, its Interest Period, if any, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error; provided, however, that any failure by the Agent to record any such information shall not relieve Company or the applicable Permitted Borrower of its obligation to repay the outstanding principal amount of such Advance, all interest accrued thereon and any amount payable with respect thereto in accordance with the terms of this Agreement and the other Loan Documents.

(b) Requests for Swing Line Advances. Company or a Permitted Borrower (with the countersignature of the Company) may request a Swing Line Advance only after delivery to Swing Line Bank of a Request for Swing Line Advance executed by an authorized officer of Company or such Permitted Borrower, subject to the following and to the remaining provisions hereof:

(i) each such Request for Swing Line Advance shall set forth the information required on the Request for Swing Line Advance form annexed hereto as Exhibit F, including without limitation:

(A) the proposed date of such Swing Line Advance, which must be a Business Day;

(B) whether such Swing Line Advance is to be a Prime-based Advance, a Eurocurrency-based Advance or a Quoted Rate Advance;

(C) the duration of the Interest Period applicable thereto; and

(D) the Permitted Currency in which such Advance is to be made.

(ii) without duplication, the principal amount (or Dollar Amount of the principal amount, if such Advance is being funded in an Alternative Currency) of such requested Swing Line Advance, plus the aggregate principal amount of all other Swing Line Advances and all Advances of the Revolving Credit then outstanding hereunder (including any Revolving Credit Advances or other Swing Line Advances requested to be made on such date) whether to Company or to any of the Permitted Borrowers (using the Current Dollar Equivalent of any such Advances outstanding in any Alternative Currency, determined pursuant to the terms hereof as of the date of such requested Advance), and the aggregate undrawn portion of any Letters of Credit which shall be outstanding as of the date of the requested Swing Line Advance (based on the Dollar Amount of the undrawn portion of any Letters of Credit denominated in Dollars and the Current Dollar Equivalent of the undrawn portion of any Letters of Credit denominated in any Alternative Currency), plus the aggregate face amount of Letters of Credit requested but not yet issued (determined as aforesaid), plus the unreimbursed amount of any draws under Letters of Credit (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency) shall not exceed the lesser of (A) the Revolving Credit Maximum Amount and (B) the Borrowing Base Limitation, in each case then applicable;

(iii) without duplication, in the case of the Permitted Borrowers, the principal amount of the requested Swing Line Advance to the Permitted Borrowers (determined as aforesaid), plus the aggregate principal amount of any other Swing Line Advances and all other Advances then outstanding to all of the Permitted Borrowers hereunder (including, without duplication any Revolving Credit Advances or Swing Line Advances requested to be made on such date) determined as aforesaid, plus the aggregate undrawn portion of any Letters of Credit which shall be outstanding as of the date of the requested Swing Line Advance for the accounts of the Permitted Borrowers hereunder, plus the aggregate undrawn amount of any Letters of Credit requested but not yet issued for the accounts of the Permitted Borrowers hereunder (in each case determined as aforesaid), plus the unreimbursed amount of any draws under any Letters of

Credit (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency) issued for the account of the Permitted Borrowers shall not exceed the lesser of (A) the Aggregate Sublimit and (B) the Borrowing Base Limitation, in each case then applicable;

(iv) the principal amount of such Swing Line Advance, plus the amount of any other outstanding Advance of the Swing Line to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance at least Three Hundred Thousand Dollars ($300,000) and (ii) in the case of a Quoted Rate Advance or a Eurocurrency-based Advance at least Three Hundred Thousand Dollars ($300,000), or the equivalent thereof in an Alternative Currency (or a larger integral multiple of One Hundred Thousand Dollars ($100,000), or the equivalent thereof in the applicable Alternative Currency), and at any one time there shall not be in effect more than (x) for Advances in Dollars, Five (5) Applicable Interest Rates and Interest Periods, and (y) for Advances in any Alternative Currency (other than eurodollars), two (2) Applicable Interest Rates and Interest Periods for each such currency; and

(v) each such Request for Swing Line Advance shall be delivered to the Swing Line Bank (x) for each Advance in Dollars, by 12:00 noon (Detroit time) on the proposed date of the Advance and (y) for each Advance in any Alternative Currency, by 12:00 noon (Detroit time) two Business Days prior to the proposed date of Advance;

(vi) each Request for Swing Line Advance, once delivered to Swing Line Bank, shall not be revocable by Company, and shall constitute and include a certification by the Company as of the date thereof that:

(A) both before and after such Swing Line Advance, the obligations of the Company set forth in this Agreement and the Loan Documents, are valid, binding and enforceable obligations of the Company;

(B) all conditions to the making of Swing Line Advances have been satisfied (both before and after giving effect to such Advance);

(C) both before and after the making of such Swing Line Advance, there is no Default or Event of Default in existence; and

(D) both before and after such Swing Line Advance, the representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects, except to the extent such representations and warranties (other than Section 6.15 hereof, which shall be deemed to be remade as of the date of such Request for purposes of this clause (D), notwithstanding the limitation contained

therein) are not, by their terms, continuing representations and warranties, but speak only as of a specific date.

Swing Line Bank shall promptly deliver to Agent by telecopy a copy of any Request for Swing Line Advance received hereunder.

(c) Disbursement of Swing Line Advances. Subject to submission of an executed Request for Swing Line Advance by Company or a Permitted Borrower without exceptions noted in the compliance certification therein and to the other terms and conditions hereof, Swing Line Bank shall make available to Company or the applicable Permitted Borrower the amount so requested, in like funds and currencies, not later than:

(i) for Prime-based Advances or Quoted Rate Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by credit to an account of Company or the applicable Permitted Borrower maintained with Agent or to such other account or third party as Company or the Permitted Borrower may reasonably direct; and

(ii) for Eurocurrency-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by credit to an account of Company or the Permitted Borrower maintained with Agent's Correspondent or to such other account or third party as Company or the applicable Permitted Borrower may reasonably direct.

Swing Line Bank shall promptly notify Agent of any Swing Line Advance by telephone, telex or telecopier.

(d) Refunding of or Participation Interest in Swing Line Advances.

(i) The Agent, at any time in its sole and absolute discretion, may (or, upon the request of the Swing Line Bank, shall) on behalf of the Company or the applicable Permitted Borrower (which hereby irrevocably directs the Agent to act on its behalf) request each of the Banks (including the Swing Line Bank in its capacity as a Bank) to make an Advance of the Revolving Credit to each of Company and the Permitted Borrowers, for each Permitted Currency in which Swing Line Advances are outstanding to such party, in an amount (in the applicable Permitted Currency, determined in accordance with Section 2.11(b) hereof) equal to such Bank's Percentage of the principal amount of the aggregate Swing Line Advances outstanding in each Permitted Currency to each such party on the date such notice is given (the "Refunded Swing Line Advances"); provided that at any time as there shall be a Swing Line Advance outstanding for more than thirty days, the Agent shall, on behalf of the Company or the applicable Permitted Borrower (which hereby irrevocably directs the Agent to act on its behalf), promptly request each Bank (including the Swing Line Bank) to make an Advance of the Revolving Credit in an amount equal to such Bank's Percentage of the principal amount of such outstanding Swing Line Advance. In the case of each Refunded Swing Line Advance outstanding in Dollars, the applicable

Advance of the Revolving Credit used to refund such Swing Line Advance shall be a Prime-based Advance. In the case of each Refunded Swing Line Advance outstanding in any Alternative Currency, the applicable Advance of the Revolving Credit used to refund such Swing Line Advance shall be an Advance in the applicable Alternative Currency, with an Interest Period of one month (or any lesser number of days selected by Agent in consultation with the Banks). In connection with the making of any such Refunded Swing Line Advances or the purchase of a participation interest in Swing Line Advances under Section 2.5(e)(ii) hereof, the Swing Line Bank shall retain its claim against the Company or the applicable Permitted Borrower for any unpaid interest or fees in respect thereof. Unless any of the events described in Section 9.1(j) hereof shall have occurred (in which event the procedures of subparagraph (ii) of this Section 2.5(e) shall apply) and regardless of whether the conditions precedent set forth in this Agreement to the making of an Advance of the Revolving Credit are then satisfied but subject to Section 2.5(e)(iii), each Bank shall make the proceeds of its Advance of the Revolving Credit available to the Agent for the benefit of the Swing Line Bank at the office of the Agent specified in Section 2.4(a) hereof prior to 11:00 a.m. Detroit time (for Domestic Advances) on the Business Day next succeeding the date such notice is given, and, in the case of any Eurocurrency-based Advance, prior to 2:00 p.m. Detroit time on the third Business Day following the date such notice is given, in each case in immediately available funds in the applicable Permitted Currency. The proceeds of such Advances of the Revolving Credit shall be immediately applied to repay the Refunded Swing Line Advances in accordance with the provisions of Section 10.1 hereof.

(ii) If, prior to the making of an Advance of the Revolving Credit pursuant to subparagraph (i) of this Section 2.5(e), one of the events described in Section 9.1(j) hereof shall have occurred, each Bank will, on the date such Advance of the Revolving Credit was to have been made, purchase from the Swing Line Bank an undivided participating interest in each Refunded Swing Line Advance in an amount equal to its Percentage of such Refunded Swing Line Advance. Each Bank within the time periods specified in Section 2.5(e)(i) hereof, as applicable, shall immediately transfer to the Agent, in immediately available funds in the applicable Permitted Currency of such Swing Line Advance, the amount of its participation and upon receipt thereof the Agent will deliver to such Bank a participation certificate evidencing such participation.

(iii) Each Bank's obligation to make Advances of the Revolving Credit and to purchase participation interests in accordance with clauses (i) and (ii) above shall, except in respect of any Swing Line Advance made by the Swing Line Bank after it has obtained actual knowledge that an Event of Default has occurred and is continuing, be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (A) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against Swing Line Bank, the Company, the Permitted Borrowers or any other Person for any reason whatsoever; (B) the occurrence or continuance of any

Default or Event of Default; (C) any adverse change in the condition (financial or otherwise) of the Company, any Permitted Borrower or any other Person; (D) any breach of this Agreement by the Company, any Permitted Borrower or any other Person; (E) any inability of the Company or the Permitted Borrowers to satisfy the conditions precedent to borrowing set forth in this Agreement on the date upon which such participating interest is to be purchased or (F) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Bank does not make available to the Agent the amount required pursuant to clause (i) or (ii) above, as the case may be, the Agent shall be entitled to recover such amount on demand from such Bank, together with interest thereon for each day from the date of non-payment until such amount is paid in full at the Federal Funds Effective Rate for Advances in Dollars (other than eurodollars) and for Eurocurrency-based Advances, the Agent's marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount.

Notwithstanding the foregoing however no Bank shall be required to make any Advances of the Revolving Credit to refund a Swing Line Advance or to purchase a participation in a Swing Line Advance if prior to the making of the Swing Line Advance by the Swing Line Lender, the Agent had received written notice from any Bank that a Default or Event of Default had occurred and was continuing and directing that Swing Line Advances should be suspended based on such occurrence and continuance of a Default or Event of Default; provided, however that the obligation of the Banks to make such Advances of the Revolving Credit (or purchase such participations) shall be reinstated upon the date on which such Default or Event of Default has been cured, or has been waived by the requisite Banks, as applicable.

2.6 Prime-based Interest Payments. Interest on the unpaid balance of all Prime-based Advances of the Revolving Credit and all Swing Line Advances carried at the Prime-based Rate from time to time outstanding shall accrue from the date of such Advance to the Revolving Credit Maturity Date (and until paid), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds (a) with respect to Swing Line Advances, monthly commencing on the first day of the calendar month next succeeding the calendar month during which the initial Swing Line Advance is made and on the first day of each month thereafter, and (b) with respect to Advances of the Revolving Credit, quarterly commencing on the first day of the calendar quarter next succeeding the calendar month during which the initial Advance of the Revolving Credit is made and on the first day of each calendar quarter thereafter. Interest accruing at the U.S. Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the U.S. Prime-based Rate on the date of such change in the U.S. Prime-based Rate. Subject to Section 1.3 hereof, interest accruing at the Canadian Prime-based Rate shall be computed on the basis of a 365 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Canadian Prime-based Rate on the date of such change in the Canadian Prime-based Rate.

2.7 Eurocurrency-based Interest Payments and Quoted Rate Interest Payments.

(a) Interest on each Eurocurrency-based Advance of the Revolving Credit and all Swing Line Advances carried at the Eurocurrency-based Rate shall accrue at its Applicable Interest Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto (and, if any Interest Period shall exceed three months, then on the last Business Day of the third month of such Interest Period, and at three month intervals thereafter). Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year (except that any such Advances made in Sterling or any other Alternative Currency with respect to which applicable law or market custom so requires shall be calculated based on a 365 day year, or as otherwise required under applicable law or market custom) and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to but not including the last day thereof. Interest due on a Eurocurrency-based Advance made in an Alternative Currency shall be paid in such Alternative Currency.

(b) Interest on each Quoted Rate Advance of the Swing Line shall accrue at its Quoted Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest accruing at the Quoted Rate shall be computed on the basis of a 360 day year (except that any such Advances made in Sterling, or any other Alternative Currency, or in Canadian Dollars to CAC Canada with respect to which applicable law or market custom so requires shall be calculated based on a 365 day year, or as otherwise required under applicable law or market custom) and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including the last day thereof.

(c) If the basis of accrual of interest or fees expressed in this Agreement with respect to the National Currency Unit of a Participating Member State shall be inconsistent with any convention or practice in the London interbank market or other applicable interbank market, as the case may be, for the basis of accrual of interest or fees with respect to the Euro, such convention or practice shall replace such expressed basis, effective as of and from the date on which such country becomes a Participating Member State; provided that if any Eurocurrency-based Advance in the currency of such country is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Advance, at the end of the then current Interest Period.

2.8 Interest Payments on Conversions. Notwithstanding anything to the contrary in the preceding sections, all accrued and unpaid interest on any Advance converted pursuant to Section 2.3 hereof shall be due and payable in full on the date such Advance is converted.

2.9 Interest on Default. (a) In the case of the Company or any Permitted Borrower other than CAC Canada, in the event and so long as any Event of Default shall exist, in the case of any Event of Default under Sections 9.1(a), 9.1(b) or 9.1(j), immediately upon the occurrence thereof, and in the case of all other Events of Default, upon notice from the Majority Banks, interest shall be payable daily on all Eurocurrency-based Advances of the Revolving Credit, Swing Line Advances carried at the Eurocurrency-based Rate and Quoted Rate Advances from time to time outstanding at a per annum rate equal to the Applicable Interest Rate plus two percent (2%) for the remainder of the then existing Interest Period, if any, and at all other such times, with respect to Prime-based Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus two percent (2%); and, with respect to Eurocurrency-based

Advances thereof in any Alternative Currency from time to time outstanding, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant eurocurrency in the amount of such overdue payment due to the Agent are offered by the Agent's Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by Eurocurrency Lending Office, then at a rate per annum equal to two percent (2%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency-based Advance.

(b) Subject to applicable Canadian law, in the case of CAC Canada, upon a default by CAC Canada in the payment of interest or any other amount (other than principal) due under this Agreement or any of the other Loan Documents to which CAC Canada is a party, upon written notice of Majority Banks confirmed by written notice from Agent to CAC Canada, CAC Canada shall pay interest on such overdue amount, both before and after judgment, at a rate per annum equal to (i) the rate of interest payable under this Section 2.9(b) on the principal amount to which such overdue interest relates, in the case of overdue interest, (ii) the Canadian Prime Rate plus two percent (2%), in the case of all such overdue amounts denominated in Canadian Dollars, and (iii) the U.S. Prime Rate plus two percent (2%), in the case of all such other overdue amounts denominated in Dollars (all of which other overdue amounts, for greater certainty, shall not include overdue principal or interest in any case), in each case, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and on the basis of the actual number of days elapsed in a 360 day year in the case of amounts denominated in Dollars and a 365 day year in the case of amounts denominated in Canadian Dollars. Such interest shall be payable upon demand by Agent. From and after the occurrence of any Event of Default that is continuing under Section 9.1(a) or 9.1(b) or so long as any other Event of Default shall have occurred and be continuing and upon written notice of Majority Banks confirmed by written notice from Agent to CAC Canada, the Letter of Credit Fees shall be increased by two percent (2%) per annum.

2.10 Prepayment (a) Company or the Permitted Borrowers may prepay all or part of the outstanding balance of any Prime-based Advance(s) under the Revolving Credit Notes at any time, provided that the amount of any partial prepayment shall be at least One Million Dollars ($1,000,000) and, after giving effect to any such partial prepayment, the aggregate balance of Prime-based Advance(s) of the Revolving Credit remaining outstanding, if any, shall be at least One Million Dollars ($1,000,000). Company or the Permitted Borrowers may prepay all or part of any Eurocurrency-based Advance (subject to not less than three (3) Business Days' notice to Agent) only on the last day of the Interest Period therefor, provided that the amount of any such partial prepayment shall be at least One Million Dollars ($1,000,000), or the equivalent thereof in an Alternative Currency, and, after giving effect of any such partial prepayment, the unpaid portion of such Advance which is refunded or converted under Section 2.3 hereof shall be at least Two Million Five Hundred Thousand Dollars ($2,500,000) or the equivalent thereof in an Alternative Currency.

(a) Company may prepay all or part of the outstanding balance of any Swing Line Advance carried at the Prime-based Rate at any time, provided that the amount of any partial prepayment shall be at least One Hundred Thousand Dollars ($100,000) and, after giving effect of any such partial prepayment, the aggregate balance of such Swing Line Advances remaining outstanding, if any, shall be at least One Hundred Thousand Dollars ($100,000). Company may prepay all or part of any Swing Line Advances carried at the Eurocurrency-based Rate or Quoted Rate (subject to not less than three (3) Business Days' notice to Swing Line Bank and Agent) only on the last day of the Interest Period therefor, provided that the amount of any such partial payment shall be at least One Hundred Thousand Dollars ($100,000), after giving effect of any such partial prepayment, and the unpaid portion of such Advance which is refunded or converted under Section 2.5(c) hereof shall be at least One Hundred Thousand Dollars ($100,000).

(b) Any prepayment made in accordance with this Section shall be without premium, penalty or prejudice to the right to reborrow under the terms of this Agreement. Any other prepayment of all or any portion of any Advance of the Revolving Credit or any Swing Line Advance shall be subject to Section 11.1 hereof, but otherwise without premium, penalty or prejudice.

2.11 Determination, Denomination and Redenomination of Alternative Currency Advances. Whenever, pursuant to any provision of this Agreement:

(a) an Advance of the Revolving Credit or a Swing Line Advance is initially funded, as opposed to any refunding or conversion thereof, in an Alternative Currency, the amount to be advanced hereunder will be the equivalent in such Alternative Currency of the Dollar Amount of such Advance;

(b) an existing Advance of the Revolving Credit or a Swing Line Advance denominated in an Alternative Currency is to be refunded, in whole or in part, with an Advance denominated in the same Alternative Currency, the amount of the new Advance shall be continued in the amount of the Alternative Currency so refunded;

(c) an existing Advance of the Revolving Credit denominated in an Alternative Currency is to be converted, in whole or in part, to an Advance denominated in another Alternative Currency, the amount of the new Advance shall be that amount of the Alternative Currency of the new Advance which may be purchased, using the most favorable spot exchange rate determined by Agent to be available to it for the sale of Dollars for such other Alternative Currency at approximately 11:00 a.m. (Detroit time) two (2) Business Days prior to the last day of the Eurocurrency Interest Period applicable to the existing Advance, with the Dollar Amount of the existing Advance, or portion thereof being converted; and

(d) an existing Advance of the Revolving Credit denominated in an Alternative Currency is to be converted, in whole or in part, to an Advance denominated in Dollars, the amount of the new Advance shall be the Dollar Amount of the existing Advance, or portion thereof being converted (determined as aforesaid).

2.12 Prime-based Advance in Absence of Election or Upon Default. If, (a) as to any outstanding Eurocurrency-based Advance of the Revolving Credit, or any Swing Line Advance carried at the Eurocurrency-based Rate, Agent has not received payment on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Advance meeting the requirements of Section 2.3 or 2.5(c) hereof with respect to the refunding or conversion of such Advance, or (b) if any Advance denominated in an Alternative Currency or any deemed Advance under Section 3.6 hereof in respect of a Letter of Credit denominated in an Alternative Currency cannot be refunded or made, as the case may be, in such Alternative Currency by virtue of Section 11.3 hereof, or (c) subject to Section 2.9 hereof, if on such day a Default or an Event of Default shall have occurred and be continuing, then the principal amount thereof which is not then prepaid in the case of a Eurocurrency-based Advance shall, absent a contrary election of the Majority Banks, be converted automatically to a Prime-based Advance and the Agent shall thereafter promptly notify Company of said action. If a Eurocurrency-based Advance converted hereunder is payable in an Alternative Currency, the Prime-based Advance shall be in an amount equal to the Dollar Amount of such Eurocurrency-based Advance at such time and the Agent and the Banks shall use said Prime-based Advance to fund payment of the Alternative Currency obligation, all subject to the provisions of Section 2.14 hereof. The Company and the Permitted Borrowers, if applicable, shall reimburse the Agent and the Banks on demand for any costs incurred by the Agent or any of the Banks, as applicable, resulting from the conversion pursuant to this Section 2.12 of Eurocurrency-based Advances payable in an Alternative Currency to Prime-based Advances.

2.13 Revolving Credit Facility Fee.

(a) Revolving Credit Facility Fee. From the date hereof to the Revolving Credit Maturity Date, the Company shall pay to the Agent, for distribution to the Banks (as set forth below), a Revolving Credit Facility Fee determined by multiplying the Applicable Fee Percentage per annum times the Revolving Credit Maximum Amount then applicable under Section 2.15 hereof (whether used or unused), computed on a daily basis. The Revolving Credit Facility Fee shall be payable quarterly in arrears commencing July 1, 2003 (in respect of the prior calendar quarter or portion thereof), and on the first day of each calendar quarter thereafter and on the Revolving Credit Maturity Date, and shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed. Whenever any payment of the Revolving Credit Facility Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment Agent shall make prompt payment to each Bank of its share of the Revolving Credit Facility Fee based upon its respective Percentage.

(b) Commitment Fee. On the Effective Date, the Company shall pay to the Agent, for distribution to the Banks in accordance with this clause (b), a Commitment Fee, such Commitment Fee to be calculated as follows: (i) in the case of a Bank which holds a Percentage of the Revolving Credit Maximum Amount which is less than $20,000,000, the Commitment Fee shall be determined by multiplying 60 basis points times an amount equal to such Bank's Percentage of the Maximum Revolving Credit Amount (stated in Dollars), and (ii) in the case of a Bank which holds a Percentage of the Revolving Credit Maximum Amount which is greater than or equal to $20,000,000, the Commitment Fee shall be determined by multiplying 75 basis

points times an amount equal to such Bank's Percentage of the Revolving Credit Maximum Amount (stated in Dollars).

(c) Additional Commitment Fee. If, at any time after the Effective Date, the remaining maturity of the Revolving Credit shall be less than 366 days, the Company shall be obligated to pay the Agent, for distribution to the Banks in accordance with this clause (c), an Additional Commitment Fee, such Additional Commitment Fee to be calculated as follows: (i) in the case of a Bank which holds a Percentage of the Revolving Credit Maximum Amount which is less than $20,000,000, the Additional Commitment Fee shall be determined by multiplying 10 basis points times an amount equal to such Bank's Percentage of the Revolving Credit Maximum Amount, and (ii) in the case of a Bank which holds a Percentage of the Revolving Credit Maximum Amount which is greater than or equal to $20,000,000, the Additional Commitment Fee shall be determined by multiplying 20 basis points times an amount equal to such Bank's Percentage of the Revolving Credit Maximum Amount. The Additional Commitment Fee, if applicable, shall be due and payable 360 days prior to the Revolving Credit Maturity Date then in effect.

2.14 Currency Appreciation; Aggregate Sublimit; Mandatory Reduction of Indebtedness. (a) If at any time and for any reason, the aggregate principal amount (tested in the manner set forth below and without duplication) of all Advances of the Revolving Credit hereunder to the Company and to the Permitted Borrowers made in Dollars and the aggregate Current Dollar Equivalent of all Advances hereunder to the Company and to the Permitted Borrowers in any Alternative Currency as of such time, plus the aggregate principal amount of Swing Line Advances outstanding hereunder as of such time (determined as aforesaid), plus the aggregate undrawn portion of any Letters of Credit which shall be outstanding (based on the Dollar Amount of the undrawn portion of any Letters of Credit denominated in Dollars and the Current Dollar Equivalent of the undrawn portion of any Letters of Credit denominated in any Alternative Currency), plus the undrawn amount of all Letters of Credit requested but not yet issued (determined as aforesaid), plus the unreimbursed amount of any draws under any Letters of Credit (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency), as of such time exceeds the lesser of (x) the Revolving Credit Maximum Amount and (y) the Borrowing Base Limitation, in each case then applicable, (as used in this clause (a), the "Excess"), the Company and the Permitted Borrowers shall:

(i) immediately repay that portion of such Indebtedness then carried as a Prime-based Advance, if any, by the Dollar Amount of such Excess, and/or reduce any pending request for an Advance in Dollars on such day by the Dollar Amount of the Excess, to the extent thereof; and

(ii) on the last day of each Interest Period of any Eurocurrency-based Advance outstanding as of such time, until the necessary reductions of Indebtedness under this Section 2.14(a) have been fully made, repay the Indebtedness carried in such Advances and/or reduce any requests for refunding or conversion of such Advances submitted (or to be submitted) by the Company or the applicable Permitted Borrower in respect of such Advances, by the amount in Dollars or the applicable Alternative Currency, as the case may be, of the Excess, to the extent thereof.

Compliance with this Section 2.14(a) shall be tested on a daily or other basis satisfactory to Agent in its sole discretion, provided that, so long as no Default or Event of Default has occurred and is continuing, at any time while the aggregate Advances of the Revolving Credit available to be borrowed hereunder (based on the Revolving Credit Maximum Amount then in effect) equal or exceed Five Million Dollars ($5,000,000), compliance with this Section 2.14(a) shall be tested as of the last day of each calendar quarter. Notwithstanding the foregoing, upon the occurrence and during the continuance of any Default or Event of Default, or if any Excess remains after recalculating said Excess based on ninety-five percent (95%) of the Current Dollar Equivalent of any Advances or Letters of Credit denominated in Alternative Currencies (and one hundred percent (100%) of any Advances or Letters of Credit denominated in Dollars), Company and the Permitted Borrowers shall be obligated immediately to reduce the foregoing Indebtedness hereunder by an amount sufficient to eliminate such Excess.

(b) If at any time and for any reason with respect to the Permitted Borrowers, the aggregate principal amount (tested in the manner set forth below and without duplication) of all Advances of the Revolving Credit and of the Swing Line outstanding hereunder to the Permitted Borrowers, plus the aggregate undrawn portion of any Letters of Credit, plus the undrawn amount of any Letters of Credit requested but not yet issued, plus the unreimbursed amount of any draws under any Letters of Credit to or for the account of the Permitted Borrowers, which Advances and Letters of Credit are made or issued, or to be made or issued, in Dollars and ninety percent (90%) of the aggregate Current Dollar Equivalent of all such Advances and Letters of Credit (including unreimbursed draws) hereunder for the account of the Permitted Borrowers in any Alternative Currency as of such time, exceeds the lesser of (i) the Aggregate Sublimit and (ii) the Borrowing Base Limitation, in each case then applicable, then in each case, such Permitted Borrower shall (i) immediately repay that portion of the Indebtedness outstanding to such Permitted Borrower then carried as a Prime-based Advance, if any, by the Dollar Amount of such excess, and/or reduce on such day any pending request for an Advance in Dollars submitted by such Permitted Borrower by the Dollar Amount of such excess, to the extent thereof; and (ii) on the last day of each Interest Period of any Eurocurrency-based Advance outstanding to such Permitted Borrower as of such time, until the necessary reductions of Indebtedness under this Section 2.14(b) have been fully made, repay such Indebtedness carried in such Advances and/or reduce any requests for refunding or conversion of such Advances submitted (or to be submitted) by such Permitted Borrower in respect of such Advances, by the amount in Dollars or the applicable Alternative Currency, as the case may be, of such excess, to the extent thereof.

Provided that no Default or Event of Default has occurred and is continuing, the Permitted Borrowers' compliance with this Section 2.14(b) shall be tested as of the last day of each calendar quarter or, upon the written request of the Company from time to time, as of the last day of each calendar month, provided the Company furnishes Agent with current monthly financial statements complying with the requirements set forth in subparagraphs (i) and (ii) of Section 7.3(c) hereof. Upon the occurrence and during the continuance of any Default or Event of Default, compliance with this Section 2.14(b) shall be tested on a daily or other basis satisfactory to Agent in its sole discretion.

2.15 Optional Reduction or Termination of Revolving Credit Maximum Amount. Provided that no Default or Event of Default has occurred and is continuing, the Company may

upon at least five Business Days' prior written notice to the Agent, permanently reduce the Revolving Credit Maximum Amount in whole at any time, or in part from time to time, without premium or penalty, provided that: (i) each partial reduction of the Revolving Credit Maximum Amount shall be in an aggregate amount equal to Ten Million Dollars ($10,000,000) or a larger integral multiple of One Million Dollars ($1,000,000); (ii) each reduction shall be accompanied by the payment of the Revolving Credit Facility Fee, if any, accrued to the date of such reduction; (iii) the Company or any Permitted Borrower, as applicable, shall prepay in accordance with the terms hereof the amount, if any, by which the aggregate unpaid principal amount of Advances (using the Current Dollar Equivalent of any such Advance outstanding in any Alternative Currency) of the Revolving Credit, plus the aggregate principal amount of Swing Line Advances outstanding hereunder (using the Current Dollar Equivalent of any such Advance outstanding in an Alternative Currency), plus without duplication the aggregate undrawn amount of outstanding Letters of Credit (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency), plus without duplication the unreimbursed amount of any draws under any Letters of Credit (determined as aforesaid), exceeds the amount of the Revolving Credit Maximum Amount as so reduced, together with interest thereon to the date of prepayment; (iv) if the termination or reduction of the Revolving Credit Maximum Amount requires the prepayment of a Eurocurrency-based Advance or a Quoted Rate Advance, the termination or reduction may be made only on the last Business Day of the then current Interest Period applicable to such Eurocurrency-based Advance or such Quoted Rate Advance; and (v) no reduction shall reduce the Revolving Credit Maximum Amount to an amount which is less than the aggregate undrawn amount of any Letters of Credit outstanding at such time. Reductions of the Revolving Credit Maximum Amount and any accompanying prepayments of the Revolving Credit Notes shall be distributed by Agent to each Bank in accordance with such Bank's Percentage thereof, and will not be available for reinstatement by or readvance to the Company or any Permitted Borrower, and any accompanying prepayments of the Swing Line Note shall be distributed by Agent to the Swing Line Bank and will not be available for reinstatement by or readvance to the Company. Any reductions of the Revolving Credit Maximum Amount hereunder shall reduce each Bank's portion thereof proportionately (based on the applicable Percentages), and shall be permanent and irrevocable. Any payments made pursuant to this Section shall be applied first to outstanding Prime-based Advances under the Revolving Credit, next to Swing Line Advances carried at the Prime-based Rate, next to Eurocurrency-based Advances of the Revolving Credit and then to Swing Line Advances carried at the Eurocurrency-based Rate or the Quoted Rate.

2.16 Extension of Revolving Credit Maturity Date. Provided that no Default or Event of Default has occurred and is continuing, Company may, by written notice to Agent and each Bank (which notice shall be irrevocable and which shall not be deemed effective unless actually received by Agent and each Bank), prior to April 15, but not before March 15, of each year beginning in 2004 request that the Banks extend the then applicable Revolving Credit Maturity Date to a date that is 364 days later than the Revolving Credit Maturity Date then in effect (each such request, a "Request").

Each Bank shall, not later than thirty (30) calendar days following the date of its receipt of a Request, give written notice to the Agent stating whether such Bank is willing to extend the Revolving Credit Maturity Date as requested. If Agent has received the aforesaid written approvals of such Request from each of the Banks, then, effective on (but not before) such

Revolving Credit Maturity Date (so long as no Default or Event of Default has occurred and is continuing and none of the Banks has withdrawn its approval, in writing, prior thereto), the Revolving Credit Maturity Date shall be so extended for an additional period of 364 days, the term Revolving Credit Maturity Date shall mean such extended date and Agent shall promptly notify the Company and the Banks that such extension has occurred. If (i) any Bank gives the Agent written notice that it is unwilling to extend the Revolving Credit Maturity Date as requested or (ii) any Bank fails to provide written approval to Agent of the Request within thirty (30) calendar days of the date of Agent's receipt of such Request, or (iii) withdraws its approval in writing prior to the Revolving Credit Maturity Date then in effect then (x) the Banks shall be deemed to have declined to extend the Revolving Credit Maturity Date, (y) the then-current Revolving Credit Maturity Date shall remain in effect (with no further right on the part of Company, to request extensions thereof under this Section 2.16) and (z) the commitments of the Banks to make Advances of the Revolving Credit hereunder shall terminate on the Revolving Credit Maturity Date then in effect, and Agent shall promptly notify Company and the Banks thereof.

2.17 Optional Increase in Revolving Credit Maximum Amount. Provided that no Default or Event of Default has occurred and is continuing, and provided that the Company has not previously elected to terminate the Revolving Credit Maximum Amount under Section 2.15 hereof, the Company may request that the Revolving Credit Maximum Amount be increased in an aggregate amount (for all such Requests under this Section 2.17) not to exceed the Revolving Credit Optional Increase, subject, in each case, to Section 11.1 hereof and to the satisfaction concurrently with or prior to the date of each such request of the following conditions:

(a) the Company shall have delivered to the Agent not less than thirty (30) days prior to the Revolving Credit Maturity Date then in effect a written request for such increase, specifying the amount of Revolving Credit Optional Increase thereby requested (each such request, a "Request for Increase"); provided, however that in the event the Company has previously delivered a Request for Increase pursuant to this Section 2.17, the Company may not deliver a subsequent Request for Increase until all the conditions to effectiveness of such first Request for Increase have been fully satisfied hereunder (or such Request for Increase has been withdrawn); and provided further that the Company may make no more than two Requests for Increase in any calendar year;

(b) a lender or lenders meeting the requirements of Section 13.8(c) hereof and acceptable to the Company and the Agent (including, for the purposes of this Section 2.17, any existing Bank which agrees to increase its commitment hereunder, the "New Bank(s)") shall have become a party to this Agreement by executing and delivering a New Bank Addendum for a minimum amount (including for the purposes of this Section 2.17, the existing commitment of any existing Bank) for each such New Bank of Ten Million Dollars ($10,000,000) and an aggregate amount for all such New Banks of that portion of the Revolving Credit Optional Increase, taking into account the amount of any prior increase in the Revolving Credit Maximum Amount (pursuant to this Section 2.17), covered by the applicable Request, provided, however that each New Bank shall remit to the Agent funds in an amount equal to its Percentage (after giving effect to this Section 2.17) of all Advances of the Revolving Credit then outstanding, such sums to be reallocated among and paid to the existing Banks based upon the new Percentages as determined below;

(c) the Company (i) shall have paid to the Agent for distribution to the existing Banks, as applicable, all interest, fees (including the Revolving Credit Facility Fee and the Letter of Credit Fees) and other amounts, if any, accrued to the effective date of such increase and any breakage fees attributable to the reduction (prior to the last day of the applicable Interest Period) of any outstanding Eurocurrency-based Advances, calculated on the basis set forth in Section 11.1 hereof as though Company has prepaid such Advances and (ii) shall have paid to each New Bank a special letter of credit fee on the Letters of Credit outstanding on the effective date of such increase, calculated on the basis of the Letter of Credit Fees which would be applicable to such Letters of Credit if issued on the date of such increase, for the period from the effective date of such increase to the expiration date of such Letters of Credit;

(d) the Company and each of the Permitted Borrowers shall have executed and delivered to the Agent new Revolving Credit Notes payable to each of the New Banks in the face amount of each such New Bank's Percentage of the Revolving Credit Maximum Amount (after giving effect to this Section 2.17) and, if applicable, renewal and replacement Revolving Credit Notes payable to each of the existing Banks in the face amount of each such Bank's Percentage of the Revolving Credit Maximum Amount (after giving effect to this Section 2.17), each of such Revolving Credit Notes to be substantially in the form of Exhibit C-1 or C-2 to the Credit Agreement, as applicable, and dated as of the effective date of such increase (with appropriate insertions relevant to such Notes and acceptable to the applicable Bank, including the New Banks);

(e) except to the extent such representations and warranties (other than Section 6.15 hereof which shall be deemed to be remade as of such date for purposes of this clause (e), notwithstanding the limitation contained therein) are not, by their terms, continuing representations and warranties, but speak only as of a specific date, the representations and warranties made by Company, the Permitted Borrower, each Guarantor or any other party to any of the Loan Documents (excluding the Agent and Banks) in this Agreement or any of the other Loan Documents, and the representations and warranties of any of the foregoing which are contained in any certificate, document or financial or other statement furnished at any time hereunder or thereunder or in connection herewith or therewith shall have been true and correct in all material respects when made and shall be true and correct in all material respects on and as of the effective date of such increase; and (ii) no Default or Event of Default shall have occurred and be continuing as of such date; and

(f) such other amendments, acknowledgments, consents, documents, instruments, any registrations, if any, shall have been executed and delivered and/or obtained by Company as required by Agent or the Majority Banks, in their reasonable discretion.

Promptly on or after the date on which all of the conditions to such Request for Increase set forth above have been satisfied, Agent shall notify the Company and each of the Banks of the amount of the Revolving Credit Maximum Amount as increased pursuant this Section 2.17 and the date on which such increase has become effective and shall prepare and distribute to Company and each of the Banks (including the New Banks) a revised Exhibit D to the Credit Agreement setting forth the applicable new Percentages of the Banks (including the New Bank(s), taking into account such increase and assignments (if any).

2.18 Revolving Credit as Renewal; Application of Advances; Existing Advances. (a) The Revolving Credit Notes issued by the Company and the Permitted Borrowers hereunder shall constitute renewal and replacement evidence of all present Indebtedness of such parties outstanding under the Revolving Credit Notes issued under the Prior Credit Agreement. Advances of the Revolving Credit (including Swing Line Advances) shall be available, subject to the terms hereof, to fund working capital needs or other general corporate purposes of the Company and the Permitted Borrowers.

(b) Each Existing Advance shall be deemed for all purposes of this Agreement to be an Advance under this Agreement.

3. LETTERS OF CREDIT.

3.1 Letters of Credit. Subject to the terms and conditions of this Agreement, Agent may through the Issuing Office, at any time and from time to time from and after the date hereof until thirty (30) days prior to the Revolving Credit Maturity Date, upon the written request of an Account Party accompanied by a duly executed Letter of Credit Agreement and such other documentation related to the requested Letter of Credit as the Agent may require, issue standby or documentary Letters of Credit for the account of such Account Party, in an aggregate amount for all Letters of Credit issued hereunder at any one time outstanding not to exceed the Letter of Credit Maximum Amount. Each Letter of Credit shall be in a minimum face amount of One Hundred Thousand Dollars ($100,000) and shall have an expiration date not later than one (1) year from its date of issuance; provided that each Letter of Credit (including any renewal thereof) shall expire not later than ten (10) Business Days prior to the Revolving Credit Maturity Date in effect on the date of issuance thereof. The submission of all applications in respect of and the issuance of each Letter of Credit hereunder shall be subject in all respects to the Uniform Customs and Practices for Documentary Credits of the International Chamber of Commerce, 1993 Revisions, ICC Publication No. 500 or, if applicable, ISP 98, and any successor documentation thereto, as selected by the Issuing Lender. In the event of any conflict between this Agreement and any Letter of Credit Document other than any Letter of Credit, this Agreement shall control.

3.2 Conditions to Issuance. No Letter of Credit shall be issued at the request and for the account of any Account Party unless, as of the date of issuance of such Letter of Credit:

(a) without duplication, the face amount of the Letter of Credit requested (based on the Dollar Amount of the undrawn portion of any Letter of Credit denominated in Dollars and the Current Dollar Equivalent of the undrawn portion of any Letter of Credit denominated in any Alternative Currency), plus the face amount of all other Letters of Credit of all Account Parties requested on such date, plus the aggregate undrawn portion of all other Letters of Credit of all Account Parties as of such date, plus the face amount of all Letters of Credit of all Account Parties requested but not yet issued as of such date, plus the unreimbursed amount of any draws under Letters of Credit of all Account Parties (in each case, determined as aforesaid), does not exceed the Letter of Credit Maximum Amount;

(b) without duplication, the undrawn amount of the Letter of Credit requested, plus the undrawn amount of all other Letters of Credit of all Account Parties requested on such

date, plus the aggregate undrawn portion of all other Letters of Credit of all Account Parties as of such date, plus the undrawn amount of all Letters of Credit of all Account Parties requested but not yet issued as of such date, plus the unreimbursed amount of any draws under Letters of Credit of all Account Parties as of such date (in each case determined as aforesaid), plus the aggregate principal amount of all Advances outstanding under the Revolving Credit Notes and the Swing Line Notes, including any Advances requested to be made on such date (determined on the basis of the Current Dollar Equivalent of any Advances denominated in any Alternative Currency, and the Dollar Amount of any Advances in Dollars), do not exceed the lesser of (i) the Revolving Credit Maximum Amount and (ii) the Borrowing Base Limitation, in each case then applicable;

(c) whenever the Account Party is a Permitted Borrower, without duplication, the undrawn amount of the Letter of Credit requested by a Permitted Borrower, plus the undrawn amount of all other Letters of Credit requested by the other Permitted Borrowers on such date, plus the aggregate undrawn portion of all other outstanding Letters of Credit issued for the account of the Permitted Borrowers, (in each case determined as aforesaid), plus the unreimbursed amount of any draws under Letters of Credit (using the Current Dollar Equivalent thereof for any such Letters of Credit denominated in any Alternative Currency) issued for the account of the Permitted Borrowers, plus the aggregate outstanding principal amount of all Advances of the Revolving Credit and of the Swing Line to the Permitted Borrowers, including any Advances requested to be made on such date (in each case determined as aforesaid), do not exceed the lesser of (i) the Aggregate Sublimit and (ii) the Borrowing Base Limitation, in each case then applicable;

(d) the obligations of Company and the Permitted Borrowers set forth in this Agreement and the other Loan Documents are valid, binding and enforceable obligations of Company and Permitted Borrowers and the valid, binding and enforceable nature of this Agreement and the other Loan Documents has not been disputed by Company or the Permitted Borrowers;

(e) the representations and warranties contained in this Agreement and the other Loan Documents are true in all material respects as if made on such date, except to the extent such representations and warranties (other than Section 6.15 hereof, which shall be deemed to be remade as of the date of issuance of such Letter of Credit for purposes of this clause (e), notwithstanding the limitation contained therein) are not, by their terms, continuing representations and warranties, but speak only as of a specific date, and both immediately before and immediately after issuance of the Letter of Credit requested, no Default or Event of Default exists;

(f) the execution of the Letter of Credit Agreement with respect to the Letter of Credit requested will not violate the terms and conditions of any contract, agreement or other borrowing of Company or the Permitted Borrowers;

(g) the Account Party requesting the Letter of Credit shall have delivered to Agent at its Issuing Office, not less than five (5) Business Days prior to the requested date for issuance (or such shorter time as the Agent, in its sole discretion, may permit), the Letter of Credit Agreement related thereto, together with such other documents and materials as may be

required pursuant to the terms thereof, and the terms of the proposed Letter of Credit shall be satisfactory to Agent and its Issuing Office;

(h) no order, judgment or decree of any court, arbitrator or governmental authority shall purport by its terms to enjoin or restrain Agent from issuing the Letter of Credit requested, or any Bank from taking an assignment of its Percentage thereof pursuant to Section 3.6 hereof, and no law, rule, regulation, request or directive (whether or not having the force of law) shall prohibit or request that Agent refrain from issuing, or any Bank refrain from taking an assignment of its Percentage of, the Letter of Credit requested or letters of credit generally;

(i) there shall have been no introduction of or change in the interpretation of any law or regulation that would make it unlawful or unduly burdensome for the Agent to issue or any Bank to take an assignment of its Percentage of the requested Letter of Credit (as determined in the sole discretion of Agent or such Bank, as the case may be), no suspension of or material limitation on trading on the New York Stock Exchange or any other national securities exchange, no declaration of a general banking moratorium by banking authorities in the United States, Michigan or the respective jurisdictions in which the Banks, the applicable Account Party and the beneficiary of the requested Letter of Credit are located, and no establishment of any new restrictions on transactions involving letters of credit or on banks materially affecting (as determined by Agent) the extension of credit by banks; and

(j) Agent shall have received the issuance fees required in connection with the issuance of such Letter of Credit pursuant to Section 3.5 hereof.

Each Letter of Credit Agreement submitted to Agent pursuant hereto shall constitute the certification by the Company and the Account Party of the matters set forth in Section 3.2 (a) through (f) hereof. The Agent shall be entitled to rely on such certification without any duty of inquiry.

3.3 Notice. Agent shall give notice, substantially in the form attached as Exhibit I, to each Bank of the issuance of each Letter of Credit, not later than three (3) Business Days after issuance of each Letter of Credit, specifying the amount thereof and the amount of such Bank's Percentage thereof.

3.4 Letter of Credit Fees. Company shall pay to the Agent for distribution to the Banks in accordance with their Percentages, Letter of Credit Fees as follows:

(a) A per annum Letter of Credit Fee with respect to the undrawn amount of each Letter of Credit issued pursuant hereto (based on the Dollar Amount of any Letters of Credit denominated in Dollars and the Current Dollar Equivalent of any Letters of Credit denominated in any Alternative Currency) in the amount of the Applicable Fee Percentage (determined with reference to Schedule 1.1 to this Agreement), inclusive of the facing fee of one-eighth of one percentage point (1/8%) per annum on the face amount thereof to be retained by Agent under Section 3.5 hereof.

(b) If any change in any law or regulation or in the interpretation thereof by any court or administrative or governmental authority charged with the administration thereof shall either (i) impose, modify or cause to be deemed applicable any reserve, special deposit,

limitation or similar requirement against letters of credit issued or participated in by, or assets held by, or deposits in or for the account of, Agent or any Bank or (ii) impose on Agent or any Bank any other condition regarding this Agreement or the Letters of Credit, and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost or expense to Agent or such Bank of issuing or maintaining or participating in any of the Letters of Credit (which increase in cost or expense shall be determined by the Agent's or such Bank's reasonable allocation of the aggregate of such cost increases and expense resulting from such events), then, upon demand by the Agent or such Bank, as the case may be, the Company shall, within ten days following demand for payment, pay to Agent or such Bank, as the case may be, from time to time as specified by the Agent or such Bank, additional amounts which shall be sufficient to compensate the Agent or such Bank for such increased cost and expense, together with interest on each such amount from ten days after the date demanded until payment in full thereof at the Prime-based Rate. A certificate as to such increased cost or expense incurred by the Agent or such Bank, as the case may be, as a result of any event mentioned in clause (i) or (ii) above, submitted to the Company, shall be conclusive evidence, absent manifest error, as to the amount thereof.

(c) All payments by the Company or the Permitted Borrowers to the Agent or the Banks under this Section 3.4 shall be made in Dollars and in immediately available funds at the Issuing Office or such other office of the Agent as may be designated from time to time by written notice to the Company and the Permitted Borrowers by the Agent. The fees described in clause (a) above shall be nonrefundable under all circumstances, shall be payable semi-annually in advance (or such lesser period, if applicable, for Letters of Credit issued with stated expiration dates of less than six months) upon the issuance of each such Letter of Credit, and shall be calculated on the basis of a 360 day year and assessed for the actual number of days from the date of the issuance thereof to the stated expiration thereof.

3.5 Issuance Fees. In connection with the Letters of Credit, and in addition to the Letter of Credit Fees (including a letter of credit facing fee of one-eighth of one percentage point (1/8%) to be retained by Agent for its own account), the Company or the applicable Account Party shall pay, for the sole account of the Agent, standard documentation, administration, payment and cancellation charges assessed by Agent or the Issuing Office, at the times, in the amounts and on the terms set forth or to be set forth from time to time in the standard fee schedule of the Issuing Office in effect from time to time.

3.6 Draws and Demands for Payment Under Letters of Credit.

(a) The Company and each applicable Account Party agree to pay to the Agent, on the day on which the Agent shall honor a draft or other demand for payment presented or made under any Letter of Credit, an amount equal to the amount paid by the Agent in respect of such draft or other demand under such Letter of Credit and all expenses paid or incurred by the Agent relative thereto. Unless the Company or the applicable Account Party shall have made such payment to the Agent on such day, upon each such payment by the Agent, the Agent shall be deemed to have disbursed to the Company or the applicable Account Party, and the Company or the applicable Account Party shall be deemed to have elected to substitute for its reimbursement obligation, with respect to Letters of Credit denominated in Dollars, a Prime-based Advance of the Revolving Credit and, with respect to Letters of Credit denominated in any

Alternative Currency, a Eurocurrency-based Advance of the Revolving Credit in the applicable Alternative Currency with an Interest Period, commencing three (3) Business Days following the date of Agent's payment pursuant to the applicable Letter of Credit, of one month (or, if unavailable, such other Interest Period as selected by Agent in its sole discretion), in each case for the account of the Banks in an amount equal to the amount so paid by the Agent in respect of such draft or other demand under such Letter of Credit. Such Prime-based Advance or Eurocurrency-based Advance shall be deemed disbursed notwithstanding any failure to satisfy any conditions for disbursement of any Advance set forth in Section 3 hereof and, to the extent of the Advances so disbursed, the reimbursement obligation of the Company or the applicable Account Party under this Section 3.6 shall be deemed satisfied, provided that, with respect to any such Eurocurrency-based Advance deemed to have been made hereunder, Company or the applicable Permitted Borrower shall also be obligated to pay to the Agent, for Agent's sole account, interest on the aggregate amount paid by the Agent under the applicable draft or other demand for payment at Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount plus the Applicable Margin then in effect for Eurocurrency-based Advances, from the date of Agent's payment pursuant to any Letter of Credit to the date of the commencement of the Interest Period for the applicable Eurocurrency-based Advance deemed to have been made, as aforesaid, such interest (the "Gap Interest") to be due and payable on the last day of the initial Interest Period established for such deemed Advance.

(b) If the Agent shall honor a draft or other demand for payment presented or made under any Letter of Credit, the Agent shall provide notice thereof to the Company and the applicable Account Party on the date such draft or demand is honored, and to each Bank on such date unless the Company or applicable Account Party shall have satisfied its reimbursement obligation under Section 3.6(a) hereof by payment to the Agent on such date. The Agent shall further use reasonable efforts to provide notice to the Company and the applicable Account Party prior to honoring any such draft or other demand for payment, but such notice, or the failure to provide such notice, shall not affect the rights or obligations of the Agent with respect to any Letter of Credit or the rights and obligations of the parties hereto, including without limitation the obligations of the Company or applicable Account Party under Section 3.6(a) hereof.

(c) Upon issuance by the Agent of each Letter of Credit hereunder (except in respect of any Letter of Credit issued after Agent has obtained actual knowledge that an Event of Default has occurred and is continuing), each Bank shall automatically acquire a pro rata participation interest in such Letter of Credit and each related Letter of Credit Payment based on its respective Percentage. Each Bank, on the date a draft or demand under any Letter of Credit is honored (or the next succeeding Business Day if the notice required to be given by Agent to the Banks under Section 3.6(b) hereof is not given to the Banks prior to 2:00 p.m. (Detroit time) on such date of draft or demand) or three (3) Business Days thereafter in respect of draws or demands under Letters of Credit issued in any Alternative Currency, shall make its Percentage of the amount paid by the Agent, and not reimbursed by the Company or applicable Account Party on such day, available in the applicable Permitted Currency and in immediately available funds at the principal office of the Agent for the account of the Agent. If and to the extent such Bank shall not have made such pro rata portion available to the Agent, such Bank, the Company and the applicable Account Party severally agree to pay to the Agent forthwith on demand such

amount together with interest thereon, for each day from the date such amount was paid by the Agent until such amount is so made available to the Agent at a per annum rate equal to the interest rate applicable during such period to the related Advance deemed to have been disbursed under Section 3.6(a) in respect of the reimbursement obligation of the Company and the applicable Account Party, as set forth in Section 2.4(c)(i) or 2.4(c)(ii) hereof, as the case may be. If such Bank shall pay such amount to the Agent together with such interest, such amount so paid shall be deemed to constitute an Advance by such Bank disbursed in respect of the reimbursement obligation of the Company or applicable Account Party under Section 3.6(a) hereof for purposes of this Agreement, effective as of the dates applicable under said Section 3.6(a). The failure of any Bank to make its pro rata portion of any such amount paid by the Agent available to the Agent shall not relieve any other Bank of its obligation to make available its pro rata portion of such amount, but no Bank shall be responsible for failure of any other Bank to make such pro rata portion available to the Agent. Furthermore, in the event of the failure by Company or the Permitted Borrowers to pay the Gap Interest required under the proviso to Section 3.6(a) hereof, each of the Banks shall pay to Agent, within one Business Day following receipt from Agent of written request therefor, its pro rata portion of said Gap Interest, excluding any portion thereof attributable to the Applicable Margin.

Notwithstanding the foregoing, however, no Bank shall be deemed to have acquired a participation in a Letter of Credit if, prior to the issuance of the Letter of Credit by the Agent, the Agent had received written notice from any Bank that a Default or an Event of Default had occurred and was continuing and directing the Agent to suspend the issuance of Letters of Credit; provided, however that the Banks shall be deemed to have acquired such a participation upon the date of which such Default or Event of Default has been cured or has been waived by the requisite Revolving Credit Banks, as applicable.

(d) Nothing in this Agreement shall be construed to require or authorize any Bank to issue any Letter of Credit, it being recognized that the Agent shall be the sole issuer of Letters of Credit under this Agreement.

3.7 Obligations Irrevocable. The obligations of Company and any Account Party to make payments to Agent or the Banks with respect to Letter of Credit Obligations under Section 3.6 hereof, shall be unconditional and irrevocable and not subject to any qualification or exception whatsoever, including, without limitation:

(a) Any lack of validity or enforceability of any Letter of Credit or any documentation relating to any Letter of Credit or to any transaction related in any way to any Letter of Credit (the "Letter of Credit Documents");

(b) Any amendment, modification, waiver, consent, or any substitution, exchange or release of or failure to perfect any interest in collateral or security, with respect to or under any of the Letter of Credit Documents;

(c) The existence of any claim, setoff, defense or other right which the Company or any Account Party may have at any time against any beneficiary or any transferee of any Letter of Credit (or any persons or entities for whom any such beneficiary or any such transferee may be acting), the Agent or any Bank or any other person or entity, whether in

connection with any of the Letter of Credit Documents, the transactions contemplated herein or therein or any unrelated transactions;

(d) Any draft or other statement or document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) Payment by the Agent to the beneficiary under any Letter of Credit against presentation of documents which do not comply with the terms of such Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit;

(f) Any failure, omission, delay or lack on the part of the Agent or any Bank or any party to any of the Letter of Credit Documents to enforce, assert or exercise any right, power or remedy conferred upon the Agent, any Bank or any such party under this Agreement, any of the other Loan Documents or any of the Letter of Credit Documents, or any other acts or omissions on the part of the Agent, any Bank or any such party; or

(g) Any other event or circumstance that would, in the absence of this Section 3.7, result in the release or discharge by operation of law or otherwise of Company or any Account Party from the performance or observance of any obligation, covenant or agreement contained in Section 3.6 hereof.

No setoff, counterclaim, reduction or diminution of any obligation or any defense of any kind or nature which Company or any Account Party has or may have against the beneficiary of any Letter of Credit shall be available hereunder to Company or any Account Party against the Agent or any Bank. Nothing contained in this Section 3.7 shall be deemed to prevent Company or the Account Parties, after satisfaction in full of the absolute and unconditional obligations of Company and the Account Parties hereunder, from asserting in a separate action any claim, defense, set off or other right which they (or any of them) may have against Agent or any Bank.

3.8 Risk Under Letters of Credit. (a) In the administration and handling of Letters of Credit and any security therefor, or any documents or instruments given in connection therewith, Agent shall have the sole right to take or refrain from taking any and all actions under or upon the Letters of Credit.

(a) Subject to other terms and conditions of this Agreement, Agent shall issue the Letters of Credit and shall hold the documents related thereto in its own name and shall make all collections thereunder and otherwise administer the Letters of Credit in accordance with Agent's regularly established practices and procedures and, except pursuant to Section 12.3 hereof, Agent will have no further obligation with respect thereto. In the administration of Letters of Credit, Agent shall not be liable for any action taken or omitted on the advice of counsel, accountants, appraisers or other experts selected by Agent with due care and Agent may rely upon any notice, communication, certificate or other statement from Company, any Account Party, beneficiaries of Letters of Credit, or any other Person which Agent believes to be authentic. Agent will, upon request, furnish the Banks with copies of Letter of Credit Agreements, Letters of Credit and documents related thereto.

(b) In connection with the issuance and administration of Letters of Credit and the assignments hereunder, Agent makes no representation and shall have no responsibility with respect to (i) the obligations of Company or any Account Party or the validity, sufficiency or enforceability of any document or instrument given in connection therewith, or the taking of any action with respect to same, (ii) the financial condition of, any representations made by, or any act or omission of, Company, the applicable Account Party or any other Person, or (iii) any failure or delay in exercising any rights or powers possessed by Agent in its capacity as issuer of Letters of Credit in the absence of its gross negligence or willful misconduct. Each of the Banks expressly acknowledges that they have made and will continue to make their own evaluations of Company's and the Account Parties' creditworthiness without reliance on any representation of Agent or Agent's officers, agents and employees.

(c) If at any time Agent shall recover any part of any unreimbursed amount for any draw or other demand for payment under a Letter of Credit, or any interest thereon, Agent shall receive same for the pro rata benefit of the Banks in accordance with their respective Percentages and shall promptly deliver to each Bank its share thereof, less such Bank's pro rata share of the costs of such recovery, including court costs and attorney's fees. If at any time any Bank shall receive from any source whatsoever any payment on any such unreimbursed amount or interest thereon in excess of such Bank's Percentage of such payment, such Bank will promptly pay over such excess to Agent, for redistribution in accordance with this Agreement.

3.9 Indemnification. (a) The Company and each Account Party hereby indemnifies and agrees to hold harmless the Banks and the Agent, and their respective officers, directors, employees and agents, from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever which the Banks or the Agent or any such person may incur or which may be claimed against any of them by reason of or in connection with any Letter of Credit, and neither any Bank nor the Agent or any of their respective officers, directors, employees or agents shall be liable or responsible for: (i) the use which may be made of any Letter of Credit or for any acts or omissions of any beneficiary in connection therewith; (ii) the validity, sufficiency or genuineness of documents or of any endorsement thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by the Agent to the beneficiary under any Letter of Credit against presentation of documents which do not comply with the terms of any Letter of Credit (unless such payment resulted from the gross negligence or willful misconduct of the Agent), including failure of any documents to bear any reference or adequate reference to such Letter of Credit; (iv) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit; or (v) any other event or circumstance whatsoever arising in connection with any Letter of Credit; provided, however, that Company and Account Parties shall not be required to indemnify the Banks and the Agent and such other persons, and the Agent shall be liable to the Company and the Account Parties to the extent, but only to the extent, of any direct, as opposed to consequential or incidental, damages suffered by Company and the Account Parties which were caused by the Agent's gross negligence, willful misconduct or wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit.

(a) It is understood that in making any payment under a Letter of Credit the Agent will rely on documents presented to it under such Letter of Credit as to any and all matters set forth therein without further investigation and regardless of any notice or information to the contrary. It is further acknowledged and agreed that Company or an Account Party may have rights against the beneficiary or others in connection with any Letter of Credit with respect to which Agent or the Banks are alleged to be liable and it shall be a condition of the assertion of any liability of Agent or the Banks under this Section that Company or the applicable Account Party shall contemporaneously pursue all remedies in respect of the alleged loss against such beneficiary and any other parties obligated or liable in connection with such Letter of Credit and any related transactions.

3.10 Right of Reimbursement. Each Bank agrees to reimburse the Agent on demand, pro rata in accordance with its respective Percentage, for (i) the reasonable out-of-pocket costs and expenses of the Agent to be reimbursed by Company or any Account Party pursuant to any Letter of Credit Agreement or any Letter of Credit, to the extent not reimbursed by Company or any Account Party and (ii) any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, fees, reasonable out-of-pocket expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Agent (in its capacity as issuer of any Letter of Credit) in any way relating to or arising out of this Agreement, any Letter of Credit, any documentation or any transaction relating thereto, or any Letter of Credit Agreement, to the extent not reimbursed by Company or any Account Party, except to the extent that such liabilities, losses, costs or expenses were incurred by Agent solely as a result of Agent's gross negligence or willful misconduct or by the Agent's wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit.

3.11 Existing Letters of Credit. Each Existing Letter of Credit shall be deemed for all purposes of this Agreement to be a Letter of Credit, and each application submitted in connection with each Existing Letter of Credit shall be deemed for all purposes of this Agreement to be a Letter of Credit Agreement. On the date of execution of this Agreement, the Agent shall be deemed automatically to have sold and transferred, and each other Bank shall be deemed automatically, irrevocably, and unconditionally to have purchased and received from the Agent, without recourse or warranty, an undivided interest and participation (on the terms set forth herein), to the extent of such other Bank's Percentage, in each Existing Letter of Credit and the applicable reimbursement obligations with respect thereto and any security therefor or guaranty pertaining thereto. Letter of Credit Fees paid under the Prior Credit Agreement shall not be recalculated, redistributed or reallocated by Agent to the Banks; provided that the Company shall pay to any new Banks becoming parties hereto on the Effective Date (or any existing Bank increasing its Percentage on such date) a special letter of credit fee on the Existing Letters of Credit, calculated on the basis of the Letter of Credit Fees which would be applicable to such Existing Letters of Credit if issued on the date hereof (but in the case of any existing Bank, computed only to the extent of the applicable increase in its Percentage) for the period from the Effective Date to the expiration date of such Existing Letters of Credit.

4. MARGIN ADJUSTMENTS

4.1 Margin Adjustments. Adjustments to the Applicable Margin based on Schedule 1.1 hereto (to the extent required in said Schedule), shall be implemented in accordance with this Article 4.

4.2 Prospective Effect Only. Adjustments to the Applicable Margin hereunder shall be given prospective effect only, effective (i) as to all Prime-based Advances outstanding hereunder, immediately upon any change in the Rating Level then in effect, and (ii) as to each Eurocurrency-based Advance outstanding hereunder, effective upon the expiration of the applicable Interest Period(s), if any, in effect on the date of the obtaining and/or any change in the Rating Level in effect hereunder, in each case with no retroactivity or claw-back.

4.3 Eurocurrency-based Advances. With respect to Eurocurrency-based Advances outstanding hereunder, an adjustment hereunder, after becoming effective, shall remain in effect only through the end of the applicable Interest Period(s) for such Eurocurrency-based Advances if any; provided, however, that upon any change in the Rating Level then in effect, as aforesaid, or the occurrence of any other event which under the terms hereof causes such adjustment no longer to be applicable, then any such subsequent adjustment or no adjustment, as the case may be, shall be effective (and said pricing shall thereby be adjusted up or down, as applicable) with the commencement of each Interest Period following such change or event, all in accordance with Section 4.2 hereof.

5. CONDITIONS

The obligations of Banks to make Advances or loans pursuant to this Agreement are subject to the following conditions, provided however that Sections 5.1 through 5.8 below shall only apply to the initial Advances or loans hereunder:

5.1 Execution of Notes, this Agreement and the other Loan Documents. The Company (on or before the date hereof) and the Permitted Borrowers (prior to requesting any Advance hereunder), as applicable, shall have executed and delivered to the Agent for the account of each Bank, the Revolving Credit Notes if requested by the Banks, the Swing Line Notes if requested by the Swing Line Bank (solely for the account of the Swing Line Bank), this Agreement (including all schedules, exhibits, certificates, opinions, financial statements and other documents to be delivered pursuant hereto), and amendments to or reaffirmations of the Collateral Documents, the Guaranties and other Loan Documents (or new documents), as required hereunder, and, as applicable, such Revolving Credit Notes, the Swing Line Notes, this Agreement and the other Loan Documents shall be in full force and effect.

5.2 Corporate Authority. Agent shall have received, with a counterpart thereof for each Bank: (i) certified copies of resolutions of the Board of Directors of the Company and each of the Permitted Borrowers evidencing approval of the form of this Agreement, the Notes and the other Loan Documents to which such Person is a party and authorizing the execution, delivery and performance thereof and the borrowing of Advances hereunder; (ii) (A) certified copies of the Company's and each of the Permitted Borrowers' articles of incorporation and bylaws or other constitutional documents certified as true and complete as of a recent date by the appropriate official of the jurisdiction of incorporation of each such entity (or, if unavailable in such jurisdiction, by a responsible officer of such entity); and (B) a certificate of good standing

from the state of the Company's incorporation and from the applicable state of incorporation or other jurisdiction of incorporation of each of the Permitted Borrowers.

5.3 Representations and Warranties -- All Parties. The representations and warranties made by the Company, each of the Permitted Borrowers or any other party to any of the Loan Documents under this Agreement or any of the other Loan Documents (excluding the Agent and the Banks), and the representations and warranties of any of the foregoing which are contained in any certificate, document or financial or other statement furnished at any time hereunder or thereunder or in connection herewith or therewith shall have been true and correct in all material respects when made and shall be true and correct in all material respects on and as of the date of the making of the initial Advance hereunder.

5.4 Compliance with Certain Documents and Agreements. The Company and the Permitted Borrowers (and any of their respective Subsidiaries or Affiliates) shall have each performed and complied with all agreements and conditions contained in this Agreement, the other Loan Documents, or any agreement or other document executed hereunder or thereunder and required to be performed or complied with by each of them (as of the applicable date) and none of such parties shall be in default in the performance or compliance with any of the terms or provisions hereof or thereof.

5.5 Company's Certificate and Opening Borrowing Base Certificate. The Agent shall have received, with a signed counterpart for each Bank, a certificate of a responsible senior officer of Company, dated the date of the making of the initial Advances hereunder, stating that the conditions set forth in this Section 5 have been fully satisfied, accompanied by a Borrowing Base Certificate dated as of the proposed Effective Date.

5.6 Payment of Agent's and Other Fees. Company shall have paid to the Lead Arranger any arranger's fee under any fee letter in effect as of the date hereof between Company and the Lead Arranger, to the Agent the Closing Fee (for distribution to the Banks hereunder), and to the Agent, the Agent's Fees and all costs and expenses required hereunder.

5.7 [Reserved].

5.8 Other Documents and Instruments. The Agent shall have received, with a photocopy for each Bank, such other instruments and documents as the Majority Banks may reasonably request in connection with the making of Advances hereunder, and all such instruments and documents shall be satisfactory in form and substance to the Majority Banks.

5.9 Continuing Conditions. The obligations of the Banks to make any of the Advances or loans under this Agreement, including but not limited to the initial Advances of the Revolving Credit or the Swing Line hereunder, shall be subject to the following continuing conditions:

(a) No Default or Event of Default shall have occurred and be continuing as of the making of the proposed Advance (both before and after giving effect thereto);

(b) There shall have been no material adverse change in the condition (financial or otherwise), properties, business, results of operations of the Company or its

Subsidiaries, taken as a whole, from December 31, 2002, except changes in the ordinary course of business, or any subsequent December 31st, if the Agent determines, with the concurrence of the Majority Banks, based on the Company's financial statements for such subsequent fiscal year that no material adverse change has occurred during such year, such determination being made solely for purposes of determining the applicable date under this paragraph to the date of the proposed Advance hereunder;

(c) The representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects as of the making of the applicable Advance, except to the extent such representations and warranties are not, by their terms, continuing representations and warranties, but speak only as of a specific date; and

(d) All documents executed or submitted pursuant hereto shall be satisfactory in form and substance (consistent with the terms hereof) to Agent and its counsel and to each of the Banks; Agent and its counsel and each of the Banks and their respective counsel shall have received all information, and such counterpart originals or such certified or other copies of such materials, as Agent or its counsel and each of the Banks and their respective counsel may reasonably request; and all other legal matters relating to the transactions contemplated by this Agreement (including, without limitation, matters arising from time to time as a result of changes occurring with respect to any statutory, regulatory or decisional law applicable hereto) shall be satisfactory to counsel to Agent and counsel to each of the Banks.

6. REPRESENTATIONS AND WARRANTIES

Company and the Permitted Borrowers represent and warrant and such representations and warranties shall be deemed to be continuing representations and warranties during the entire life of this Agreement:

6.1 Corporate Authority. Each of the Company, the Subsidiaries and each of the Permitted Borrowers is a corporation, limited liability company or partnership duly organized and validly existing in good standing under the laws of the applicable jurisdiction of organization, charter or incorporation; each of the Company, the Subsidiaries and each of the Permitted Borrowers is duly qualified and authorized to do business as a corporation, limited liability company or partnership (or comparable foreign entity) in each jurisdiction where the character of its assets or the nature of its activities makes such qualification necessary, except where such failure to qualify and be authorized to do business will not have a Material Adverse Effect.

6.2 Due Authorization -- Company. Execution, delivery and performance of this Agreement, the other Loan Documents, and any other documents and instruments required under or in connection with this Agreement, and the issuance of the Notes by and extensions of credit to the Company are within its corporate powers, have been duly authorized, are not in contravention of law or the terms of the Company's articles of incorporation or bylaws, and, except as have been previously obtained or as referred to in Section 6.16, below, do not require the consent or approval, material to the transactions contemplated by this Agreement, or the Loan Documents, of any governmental body, agency or authority.

6.3 Due Authorization -- Permitted Borrowers. Execution, delivery and performance of this Agreement, the Notes, the other Loan Documents, and any other documents and instruments required under or in connection with this Agreement by each of the Permitted Borrowers, and extensions of credit to the Permitted Borrowers, are (or will be, on the applicable date of delivery of such Loan Documents) within their respective corporate powers, have been (or will be, as aforesaid) duly authorized, are not (or will not be, as aforesaid) in contravention of law or the terms of articles of incorporation or bylaws or other organic documents of the parties thereto, as applicable, and, except as have been previously obtained (or as referred to in Section 6.16, below), do not (or will not, as aforesaid) require the consent or approval, material to the transactions contemplated by this Agreement, or the other Loan Documents, of any governmental body, agency or authority.

6.4 Title to Property. Each of the Company, each of the Permitted Borrowers and each of the Subsidiaries has good and valid title to the property owned by it, which property (individually or in the aggregate) is material to the business or operations of the Company and its Subsidiaries, taken as a whole, excluding imperfections in title not material to the ownership, use and/or enjoyment of any such property.

6.5 Liens. There are no security interests in, Liens, mortgages or other encumbrances on and no financing statements on file with respect to any property of Company, any of the Permitted Borrowers or any of the Subsidiaries, except for those Liens permitted under Section 8.6 hereof.

6.6 Subsidiaries. As of the date of this Agreement, there are no directly or indirectly owned Subsidiaries of the Company, except for those Subsidiaries identified in Schedule 6.6, attached hereto.

6.7 Taxes. The Company and its Subsidiaries each has filed on or before their respective due dates, all federal, state and foreign tax returns which are required to be filed or has obtained extensions for filing such tax returns and is not delinquent in filing such returns in accordance with such extensions and has paid all taxes which have become due pursuant to those returns or pursuant to any assessments received by any such party, as the case may be, to the extent such taxes have become due, except to the extent (i) such tax payments are being actively contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Company or its Subsidiaries, as applicable, as may be required by GAAP, or (ii) disclosed on Schedule 6.7, attached hereto.

6.8 No Defaults. (a) There exists no default under the provisions of any instrument evidencing any permitted Debt of the Company or its Subsidiaries or connected with any of the permitted Liens, or of any agreement relating thereto, except where such default could not reasonably be expected to have a Material Adverse Effect and would not violate this Agreement or any of the other Loan Documents according to the terms thereof.

(a) The Company and the Permitted Borrowers are in compliance with the Borrowing Base Limitation.

6.9 Enforceability of Agreement and Loan Documents -- Company. This Agreement, the Notes, each of the other Loan Documents to which the Company is a party, and all other certificates, agreements and documents executed and delivered by Company under or in connection herewith or therewith have each been duly executed and delivered by duly authorized officers of the Company and constitute the valid and binding obligations of the Company, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditor's rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.10 Enforceability of Domestic Guaranty -- Significant Domestic Subsidiaries. The Domestic Guaranty, and all other certificates, agreements and documents executed and delivered by each Significant Domestic Subsidiary under or in connection with this Agreement will, upon execution and delivery thereof, have each been duly executed and delivered by duly authorized officers of each such Significant Domestic Subsidiary and constitute the valid and binding obligations of each such Significant Domestic Subsidiary, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditor's rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.11 Enforceability of Loan Documents -- Permitted Borrowers. This Agreement, the Notes, each of the other Loan Documents to which any of the Permitted Borrowers is a party, and all certificates, documents and agreements executed in connection herewith or therewith by the Permitted Borrowers have each been duly executed and delivered by duly authorized officers of the applicable Permitted Borrower and constitute the valid and binding obligations of the Permitted Borrowers, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.12 Non-contravention -- Company. The execution, delivery and performance of this Agreement and the other Loan Documents and any other documents and instruments required under or in connection with this Agreement by the Company are not in contravention of the terms of any indenture, material agreement or material undertaking to which the Company is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transactions contemplated by this Agreement and the other Loan Documents or to the financial performance of the Company and its Subsidiaries, taken as a whole.

6.13 Non-contravention -- Significant Domestic Subsidiaries. The execution, delivery and performance of the Domestic Guaranty and any other documents and instruments required under or in connection with this Agreement by each Significant Domestic Subsidiary (upon execution and delivery thereof) will not be in contravention of the terms of any indenture, material agreement or material undertaking to which each such Significant Domestic Subsidiary is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transactions contemplated by this Agreement and the

other Loan Documents or to the financial performance of the Company and its Subsidiaries, taken as a whole.

6.14 Non-contravention -- Permitted Borrowers. The execution, delivery and performance of this Agreement, those other Loan Documents signed by the Permitted Borrowers, and any other documents and instruments required under or in connection with this Agreement by the Permitted Borrowers are not in contravention of the terms of any indenture, material agreement or material undertaking to which any of the Permitted Borrowers is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transaction contemplated by this Agreement and the other Loan Documents or to the financial performance of the Company and its Subsidiaries, taken as a whole.

6.15 No Litigation. Except as set forth in Schedule 6.15 annexed hereto, as of the Effective Date, no litigation or other proceeding before any court or administrative agency is pending, or to the knowledge of the officers of Company is threatened against Company or any Subsidiary, the outcome of which could reasonably be expected to have a Material Adverse Effect.

6.16 Consents, Approvals and Filings, Etc. Except as have been previously obtained no authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other person or party (whether or not governmental) is required in connection with the execution, delivery and performance: (i) by the Company, of this Agreement, any of the other Loan Documents to which it is a party or any other documents or instruments to be executed and/or delivered by the Company in connection therewith or herewith; or (ii) by the Permitted Borrowers, of this Agreement, the other Loan Documents to which it is a party or any other documents or instruments to be executed and/or delivered by Permitted Borrowers in connection therewith or herewith. All such authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations which have previously been obtained or made, as the case may be, are in full force and effect and are not the subject of any attack, or to the knowledge of the Company, threatened attack (in any material respect) by appeal or direct proceeding or otherwise.

6.17 Agreements Affecting Financial Condition. Neither the Company, the Permitted Borrowers nor any of the Subsidiaries is party to any agreement or instrument or subject to any charter or other corporate restriction which materially adversely affects the financial condition or operations of the Company and its Subsidiaries, taken as a whole.

6.18 No Investment Company; No Margin Stock. None of the Company, any of the Permitted Borrowers, nor any of the Subsidiaries is engaged principally, or as one of its important activities, directly or indirectly, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the Letters of Credit and none of the proceeds of any of the Advances will be used by the Company, any of the Permitted Borrowers or any of the Subsidiaries to purchase or carry margin stock or will be made available by the Company, the Permitted Borrower or any of the Subsidiaries in any manner to any other Person to enable or assist such Person in purchasing or carrying margin stock. Terms for which meanings are

provided in Regulation U of the Board of Governors of the Federal Reserve System or any regulations substituted therefor, as from time to time in effect, are used in this paragraph with such meanings. None of the Company, any of the Permitted Borrowers nor any of the Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

6.19 ERISA. Neither a Reportable Event which is material to the Company and its Subsidiaries taken as a whole nor an accumulated funding deficiency (as defined in Section 412 of the Internal Revenue Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Pension Plan. Each Pension Plan has complied and continues to comply in all material respects with the applicable provisions of ERISA and the Internal Revenue Code and any applicable regulations thereof (and, if applicable, any comparable foreign law provisions), except to the extent that any noncompliance, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No termination of a Single Employer Plan has occurred, and no lien in favor of the PBGC or a Pension Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan maintained by the Company or any ERISA Affiliate did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits. Neither the Company nor any ERISA Affiliate has had a complete or partial withdrawal from any Multiemployer Plan within the five year period prior to the date of this Agreement, nor does the Company or any ERISA Affiliate presently intend to completely or partially withdraw from any Multiemployer Plan, and neither the Company nor any ERISA Affiliate would become subject to fines, penalties or any other liability under ERISA if the Company or any ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date of this Agreement. To the best of Company's knowledge, no such Multiemployer Plan is in bankruptcy or reorganization or insolvent. There is no pending or, to the best of Company's knowledge, threatened litigation or investigation questioning the form or operation of any Pension Plan, nor is there any basis for any such litigation or investigation which if adversely determined could reasonably be expected to have a Material Adverse Effect, as of the valuation date most closely preceding the date of this Agreement.

6.20 Environmental Matters and Safety Matters. (a) The Company and each Subsidiary is in compliance with all applicable federal, state, provincial and local laws, ordinances and regulations relating to safety and industrial hygiene or to the environmental condition, including without limitation all applicable Hazardous Materials Laws in jurisdictions in which the Company or any such Subsidiary owns or operates a facility or site, or arranges for disposal or treatment of hazardous substances, solid waste, or other wastes, accepts for transport any hazardous substances, solid wastes or other wastes or holds any interest in real property or otherwise, except for matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(a) All federal, state, provincial, local and foreign permits, licenses and authorizations required for present or (to the best of the Company's knowledge) past use of the facilities and other properties or activities of the Company and each Subsidiary have been obtained and are presently in effect, and there is and has been full compliance with all such

permits, licenses or authorizations, except, in all cases, where the failure to comply with the foregoing could not reasonably be expected to have a Material Adverse Effect.

(b) No demand, claim, notice, suit (in law or equity), action, administrative action, investigation or inquiry (including, without limitation, the listing of any property by any domestic or foreign governmental entity which identifies sites for remedial, clean-up or investigatory action) whether brought by any governmental authority, private person or entity or otherwise, arising under, relating to or in connection with any applicable Hazardous Materials Laws is pending or, to the best of the Company's knowledge, threatened against the Company or any of its Subsidiaries, any real property in which the Company or any such Subsidiary holds or, to the best of the Company's knowledge, has held an interest or any present or, to the best of the Company's knowledge, past operation of the Company or any such Subsidiary, except for such matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(c) Neither the Company nor any of its Subsidiaries, whether with respect to present or, to the best of the Company's knowledge, past operations or properties, (i) is, to the best of the Company's knowledge, the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic substances, radioactive materials, hazardous wastes or related materials into the environment, (ii) has received any notice of any toxic substances, radioactive materials, hazardous waste or related materials in or upon any of its properties in violation of any applicable Hazardous Materials Laws, or (iii) knows of any basis for any such investigation or notice, or for the existence of such a violation, except for such matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(d) No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring or has occurred on, under or to any real property in which the Company or any of its Subsidiaries holds any interest or performs any of its operations, in violation of any applicable Hazardous Materials Laws, except for any such matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.21 Accuracy of Information. Each of the Company's audited or unaudited financial statements previously furnished to Agent and the Banks by the Company prior to the date of this Agreement, is complete and correct in all material respects and fairly presents the financial condition of the Company and its Subsidiaries, taken as a whole, and the results of their operations for the periods covered thereby; any projections of operations for future years previously furnished by Company to Agent and the Banks have been prepared as the Company's good faith estimate of such future operations, taking into account all relevant facts and matters known to Company; since December 31, 2002 there has been no material adverse change in the financial condition of the Company or its Subsidiaries, taken as a whole, except changes in the ordinary course of business; neither the Company, nor any of its Subsidiaries has any contingent obligations (including any liability for taxes) not disclosed by or reserved against in the December 31, 2002 balance sheet which could reasonably be expected to have a Material Adverse Effect.

7. AFFIRMATIVE COVENANTS

Company and each of the Permitted Borrowers covenants and agrees that it will, and, as applicable, it will cause its Subsidiaries (but excluding, for purposes of Sections 7.3 through 7.8, 7.17 and 7.18 through 7.23 hereof, any Special Purpose Subsidiary) to, so long as any of the Banks are committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding under this Agreement:

7.1 Preservation of Existence, Etc. Subject to the terms of this Agreement: (i) preserve and maintain its existence and such of its rights, licenses, and privileges as are material to the business and operations conducted by it; (ii) qualify and remain qualified to do business in each jurisdiction in which such qualification is material to its business and operations or ownership of its properties; (iii) continue to engage only in businesses as substantially now conducted by the Company and its Subsidiaries and businesses reasonably related thereto; (iv) at all times maintain, preserve and protect all of its franchises and trade names and preserve all the remainder of its property and keep the same in good repair, working order and condition; and (v) from time to time make, or cause to be made, all necessary or appropriate repairs, replacements, betterments and improvements thereto such that the businesses carried on in connection therewith may be properly and advantageously conducted at all times.

7.2 Keeping of Books. Keep proper books of record and account in which full and correct entries shall be made of all of its financial transactions and its assets and businesses so as to permit the presentation of financial statements prepared in accordance with GAAP.

7.3 Reporting Requirements. Furnish Agent with:

(a) as soon as possible, and in any event within three calendar days after becoming aware of the occurrence of each Default or Event of Default, a written statement of the chief financial officer of the Company (or in his absence, a responsible senior officer) setting forth details of such Default or Event of Default and the action which the Company or such Permitted Borrower has taken or has caused to be taken or proposes to take or cause to be taken with respect thereto;

(b) as soon as available, and in any event within one hundred twenty (120) days after and as of the end of each of Company's fiscal years, (i) a detailed Consolidated audit report of Company certified to by independent certified public accountants satisfactory to Banks together with an unaudited Consolidating report of Company and its Subsidiaries certified by an authorized officer of Company as to consistency (with prior financial reports and accounting periods), accuracy and fairness of presentation; and (ii) a Covenant Compliance Report and (iii) a "static pool analysis" substantially in the form delivered under the Prior Credit Agreement and in any event satisfactory in form and substance to the Majority Banks, which analyzes the performance of Company's and each Permitted Borrower's Installment Contracts (segregated between the Company's North American operations and its UK operations) on a quarterly basis, in each case certified by an authorized officer of the Company as to consistency with prior such analyses, accuracy and fairness of presentation;

(c) as soon as available, and in any event within sixty (60) days after and as of the end of each quarter, excluding the last quarter, of each fiscal year, (i) a Consolidated and Consolidating balance sheet, income statement and statement of cash flows of Company and its Subsidiaries certified by an authorized officer of Company as to consistency (with prior financial reports and accounting periods), accuracy and fairness of presentation; (ii) a Covenant Compliance Report and (iii) a "static pool analysis" substantially in the form delivered under the Prior Credit Agreement and in any event satisfactory in form and substance to the Majority Banks, which analyzes the performance of Company's and each Permitted Borrower's Installment Contracts (segregated between the Company's North American operations and its UK operations) on a quarterly basis, in each case certified by an authorized officer of the Company as to consistency with prior such analyses, accuracy and fairness of presentation;

(d) as soon as available, and in any event within twenty (20) Business Days after and as of the end of each quarter, including the last quarter, of each fiscal year, a Borrowing Base Certificate as of the end of such quarter, certified by an authorized officer of the Company as to accuracy and fairness of presentation;

(e) as soon as possible, and in any event within three (3) Business Days after becoming aware (i) of any material adverse change in the financial condition of the Company, any of its Subsidiaries or any of the Permitted Borrowers, a certificate of the chief financial officer of Company (or in his absence, a responsible senior officer) setting forth the details of such change, or (ii) of the taking by the Internal Revenue Service or any foreign taxing jurisdiction of a tax position (verbal or written) which could have a materially adverse effect upon the Company, any of its Subsidiaries or any of the Permitted Borrowers (or any such tax position taken by the Company or any of its Subsidiaries or any of the Permitted Borrowers) setting forth the details of such position and the financial impact thereof;

(f) as soon as available (and with copies for each of the Banks), the Company's 8-K, 10-Q and 10-K Reports filed with the federal Securities and Exchange Commission, and in any event, with respect to the 10-Q Report, within sixty (60) days of the end of each of the first three fiscal quarters of each of Company's fiscal years, and with respect to the 10-K Report, within one hundred twenty (120) days after and as of the end of each of Company's fiscal years; and as soon as available, copies of all filings, reports or other documents filed by the Company or any of its Subsidiaries with the federal Securities and Exchange Commission or other federal regulatory or taxing agencies or authorities in the United States, or comparable agencies or authorities in foreign jurisdictions, or any stock exchanges in such jurisdictions;

(g) promptly as issued (and with copies for each of the Banks), all press releases, notices to shareholders and all other material communications transmitted by the Company or any of its Subsidiaries; and, concurrently with each incurrence thereof written notice that new Future Debt has been incurred, accompanied by copies of the material documents governing such Debt and a certification that, both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and the Company is otherwise in compliance with this Agreement;

(h) from time to time at the request of Agent or any Bank, a copy of the standard form of Company's Dealer Agreement then in effect for the Company's operations in

the United States of America, England and each other material jurisdiction, identifying any material changes from the form supplied to the Banks hereunder for the preceding year;

(i) on or before ninety (90) days after the commencement of each fiscal year, a Consolidated plan and financial projections and which shall reflect any Future Debt or Permitted Securitizations contemplated to be incurred or made for the succeeding two years of the Company and its Significant Subsidiaries including, without limitation, a Consolidated and Consolidating balance sheet and a Consolidated and Consolidating statement of projected income and cash flow of the Company for each of the succeeding two fiscal years and including a statement in reasonable detail specifying all material assumptions underlying the projections;

(j) promptly upon the request of Agent or the Majority Banks (acting through Agent) from time to time, a "static pool analysis" which analyzes the performance of any Installment Contracts or Leases transferred, encumbered, reallocated from the Non-Specified Interest to a Specified Interest or otherwise disposed of pursuant to a Permitted Securitization comparable to the static pool analysis required to be delivered pursuant to subparagraph (c) of this Section 7.3; and

(k) on an annual basis, a report as to the Company's Debt Rating, if then maintained by the Company, provided that the Company shall also promptly report any changes in such Debt Rating;

(l) promptly, and in form to be satisfactory to Agent and the requesting Bank or Banks, Borrowing Base Certificates and such other information as Agent or any of the Banks (acting through Agent) may reasonably request from time to time.

7.4 Maintain Asset Coverage Ratio. On a Consolidated basis, maintain at all times, Consolidated Net Assets at a level greater than or equal to Consolidated Funded Debt.

7.5 Maintain Total Liabilities Ratio Level. On a Consolidated basis, maintain as of the end of each fiscal quarter a ratio of Consolidated Total Liabilities (including in the calculation thereof, for purposes of this Section 7.5, all Debt incurred by a Special Purpose Subsidiary, whether or not included therein under GAAP other than Debt represented by Intercompany Loans incurred by the English Special Purpose Subsidiary pursuant to the UK Restructuring) to the Company's Consolidated Tangible Net Worth equal to or less than 1.50 to 1.0.

7.6 Minimum Tangible Net Worth. On a Consolidated basis, maintain Consolidated Tangible Net Worth of not less than Two Hundred Sixty-Five Million Dollars ($265,000,000), plus the sum of (i) eighty percent (80%) of Consolidated Net Income for each fiscal quarter of the Company (A) beginning on or after April 1, 2003, (B) ending on or before the applicable date of determination thereof, and (C) for which Consolidated Net Income as determined above is a positive amount and (ii) the Equity Offering Adjustment.

7.7 Maintain Fixed Charge Coverage Ratio. On a Consolidated basis, maintain as of the end of each fiscal quarter a Fixed Charge Coverage Ratio of not less than 2.75 to 1.0, unless the remaining maturity of the Revolving Credit shall be less than 366 days, in which case such ratio shall be maintained at not less than 3.50 to 1.00.

7.8 Inspections. Permit Agent and each Bank, through their authorized attorneys, accountants and representatives to examine (and make copies of) Company's and each of the Subsidiaries' books, accounts, records, ledgers and assets and properties (including without limitation, any Collateral) of every kind and description including, without limitation, all promissory notes, security agreements, customer applications, vehicle title certificates, chattel paper, Uniform Commercial Code filings, wherever located at all reasonable times during normal business hours, upon oral or written request of Agent or such Bank; and permit Agent and each Bank or their authorized representatives, at reasonable times and intervals, to visit all of its offices, discuss its financial matters with its officers and independent certified public accountants, and by this provision Company authorizes such accountants to discuss the finances and affairs of Company and its Subsidiaries (provided that Company is given an opportunity to participate in such discussions) and examine any of its or their books and other corporate records. An examination of the records or properties of Company or any of its Subsidiaries may require revealment of proprietary and/or confidential data and information, and the Agent and each of the Banks agrees upon request of the inspected party to execute a confidentiality agreement (satisfactory to Agent or the inspecting Bank, as the case may be, and such party) on behalf of the Agent or such inspecting Bank and all parties making such inspections or examinations under its authorization; provided however that such confidentiality agreement shall not prohibit Agent from revealing such information to Banks or prohibit the inspecting Bank from revealing such information to Agent or another Bank. Notwithstanding the foregoing, all information furnished to the Banks hereunder shall be subject to the undertaking of the Banks set forth in Section 13.13 hereof.

7.9 Taxes. Pay and discharge all taxes and other governmental charges, and all material contractual obligations calling for the payment of money, before the same shall become overdue, unless and to the extent only that such payment is being contested in good faith by appropriate proceedings and is reserved for, as required by GAAP on its balance sheet, or where the failure to pay any such matter could not reasonably be expected to have a Material Adverse Effect.

7.10 Further Assurances. Execute and deliver or cause to be executed and delivered to Agent within a reasonable time following Agent's request, and at the Company's and the Permitted Borrowers' expense, such other documents or instruments as Agent may reasonably require to effectuate more fully the purposes of this Agreement or the other Loan Documents, including without limitation any Collateral Documents required under Section 7.20 hereof.

7.11 Insurance. Maintain, with financially sound and reputable insurers, insurance with respect to its material property and business against such casualties and contingencies, of such types (including, without limitation, insurance with respect to losses arising out of such property loss or damage, public liability, business interruption, larceny, workers' compensation, embezzlement or other criminal misappropriation) and in such amounts as is customary in the case of corporations of established reputations engaged in the same or similar business and similarly situated (and including such lender loss payee clauses and/or endorsements as Agent or the Majority Banks may request following the delivery of the Collateral Documents under Section 7.20 hereof), provided that such insurance is commercially available, it being understood that the Company and its Subsidiaries may self-insure against hazards and risks with respect to

which, and in such amounts as, the Company in good faith determines to be prudent and consistent with sound financial and business practice.

7.12 Indemnification. With respect to the Company, indemnify and save Agent and each of the Banks harmless from all reasonable loss, cost, damage, liability or expenses, including reasonable attorneys' fees and disbursements, incurred by Agent and each of the Banks by reason of an Event of Default or enforcing the obligations of the Company or the Permitted Borrowers under this Agreement or the other Loan Documents, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement or any of the other Loan Documents other than resulting from the gross negligence or willful misconduct of Agent or such Bank or Banks, as the case may be; and, with respect to each of the Permitted Borrowers, indemnify and save Agent and each of the Banks harmless from all reasonable loss, cost, damage, liability or expenses, including reasonable attorneys' fees and disbursements, incurred by Agent and each of the Banks with respect to such Permitted Borrower by reason of an Event of Default or enforcing the obligations of such Permitted Borrower under this Agreement or the other Loan Documents or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement or any of the other Loan Documents, other than resulting from the gross negligence or willful misconduct of Agent or such Bank or Banks, as the case may be.

7.13 Governmental and Other Approvals. Apply for, obtain and/or maintain in effect, as applicable, all material authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations (whether with any court, governmental agency, regulatory authority, securities exchange or otherwise) which are necessary in connection with the execution, delivery and performance of this Agreement, the other Loan Documents, or any other documents or instruments to be executed and/or delivered by the Company or any of the Permitted Borrowers or Guarantors, as the case may be, in connection therewith or herewith.

7.14 Compliance with Contractual Obligations and Laws.

(a) Comply in all material respects with all Contractual Obligations, and with all applicable laws, rules, regulations and orders of any governmental authority, whether federal, state, local or foreign (including without limitation Hazardous Materials Laws and any consumer protection, truth in lending, disclosure and other similar laws and regulations governing the provision of financing to consumers), in effect from time to time, except to the extent that failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Comply in all material respects with all applicable federal, state and/or foreign laws and regulations in effect from time to time governing the due and proper creation of installment sales contracts, motor vehicle leases or similar indebtedness or obligations and of the creation, perfection and/or protection, as applicable, of first priority security interests or lessor's interests in motor vehicles being financed and/or sold and/or leased pursuant thereto, as applicable.

7.15 ERISA. Comply in all material respects with all requirements imposed by ERISA as presently in effect or hereafter promulgated or the Internal Revenue Code (or comparable laws in applicable jurisdictions outside the United States of America relating to foreign Pension Plans) and promptly notify Banks upon the occurrence of any of the following events:

(a) the termination of any Pension Plan pursuant to Subtitle C of Title IV of ERISA or otherwise (other than any defined contribution plan not subject to Section 412 of the Internal Revenue Code and any Multiemployer Plan);

(b) the appointment of a trustee by a United States District Court to administer any Pension Plan pursuant to ERISA;

(c) the commencement by the PBGC, or any successor thereto, of any proceeding to terminate any Pension Plan;

(d) the failure of the Company or any ERISA Affiliate to make any payment in respect of any Pension Plan required under Section 412 of the Internal Revenue Code;

(e) the withdrawal of the Company or any ERISA Affiliate from any Multiemployer Plan;

(f) the occurrence of an accumulated funding deficiency (as defined in Section 6.18 hereof) or a Reportable Event; or

(g) (g) the occurrence of a Prohibited Transaction which could reasonably be expected to have a Material Adverse Effect.

7.16 Environmental Matters.

(a) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on or affecting any premises owned or occupied by Company or any of its Subsidiaries, whether resulting from conduct of Company or any of its Subsidiaries or any other Person, if required by Hazardous Material Laws, all such actions to be taken in accordance with such laws, and the orders and directives of all applicable federal, state and local governmental authorities; and

(b) Defend, indemnify and hold harmless Agent and each of the Banks, and their respective employees, agents, officers and directors from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature arising out of or related to (i) the presence, disposal, release or threatened release of any Hazardous Materials on, from or affecting any premises owned or occupied by Company or any of its Subsidiaries, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit or other proceeding brought or threatened, settlement reached or governmental order or decree relating to such Hazardous Materials, (iv) the cost of removal of all Hazardous Materials from all or any portion of any premises owned by Company or its Subsidiaries, (v) the taking of necessary precautions to protect against the release of Hazardous Materials on or affecting any premises

owned by Company or any of its Subsidiaries, (vi) complying with all Hazardous Material Laws and/or (vii) any violation by Company or any of its Subsidiaries of Hazardous Material Laws, including without limitation, reasonable attorneys and consultants fees, investigation and laboratory fees, environmental studies required by Agent or any Bank (whether before or after the occurrence of any Default or Event of Default), court costs and litigation expenses; and, if so requested by Agent or any Bank, Company shall execute, and shall cause the Permitted Borrowers to execute, separate indemnities covering the foregoing matters. The obligations of Company and Permitted Borrowers under this Section 7.16 shall be in addition to any and all other obligations and liabilities the Company or any of the Permitted Borrowers may have to Agent or any of the Banks at common law or pursuant to any other agreement.

7.17 Installment Contract Standards. (a) Cause each Installment Contract relating to Advances to Dealers or encumbered by the Collateral Documents and each Lease purchased and/or entered into by or on behalf of Company or any Subsidiary included in Leased Vehicles or encumbered by the Collateral Documents to satisfy the following requirements:

(i) Such Installment Contract or Lease (and the interest of Company or its Subsidiaries thereunder) has not been sold, transferred or otherwise assigned or encumbered by the Company or its Subsidiaries to any Person, other than to the Lenders pursuant to the Collateral Documents;

(ii) The Installment Contract obligor or lessee under such Lease thereunder is not an Affiliate of the Company; and

(iii) Such Installment Contract or Lease is owned by Company or a Subsidiary, or Company or a Subsidiary has a valid first priority perfected security interest therein (provided that the failure of up to $2,500,000 in aggregate amount of such financial assets, valued according to GAAP, to satisfy the requirements of this clause (iii) shall not constitute a violation of this Section 7.17); and

(b) Exercise its best efforts to enforce the provisions of its Dealer Agreements relating to the eligibility criteria for Advances to Dealers and for Leases, including without limitation:

(i) it has not been rescinded and it is a valid, binding and enforceable obligation of the applicable Installment Contract obligor or lessee under such Lease;

(ii) it is enforceable against the applicable Installment Contract obligor or lessee under such Lease for the amount shown as owing in the contract and in any related records;

(iii) it complied at the time it was originated or made, and is currently in compliance in all respects, with all requirements of applicable federal, state and local laws, and regulations thereunder, including, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal

Trade Commission Act, the Magnuson-Moss Warranty Act, Federal Reserve Board Regulations B, M and Z, state adaptations of the National Consumer Act and of the Uniform Consumer Credit Code and any other consumer credit or equal opportunity disclosure;

(iv) it is not subject to any material offset, credit, allowance or adjustment;

(v) the Company or a Subsidiary has a first and prior perfected security interest or ownership interest (subject only to the applicable Lease) (received directly or by assignment) in the financed or leased vehicle securing the performance of the applicable Installment Contract obligor or lessee under such Lease;

(vi) the financed vehicle has been delivered to the applicable Installment Contract obligor or lessee under such Lease and, on the date of delivery, satisfied all warranties, expressed or implied, made to such Installment Contract obligor or lessee under such Lease; and

(vii) the applicable Installment Contract obligor or lessee under such Lease owns or leases the motor vehicle free of all liens or encumbrances, except the security interest granted to Company or a Subsidiary or the lessor's interest held by Company or a Subsidiary (received in each case directly or by assignment) in the applicable Installment Contract or Lease.

7.18 Financial Covenant Amendments. In the event that, at any time while this Agreement is in effect, the Company shall issue any indebtedness for borrowed money which is not by its terms subordinate and junior to the Indebtedness hereunder and such indebtedness shall include, or be issued pursuant to a trust indenture or other agreement which includes, financial covenants which are not substantially identical to the financial covenants set forth in this Agreement, the Company shall so advise the Agent in writing. Such notice shall be accompanied by a copy of the applicable agreement containing such financial covenants. The Agent shall promptly furnish a copy of such notice and the applicable agreement to each of the Banks. If the Majority Banks determine in their sole discretion that some or all of the financial covenants set forth in such agreement are more favorable to the lender thereunder than the financial covenants set forth in this Agreement ("More Favorable Terms") and that the Majority Banks desire that this Agreement be amended to incorporate the More Favorable Terms, then the Agent shall give written notice of such determination to the Company. Thereupon, and in any event within thirty (30) days following the date of notice by Agent to the Company, Company and the Banks shall enter into an amendment to this Agreement incorporating, on terms and conditions acceptable to the Majority Banks, the More Favorable Terms.

7.19 Subsidiaries; Guaranties. With respect to each Person which becomes a Significant Subsidiary of the Company subsequent to the Effective Date hereof, within thirty (30) days of the date of Company's delivery of the financial statements required under Section 7.3(b) or 7.3(c) which establish that such Person is or has become a Significant Subsidiary (but in any event, in the case of a Permitted Borrower, prior to the time such Permitted Borrower

shall be entitled to request any Advances hereunder), cause such Subsidiary to execute and deliver to Agent, for and on behalf of each of the Banks, a Joinder Agreement whereby such Significant Subsidiary becomes obligated as a Guarantor under the Domestic Guaranty or the Foreign Guaranty, as applicable, together with such supporting documentation, including without limitation corporate authority items, certificates and opinions of counsel, as reasonably required by Agent, acting in its capacity as Collateral Agent, as aforesaid.

7.20 Subsidiaries; Security Documents. (a) Promptly upon the creation or acquisition of any Significant Domestic Subsidiary, (i) grant (or cause to be granted) a security interest and lien to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, in the Collateral owned by such Significant Domestic Subsidiary substantially on the terms provided in the Security Agreement and (ii) pledge (or cause to be pledged) to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, all of the outstanding capital Stock of such Significant Domestic Subsidiary which is owned by the Company or its Subsidiaries substantially on the terms provided in the Security Agreement, in each case, as security for the Indebtedness;

(a) promptly upon the creation or acquisition of any Significant Foreign Subsidiary owned directly by the Company or a Domestic Subsidiary subject to clause (c) of this Section 7.20), pledge to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, sixty-five percent (65%) of the outstanding capital stock of such Significant Foreign Subsidiary (determined on the basis of the total combined voting power of all classes of stocks of such subsidiary) to the extent owned by Company or its Subsidiaries, in a form reasonably satisfactory to the Agent (acting in its capacity as Collateral Agent, as aforesaid), in each case as security for the Indebtedness;

(b) intentionally reserved; and

(c) within thirty days following Agent's request (given at the direction or with the concurrence of the Majority Banks) in the event of a material change in any Dealer Agreement (or any related document) which, in the reasonable discretion of Agent and the Majority Banks (supported by an opinion of counsel) adversely affects any Collateral Document or which necessitates a change in any Collateral Document in order to provide Agent and the Banks with the full benefit thereof (and to extend such Collateral Documents to any additional property rights or interests resulting from any such change in a Dealer Agreement), enter into such amendments to the Collateral Documents so affected, on terms and conditions as reasonably required by the Agent, acting in its capacity as Collateral Agent, as aforesaid, or as Agent hereunder;

together in each case with such supporting documentation, including without limitation corporate authority items, certificates and opinions of counsel, as reasonably required by the Agent, acting in its capacity as Collateral Agent as aforesaid.

7.21 Foreign Subsidiaries Security. If, following a change in the relevant sections of the Internal Revenue Code or the regulations, rules, rulings, notices or other official pronouncements issued or promulgated thereunder, counsel for the Company and the Permitted Borrowers acceptable to the Agent does not within 90 days after a request from the Agent (given

with the concurrence or at the direction of a Supermajority of the Banks) deliver evidence, in form and substance mutually satisfactory to the Agent and the Company, that, with respect to each Significant Foreign Subsidiary whose entire share capital, to the extent owned, directly or indirectly, by the Company has not been encumbered in favor of the Lenders (a) a pledge of 66-2/3 % or more of the total combined voting power of all classes of capital stock of such Foreign Subsidiary entitled to vote and (b) the entering into a guaranty in substantially the form of the Domestic Guaranty by such Significant Foreign Subsidiary, in either such case would cause the undistributed earnings of such Significant Foreign Subsidiary as determined for Federal income tax purposes to be treated as a deemed dividend to such Significant Foreign Subsidiary's United States parent for Federal income tax purposes, then in the case of a failure to deliver the evidence described in clause (a) above, that portion of such Significant Foreign Subsidiary's outstanding capital stock so issued by such Significant Foreign Subsidiary not theretofore pledged pursuant to the Collateral Documents hereunder shall be promptly pledged to the Agent for the benefit of the Lenders pursuant to the Security Agreement (or another pledge agreement in substantially similar form, if needed) and, in the case of failure to deliver the evidence described in clause (b) above, such Significant Foreign Subsidiary shall promptly execute and deliver the Domestic Guaranty (or another guaranty in substantially the same form, if needed), in each case to the extent that entering into a pledge agreement or such Guaranty is permitted under the laws of the respective foreign jurisdiction and all such documents (including supporting documentation comparable to that required under Sections 7.19 and 7.20 hereof) delivered pursuant to this Section 7.21 shall be satisfactory to the Majority Banks.

7.22 Intentionally Reserved.

7.23 Intentionally Reserved

8. NEGATIVE COVENANTS

Company and each of the Permitted Borrowers covenant and agree that, so long as any of the Banks are committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding, it will not, and it will not allow its Subsidiaries (but excluding, for purposes of Sections 8.10, 8.13, 8.14 and 8.15 hereof, any Special Purpose Subsidiary), without the prior written consent of the Majority Banks, to:

8.1 Redemptions. Purchase, acquire or redeem any of its capital stock, except for a Permitted Repurchase.

8.2 Business Purposes. Engage in, or make any investment in any business engaged in, the provision of property and casualty insurance unless the Company or such Subsidiary shall maintain reinsurance of its underwriting risk with a third party(ies) rated "A-" or better by S&P or "A3" or better by Moody's for all of the Company's or such Subsidiary's exposure in excess of one hundred percent (100%) of the premiums written by the Company or such Subsidiary; or engage in any business if, after giving effect thereto, the general nature of the businesses of the Company and its Subsidiaries, taken as a whole, would no longer be the provision of financing programs for the purchase or lease of used motor vehicles, motor vehicle service protection programs, credit life, accident and health insurance programs and other programs related to the foregoing (it being understood that, in the course of the provision of such programs, the

Company may be obligated to remit monies held by it in connection with dealer holdbacks, claims or refunds under insurance policies, or claims or refunds under service contracts, and to make deposits in trust or otherwise as required under reinsurance agreements or pursuant to state regulatory requirements); provided however that the Company and its Subsidiaries shall manage and operate such businesses in substantially the same manner that they are managed and operated as of the date hereof.

8.3 Mergers or Dispositions. Enter into any merger or consolidation, except for any Permitted Merger or Permitted Transfer under clause (iv) of the definition thereof, or sell, lease, transfer, relocate or dispose of all, substantially all, or any material part of its assets, except for Permitted Transfers and Permitted Securitization(s) and other transfers made pursuant to the UK Restructuring and except for Program Transfers, provided that, both before and after giving effect thereto (except in the case of Program Transfers), no Default or Event of Default has occurred and is continuing.

8.4 Guaranties. Become or remain obligated under or in respect of a Guarantee Obligation, except by endorsement of cash items for deposit in the ordinary course of business and except for the Guaranties and the Permitted Guaranties.

8.5 Debt. Become or remain obligated for any indebtedness for borrowed money, or for any indebtedness incurred in connection with the acquisition of any property, real or personal, tangible or intangible, or for any other Debt, except for:

(a) Indebtedness to Banks hereunder;

(b) current unsecured trade, utility or non-extraordinary accounts payable arising in the ordinary course of Company's or any Subsidiary's businesses;

(c) the Future Debt;

(d) Subordinated Debt, provided, however, that on the date any such Debt is incurred, clauses (a) and (c) of the Funding Conditions shall have been satisfied;

(e) Permitted CAC UK Debt and overdraft lines of credit which are unsecured or are secured solely by a guaranty and/or letter of credit provided by Company or similar credit arrangements maintained by the Permitted Borrowers in the ordinary course of business in the countries of their formation, in an amount not to exceed, in the case of CAC UK, Pound Sterling 4,000,000 and in the case of each of the other Permitted Borrowers, $3,000,000, or the equivalent thereof in an Alternative Currency;

(f) such other Debt set forth in Schedule 8.5 attached hereto, if any (in addition to any other matters set forth in this Section 8.5), and any renewals or refinancing of such indebtedness in amounts not exceeding the scheduled amounts (less any required amortization according to the terms thereof) on substantially the same terms and otherwise in compliance with this Agreement;

(g) (i) Intercompany Loans made pursuant to the UK Restructuring, (ii) Intercompany Loans by the Company to any Domestic Subsidiary or by any Domestic

Subsidiary to the Company or another Domestic Subsidiary (excluding the Titling Subsidiary, any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition) made while no Default or Event of Default has occurred and is continuing (both before and after giving effect thereto), provided, however, that any such Intercompany Loan shall be evidenced by and funded under an Intercompany Note which shall be pledged (pursuant to the Security Agreement) to the Agent, in its capacity as Collateral Agent under the Intercreditor Agreement, as security for the Indebtedness, (iii) Intercompany Loans made to the Titling Subsidiary, subject to the limits set forth in Section 8.8(i) and provided, however, that any such Intercompany Loan shall be evidenced by and funded under an Intercompany Note which shall be pledged (pursuant to the Security Agreement) to the Agent, in its capacity as Collateral Agent under the Intercreditor Agreement, as security for the Indebtedness, (iv) Intercompany Loans by the Company or any Domestic Subsidiary to a Foreign Subsidiary (excluding any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition) made while no Default or Event of Default has occurred and is continuing (both before and after giving effect thereto), provided, however, that any such Intercompany Loan shall be evidenced by and funded under an Intercompany Note which shall be pledged (pursuant to the Security Agreement) to the Agent, in its capacity as Collateral Agent under the Intercreditor Agreement, as security for the Indebtedness, and provided, further, that the amount of Intercompany Loans under this clause (iv), when included (without duplication) with Intercompany Loans, Advances and Investments permitted under clause (iii) of Section 8.8(d) hereof, complies with such Section and (v) Intercompany Loans (on a subordinated basis in relation to the Indebtedness on substantially the basis set forth in the form of Intercompany Note, attached hereto) by any Foreign Subsidiary to the Company, another Foreign Subsidiary or a Domestic Subsidiary excluding the Titling Subsidiary, any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition;

(h) Debt incurred by a Special Purpose Subsidiary under, and secured by assets transferred pursuant to, a Permitted Securitization, whether or not attributable to the Company under GAAP;

(i) Debt arising under Hedging Agreements entered into by the Company and/or a Permitted Borrower (copies of which shall be provided to the Agent promptly following the execution thereof and Permitted Guaranties); and

(j) other Debt for borrowed money in an amount not to exceed in the aggregate for the Company and its Subsidiaries at any time outstanding, the sum of Five Million Dollars ($5,000,000) (or the Alternative Currency equivalent thereof), which Debt shall be unsecured except to the extent of any Lien permitted under Section 8.6(d) hereof.

8.6 Liens. Permit or suffer any Lien to exist on any of its properties, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired, except:

(a) in favor of Agent, as security for the Indebtedness and any Liens granted to the holders, to the extent applicable (and subject to the terms of this Agreement), Future Debt

pursuant to Collateral Documents, on an equal and ratable basis with comparable Liens granted to Agent, for and on behalf of the Banks;

(b) purchase money mortgages or security interests in fixed assets to secure purchase money Debt for fixed assets (including Capitalized Leases or other non-cancelable leases having a term of twelve months or longer) not to exceed an aggregate amount, for the Company and its Subsidiaries, incurred while in compliance with this Agreement and the other Loan Documents, of Ten Million Dollars ($10,000,000) (or the Alternative Currency equivalent thereof) at any one time outstanding, provided that each such security interest is created substantially contemporaneously with the acquisition of such fixed assets and does not extend to any property other than the fixed asset so financed, and any renewal or refinancing (subject to the foregoing) of such Debt;

(c) Permitted Liens and any Lien encumbering property interests, rights or proceeds which are the subject of a transfer or encumbrance pursuant to a Permitted Securitization; and

(d) Liens on the property of Company or any of its Subsidiaries other than Advances to Dealers, Leased Vehicles, Installment Contracts, Leases or financial assets or other property related thereto, not otherwise permitted under subparagraphs (a) through (c) of this Section 8.6 if the obligations secured by such Liens do not exceed, in an aggregate amount from time to time outstanding, One Million Dollars ($1,000,000).

8.7 Acquisitions. Other than (i) any Permitted Acquisition, (ii) any transfer to the Company or any Subsidiary of any assets or business or ownership interests by Company or any Subsidiary otherwise permitted by this Agreement or (iii) any acquisition of any rights or property (including without limitation Specified Interests and Non-Specified Interests) pursuant to a Permitted Securitization or pursuant to the UK Restructuring or the Stapled Stock Restructuring, purchase or otherwise acquire or become obligated for the purchase of all or substantially all of the assets or business interests of any Person, firm or corporation, or any shares of stock (or other ownership interests) of any corporation, trusteeship or association, or any business or going concern, or in any other manner effectuate or attempt to effectuate an expansion of present business by acquisition.

8.8 Investments. Make or allow to remain outstanding any Investment in, or any loans or advances to, any Person, firm, corporation or other entity or association, other than:

(a) any loan or other advance by Company or a Subsidiary, as the case may be, to any and all of its officers or employees, as the case may be, in the normal course of business, so long as the aggregate of all such loans or advances by the Company and its Subsidiaries does not exceed Three Million Dollars ($3,000,000) (or the equivalent thereof in an Alternative Currency) at any time outstanding, plus reasonable, reimbursable business and travel expenses;

(b) Permitted Investments at any time outstanding or in effect;

(c) Investments in Company's Subsidiaries existing as of the date of this Agreement;

(d) (i) Intercompany Loans, Advances and Investments made pursuant to the UK Restructuring or the restructuring of the ownership of the Company's Subsidiaries (but without the transfer of any cash or other property other than to the extent necessary, upon formation, to meet minimum capitalization requirements, if any, under applicable law) pursuant to the Stapled Stock Restructuring, as shown on Exhibit R hereto, and Intercompany Loans, Advances and Investments made to the Company or another Subsidiary by a Foreign Subsidiary pursuant to the Stapled Stock Restructuring, (ii) Intercompany Loans, Advances and Investments to or in the Company or any Domestic Subsidiary (excluding the Titling Company, any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition), or any Person that concurrently with such Investment becomes a Domestic Subsidiary, made while no Default or Event of Default has occurred and is continuing, and (iii) Intercompany Loans, Advances and Investments from and after the date hereof to or in any Foreign Subsidiaries while no Default or Event of Default has occurred and is continuing (excluding any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition) or any Person that concurrently with such Investment becomes a Foreign Subsidiary (excluding any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition), in an aggregate amount for all such Intercompany Loans, Advances and Investments under this clause (iii) (expressly excluding those made pursuant to the UK Restructuring or the Stapled Stock Restructuring and Guarantee Obligations in favor of the Banks) at any time outstanding, not to exceed in the aggregate thirty percent (30%) of Company's Consolidated Tangible Net Worth;

(e) Floor Plan Receivables and Notes Receivable in the ordinary course of business;

(f) Advances to Dealers, Leased Vehicles and, subject to the limitation contained in subparagraph (e) of this Section 8.8, receivables arising from the sale or lease of goods and services by the Company or its Subsidiaries, in each case in the ordinary course of business of Company and its Subsidiaries;

(g) Permitted Acquisition(s) and Permitted Merger(s), to the extent any such acquisition or merger shall be deemed to constitute an Investment or any Investment in Program Contracts which is not prohibited by Section 8.18 hereof or in Installment Contracts required to be repurchased by the Company or a Subsidiary under a Program Agreement;

(h) Those Investments set forth on the attached Schedule 8.8;

(i) Intercompany Loans, Advances and Investments by the Company to or in the Titling Subsidiary, each such loan, advance or investment being (x) allocated to the Non-Specified Interest and made by Company in the ordinary course of conducting its leasing business through the Titling Subsidiary, including without limitation any advances or investments made by the Company (acting as administrative agent under the Titling Subsidiary Agreements) to or in the Titling Subsidiary to reacquire Leases and the related leased vehicles as may be required from time to time under the Administrative Agency Agreement, but only to the extent such Leases (and leased vehicles) are allocated to the Non-Specified Interest immediately prior to the making of the related loan, advance or investment or (y) allocated to a Specified

Interest and made pursuant to a Permitted Guaranty under clauses (iii)(B), (C) or (D) of the definition thereof;

(j) Investments in any Subsidiary (including, without limitation, any Special Purpose Subsidiary) from and after the date hereof, consisting of (w) dispositions made pursuant to a Permitted Securitization and the resultant Debt issued by a Special Purpose Subsidiary to another Subsidiary as part of a Permitted Securitization, in each case to the extent constituting Investments hereunder; (x) advances by Company (as servicer or administrative agent) which are permitted under the definition of Permitted Guaranties; (y) the repurchase or replacement from and after the Effective Date hereof of an aggregate amount not to exceed $5,000,000 in Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles) subsequently determined not to satisfy the eligibility standards contained in the applicable Securitization Documents relating to a Permitted Securitization or otherwise required to be repurchased by the applicable Securitization Documents entered into in compliance with the terms of this Agreement, so long as (i) such replacement is accompanied by the repurchase of or release of encumbrances on such financial assets previously transferred or encumbered pursuant to such securitization and in the amount thereof, (ii) any replacement Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles) are selected by Company according to the requirements set forth in clause (a) of the definition of Permitted Securitization and (iii) such replacements are made at a time when (both before and after giving effect thereto) no Default or Event of Default has occurred and is continuing; (z) amounts required to fund any Cleanup Call under the terms of such Permitted Securitization, and (zz) the disposition to the Company or any Subsidiary (other than a Special Purpose Subsidiary) of the capital stock of any Special Purpose Subsidiary; and

(k) Investments, other than those set forth in subparagraphs (a) through (j) above, in an aggregate amount at any time outstanding not to exceed Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency.

In valuing any Investments for the purpose of applying the limitations set forth in this Section 8.8 (except as otherwise expressly provided herein), such Investment shall be taken at the original cost thereof, without allowance for any subsequent write-offs or appreciation or depreciation, but less any amount repaid or recovered on account of capital or principal.

8.9 Accounts Receivable and Other Financial Assets. Except (i) to Agent, in its capacity as Agent for and on behalf of the Banks or in its capacity as Collateral Agent under the Intercreditor Agreement or (ii) pursuant to a Permitted Transfer or pursuant to or (iii) in connection with a Permitted Securitization or a Program Transfer or (iv) pursuant to the UK Restructuring, sell, transfer, or assign or reallocate from the Non-Specified Interest to a Specified Interest any account, note, trade acceptance receivable, lease or other financial asset, unless such sale, transfer, assignment or reallocation has been made in the ordinary course of business or, if not in the ordinary course of business, the sum of (x) the face value of the accounts, notes or trade acceptance receivables, leases or other financial assets proposed to be transferred, plus (y) the face value of the accounts, notes or trade acceptance receivables, leases or other financial assets transferred by the Company and its Subsidiaries, excluding the face value of accounts,

notes or trade acceptance receivables, leases and other financial assets transferred pursuant to clauses (i), (ii), (iii) and (iv) above, since June 30th of the preceding calendar year, does not exceed Fifteen Million Dollars ($15,000,000) or the equivalent thereof in any Alternative Currency; provided, however, that in the case of all sales, transfers, assignments or reallocations permitted under this Section 8.9, no Default or Event of Default shall have occurred and be continuing (both before and after giving effect thereto) and both before and after giving effect to such disposition (and taking into account any reduction in the Indebtedness with the proceeds of such disposition as required hereunder), the Company shall be in compliance with the Borrowing Base Limitation, as confirmed by a Borrowing Base Certificate (and any supporting information reasonably required by the Agent) submitted by the Company not less than five (5) Business Days prior to the date of such disposition, and dated as of the proposed date of such disposition, and by an updated Borrowing Base Certificate (to be provided within 10 Business Days of the date of such disposition).

8.10 Transactions with Affiliates. Enter into any transaction with any of its stockholders or officers or its Affiliates (including without limitation affiliated Dealers), except in the ordinary course of business and on terms not materially less favorable than would be usual and customary in similar transactions between Persons dealing at arm's length.

8.11 No Further Negative Pledges. Enter into or become subject to any agreement (i) prohibiting the guaranteeing by the Company or any Subsidiary of any obligations, (ii) prohibiting the creation or assumption of any lien or encumbrance upon the properties or assets of the Company or any Subsidiary, whether now owned or hereafter acquired, or (iii) requiring an obligation to become secured (or further secured) if another obligation is secured or further secured, other than (A) loan documents evidencing or otherwise related to the Future Debt, the Permitted CAC UK Debt, or unsecured overdraft lines of credit or similar credit arrangements maintained by the Subsidiaries in the ordinary course of business (but limited to the applicable Subsidiary or the property and assets of the applicable Subsidiary), or any purchase money Debt permitted under this Agreement or the other Loan Documents, but only to the extent of the property acquired with the proceeds of such purchase money Debt, and (B) other than pursuant to any Program Agreement, but only to the extent of the Program Contacts to be transferred to the Program Participant thereunder, and (C) other than pursuant to any of the Securitization Documents, but as to any prohibition on the creation or assumption of any lien or encumbrance, only to the extent of the financial assets and the other rights and property transferred or encumbered or otherwise disposed of in connection with the Permitted Securitization covered by such Securitization Documents.

8.12 Prepayment of Debts. Except for Permitted Prepayments and for prepayments of Intercompany Loans made pursuant to the UK Restructuring or in accordance with the form of Intercompany Note, attached hereto, prepay, purchase, redeem or defease any Debt for money borrowed, excluding, subject to the terms hereof, the Indebtedness, and excluding (i) paydowns from time to time of permitted working capital facilities or other revolving debt, (ii) mandatory payments, prepayments or redemptions of Future Debt and (iii) with respect only to Permitted Securitizations, any payment pursuant to a Cleanup Call.

8.13 Amendment of Future Debt Documents. Except with the prior written approval of Agent and the Majority Banks, amend, modify or otherwise alter (or suffer to be amended,

modified or altered) or waive (or permit to be waived) in any material respect, any documents or instruments evidencing or otherwise related to Future Debt so as to shorten the original maturity date or amortization schedule thereof, or amend, modify or otherwise alter (or suffer to be amended, modified or altered) any documents or instruments evidencing or otherwise related to Future Debt to include (or enter into any Future Debt Documents which include) any covenants or other provisions that require, for the amendment of any term or provision of this Agreement, or the waiver of any term or provision hereof, the approval or consent of any other creditor of the Company; provided, however, that, solely for purposes of this Section 8.13, any Bank which fails, within fifteen (15) Business Days of receipt of a written notice from Company of its intent to make such amendment, modification or alteration (or waiver) in respect of the Future Debt, (accompanied by a summary, in reasonable detail, of the proposed terms and conditions thereof, captioned "notice of intent to amend Future Debt" and stating that approval is deemed to be given if an objection is not made within fifteen (15) Business Days of receipt of such notice), to object in writing to such action shall be deemed to have given its approval of such amendment, modification, alteration or waiver.

8.14 Amendment of Subordinated Debt Documents. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) any of the material terms and conditions of those documents or instruments evidencing or otherwise related to Subordinated Debt (once approved by the requisite Banks) or waive (or permit to be waived) any such provision thereof in any material respect, without the prior written approval of Agent and the Majority Banks. For purposes of those documents and instruments evidencing or otherwise related to the Subordinated Debt, any increase in the original interest rate or principal amount, any shortening of the original amortization, any change in any default, remedial or other repayment terms, any change in or waiver of conditions contained therein which are required under or necessary for compliance with this Agreement or the other Loan Documents or any change in the subordination provisions contained therein, shall (without reducing the scope of this Section 8.14) be deemed to be material.

8.15 Limitation on Dividends. Declare, make or otherwise set apart, directly or indirectly, any funds or other property for, or incur any liability to make any dividend or other distribution, direct or indirect and whether payable in cash or property, on account of any capital stock or other equity interest of the Company or any of its Subsidiaries, except to the extent that any such dividend or distribution (i) is payable to the Company or any of its Subsidiaries or (ii) is payable solely in capital stock or other equity interests of the Company or any such Subsidiary (other than any Special Purpose Subsidiary), unless, at the time of such action (and giving effect thereto) no Default or Event of Default has occurred and is continuing.

8.16 Securitization Transaction; Amendments to Securitization Documents. Engage in a Securitization Transaction, other than a Permitted Securitization and, except in connection with a Permitted Securitization, assign and transfer any financial assets to a Securitized Pool or allocate or reallocate Leases, Leased Vehicles or other financial assets to a Specified Interest, and once executed and delivered pursuant to a Permitted Securitization, amend, modify or otherwise alter any of the material terms and conditions of any Securitization Documents or waive (or permit to be waived) any such provision thereof in any material respect, adverse to the Company or any Subsidiary, without the prior written approval of Agent and the Majority Banks. For purposes of the Securitization Documents, the "material terms and conditions" thereof shall

be deemed solely those terms or conditions with respect to servicer fees, servicer expenses, defaults, events of default, recourse to the Company or any Subsidiary (other than a Special Purpose Subsidiary), Cleanup Calls or conditions contained therein which are required under or necessary for compliance with this Agreement.

8.17 Amendments to Titling Subsidiary Agreements. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) in any material respect adverse to the Banks, any of the Titling Subsidiary Agreements or any other documents or instruments relating to the establishment or operation of the Titling Subsidiary. For purposes of such documents or instruments, any amendments to or changes in the provisions relating to the creation or transfer of Specified Interests and the allocation or reallocation of financial assets or other property thereto, and any amendment, modification, resignation or removal whereby the Company shall cease to be the founding member of or otherwise cease to control the Titling Subsidiary or cease to be the administrative agent under the Administrative Agency Agreement shall (without reducing the scope of this Section 8.13) be deemed to be materially adverse to the Banks.

8.18 Program Agreements. (a) Amend, modify or otherwise alter (or suffer to be amended, modified or altered), any Program Agreement or any other document or instrument relating thereto unless (i) not less than three (3) Business Days prior to the effective date of any such amendment or modification, Company has provided written notice to Agent (accompanied by a copy of any such proposed amendment or modification and reasonable supporting information) and (ii) any such amendment, modification or alteration could not reasonably be expected to have a Material Adverse Effect (as reasonably determined by the Agent) or is approved by the Majority Banks; and

(a) make an Investment or otherwise provide funds, directly or indirectly, in an aggregate amount at any time outstanding in excess of $2,000,000 to Company's Dealers in connection with the origination of Program Contracts or Program Transfers, except to the extent such funds are obtained, in cash, from the applicable Program Participant prior to any such Investment or other provision of funds, or make any commitment to a Program Participant to do so.

9. DEFAULTS

9.1 Events of Default. Any of the following events is an "Event of Default":

(a) non-payment of the principal or interest, when due, under any of the Notes issued hereunder, or of any Letter of Credit Obligation in accordance with the terms thereof;

(b) Default in the payment of any money by Company or the Permitted Borrowers under this Agreement (other than as set forth in subsection (a), above), within three (3) days of the date the same is due and payable;

(c) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement or any of the other Loan Documents by any party thereto (provided that, with respect to the covenants set forth in Sections 7.9, 7.11, 7.14, 7.15 and 7.16(a) hereof, such event has continued for thirty (30) consecutive days) or the occurrence of any other default or event of default, as the case may be, hereunder or thereunder;

(d) any representation or warranty made or deemed made by Company or a Permitted Borrower herein or in any instrument submitted pursuant hereto or by any other party to the Loan Documents proves untrue in any material adverse respect when made or deemed made;

(e) any provision of the Company Guaranty, the Domestic Guaranty or the Foreign Guaranty or any of the Collateral Documents shall at any time for any reason (other than in accordance with its terms or the terms of this Agreement) cease to be valid and binding and enforceable against the Company, or any Significant Subsidiary which is a party thereto, as applicable, or the validity, binding effect or enforceability thereof shall be contested by any Person, or the Company, or any Significant Subsidiary which is a party thereto shall deny that it has any or further liability or obligation under the Company Guaranty, the Domestic Guaranty or the Foreign Guaranty or any of the Collateral Documents, as applicable, or the Company Guaranty, the Domestic Guaranty or the Foreign Guaranty or any of the Collateral Documents shall be terminated, invalidated, revoked or set aside or in any way cease to give or provide to the Banks and the Agent the benefits purported to be created thereby;

(f) default in the payment of any other obligation of Company, its Subsidiaries or any of the Permitted Borrowers for borrowed money in an aggregate amount in excess of Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency; or default in the observance or performance of any conditions, covenants or agreements related or given with respect to any other obligations for borrowed money in an aggregate amount in excess of Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency, sufficient to permit the holder thereof to accelerate the maturity of such obligation or, with respect to the Securitization Documents, (i) the occurrence (beyond any applicable period of grace or cure) of any "servicer event of default" thereunder or (ii) the occurrence of any other default (beyond any applicable period of grace or cure) by Company or any of its Subsidiaries, including any Special Purpose Subsidiary, under the Securitization Documents, which can be reasonably expected to result in recourse liability against the Company or any of its Subsidiaries (other than a Special Purpose Subsidiary) in an aggregate amount exceeding $5,000,000 or, with respect to the Administrative Agency Agreement, the occurrence (beyond any applicable period of grace or cure) of any "administrative agent event of default" thereunder relating to or otherwise enforceable by the holder of a Specified Interest.

(g) a final judgment or final judgments for the payment of money aggregating in excess of Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency, shall be outstanding against any one or more of the Company and its Subsidiaries and any one of such judgments shall have been outstanding for more than thirty (30) days from the date of its entry, except to the extent that any such judgment is being contested in good faith by appropriate proceedings which provide for a stay of any enforcement action against the Company or such Subsidiary during the pendency of such proceedings and for which adequate reserves have been established and where nonpayment of such judgment could not reasonably be expected to have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole;

(h) any Person shall engage in any Prohibited Transaction involving any Pension Plan, (ii) any accumulated funding deficiency (as defined in Section 6.18 hereof),

whether or not waived, shall exist with respect to any Pension Plan or any Lien in favor of the PBGC or a Pension Plan shall arise on the assets of the Company or any ERISA Affiliate, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed or a trustee shall be appointed to administer, or to terminate, any Single Employer Plan, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA or (v) the Company or any ERISA Affiliate shall, or in the reasonable opinion of the Majority Banks is likely to, incur any liability in connection with a withdrawal from, or the insolvency, bankruptcy or reorganization of, a Multiemployer Plan and in each case in clauses (i) through (v) above, (x) a period of sixty (60) days, or more, has elapsed from the occurrence of such event or condition and (y) such event or condition, together with all other such events or conditions, if any, could reasonably be expected to subject the Company or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Company and its Subsidiaries taken as a whole;

(i) (a) Any Person or group of Persons (within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended), other than Donald Foss, his wife and children or trust(s) established for his or their benefit, shall acquire beneficial ownership (within the meaning of Rule 13d-3 promulgated under such Act) of more than 50% of the outstanding securities (on a fully diluted basis and taking into account any securities or contract rights exercisable, exchangeable or convertible into equity securities) of the Company having voting rights in the election of directors under normal circumstances; or (b) a majority of the members of the Board of Directors of the Company shall cease to be Continuing Members. For purposes of the foregoing; "Continuing Member" means a member of the Board of Directors of the Company who either (i) was a member of the Company's Board of Directors on the Effective Date and has been such continuously thereafter or (ii) became a member of such Board of Directors after the Effective Date and whose election or nomination for election was approved by a vote of the majority of the Continuing Members who are then members of the Company's Board of Directors; or (c) there shall occur a "Change in Control" (or equivalent event thereunder) under the documents relating to any Future Debt then outstanding; or

(j) a receiver, liquidator, custodian or trustee of the Company or any Subsidiary, or of all or any part of the property of the Company or any Subsidiary, shall be appointed by court order and such order shall remain in effect for more than sixty (60) days, or an order for relief shall be entered with respect to the Company or any Subsidiary, or the Company or any Subsidiary shall be adjudicated a bankrupt or insolvent; or any of the property of the Company or any Subsidiary shall be sequestered by court order and such order shall remain in effect for more than sixty (60) days; or a petition shall be filed against the Company or any Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and shall not be dismissed within sixty (60) days after such filing; or the Company or any Subsidiary shall file a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or shall consent to the filing of any petition against it under any such law; or the Company or any Subsidiary shall make an assignment for the benefit of its creditors, or shall admit in writing its inability, or shall fail, to pay its debts generally as they become due, or shall consent to the appointment of a receiver,

liquidator or trustee of the Company or any Subsidiary or of all or any part of the property of the Company or any Subsidiary.

9.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (a) the Agent shall, if directed to do so by the Majority Banks, declare any commitment of the Banks to extend credit hereunder immediately terminated; (b) the Agent shall, if directed to do so by the Majority Banks, declare the entire unpaid Indebtedness, including the Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by Company and the Permitted Borrowers; (c) upon the occurrence of any Event of Default specified in Section 9.1(j) above, and notwithstanding the lack of any declaration by Agent under the preceding clause (a) or (b), the Banks' commitments to extend credit hereunder shall immediately and automatically terminate and the entire unpaid Indebtedness, including the Notes, shall become automatically due and payable without presentment, notice or demand; (d) the Agent shall, upon being directed to do so by the Majority Banks, demand immediate delivery of cash collateral, and the Company and each Account Party agree to deliver such cash collateral upon demand, in an amount equal to the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, and (e) the Agent shall, if directed to do so by the Majority Banks or the Banks, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the other Loan Documents, including without limitation any of the Collateral Documents.

9.3 Rights Cumulative. No delay or failure of Agent and/or Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other power, right or privilege. The rights of Banks under this Agreement are cumulative and not exclusive of any right or remedies which Banks would otherwise have.

9.4 Waiver by Company and Permitted Borrowers of Certain Laws. To the extent permitted by applicable law, Company and each of the Permitted Borrowers hereby agree to waive, and do hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any valuation, stay, appraisement, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, AND FURTHER HEREBY IRREVOCABLY AGREE TO WAIVE THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY AND ALL ACTIONS OR PROCEEDINGS IN WHICH AGENT OR THE BANKS (OR ANY OF THEM), ON THE ONE HAND, AND THE COMPANY OR ANY OF THE PERMITTED BORROWERS, ON THE OTHER HAND, ARE PARTIES, WHETHER OR NOT SUCH ACTIONS OR PROCEEDINGS ARISE OUT OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, OR OTHERWISE. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

9.5 Waiver of Defaults. No Event of Default shall be waived by the Banks except in a writing signed by an officer of the Agent in accordance with Section 13.11 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude any other or further exercise of the Banks' rights by Agent. No waiver of any Event of Default shall extend to any other or further Event of Default. No forbearance on the part

of the Agent in enforcing any of the Banks' rights shall constitute a waiver of any of their rights. Company and the Permitted Borrowers expressly agree that this Section may not be waived or modified by the Banks or Agent by course of performance, estoppel or otherwise.

9.6 Cross-Default. In addition to the other Events of Default specified herein, any failure to perform and discharge when due, after allowance for any applicable cure period, any of the obligations, covenants and agreements required to be performed under the provisions of any instruments securing any other present and future borrowings of Company or the Permitted Borrowers from the Banks (or from Agent) in renewal or extension of, or related to, this Agreement or any of the other Loan Documents, or any security agreements in relation thereto, shall be an Event of Default under the provisions of this Agreement entitling Agent, at the direction or with the concurrence of the Majority Banks (without notice or any cure period except as expressly provided herein or therein), to exercise any and all rights and remedies provided hereby. Any Event of Default shall also constitute a default under all other instruments securing this or any other present or future borrowings, or any agreements in relation thereto, entitling Agent and the Banks to exercise any and all rights and remedies provided therein.

10. PAYMENTS, RECOVERIES AND COLLECTIONS.

10.1 Payment Procedure.

(a) All payments by Company and/or by any of the Permitted Borrowers of principal of, or interest on the Revolving Credit Notes or the Swing Line Notes or of Letter of Credit Obligations or Fees shall be made without setoff or counterclaim on the date specified for payment under this Agreement not later than 11:00 a.m. (Detroit time) in Dollars in immediately available funds to Agent, for the ratable account of the Banks, at Agent's office located at One Detroit Center, Detroit, Michigan 48226, in respect of Domestic Advances or Fees payable in Dollars. Payments made in respect of any Advance in any Alternative Currency or any Fees payable in any Alternative Currency shall be made in such Alternative Currency in immediately available funds for the account of Agent's Eurocurrency Lending Office, at the Agent's Correspondent, for the ratable account of the Banks, not later than 11:00 a.m. (the time of Agent's Correspondent). Upon receipt of each such payment, the Agent shall make prompt payment to each Bank, or, in respect of Eurocurrency-based Advances, such Bank's Eurocurrency Lending Office, in like funds and currencies, of all amounts received by it for the account of such Bank.

(b) Unless the Agent shall have been notified by the Company prior to the date on which any payment to be made by the Company or any of the Permitted Borrowers is due that the Company or such Permitted Borrower does not intend to remit such payment, the Agent may, in its discretion, assume that the Company or such Permitted Borrower has remitted such payment when so due and the Agent may, in reliance upon such assumption, make available to each Bank on such payment date an amount equal to such Bank's share of such assumed payment. If the Company or any of the Permitted Borrowers has not in fact remitted such payment to the Agent, each Bank shall forthwith on demand repay to the Agent in the applicable currency the amount of such assumed payment made available to such Bank, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Bank to the date such amount is repaid to the Agent at a rate per

annum equal to (i) for Prime-based Advances, the federal funds rate (daily average), as the same may vary from time to time, and (ii) with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent) of carrying such amount.

(c) Whenever any payment to be made hereunder (other than payments in respect of any Eurocurrency-based Advance or a Quoted Rate Advance) shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment. Whenever any payment of principal of, or interest on, a Eurocurrency-based Advance or a Quoted Rate Advance shall be due on a day which is not a Business Day the date of payment thereof shall be extended to the next succeeding Business Day unless as a result thereof it would fall in the next calendar month, in which case it shall be shortened to the next preceding Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended or shortened time, if any.

(d) All payments to be made by the Company or the Permitted Borrowers under this Agreement or any of the Notes (including without limitation payments under the Swing Line Notes) shall be made without set-off or counterclaim, as aforesaid, and without deduction for or on account of any present or future withholding or other taxes of any nature imposed by any governmental authority or of any political subdivision thereof or any federation or organization of which such governmental authority may at the time of payment be a member, unless Company or any of the Permitted Borrowers, as the case may be, is compelled by law to make payment subject to such tax. In such event, Company and such Permitted Borrower shall:

(i) pay to the Agent for Agent's own account and/or, as the case may be, for the account of the Banks (and, in the case of any Swing Line Advances, pay to the Swing Line Bank which funded such Advances) such additional amounts as may be necessary to ensure that the Agent and/or such Bank or Banks receive a net amount in the applicable Permitted Currency equal to the full amount which would have been receivable had payment not been made subject to such tax; and

(ii) remit such tax to the relevant taxing authorities according to applicable law, and send to the Agent or the applicable Bank (including the Swing Line Bank) or Banks, as the case may be, such certificates or certified copy receipts as the Agent or such Bank or Banks shall reasonably require as proof of the payment by the Company or such Permitted Borrower of any such taxes payable by the Company or such Permitted Borrower.

As used herein, the terms "tax", "taxes" and "taxation" include all taxes, levies, imposts, duties, charges, fees, deductions and withholdings and any restrictions or conditions resulting in a charge together with interest thereon and fines and penalties with respect thereto which may be imposed by reason of any violation or default with respect to the law regarding such tax, assessed as a result of or in connection with the transactions in any Alternative Currency hereunder, or the payment and/or receipt of funds in any Alternative Currency hereunder, or the

payment or delivery of funds into or out of any jurisdiction other than the United States (whether assessed against Company, the Permitted Borrower, Agent or any of the Banks).

10.2 Application of Proceeds. Notwithstanding anything to the contrary in this Agreement, after an Event of Default, the proceeds of any offsets, voluntary payments by the Company or the Permitted Borrowers or others, the proceeds of any Collateral and any other sums received or collected in respect of the Indebtedness (net of Agent's reasonable costs and expenses), shall be applied, first, to Indebtedness evidenced by the Notes or under Hedging Agreements in such order and manner as determined by the Majority Banks (subject, however, to the applicable Percentages of the Revolving Credit held by each of the Banks and provided, however, that the maximum amount of those proceeds which may be applied to Indebtedness in respect of Hedging Agreements shall not exceed the maximum amount of the Hedging Reserve stated in the definition thereof), next, to any other Indebtedness on a pro rata basis, and then, if there is any excess, to the Company or the Permitted Borrowers, as the case may be. The application of such proceeds and other sums to the applicable Indebtedness shall be based on each Bank's Percentage of such Indebtedness.

10.3 Pro-rata Recovery. If any Bank shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise) on account of principal of, or interest on, any of the Notes (or on account of its participation in any Letter of Credit) in excess of its pro rata share of payments then or thereafter obtained by all Banks upon principal of and interest on all Notes (or such participation), such Bank shall purchase from the other Banks such participations in the Notes (or subparticipations in the Letters of Credit) held by them as shall be necessary to cause such purchasing Bank to share the excess payment or other recovery ratably in accordance with the Percentages of the Revolving Credit with each of them; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

10.4 Deposits and Accounts. In addition to and not in limitation of any rights of any Bank or other holder of any of the Notes under applicable law, each Bank and each other such holder shall, upon acceleration of the indebtedness under the Notes and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Notes owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Company or the Permitted Borrowers then or thereafter with such Bank or other holder; provided, however, that any such amount so applied by any Bank or other holder on any of the Notes owing to it shall be subject to the provisions of Section 10.3 hereof.

11. CHANGES IN LAW OR CIRCUMSTANCES; INCREASED COSTS.

11.1 Reimbursement of Prepayment Costs. If Company or any Permitted Borrower makes any payment of principal with respect to any Eurocurrency-based Advance or Quoted Rate Advance on any day other than the last day of the Interest Period applicable thereto (whether voluntarily, by acceleration, or otherwise), or converts or refunds (or attempts to convert or refund) any such Advance; or if Company or any Permitted Borrower fails to borrow, refund or convert into any Eurocurrency-based Advance or Quoted Rate Advance after notice has been given by Company or such Permitted Borrower to Agent in accordance with the terms

hereof requesting such Advance, or if Company or any Permitted Borrower fails to make any payment of principal or interest in respect of a Eurocurrency-based Advance or Quoted Rate Advance when due, Company shall reimburse Agent and Banks, as the case may be, on demand for any resulting loss, cost or expense incurred by Agent and Banks, as the case may be as a result thereof, including, without limitation, any such loss, cost or expense incurred in obtaining, liquidating, employing or redeploying deposits from third parties, whether or not Agent and Banks, as the case may be, shall have funded or committed to fund such Advance. Such amount payable by Company to Agent and Banks, as the case may be may include, without limitation, an amount equal to the excess, if any, of (a) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, refunded or converted, for the period from the date of such prepayment or of such failure to borrow, refund or convert, through the last day of the relevant Interest Period, at the applicable rate of interest for said Advance(s) provided under this Agreement, over (b) the amount of interest (as reasonably determined by Agent and Banks, as the case may be) which would have accrued to Agent and Banks, as the case may be, on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurocurrency market. Calculation of any amounts payable to any Bank under this paragraph shall be made as though such Bank shall have actually funded or committed to fund the relevant Advance through the purchase of an underlying deposit in an amount equal to the amount of such Advance and having a maturity comparable to the relevant Interest Period; provided, however, that any Bank may fund any Eurocurrency-based Advance or Quoted Rate Advance, as the case may be, in any manner it deems fit and the foregoing assumptions shall be utilized only for the purpose of the calculation of amounts payable under this paragraph. Upon the written request of Company, Agent and Banks shall deliver to Company a certificate setting forth the basis for determining such losses, costs and expenses, which certificate shall be conclusively presumed correct, absent manifest error.

11.2 Eurocurrency Lending Office. For any Advance to which the Eurocurrency-based Rate is applicable, if Agent or a Bank, as applicable, shall designate a Eurocurrency Lending Office which maintains books separate from those of the rest of Agent or such Bank, Agent or such Bank, as the case may be, shall have the option of maintaining and carrying the relevant Advance on the books of such Eurocurrency Lending Office.

11.3 Availability of Alternative Currency. The Agent and the Banks shall not be required to make any Advance in an Alternative Currency if, at any time prior to making such Advance, the Agent or the Majority Banks (after consultation with Agent) shall determine, in its or their sole discretion, that (i) deposits in the applicable Alternative Currency in the amounts and maturities required to fund such Advance will not be available to the Agent and the Banks; (ii) a fundamental change has occurred in the foreign exchange or interbank markets with respect to the applicable Alternative Currency (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls); or (iii) it has become otherwise materially impractical for the Agent or the Banks, as applicable, to make such Advance in the applicable Alternative Currency. The Agent or the applicable Bank, as the case may be, shall promptly notify the Company and Banks of any such determination.

11.4 Refunding Advances in Same Currency. If pursuant to any provisions of this Agreement, the Company or any of the Permitted Borrowers repays one or more Advances and

on the same day borrows an amount in the same currency, the Agent (or the Swing Line Bank, in the case of a Swing Line Advance) shall apply the proceeds of such new borrowing to repay the principal of the Advance or Advances being repaid and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be remitted by the Agent to the Company or such Permitted Borrower, or by the Company or such Permitted Borrower to the Agent, as the case may be.

11.5 Circumstances Affecting Eurocurrency-based Rate Availability. If with respect to any Interest Period, Agent or the Majority Banks (after consultation with Agent) shall determine that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in eurodollars or in any applicable Alternative Currency, as the case may be, in the applicable amounts are not being offered to the Agent or such Banks for such Interest Period, then Agent shall forthwith give notice thereof to the Company and the Permitted Borrowers. Thereafter, until Agent notifies Company and the Permitted Borrowers that such circumstances no longer exist, (i) the obligation of Banks to make Eurocurrency-based Advances (other than in any applicable Alternative Currency with respect to which deposits are available, as required hereunder), and the right of Company and the Permitted Borrowers to convert an Advance to or refund an Advance as a Eurocurrency-based Advance, as the case may be (other than in any applicable Alternative Currency with respect to which deposits are available, as required hereunder), shall be suspended, and (ii) the Company and the Permitted Borrowers shall repay in full (or cause to be repaid in full) the then outstanding principal amount of each such Eurocurrency-based Advance covered hereby in the applicable Permitted Currency, together with accrued interest thereon, any amounts payable under Sections 11.1 and 11.8 hereof, and all other amounts payable hereunder on the last day of the then current Interest Period applicable to such Advance. Upon the date for repayment as aforesaid and unless Company notifies Agent to the contrary within two (2) Business Days after receiving a notice from Agent pursuant to this Section, such outstanding principal amount shall be converted to a Prime-based Advance as of the last day of such Interest Period.

11.6 Laws Affecting Eurocurrency-based Advance Availability. If, after the date of this Agreement, the introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Banks (or any of their respective Eurocurrency Lending Offices) to honor its obligations hereunder to make or maintain any Advance with interest at the Eurocurrency-based Rate, or in an Alternative Currency, such Bank shall forthwith give notice thereof to Company and to Agent. Thereafter, (a) the obligations of Banks to make Eurocurrency-based Advances or Advances in any such Alternative Currency and the right of Company or any Permitted Borrower to convert an Advance into or refund an Advance as a Eurocurrency-based Advance or as an Advance in any such Alternative Currency shall be suspended and thereafter Company and the Permitted Borrowers may select as Applicable Interest Rates or as Alternative Currencies only those which remain available and which are permitted to be selected hereunder, and (b) if any of the Banks may not lawfully continue to maintain an Advance to the end of the then current Interest Period applicable thereto as a Eurocurrency-based Advance or in such Alternative Currency, the applicable Advance shall immediately be converted to a Prime-based Advance (in the Dollar

Amount thereof) and the Prime-based Rate shall be applicable thereto for the remainder of such Interest Period. For purposes of this Section, a change in law, rule, regulation, interpretation or administration shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation or administration presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation or administration.

11.7 Increased Cost of Eurocurrency-based Advances. If the adoption after the date of this Agreement of, or any change after the date of this Agreement in, any applicable law, rule or regulation of or in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) made by any such authority, central bank or comparable agency after the date hereof:

(a) shall subject any of the Banks (or any of their respective Eurocurrency Lending Offices) to any tax, duty or other charge with respect to any Advance or any Note or shall change the basis of taxation of payments to any of the Banks (or any of their respective Eurocurrency Lending Offices) of the principal of or interest on any Advance or any Note or any other amounts due under this Agreement in respect thereof (except for changes in the rate of tax on the overall net income of any of the Banks or any of their respective Eurocurrency Lending Offices imposed by the jurisdiction in which such Bank's principal executive office or Eurocurrency Lending Office is located); or

(b) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any of the Banks (or any of their respective Eurocurrency Lending Offices) or shall impose on any of the Banks (or any of their respective Eurocurrency Lending Offices) or the foreign exchange and interbank markets any other condition affecting any Advance or any of the Notes;

and the result of any of the foregoing is to increase the costs to any of the Banks of maintaining any part of the Indebtedness hereunder as a Eurocurrency-based Advance or as an Advance in any Alternative Currency or to reduce the amount of any sum received or receivable by any of the Banks under this Agreement or under the Notes in respect of a Eurocurrency-based Advance or any Advance in an Alternative Currency, whether with respect to Advances to Company or to any of the Permitted Borrowers, then such Bank shall promptly notify Agent (or, in the case of a Swing Line Advance, shall notify Company and the applicable Permitted Borrower directly, with a copy of such notice to Agent), and Agent (or such Bank, as aforesaid) shall promptly notify Company and Permitted Borrowers of such fact and demand compensation therefor and, within fifteen (15) days after such notice, Company agrees to pay to such Bank such additional amount or amounts as will compensate such Bank or Banks for such increased cost or reduction. Agent will promptly notify Company and the Permitted Borrowers of any event of which it has knowledge which will entitle Banks to compensation pursuant to this Section, or which will cause Company or Permitted Borrowers to incur additional liability under Sections 11.1 and 11.8 hereof, provided that Agent shall incur no liability whatsoever to the Banks, Company or

Permitted Borrowers in the event it fails to do so. A certificate of Agent (or such Bank, if applicable) setting forth the basis for determining such additional amount or amounts necessary to compensate such Bank or Banks shall be conclusively presumed to be correct save for manifest error. For purposes of this Section, a change in law, rule, regulation, interpretation, administration, request or directive shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation, administration, request or directive presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation, administration, request or directive.

11.8 Indemnity. The Company will indemnify Agent and each of the Banks against any loss or expense which may arise or be attributable to the Agent's and each Bank's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Advances (a) as a consequence of any failure by the Company or any of the Permitted Borrowers to make any payment when due of any amount due hereunder in connection with a Eurocurrency-based Advance, (b) due to any failure of the Company or any Permitted Borrower to borrow, refund or convert on a date specified therefor in a Request for Advance or request for Swing Line Advance or (c) due to any payment, prepayment or conversion of any Eurocurrency-based Advance on a date other than the last day of the Interest Period for such Advance. Such loss or expense shall be calculated based upon the present value, as applicable, of payments due from the Company or such Permitted Borrower with respect to a deposit obtained by the Agent or any of the Banks in order to fund such Advance to the Company or to such Permitted Borrower. The Agent's and each Bank's, as applicable, calculations of any such loss or expense shall be furnished to the Company and shall be conclusive, absent manifest error.

11.9 Judgment Currency. The obligation of the Company and Permitted Borrowers to make payments of the principal of and interest on the Notes and any other amounts payable hereunder in the currency specified for such payment herein or in the Notes shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any other currency, except to the extent that such tender or recovery shall result in the actual receipt by each of the Banks of the full amount of the particular Permitted Currency expressed to be payable herein or in the Notes. The Agent (or the Swing Line Bank, as applicable) shall, using all amounts obtained or received from the Company and from Permitted Borrowers pursuant to any such tender or recovery in payment of principal of and interest on the Notes, promptly purchase the applicable Permitted Currency at the most favorable spot exchange rate determined by the Agent to be available to it. The obligation of the Company and the Permitted Borrowers to make payments in the applicable Permitted Currency shall be enforceable as an alternative or additional cause of action solely for the purpose of recovering in the applicable Permitted Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Permitted Currency expressed to be payable herein or in the Notes.

11.10 Other Increased Costs. In the event that at any time after the date of this Agreement any change in law such as described in Section 11.7 hereof, shall, in the opinion of the Agent or any of the Banks (as certified to Agent in writing by such Bank) require that the Revolving Credit, the Swing Line, or any other Indebtedness or commitment under this Agreement or any of the other Loan Documents be treated as an asset or otherwise be included for purposes of calculating the appropriate amount of capital to be maintained by each of the

Banks or any corporation controlling such Banks, as the case may be (or shall increase the amount of capital required under such law, as of the date hereof, to be so maintained), the Agent, in consultation with the Banks, shall notify the Company. The Company and the Agent shall thereafter negotiate in good faith an agreement to increase the Revolving Credit Facility Fee, or other fees payable to the Agent, for the benefit of the Banks under this Agreement, which in the opinion of the Agent (in consultation with the Banks), will adequately compensate the Banks for the costs associated with such change in law. If such increase is approved in writing by the Company within thirty (30) days from the date of the notice to the Company from the Agent, the Revolving Credit Facility Fee or other fees (if applicable) payable by the Company under this Agreement shall, effective from the date of such agreement, include the amount of such agreed increase. If the Company and the Agent (in consultation with the Banks) are unable to agree on such an increase within thirty (30) days from the date of the notice to the Company, the Company shall have the option, exercised by written notice to the Agent within forty-five (45) days from the date of the aforesaid notice to the Company from the Agent, to terminate the Revolving Credit and the Swing Line, as the case may be, or other commitments if applicable, in which event, all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full. If (a) the Company and the Agent (in consultation with the Banks) fail to agree on an increase in the Revolving Credit Facility Fee or other fees (if applicable), and (b) the Company fails to give timely notice that it has elected to exercise its option to terminate the Revolving Credit or other commitments, if applicable, as set forth above, then the Revolving Credit and the Swing Line, and such other commitments shall automatically terminate as of the last day of the aforesaid forty-five (45) day period, in which event all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full.

11.11 Right of Banks to Fund through Branches and Affiliates. Each Bank (including without limitation the Swing Line Bank) may, if it so elects, fulfill its commitment as to any Advance hereunder by designating a branch or Affiliate of such Bank to make such Advance; provided that (a) such Bank shall remain solely responsible for the performances of its obligations hereunder and (b) no such designation shall result in any material increased costs to the applicable Borrower. Comerica Bank, in its capacity as a Bank and as Swing Line Bank, hereby designates its Canadian Affiliate to make Advances hereunder in C$.

12. AGENT

12.1 Appointment of Agent. Each Bank and the holder of each Note appoints and authorizes Agent to act on behalf of such Bank or holder under the Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Bank agrees (which agreement shall survive any termination of this Agreement) to reimburse Agent for all reasonable out-of-pocket expenses (including house and outside attorneys' fees) incurred by Agent hereunder or in connection herewith or with an Event of Default or in enforcing the obligations of Company or any of the Permitted Borrowers under this Agreement or the other Loan Documents or any other instrument executed pursuant hereto, and for which Agent is not reimbursed by Company or such Permitted Borrower, pro rata according to such Bank's Percentage, but excluding any such expenses resulting from Agent's gross negligence or willful misconduct. Agent shall not be required to take any action under the Loan Documents, or to prosecute or defend any suit in respect of the Loan Documents, unless

indemnified to its satisfaction by the Banks against loss, costs, liability and expense (excluding liability resulting from its gross negligence or willful misconduct). If any indemnity furnished to Agent shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

12.2 Deposit Account with Agent. Each of Company and the Permitted Borrowers hereby authorizes Agent to charge its general deposit account, if any, maintained with Agent for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same becomes due and payable under the terms of this Agreement or the Notes.

12.3 Exculpatory Provisions. Agent agrees to exercise its rights and powers, and to perform its duties, as Agent hereunder and under the other Loan Documents in accordance with its usual customs and practices in bank-agency transactions, but only upon and subject to the express terms and conditions of this Section 12 (and no implied covenants or other obligations shall be read into this Agreement against the Agent); neither Agent nor any of its directors, officers, employees or agents shall be liable to any Bank for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith, except for its or their own willful misconduct or gross negligence, nor be responsible for any recitals or warranties herein or therein, or for the effectiveness, enforceability, validity or due execution of this Agreement or any document executed pursuant hereto, or any security thereunder, or to make any inquiry respecting the performance by Company, any of its Subsidiaries or any of the Permitted Borrowers of its obligations hereunder or thereunder. Agent shall not have, or be deemed to have, a fiduciary relationship with any Bank by reason of this Agreement. Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which it believes to be genuine and to have been presented by a proper person.

12.4 Successor Agents. Agent may resign as such at any time upon at least 30 days prior notice to Company and all Banks. If Agent at any time shall resign or if the office of Agent shall become vacant for any other reason, Majority Banks shall, by written instrument, appoint a successor Agent (consisting of the Syndication Agent, or of any other Bank or financial institution satisfactory to such Majority Banks) which shall thereupon become Agent hereunder and shall be entitled to receive from the prior Agent such documents of transfer and assignment as such successor Agent may reasonably request. Such successor Agent shall succeed to all of the rights and obligations of the retiring Agent as if originally named. The retiring Agent shall duly assign, transfer and deliver to such successor Agent all moneys at the time held by the retiring Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed. Upon such succession of any such successor Agent, the retiring agent shall be discharged from its duties and obligations hereunder, except for its gross negligence or willful misconduct arising prior to its retirement hereunder, and the provisions of this Section 12 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

12.5 Loans by Agent. Agent shall have the same rights and powers with respect to the credit extended by it and the Notes held by it as any Bank and may exercise the same as if it were not Agent, and the term "Bank" and, when appropriate, "holder" shall include Agent in its individual capacity.

12.6 Credit Decisions. Each Bank acknowledges that it has, independently of Agent and each other Bank and based on the financial statements of Company, the Permitted Borrowers and the Subsidiaries and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Bank also acknowledges that it will, independently of Agent and each other Bank and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any document executed pursuant hereto.

12.7 Notices by Agent. Agent shall give prompt notice to each Bank of its receipt of each notice or request required or permitted to be given to Agent by Company or a Permitted Borrower pursuant to the terms of this Agreement and shall promptly distribute to the Banks any reports received from the Company or any of its Subsidiaries or any of the Permitted Borrowers under the terms hereof, or other material information or documents received by Agent, in its capacity as Agent, from the Company, its Subsidiaries or the Permitted Borrowers.

12.8 Agent's Fees. Commencing on July 1, 2001 and on the first day of each calendar quarter thereafter until the Indebtedness has been repaid and no commitment to fund any loan hereunder is outstanding, the Company and the Permitted Borrower, jointly and severally, shall pay to Agent an agency fee set forth (or to be set forth from time to time) in a letter agreement between or among Company, Permitted Borrowers and Agent. The Agent's Fees described in this Section 12.8 shall not be refundable under any circumstances.

12.9 Nature of Agency. The appointment of Agent as agent is for the convenience of Banks, Company and the Permitted Borrowers in making Advances of the Revolving Credit or any other Indebtedness of Company or the Permitted Borrowers hereunder, and collecting fees and principal and interest on the Indebtedness. No Bank is purchasing any Indebtedness from Agent and this Agreement is not intended to be a purchase or participation agreement.

12.10 Authority of Agent to Enforce Notes and This Agreement. Each Bank, subject to the terms and conditions of this Agreement (including, without limitation, any required approval or direction of the Majority Banks or the Banks, as applicable, to be obtained by or given to the Agent hereunder), authorizes the Agent with full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of the Notes and to file such proofs of debt or other documents as may be necessary to have the claims of the Banks allowed in any proceeding relative to the Company, any of its Subsidiaries, any of the Permitted Borrowers or its creditors or affecting its properties, and to take such other actions which Agent considers to be necessary or desirable for the protection, collection and enforcement of the Notes, this Agreement or the other Loan Documents, but in each case only to the extent of any required approval or direction of the Majority Banks or the Banks, as applicable, obtained by or given to the Agent hereunder.

12.11 Indemnification. The Banks agree to indemnify the Agent in its capacity as such, to the extent not reimbursed by the Company or the Permitted Borrowers, pro rata according to their respective Percentages, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, and reasonable out-of-pocket expenses or

disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted to be taken or suffered in good faith by the Agent hereunder, provided that no Bank shall be liable for any portion of any of the foregoing items resulting from the gross negligence or willful misconduct of the Agent or any of its officers, employees, directors or agents.

12.12 Knowledge of Default. It is expressly understood and agreed that the Agent (whether in its capacity as issuing bank, Swing Line Bank or otherwise) shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless the officers of the Agent immediately responsible for matters concerning this Agreement shall have actual (rather than constructive) knowledge of such occurrence or shall have been notified in writing by a Bank that such Bank considers that a Default or an Event of Default has occurred and is continuing, and specifying the nature thereof. Upon obtaining actual knowledge of any Default or Event of Default as described above, the Agent shall promptly, but in any event within three (3) Business Days after obtaining knowledge thereof, notify each Bank of such Default or Event of Default and the action, if any, the Agent proposes be taken with respect thereto.

12.13 Agent's Authorization; Action by Banks. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Banks to give any approval or consent, or to make any request, or to take any other action, on behalf of the Banks (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Banks or the Banks, as applicable hereunder. Action that may be taken by Majority Banks or all of the Banks, as the case may be (as provided for hereunder), may be taken (i) pursuant to a vote at a meeting (which may be held by telephone conference call) as to which all of the Banks have been given reasonable advance notice (subject to the requirement that amendments, waivers or consents under Section 13.11 hereof be made in writing by the Majority Banks or all the Banks, as applicable), or (ii) pursuant to the written consent of the requisite Percentages of the Banks as required hereunder, provided that all of the Banks are given reasonable advance notice of the requests for such consent.

12.14 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct. Except as otherwise expressly provided in any of the Loan Documents, Agent will not (and will not be obligated to) take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in violation or contravention of any express direction or instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). Agent may refuse (and will not be obligated) to take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in the absence of the express written direction and instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). In the event Agent fails, within a commercially reasonable time, to take such action, assert such rights, or pursue such remedies as the Majority Banks or all of the Banks, as the case may be (as provided for

hereunder), shall direct in conformity with this Agreement, the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall have the right to take such action, to assert such rights, or pursue such remedies on behalf of all of the Banks unless the terms hereof otherwise require the consent of all the Banks to the taking of such actions (in which event all of the Banks must join in such action). Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Bank (other than the Agent, acting in its capacity as Agent) shall be entitled to take any enforcement action of any kind under any of the Loan Documents.

12.15 Lead Arranger. Banc of America Securities, LLC has been designated by the Company as "Lead Arranger" (and sole book manager) under this Agreement. Other than its rights and remedies as a Bank hereunder, if applicable, the Lead Arranger shall have no administrative, collateral or other rights or responsibilities, provided, however, that the Lead Arranger shall be entitled to the benefits afforded to Agent under Sections 12.5, 12.6 and 12.11 hereof.

12.16 Collateral Matters. (a) The Agent is authorized on behalf of all the Banks, without the necessity of any notice to or further consent from the Banks (but subject to the Intercreditor Agreement), from time to time to take any action with respect to any Collateral or the Collateral Documents which may be necessary to perfect and maintain a perfected security interest in and Liens upon the Collateral granted pursuant to the Loan Documents.

(a) The Banks irrevocably authorize the Agent, at its option and in its discretion (but subject to the Intercreditor Agreement), to release any Lien granted to or held by the Agent upon any Collateral (i) upon termination of the Revolving Credit Maximum Amount and payment in full of all Indebtedness payable under this Agreement and under any other Loan Document; (ii) constituting property sold or to be sold or disposed of as part of or in connection with any disposition not otherwise prohibited hereunder; (iii) constituting property in which Company or any Subsidiary owned no interest at the time the Lien was granted or at any time thereafter; or (iv) if approved, authorized or ratified in writing by the Majority Banks, the Supermajority of the Banks or all the Banks, as the case may be, as provided in Section 13.11. Upon request by the Agent at any time, the Banks will confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section 12.16(b).

13. MISCELLANEOUS

13.1 Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP.

13.2 Consent to Jurisdiction. Each of the Company and the Permitted Borrowers hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents and each of the Company and the Permitted Borrowers hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Each of the

Permitted Borrowers irrevocably appoints the Company as its agent for service of process. Each of the Company and the Permitted Borrowers irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan by the delivery of copies of such process to the Company at its address specified on the signature page hereto or by certified mail directed to such address. Nothing in this Section shall affect the right of the Banks and the Agent to serve process in any other manner permitted by law or limit the right of the Banks or the Agent (or any of them) to bring any such action or proceeding against the Company or the Permitted Borrowers or any of its or their property in the courts of any other jurisdiction. Each of the Company and the Permitted Borrowers hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

13.3 Law of Michigan. This Agreement and the Notes have been delivered at Detroit, Michigan, and shall be governed by and construed and enforced in accordance with the laws of the State of Michigan, except as and to the extent expressed to the contrary in any of the Loan Documents. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13.4 Interest. (a) In the case of any of the Company and the Permitted Borrowers other than CAC Canada: in the event the obligation of the Company or any of the Permitted Borrowers to pay interest on the principal balance of the Notes is or becomes in excess of the maximum interest rate which the Company or each Permitted Borrower is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable with respect to such Bank's Percentage of the Revolving Credit, shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

(a) In the case of CAC Canada: If any provision of this Agreement or any of the other Loan Documents would obligate CAC Canada to make any payment of interest or other amount payable to any Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Bank of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by that Bank of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (a) firstly, by reducing the amount or rate of interest required to be paid to the affected Bank under this Agreement; and (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the affected Bank which would constitute interest for purposes of Section 347 of the Criminal Code (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Bank shall have received an amount in excess of the maximum permitted by Section 347 of the Criminal Code (Canada), then CAC Canada making such payment, shall be entitled, by notice in writing to the affected Bank, to obtain reimbursement from that Bank in an amount equal to such excess, and

pending such reimbursement, such amount shall be deemed to be an amount payable by that Bank to CAC Canada. Any amount or rate of interest referred to in this Agreement shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any Advance remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Effective Date to the Revolving Credit Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Agent shall be conclusive for the purposes of such determination.

13.5 Closing Costs; Other Costs. To the extent not restricted by any financial assistance provisions of any applicable law, Company and each of the Permitted Borrowers, jointly and severally, shall pay or reimburse (a) Agent for payment of, on demand, all reasonable closing costs and expenses, including, by way of description and not limitation, reasonable in-house and outside attorney fees and advances, appraisal and accounting fees, lien search fees, and required travel costs, incurred by Agent in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with any refinancing or restructuring of the loans or Advances provided under this Agreement or the other Loan Documents, or any amendment thereof requested by Company or the Permitted Borrowers, and (b) Agent and each of the Banks, as the case may be, for all stamp and other taxes and duties payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or duties. Furthermore, all reasonable costs and expenses, including without limitation attorney fees, incurred by Agent and, after the occurrence and during the continuance of an Event of Default, by the Banks in revising, preserving, protecting, exercising or enforcing any of its or any of the Banks' rights against Company or the Permitted Borrowers, or otherwise incurred by Agent and the Banks in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against Agent or any Bank which would not have been asserted were it not for Agent's or such Bank's relationship with Company and the Permitted Borrowers hereunder or otherwise, shall also be paid by Company and the Permitted Borrower. All of said amounts required to be paid by Company and Permitted Borrowers hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, from the date incurred to the date payment is received by Agent, at the Prime-based Rate, plus two percent (2%).

13.6 Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing and delivered by messenger or deposited in the mail (certified or registered mail (or the equivalent thereof), postage prepaid), and addressed to the parties as set forth on Schedule 13.6 of this Agreement and to Permitted Borrowers at the Company's address as set forth on Schedule 13.6 or at such other address as such party may, by written notice received by the other parties hereto, have designated as its address for such purpose. Any notice or demand given to the Company hereunder shall be

deemed given to each of the Permitted Borrowers, whether or not said notice or demand is addressed to or received by such Permitted Borrower.

13.7 Further Action. Company and the Permitted Borrowers, from time to time, upon written request of Agent will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action, as may be required to carry out the intent and purpose of this Agreement, and to provide for Advances under and payment of the Notes, according to the intent and purpose herein and therein expressed.

13.8 Successors and Assigns; Assignments and Participations.

(a) This Agreement shall be binding upon and shall inure to the benefit of Company and the Permitted Borrowers and the Banks and their respective successors and assigns.

(b) The foregoing shall not authorize any assignment by Company or any of the Permitted Borrowers, of its rights or duties hereunder, and no such assignment shall be made (or effective) without the prior written approval of the Banks.

(c) The Company, Permitted Borrowers and Agent acknowledge that each of the Banks may at any time and from time to time, subject to the terms and conditions hereof, assign or grant participations in such Bank's rights and obligations hereunder and under the other Loan Documents to any commercial bank, savings and loan association, insurance company, pension fund, mutual fund, commercial finance company or other similar financial institution, the identity of which institution is approved by Company and Agent, such approval not to be unreasonably withheld or delayed; provided, however, that (i) the approval of Company shall not be required upon the occurrence and during the continuance of a Default or Event of Default and (ii) the approval of Company and Agent shall not be required for any such sale, transfer, assignment or participation to the Affiliate of an assigning Bank, any other Bank or any Federal Reserve Bank. The Company and each of the Permitted Borrowers authorize each Bank to disclose to any prospective assignee or participant, once approved by Company and Agent, any and all financial information in such Bank's possession concerning the Company and such Permitted Borrower which has been delivered to such Bank pursuant to this Agreement; provided that each such prospective participant shall have executed a confidentiality agreement consistent with the terms of Section 13.13 hereof.

(d) Each assignment by a Bank of any portion of its rights and obligations hereunder and under the other Loan Documents, other than assignments to such Bank's Affiliates under Section 13.8(f) hereof, shall be made pursuant to an Assignment Agreement ("Assignment Agreement") substantially (as determined by Agent), in the form attached hereto as Exhibit G (with appropriate insertions acceptable to Agent) and shall be subject to the terms and conditions hereof, and to the following restrictions:

(i) each assignment shall cover all of the Notes issued by Company and the Permitted Borrowers hereunder to the assigning Bank (and not any

particular Note or Notes), and shall be for a fixed and not varying percentage thereof, with the same percentage applicable to each such Note;

(ii) each assignment shall be in a minimum amount of Five Million Dollars ($5,000,000);

(iii) no assignment shall violate any "blue sky" or other securities law of any jurisdiction or shall require the Company, any Permitted Borrower or any other Person to file a registration statement or similar application with the United States Securities and Exchange Commission (or similar state regulatory body) or to qualify under the "blue sky" or other securities laws of any jurisdiction; and

(iv) each assignment shall be accompanied by the assignee's joinder to the Intercreditor Agreement, if then in effect; and

(v) no assignment shall be effective unless Agent has received from the assignee (or from the assigning Bank) an assignment fee of $3,500 for each such assignment.

In connection with any assignment subject to this Section 13.8(d), Company, each of the Permitted Borrowers and Agent shall be entitled to continue to deal solely and directly with the assigning Bank in connection with the interest so assigned until (x) the Agent shall have received a notice of assignment duly executed by the assigning Bank and an Assignment Agreement (with respect thereto) duly executed by the assigning Bank and each assignee; and (y) the assigning Bank shall have delivered to the Agent the original of each Note held by the assigning Bank under this Agreement. From and after the date on which the Agent shall notify Company and the Bank which has accepted an assignment subject to this Section 13.8(d) that the foregoing conditions shall have been satisfied and all consents (if any) required shall have been given, the assignee thereunder shall be deemed to be a party to this Agreement. To the extent that rights and obligations hereunder shall have been assigned to such assignee as provided in such notice of assignment (and Assignment Agreement), such assignee shall have the rights and obligations of a Bank under this Agreement and the other Loan Documents (including without limitation the right to receive fees payable hereunder in respect of the period following such assignment). In addition, the assigning Bank, to the extent that rights and obligations hereunder shall have been assigned by it as provided in such notice of assignment (and Assignment Agreement), but not otherwise, shall relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents.

Within five (5) Business Days following Company's receipt of notice from the Agent that Agent has accepted and executed a notice of assignment and the duly executed Assignment Agreement, Company and the Permitted Borrowers shall, to the extent applicable, execute and deliver to the Agent in exchange for any surrendered Note, new Note(s) payable to the order of the assignee in an amount equal to the amount assigned to it pursuant to such notice of assignment (and Assignment Agreement), and with respect to the portion of the Indebtedness retained by the assigning Bank, to the extent applicable, new Note(s) payable to the order of the assigning Bank in an amount equal to the amount retained by such Bank hereunder shall be executed and delivered by the Company and the Permitted Borrowers. Agent, the Banks and the Company and

the Permitted Borrowers acknowledge and agree that any such new Note(s) shall be given in renewal and replacement of the surrendered Notes and shall not effect or constitute a novation or discharge of the Indebtedness evidenced by any surrendered Note, and each such new Note may contain a provision confirming such agreement. In addition, promptly following receipt of such Notes, Agent shall prepare and distribute to Company, the Permitted Borrowers and each of the Banks a revised Exhibit D to this Agreement setting forth the applicable new Percentages of the Banks (including the assignee Bank), taking into account such assignment.

(e) Each Bank agrees that any participation agreement permitted hereunder shall comply with all applicable laws and shall be subject to the following restrictions (which shall be set forth in the applicable participation agreement):

(i) such Bank shall remain the holder of its Notes hereunder, notwithstanding any such participation;

(ii) except as expressly set forth in this Section 13.8(e) with respect to rights of setoff and the benefits of Section 11 hereof, a participant shall have no direct rights or remedies hereunder;

(iii) a participant shall not reassign or transfer, or grant any sub-participations in its participation interest hereunder or any part thereof; and

(iv) such Bank shall retain the sole right and responsibility to enforce the obligations of the Company and Permitted Borrowers relating to the Notes and the other Loan Documents, including, without limitation, the right to proceed against any Guaranties, or cause Agent to do so (subject to the terms and conditions hereof), and the right to approve any amendment, modification or waiver of any provision of this Agreement without the consent of the participant (other than a participant which is an Affiliate of such Bank), except for those matters covered by Section 13.11(a) through (e) and (h) hereof (provided that a participant may exercise approval rights over such matters only on an indirect basis, acting through such Bank, and Company, Permitted Borrowers, Agent and the other Banks may continue to deal directly with such Bank in connection with such Bank's rights and duties hereunder).

Company and each of the Permitted Borrowers each agrees that each participant shall be deemed to have the right of setoff under Section 10.4 hereof in respect of its participation interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the Indebtedness were owing directly to it as a Bank under this Agreement, shall be subject to the pro rata recovery provisions of Section 10.3 hereof and shall be entitled to the benefits of Section 11 hereof. The amount, terms and conditions of any participation shall be as set forth in the participation agreement between the issuing Bank and the Person purchasing such participation, and none of the Company, none of the Permitted Borrowers, the Agent and the other Banks shall have any responsibility or obligation with respect thereto, or to any Person to whom any such participation may be issued. No such participation shall relieve any issuing Bank of any of its obligations under this Agreement or any of the other Loan Documents (including without

limitation the Collateral Documents), and all actions hereunder shall be conducted as if no such participation had been granted.

(f) Each assignment by a Bank to its Affiliates of all or any portion of the Notes, or any Advances thereunder, may be made on such terms and conditions as determined by such Bank (rather than pursuant to Section 13.8(d) hereof), provided however that (i) following each such assignment, the assigning Bank shall remain responsible for the performance of its obligations under this Agreement and the other Loan Documents (including without limitation its obligations in respect of any Notes and Advances thereunder so assigned), and each such Affiliate assignee shall not be deemed a "Bank" hereunder, (ii) Company, the Permitted Borrowers and the Agent shall be entitled to continue to deal solely and directly with such assigning Bank in connection with such Bank's rights and obligations under this Agreement and the other Loan Documents, (iii) such assigning Bank shall retain the sole right and responsibility to enforce the obligations of Company and the Permitted Borrowers (including Company or the applicable Permitted Borrower whose Notes or Advances thereunder have been so assigned) under this Agreement and the other Loan Documents. In connection with assignments to its Affiliates under this Section 13.8(f), an assigning Bank shall act as agent for its Affiliates having received assignments hereunder, and may appoint such Affiliates as such Bank's applicable Eurocurrency Lending Office. Furthermore with respect to such assignments under this Section 13.8(f), it is expressly acknowledged that the assignment fee provided for in Section 13.8(d)(iv) shall not apply.

(g) Nothing in this Agreement, the Notes or the other Loan Documents, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees and participants permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement, the Notes or the other Loan Documents.

13.9 Indulgence. No delay or failure of Agent and the Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights of Agent and the Banks hereunder are cumulative and are not exclusive of any rights or remedies which Agent and the Banks would otherwise have.

13.10 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

13.11 Amendment and Waiver. No amendment or waiver of any provision of this Agreement or any other Loan Document, or consent to any departure by the Company or the Permitted Borrowers therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Banks (or signed by the Agent at the direction of the Majority Banks), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, (X) that no amendment, waiver or consent shall increase the Percentage or the stated commitment amounts applicable to any Bank unless approved, in writing, by the affected Bank and (Y) that no amendment, waiver or consent shall, unless in writing and signed by all the Banks (or signed by Agent at the direction of all of

the Banks), do any of the following: (a) increase the Revolving Credit Maximum Amount, except in accordance with Section 2.18 hereof, (b) reduce the principal of, or interest on, the Notes or any Fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Notes or any Fees or other amounts payable hereunder, (d) waive any Event of Default specified in Section 9.1(a) or (b) hereof, (e) release or defer the granting or perfecting of a lien or security interest in any collateral or release any guaranty or similar undertaking provided by any Person, except as shall be otherwise expressly provided in this Agreement, the Intercreditor Agreement or any other Loan Document, (f) take any action which requires the signing of all Banks pursuant to the terms of this Agreement or any other Loan Document, (g) change the aggregate unpaid principal amount of the Notes which shall be required for the Banks or any of them to take any action under this Agreement or any other Loan Document, (h) change this Section 13.11, or (i) change the definition of "Majority Banks," "Supermajority of the Banks," "Percentage" or "Borrowing Base Limitation," and provided further, however, that (x) no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to all the Banks, affect the rights or duties of the Agent under this Agreement or any other Loan Document, whether in its capacity as Agent, issuing bank or Swing Line Bank and (y) no amendment, waiver, or consent shall, unless in writing and signed by the Lead Arranger in addition to all the Banks, affect the rights or duties of the Lead Arranger under this Agreement or any other Loan Document. All references in this Agreement to "Banks" or "the Banks" shall refer to all Banks, unless expressly stated to refer to Majority Banks.

13.12 Taxes and Fees. Should any tax (other than a tax based upon the net income of any Bank or Agent by any jurisdiction where a Bank or Agent is located), recording or filing fee become payable in respect of this Agreement or any of the other Loan Documents or any amendment, modification or supplement hereof or thereof, the Company and each of the Permitted Borrowers, jointly and severally, agrees to pay the same together with any interest or penalties thereon and agrees to hold the Agent and the Banks harmless with respect thereto.

13.13 Confidentiality. Agent and each Bank agrees that without the prior consent of Company, it will not disclose (other than to its employees, to another Bank or to its auditors or counsel) any information with respect to the Company or any of its Subsidiaries or any of the Permitted Borrowers which is furnished pursuant to the terms and conditions of this Agreement or any of the other Loan Documents or which is designated (in writing) by Company or any of the Permitted Borrowers to be confidential; provided that Agent or any Bank may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by Agent or such Bank from any third party under no duty of confidentiality to the Company or such Permitted Borrower known to Agent or such Bank after reasonable inquiry, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect of any inquiry by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over Agent or such Bank, including the Board of Governors of the Federal Reserve System of the United States or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect of any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to Agent or such Bank, (e) to any permitted transferee or assignee or to any approved participant of, or with respect to, the Notes, as aforesaid, which has signed a confidentiality agreement consistent with the terms of this Section 13.13 hereof, and (f) with respect to the "tax treatment" and "tax

structure," in each case, within the meaning of I.R.C. Regulation Section 1.6011-4, of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to Agent or such Bank relating to such tax treatment and tax structure, to the extent required to be disclosed pursuant to such regulation or the Internal Revenue Code, generally, provided that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the transactions contemplated hereby, and any related Advances or Letters of Credit.

13.14 Withholding Taxes. If any Bank is not a United States person within the meaning of Section 7701(a)(30) of the Internal Revenue Code, such Bank shall promptly (but in any event prior to the initial payment of interest hereunder) deliver to the Agent two executed copies of (i) Internal Revenue Service Form W-8BEN or any successor form specifying the applicable tax treaty between the United States and the jurisdiction of such Bank's domicile which provides for the exemption from withholding on interest payments to such Bank, (ii) Internal Revenue Service Form W-8ECI or any successor form evidencing that the income to be received by such Bank hereunder is effectively connected with the conduct of a trade or business in the United States or (iii) other evidence satisfactory to the Agent that such Bank is exempt from United States income tax withholding with respect to such income; provided, however, that such Bank shall not be required to deliver to Agent the aforesaid forms or other evidence with respect to (i) Advances to any Foreign Subsidiary which is or becomes a Permitted Borrower hereunder or (ii) with respect to Advances to the Company or any Domestic Subsidiary which subsequently becomes a Permitted Borrower hereunder, if such Bank has assigned its entire interest in the Revolving Credit (including any outstanding Advances thereunder and participations in Letters of Credit issued hereunder), Swing Line and any Notes issued to it by the Company, or any Domestic Subsidiary which subsequently becomes a Permitted Borrower hereunder, to an Affiliate which is incorporated under the laws of the United States or a state thereof, and so notifies the Agent. Such Bank shall amend or supplement any such form or evidence as required to insure that it is accurate, complete and non-misleading at all times. Promptly upon notice from the Agent of any determination by the Internal Revenue Service that any payments previously made to such Bank hereunder were subject to United States income tax withholding when made, such Bank shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount actually withheld by the Agent. In addition, from time to time upon the reasonable request and at the sole expense of the Company or the Permitted Borrowers, each Bank and the Agent shall (to the extent it is able to do so based upon applicable facts and circumstances), complete and provide the Company or the Permitted Borrowers with such forms, certificates or other documents as may be reasonably necessary to allow the Company or the Permitted Borrowers, as applicable, to make any payment under this Agreement or the other Loan Documents without any withholding for or on the account of any tax under Section 10.1(d) hereof (or with such withholding at a reduced rate), provided that the execution and delivery of such forms, certificates or other documents does not adversely affect or otherwise restrict the right and benefits (including without limitation economic benefits) available to such Bank or the Agent, as the case may be, under this Agreement or any of the other Loan Documents, or under or in connection with any transactions not related to the transactions contemplated hereby.

13.15 Effective Upon Execution. This Agreement shall become effective upon the later of the Effective Date and the execution hereof by Banks, Agent, the Company and the Permitted Borrowers signatory hereto, and the issuance by the Company and such Permitted Borrowers, as applicable, of the Revolving Credit Notes and the Swing Line Notes hereunder, and shall remain effective until the Indebtedness has been repaid and discharged in full and no commitment to extend any credit hereunder remains outstanding. Those Permitted Borrowers not signatories to this Agreement on the Effective Date shall become obligated hereunder (and shall be deemed parties to this Agreement) upon their execution and delivery, according to the terms hereof, of the aforesaid Notes.

13.16 Severability. In case any one or more of the obligations of the Company or any of the Permitted Borrowers under this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Company or such Permitted Borrower shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Company or such Permitted Borrower under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

13.17 Table of Contents and Headings. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

13.18 Construction of Certain Provisions. If any provision of this Agreement or any of the other Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

13.19 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

13.20 Reliance on and Survival of Various Provisions. All terms, covenants, agreements, representations and warranties of the Company or any party to any of the Loan Documents made herein or in any of the other Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of the Company, any such party in connection with this Agreement or any of the other Loan Documents shall be deemed to have been relied upon by the Banks, notwithstanding any investigation heretofore or hereafter made by any Bank or on such Bank's behalf, and those covenants and agreements of the Company and the Permitted Borrowers set forth in Section 11.8 hereof (together with any other indemnities of the Company or the Permitted Borrowers contained elsewhere in this Agreement or in any of the other Loan Documents, including but not limited to Sections 7.14, 11.1, 11.7, 11.10, 13.5 and 13.12) and of Banks set forth in Sections 12.1, 12.12 and 13.13 hereof shall, notwithstanding

anything to the contrary contained in this Agreement, survive the repayment in full of the Indebtedness and the termination of any commitments to make Advances hereunder.

13.21 Complete Agreement; Amendment and Restatement. This Agreement, the Notes, any Requests for Advance or Letters of Credit hereunder, the other Loan Documents and any agreements, certificates, or other documents given to secure the Indebtedness, contain the entire agreement of the parties hereto, and none of the parties hereto shall be bound by anything not expressed in writing. This Agreement constitutes an amendment and restatement of the Prior Credit Agreement, which Prior Credit Agreement is fully superseded and amended and restated in its entirety hereby; provided, however, that the Indebtedness governed by the Prior Credit Agreement shall remain outstanding and in full force and effect and provided further that this Agreement does not constitute a novation of such Indebtedness.

13.22 Bank Act (Canada) Disclosure. CAC Canada confirms and discloses the following:

(a) CAC Canada is not a member institution of Canada Deposit Insurance Corporation;

(b) the liability incurred by CAC Canada through Advances and under the Foreign Guaranty and the other Loan Documents to which CAC Canada is a party is not a deposit; and

(c) CAC Canada is not regulated as a financial institution in Canada.

[SIGNATURES FOLLOW ON SUCCEEDING PAGES]

WITNESS the due execution hereof as of the day and year first above written.

COMPANY:	AGENT:
CREDIT ACCEPTANCE CORPORATION	COMERICA BANK, As Agent
By: /S/ Douglas W. Busk	By: /S/ Scott Dorn
Its: Chief Financial Officer	Its: Assistant Vice President

PERMITTED BORROWERS:

CREDIT ACCEPTANCE CORPORATION
UK LIMITED

By: /S/ Douglas W. Busk

Its: Director

CAC OF CANADA LIMITED

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

CREDIT ACCEPTANCE CORPORATION
IRELAND LIMITED

By: /S/ Douglas W. Busk

Its: Director

BANKS:

COMERICA BANK

By: /S/ Scott Dorn

Its: Assistant Vice President

BANK OF AMERICA, N.A.

By: /S/ Mary Pat Riggins

Its: Managing Director

LASALLE BANK NATIONAL
ASSOCIATION

By: /S/ Terry M. Keating

Its: Senior Vice President

HARRIS TRUST AND SAVINGS BANK

By:/S/ Michael Camelli

Its:Vice President

SIGNATURE PAGE FOR SECOND AMENDED AND RESTATED
CREDIT ACCEPTANCE CORPORATION CREDIT AGREEMENT

FIFTH THIRD BANK
(EASTERN MICHIGAN)

By:/S/ Michael Dolson

Its:Vice President

NATIONAL CITY BANK OF
MICHIGAN/ILLINOIS

By:/S/ Harve C. Light

Its:Vice President

SIGNATURE PAGE FOR SECOND AMENDED AND RESTATED
CREDIT ACCEPTANCE CORPORATION CREDIT AGREEMENT

Attachment 1

SCHEDULE 1.11 (1)

PRICING MATRIX

	THE APPLICABLE MARGIN FOR		APPLICABLE FEE PERCENTAGE FOR	
NOTWITHSTANDING THE COMPANY'S RATING LEVEL:	ADVANCES AT THE PRIME-BASED RATE SHALL BE	ADVANCES OF THE REVOLVING CREDIT CARRIED AT THE EUROCURRENCY-BASED RATE SHALL BE	REVOLVING CREDIT FACILITY FEE	LETTER OF CREDIT FEE
	0%	1.40%	.6000%	1.525% (inclusive of facing fee)

- ---
(1) All terms as defined in the Agreement.

CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT, dated as of June 27, 2003 (the "Agreement"), is made between CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("CAC") and CREDIT ACCEPTANCE FUNDING LLC 2003-1, a Delaware limited liability company ("Funding").

Funding desires to acquire from time to time certain Dealer Loans and related rights and collateral, including certain of CAC's rights in the Dealer Agreements related thereto, all of the related Contracts, and the Collections (other than Dealer Collections) derived therefrom during the full term of this Agreement, and CAC desires to transfer, convey and assign from time to time such Dealer Loans and related property to the Purchaser upon the terms and conditions hereinafter set forth. CAC has also agreed to service the Dealer Loans and related property to be transferred, conveyed and assigned to Funding.

In consideration of the premises and the mutual agreements set forth herein, it is hereby agreed by and between CAC and Funding as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms used herein shall have the respective meanings specified herein or, if not so specified, the respective meanings specified in, or incorporated by reference into, the Sale and Servicing Agreement, and shall include in the singular number the plural and in the plural number the singular:

"Applicable Pool Cap" means the maximum number of Contracts that could, under the applicable Dealer Agreement, be allocated to a pool of Contracts that support advances which advances, when taken together, constitute a Dealer Loan.

"Contributed Property" means the Initial Contributed Property and the Subsequent Contributed Property.

"Initial Contributed Property" means (i) the Dealer Loans listed on Schedule A hereto delivered to the Servicer, the Class A Insurer, the Backup Servicer and the Trust Collateral Agent on the Closing Date and (ii) all Related Security with respect thereto.

"Related Security" means, with respect to any Dealer Loans, (i) all rights under the Dealer Agreements related thereto (other than the Excluded Dealer Agreement Rights), including Credit Acceptance's right to service the Dealer Loans and the related Contracts and receive the related collection fee and receive reimbursement of certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements; (ii) Collections (other than Dealer Collections) after the applicable Cut-off Date; (iii) a security interest in each Contract securing such Dealer Loan; (iv) all records and documents relating to such Dealer Loans and the Contracts; (vi) all security interests purporting to secure payment of such Dealer Loans; (vii) all security interests purporting to secure payment of each Contract (including a security interest in

each Financed Vehicle); (viii) all guarantees, insurance (including insurance insuring the priority or perfection of any Contract) or other agreements or arrangements securing the Contracts; and (ix) all Proceeds of the foregoing. For the avoidance of doubt, the term "Related Security" with respect to any Dealer Loan includes all rights arising after the end of the Revolving Period under such Dealer Loans which rights are attributable to advances made under such Dealer Loans as the result of Contracts being added after the last day of the last full Collection Period during the Revolving Period to the identifiable group of Contracts to which such Dealer Loan relates.

"Sale and Servicing Agreement" shall mean the Sale and Servicing Agreement dated as of June 27, 2003 among CAC, Funding, Credit Acceptance Auto Dealer Loan Trust 2003-1, as the Issuer, JPMorgan Chase Bank as the Trust Collateral Agent and Indenture Trustee, and Systems & Services Technologies, Inc., as the Backup Servicer.

"Subsequent Contributed Property" means, with respect to any Distribution Date, (i) the Dealer Loans added to Schedule A hereto as of such Distribution Date and (ii) all Related Security with respect thereto.

SECTION 1.2. Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC, and not specifically defined herein, are used herein as defined in such Article 9.

SECTION 1.3. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

ARTICLE II
CONTRIBUTION AND SALE OF DEALER LOANS

SECTION 2.1 Contribution and Sale of Dealer Loans. (a) In consideration of the payments described in Section 3.1, effective as of the Closing Date, CAC does hereby convey, assign, sell and transfer without recourse, except as set forth herein, to Funding all of its right, title and interest in and to the Initial Contributed Property.

(b) CAC hereby further agrees that on each Distribution Date during the Revolving Period, in consideration of the payment described in Section 3.1 with respect to such Distribution Date, CAC shall, and CAC does hereby agree to, convey, assign, sell and transfer without recourse, except as set forth in this Agreement, to Funding all of its right, title and interest in and to the Subsequent Contributed Property with respect to such Distribution Date.

(c) CAC hereby further agrees that the above-described conveyances shall, without the need for any further action on the part of CAC or Funding, include all rights arising after the end of the Revolving Period under any Dealer Loan included in the Initial Contributed Property or Subsequent Contributed Property which rights are attributable to advances made under such Dealer Loans as the result of Contracts being added after the last day of the last full Collection

Period during the Revolving Period to the identifiable group of Contracts to which such Dealer Loan relates.

(d) Each such sale, assignment, transfer and conveyance does not constitute an assumption by Funding of any obligations of CAC or any other Person to Obligors or to any other Person in connection with the Dealer Loans or under any Contract, Dealer Agreement or other agreement and instrument relating to the Dealer Loans.

(e) In connection with any such foregoing conveyance, CAC agrees to record and file on or prior to the Closing Date, at its own expense, a financing statement or statements with respect to the Contributed Property conveyed by CAC hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the interests of Funding created hereby, and to deliver either the originals of such financing statements or a file-stamped copy of such financing statements or other evidence of such filings to Funding on the Closing Date.

(f) CAC agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents and take all actions as may be necessary or as Funding may reasonably request in order to perfect or protect the interest of Funding in the Dealer Loans and other Contributed Property purchased hereunder or to enable Funding to exercise or enforce any of its rights hereunder. CAC shall, upon request of Funding, obtain such additional search reports as Funding shall request. To the fullest extent permitted by applicable law, Funding shall be authorized and permitted to file continuation statements and amendments to financing statements and assignments thereof to preserve and protect its right, title and interest in, to and under the Contributed Property.

(g) It is the express intent of CAC and Funding that the conveyance of the Dealer Loans and other Contributed Property by CAC to Funding pursuant to this Agreement be construed as an absolute sale and contribution of such Dealer Loans and other Contributed Property by CAC to Funding. Further, it is not the intention of CAC and Funding that such conveyance be deemed a grant of a security interest in the Dealer Loans and other Contributed Property by CAC to Funding in the nature of a consensual lien securing an obligation. However, in the event that, notwithstanding the express intent of the parties, the Dealer Loans and other Contributed Property are construed to constitute property of CAC, then (i) this Agreement also shall be deemed to be, and hereby is, a security agreement within the meaning of the UCC as enacted in the State of Michigan; and (ii) the conveyance by CAC provided for in this Agreement shall be deemed to be, and CAC hereby grants to Funding, a security interest in, to and under all of CAC's right, title and interest in, to and under the Contributed Property, to secure the rights of Funding set forth in this Agreement or as may be determined in connection therewith by applicable law. CAC and Funding shall, to the extent consistent with this Agreement, take such actions as may be necessary to ensure that, if this Agreement were deemed to create such a security interest in the Dealer Loans and other Contributed Property, such security interest would be a perfected security interest in favor of Funding under applicable law and will be maintained as such throughout the term of this Agreement.

(h) In connection with such conveyance, CAC agrees to deliver to Funding on the Closing Date, one or more computer files or microfiche lists containing true and complete lists of all Dealer Agreements and Dealer Loans conveyed to Funding on the Closing Date, and all Contracts securing all such Dealer Loans, identified by account number, dealer number and pool number. Such file or list shall be marked as Exhibit A to this Agreement, shall be delivered to Funding as confidential and proprietary, and is hereby incorporated into and made a part of this Agreement. Such list and such Exhibit A shall be supplemented and updated by lists delivered by CAC to Funding on each Distribution Date in the Revolving Period describing all Contributed Property conveyed on each such Distribution Date so that, on each such date, Funding will have an aggregate list and Exhibit A that describes all Dealer Loans conveyed by CAC to Funding hereunder on or prior to said Distribution Date and the related Dealer Agreements.

(i) CAC will reflect the transactions described in paragraph (a) of this Section 2.01 on its internal non-consolidated financial statements and on its non-consolidated state tax returns as a sale or other absolute transfer of the Dealer Loans from CAC to Funding, even though CAC will reflect this transaction on its consolidated financial statements as an "on-balance sheet" item in accordance with generally accepted accounting principles. CAC will present the data in its consolidated financial statements with an accompanying footnote describing Funding's separate existence and stating that such item is a financing secured by the Dealer Loans and is non-recourse to CAC.

SECTION 2.2. Servicing of Dealer Loans. The servicing, administering and collection of the Dealer Loans shall be conducted by the Servicer then authorized to act as such under the Sale and Servicing Agreement.

ARTICLE III
CONSIDERATION AND PAYMENT

SECTION 3.1. Consideration. The consideration for the Dealer Loans and other Contributed Property conveyed on the Closing Date to Funding by CAC under this Agreement shall be an amount equal to the net cash proceeds received by Funding arising out of its conveyance on the Closing Date of Contributed Property to the Issuer under the Sale and Servicing Agreement, plus 100% of the sole membership interest in Funding. Thereafter, on each Distribution Date in the Revolving Period, the consideration for the Dealer Loans and other Contributed Property conveyed on such Distribution Date will be cash in the amount of the Aggregate Outstanding Net Eligible Loan Balance of such Dealer Loans. The Contributed Property shall be deemed to have a value equal to the aggregate principal amount of the Dealer Loans sold and contributed by CAC to Funding.

SECTION 3.2. Membership Interest. The membership interest of CAC in Funding shall arise on the Closing Date. Such membership interest may not be sold or otherwise transferred by CAC except as otherwise permitted in the Sale and Servicing Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.1. Representations and Warranties. CAC represents and warrants to Funding, as of the Closing Date and each Distribution Date during the Revolving Period, that:

(a) Organization and Good Standing. CAC is duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has and had at all relevant times, full power, authority, and legal right to acquire, own, sell, and service the Dealer Loans and the related Contracts, and to perform its obligations under the Basic Documents.

(b) Due Qualification. CAC is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business, including the servicing of the Dealer Loans and the related Contracts as required by this Agreement, requires such qualifications except where such failure will not have a material adverse effect.

(c) Power and Authority. CAC has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms; and the execution, delivery, and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by CAC by all necessary corporate action.

(d) Valid Sale; Binding Obligations. This Agreement evidences a valid sale, transfer, and assignment of the Contributed Property enforceable against creditors of and purchasers from CAC; and this Agreement and the other Basic Documents to which CAC is a party constitute legal, valid and binding obligations of CAC enforceable in accordance with their terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the Articles of Incorporation or by-laws of CAC, or any indenture, agreement, or other instrument to which CAC is a party or by which it is or may be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement (other than this Agreement), or other instrument; or violate any law or, to the best of CAC's knowledge, any order, rule, or regulation applicable to CAC of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over CAC or its properties.

(f) No Proceedings. There are no proceedings or investigations pending, or to CAC's best knowledge threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over CAC or its properties: A) asserting the invalidity of this Agreement or any other Basic Document to which it is a party; B) seeking to

prevent the consummation of any of the transactions contemplated by this Agreement or any other Basic Document to which it is a party; or C) seeking any determination or ruling that might materially and adversely affect the performance by CAC of its obligations under, or the validity or enforceability of, this Agreement, or any other Basic Document to which it is a party.

(g) Place of Business. The principal place of business and chief executive office of CAC is in Southfield, Michigan, and the office where CAC keeps all of its Records is at the address listed in Section 8.3, or such other locations notified to Funding and the Trust Collateral Agent in accordance with this Agreement in jurisdictions where all action required by the terms of this Agreement has been taken and completed.

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

(i) Eligibility of Dealer Loans. Each Dealer Loan classified as an "Eligible Loan" (or included in any aggregation of balances of "Eligible Loans") by CAC in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Loan on the date so delivered. Each Dealer Loan represents, or will represent, a non-recourse obligation of a Dealer with respect to advances related to a pool of Contracts, and CAC has, and will maintain, a policy that each such pool will have Contracts allocated to it (as generated by relevant Dealer) until the number of Contracts in such pool reaches the Applicable Pool Cap. The Applicable Pool Cap for each Dealer Loan will equal or exceed 75.

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

(k) Accuracy of Information. All information with respect to the Dealer Loans and other Contributed Property provided to Funding hereunder by CAC was true and correct in all material respects as of the date such information was provided to Funding and did not omit to state any material facts necessary to make the statements contained therein not misleading.

(l) No Liens. Each Dealer Loan and the other Contributed Property has been pledged to Funding free and clear of any Lien of any Person, and in compliance, in all material respects, with all Applicable Laws.

(m) No Consents. With respect to each Dealer Loan and the other Contributed Property, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by CAC, in connection with the pledge of such Contributed Property to Funding have been duly obtained, effected or given and are in full force and effect.

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

(o) Adverse Selection. No selection procedure believed by CAC to be adverse to the interests of Funding has been or will be used in selecting the Dealer Agreements, Dealer Loans or Contracts.

(p) Contribution Agreement. This Contribution Agreement is the only agreement pursuant to which Funding purchases Dealer Loans from CAC.

(q) Security Interest. CAC has granted a security interest (as defined in the UCC as enacted in the State of Michigan) to Funding in the Contributed Property, which is enforceable in accordance with Applicable Law upon the Closing Date. Upon the filing of UCC-1 financing statements naming Funding as secured party and CAC as debtor, Funding shall have a first priority perfected security interest in the Contributed Property. All filings (including, without limitation, UCC filings) as are necessary in any jurisdiction to perfect the interest of Funding have been made.

(r) Credit Score. The weighted average (based on Contract principal balance) of the Final Scores of each "Contract Group" is 630 or greater. A "Contract Group" is a group of Contracts related to a group of Dealer Loans that becomes Contributed Property on the Closing Date or on a particular Distribution Date during the Revolving Period.

(s) Use of Proceeds. No proceeds of any sale of Contributed Property will be used (i) for a purpose that violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 12, 13 or 14 of the Securities Exchange Act of 1934, as amended.

(t) Taxes. CAC has filed on or before their respective due dates, all tax returns which are required to be filed in any jurisdiction or has obtained extensions for filing such tax returns and has paid all taxes, assessments, fees and other governmental charges against CAC or any of its properties, income or franchises, to the extent that such taxes have become due, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Seller as may be required by GAAP. To the best of the knowledge of CAC, all such tax returns were true and correct in all material respects and CAC knows of any proposed material additional tax assessment against it nor any basis therefor. Any taxes, assessments, fees and other governmental charges payable by CAC in connection with the execution and delivery of the Basic Documents and the issuance of the Class A Notes have been paid or shall have been paid at or prior to Closing Date.

(u) Consolidated Returns. CAC, the Seller and the Issuer are members of an affiliated group within the meaning of Section 1504 of the Internal Revenue Code which will file a consolidated federal income tax return at all times until the termination of the Basic Documents.

(v) ERISA. CAC is in compliance in all material respects with the Employee Retirement Income Security Act of 1974, as amended.

(w) Compliance with Laws. CAC has complied in all material respects with all applicable, laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

(x) Material Adverse Change. Since the date of its formation, no event has occurred that would have a material adverse effect on (i) the financial condition or operations of CAC, (ii) the ability of CAC to perform its obligations under the Basic Documents, or (ii) the collectibility of the Dealer Loans generally or any material portion of the Dealer Loans.

(y) Solvency; Fraudulent Conveyance. CAC is solvent, is able to pay its debts as they become due and will not be rendered insolvent by the transactions contemplated by the Basic Documents and, after giving effect thereto, will not be left with an unreasonably small amount of capital with which to engage in its business. CAC does not intend to incur, or believes that it has incurred, debts beyond its ability to pay such debts as they mature. CAC does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official or any of its assets. The amount of consideration being received by CAC upon the sale or other absolute transfer of the Contributed Property to Funding constitutes reasonably equivalent value and fair consideration for the Contributed Property. CAC is not transferring the Contributed Property to Funding with any intent to hinder, deal or defraud any of its creditors.

(z) Voidability. The transfers of Contributed Property made hereunder were not made for or on account of an antecedent debt. No transfer by CAC of any Contributed Property hereunder is or may be voidable under any section of the Bankruptcy Code.

(aa) Investment Company. CAC is not an investment company which is required to register under the Investment Company Act of 1940, as amended.

(bb) Perfection. The perfection representations, warranties and covenants made by CAC and set forth on Schedule A hereto shall be a part of this Agreement for all purposes.

SECTION 4.2. Reaffirmation of Representations and Warranties by CAC; Notice of Breach. The representations and warranties set forth in Section 4.1 shall survive the conveyance of the Dealer Loans to Funding, and termination of the rights and obligations of Funding and CAC under this Agreement. Upon discovery by Funding or CAC of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other within three Business Days of such discovery.

ARTICLE V
COVENANTS OF CAC AND THE SERVICER

SECTION 5.1. Affirmative Covenants. So long as this Agreement is in effect, and until all Dealer Loans which have been conveyed to Funding pursuant hereto shall have been paid in full or written-off as uncollectible, and all amounts owed by CAC pursuant to this Agreement have been paid in full, unless Funding otherwise consents in writing, CAC hereby covenants and agrees as follows:

(a) Compliance with Law. CAC will comply in all material respects with all Applicable Laws.

(b) Preservation of Existence. CAC will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a material adverse effect on the Contributed Property.

(c) Obligations and Compliance with Dealer Loans and Dealer Agreements. CAC will duly fulfill and comply with all obligations on the part of CAC to be fulfilled or complied with under or in connection with each Dealer Loan and each Dealer Agreement and will do nothing to impair the rights of Funding in, to and under the Contributed Property.

(d) Keeping of Records and Books of Account. CAC will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records evidencing the Dealer Loans and the Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Dealer Loans, or it will cause the Servicer to do so.

(e) Preservation of Security Interest. CAC will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and perfect the security interest of Funding in, to and under the Contributed Property. CAC will maintain possession of the Dealer Agreements and the Contract Files and Records, as custodian for the Trust and the Trust Collateral Agent, as set forth in Section 3.03(a) of the Sale and Servicing Agreement. CAC, as Servicer, will comply with its covenants under Sections 4.06(a)(vii) and 4.06(a)(viii) of the Sale and Servicing Agreement.

(f) Collection Guidelines. As long as it is the Servicer, CAC will (A) comply in all material respects with the Collection Guidelines in regard to each Dealer Loan and Contract, and (B) furnish to Funding quarterly, prompt notice of any change in the Collection Guidelines and will deliver a copy of such changes to Funding, quarterly.

(g) Separateness. CAC will take such actions that are required on its part to be performed to cause (i) Funding to be in compliance, at all relevant times, with Sections 6.01(xviii) and 6.04 of the Sale and Servicing Agreement, and (ii) all factual assumptions set

forth in the opinion letters delivered by Dykema Gossett PLLC with respect to certain bankruptcy matters under the Sale and Servicing Agreement to remain true at all relevant times.

SECTION 5.2. Negative Covenants. During the term of this Agreement, unless Funding shall otherwise consent in writing:

(a) Change of Name or Location of Records. CAC shall not (A) change its name or its state of organization, move the location of its principal place of business and chief executive office, and the offices where it keeps records concerning the Dealer Loans from the location referred to in Section 3.03(c) of the Sale and Servicing Agreement, or (B) move the Records from the location thereof on the Closing Date, unless CAC or the Servicer has given at least thirty (30) days' written notice to Funding and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of Funding in the Contributed Property.

(b) Change in Payment Instructions to Obligors. CAC will not make any change in its instructions to Obligors regarding payments to be made directly or indirectly, unless such change is permitted under the Sale and Servicing Agreement and Funding have each consented to such change and have received duly executed documentation related thereto.

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

(d) No Liens. CAC shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than in favor of the Trust Collateral Agent or the Trust as specifically contemplated herein) on, the Contributed Property. CAC shall defend the right, title and interest of Funding in, to and under the Contributed Property against all claims of third parties claiming through or under CAC.

(e) Credit Guidelines and Collection Guidelines. CAC will not amend, modify, restate or replace, in whole or in part, the Credit Guidelines or Collection Guidelines, which change would impair the collectibility of any Dealer Loan or Contract or otherwise adversely affect the interests or the remedies of Funding under this Agreement or any other Basic Document, unless such change is permitted under the Sale and Servicing Agreement and unless CAC obtains the prior written consent of Funding.

(f) Release of Contracts. Except for a release to an insurer in exchange for insurance proceeds paid by such insurer resulting from a claim for the total insured value of a vehicle, neither CAC nor the Servicer shall release the Financed Vehicle securing each such Contract from the security interest granted by such Contract in whole or in part except in the event of payment in full by or on behalf of the Obligor thereunder or repossession, nor shall CAC impair the rights of Funding in the Contracts, except as may be required by applicable law.

(g) Change in Structure. CAC shall not change its jurisdiction of organization or merge or consolidate with and into any other entity or otherwise change its name, corporate structure or tax identification number or its location (within the meaning of the UCC) unless (i)

Funding shall have received at least thirty (30) days advance written notice of such change and CAC has taken all action necessary or appropriate to perfect or maintain the perfection of Funding's interest in the Contributed Property (including, without limitation, the filing of all financing statements and the taking of such other action as Funding or its assigns may request in connection with such change); (ii) in the event of a merger or consolidation, (x) if CAC is then Servicer, such merger or consolidation satisfies all conditions in Section 7.03 of the Sale and Servicing Agreement and, (y) if CAC is not the surviving entity, the surviving entity shall have executed an agreement of assumption acceptable to Funding and the Class A Insurer to perform every obligation of CAC under this Agreement and the other Basic Documents to which CAC is a party, and (iv) CAC shall have delivered to Funding, the Indenture Trustee and the Class A Insurer an opinion of counsel confirming that the security interest created hereunder remains perfected and of first priority, subject only to such limitations and qualifications as are contained in the opinions of Dykema Gossett PLLC delivered on the Closing Date or are otherwise consented to by the addressees of such opinion.

SECTION 5.3 Indemnities by CAC.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, CAC hereby agrees to indemnify Funding, or its assignee, and each of their respective Affiliates and officers, directors, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party arising out of or as a result of this Agreement or in respect of any Dealer Loan or any Contract, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party or (b) Indemnified Amounts that arise as a result of non-payment of Dealer Loans due to credit problems of Dealers or Obligors. If CAC has made any indemnity payment pursuant to this Section 5.3 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to CAC an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, CAC shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any Contract or Dealer Loan treated as or represented by CAC to be an Eligible Contract or Eligible Loan that is not at the applicable time an Eligible Contract or Eligible Loan;

(ii) reliance on any representation or warranty made or deemed made by CAC or any of its officers under or in connection with this Agreement, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(iii) the failure by CAC to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Dealer Loan, Dealer Agreement, any Contract, or

the nonconformity of any Dealer Loan, Dealer Agreement or Contract with any such Applicable Law;

(iv) the failure to vest and maintain vested in Funding, or its assignees, a first priority perfected security interest in the Contributed Property, free and clear of any Lien;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to the Contributed Property, whether at the time of the Closing or at any subsequent time;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Dealer or Obligor) of the relevant Dealer or Obligor to the payment of any Dealer Loan or Contract (including, without limitation, a defense based on such Dealer Loan or Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(v) any failure of CAC to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by CAC to perform its respective duties under the Dealer Loans;

(vi) the failure by CAC to pay when due any taxes for which CAC is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Contributed Property;

(vii) the commingling of Collections of the Dealer Loans and Contracts at any time with other funds;

(viii) any investigation, litigation or proceeding related to this Agreement or in respect of any Dealer Loan or Contract;

(ix) the failure by CAC to pay when due any taxes for which CAC is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Contributed Property;

(x) the failure of CAC, in its individual capacity, or any of its agents or representatives to remit to the Servicer or the Trust Collateral Agent Collections of the Dealer Loans and Contracts remitted to CAC, in its individual capacity, or any such agent or representative; and

(xi) the failure of a Contract File to contain the relevant original Contract.

Notwithstanding the foregoing, CAC shall have no indemnification obligation hereunder with respect to any Dealer Loan or Contract in respect of which CAC shall have paid the Purchase Amount under the Sale and Servicing Agreement.

(b) Any amounts subject to the indemnification provisions of this Section 5.3 shall be paid by CAC to Funding within five (5) Business Days following the Funding's demand therefor.

(c) The obligations of CAC under this Section 5.3 shall survive the termination of this Agreement.

ARTICLE VI
PAYMENT OBLIGATION

SECTION 6.1. Mandatory Payments. CAC, in its individual capacity or as Servicer, as the case may be, shall perform its obligations under Sections 3.02 and 4.07 of the Sale and Servicing Agreement.

SECTION 6.2. No Recourse. Except as otherwise provided in this Article VI, the purchase and sale of the Dealer Loans under this Agreement shall be without recourse to CAC or the Servicer.

ARTICLE VII
CONDITIONS PRECEDENT

SECTION 7.1. Conditions to Funding's Obligations Regarding Dealer Loans. Consummation of the transactions contemplated hereby on the Closing Date shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of CAC and the Servicer contained in this Agreement shall be true and correct on the Closing Date with the same effect as though such representations and warranties had been made on such date;

(b) With respect to those Dealer Loans contributed on the Closing Date, all information concerning such Dealer Loans provided to Funding shall be true and correct in all material respects as of the Closing Date;

(c) CAC and the Servicer shall have substantially performed all other obligations required to be performed by the provisions of this Agreement;

(d) CAC shall have filed or caused to be filed, or shall have delivered for filing, the financing statement(s) required to be filed pursuant to Section 2.1(b);

(e) All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Funding, and Funding shall have received from CAC copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as Funding may reasonably have requested; and

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 8.1. Amendment. This Agreement and the rights and obligations of the parties hereunder may not be changed orally, but only by an instrument in writing signed by Funding and CAC and consented to in writing by the Trust Collateral Agent.

SECTION 8.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

SECTION 8.3. Notices. Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be sent by facsimile transmission with a confirmation of the receipt thereof and shall be deemed to be given for purposes of this Agreement on the day that the receipt of such facsimile transmission is confirmed in accordance with the provisions of this Section 8.3. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions (including payment instructions) and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses and accounts indicated below, and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below:

(a) in the case of Funding:

Credit Acceptance Funding LLC 2003-1
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: James D. Murray, Jr.
Telephone: (248) 353-2700 (ext. 884)
Telecopy: (248) 827-8542

with a copies to:

Wachovia Securities, Inc.
Asset Backed Finance
NC 0610
One Wachovia Center
301 South College Street
Charlotte, North Carolina 28288-0610
Attention: Chad Kobos
Telephone: (704) 715-1359
Telecopy: (704) 383-9106

And

Radian Asset Assurance, Inc.
335 Madison Avenue
New York, New York 10017
Attention: Chief Risk Officer and Chief Legal Officer

(b) in the case of CAC and in the case of the Servicer (for so long as the Servicer is CAC):

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: James D. Murray, Jr.
Telephone: (248) 353-2700 (ext. 884)
Telecopy: (248) 827-8542

or, as to each party, at such other address as shall be designated by such party in a written notice to each other party.

SECTION 8.4. Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held

invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

SECTION 8.5. Assignment. This Agreement may not be assigned by the parties hereto, except that Funding may assign its rights hereunder pursuant to the Sale and Servicing Agreement to the Trust for the benefit of the Trust, the Class A Insurer, the Indenture Trustee, the Trust Collateral Agent and the Class A Noteholders. Funding hereby notifies CAC (and CAC hereby acknowledges) that Funding, pursuant to the Sale and Servicing Agreement, has assigned its rights hereunder to the Trust. All rights of Funding hereunder may be exercised by the Trust or its assignees, to the extent of their respective rights pursuant to such assignments.

SECTION 8.6. Further Assurances. Funding, CAC and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other parties in order to more fully to effect the purposes of this Agreement, including, without limitation, the execution of any financing statements or continuation statements or equivalent documents relating to the Dealer Loans for filing under the provisions of the UCC or other laws of any applicable jurisdiction.

SECTION 8.7. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Funding, CAC or the Trust Collateral Agent, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privilege provided by law.

SECTION 8.8. Counterparts. This Agreement may be executed in two or more counterparts including telecopy transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 8.9. Binding Effect; Third-Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. The Trust and the Trust Collateral Agent on behalf of the Trust, the Class A Noteholders and the Class A Insurer are intended by the parties hereto to be third-party beneficiaries of this Agreement.

SECTION 8.10. Merger and Integration. Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

SECTION 8.11. Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 8.12. Exhibits. The schedules and exhibits referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

SECTION 8.13 Covenant Not to File a Bankruptcy Petition. CAC agrees that until one year and one day after such time as the Class A Notes issued under the Indenture are paid in full, it shall not (i) institute the filing of a bankruptcy petition against Funding or the Trust based upon any claim in its favor arising hereunder or under the Basic Documents; (ii) file a petition or consent to a petition seeking relief on behalf of Funding or the Trust under the Bankruptcy Law; or (iii) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of Funding or the Trust or any portion of the property of Funding or the Trust.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Funding and CAC each have caused this Contribution Agreement to be duly executed by their respective officers as of the day and year first above written.

FUNDING: CREDIT ACCEPTANCE FUNDING LLC 2003-1

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: VP Finance & Treasurer

Credit Acceptance Funding LLC 2003-1
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: James D. Murray, Jr.
Facsimile No.: (248) 827-8542
Confirmation No.: (248) 353-2400 (ext. 884)

CAC: CREDIT ACCEPTANCE CORPORATION

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer & Treasurer

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: James D. Murray, Jr.
Facsimile No. (248) 827-8542
Confirmation No.: (248) 353-2400 (ext. 884)

SCHEDULE A
to
Contribution Agreement

PERFECTION REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to the representations, warranties and covenants contained in the Agreement, CAC hereby represents, warrants, and covenants to Funding as follows on the Closing Date and on each Distribution Date on which Funding purchases Dealer Loans, in each case only with respect to the Contributed Property conveyed to Funding on such Closing Date or the relevant Distribution Date:

GENERAL

1. This Agreement creates a valid and continuing security interest (as defined in UCC Section 9-102) in the Contributed Property in favor of Funding, which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from and assignees of CAC.

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

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

4. CAC has taken or will take all steps necessary actions with respect to the Dealer Loans to perfect Funding's security interest in the Dealer Loans and in the property securing the Dealer Loans.

CREATION

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

PERFECTION

1. CAC has caused or will have caused, within ten days after the effective date of the Indenture, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the contribution and sale of the Contributed Property from the Originator to the Seller, the transfer and sale of the Seller Property

from the Seller to the Issuer, and the security interest in the Collateral granted to the Indenture Trustee under the Indenture.

2. With respect to Seller Property that constitutes tangible chattel paper, such tangible chattel paper is in the possession of the Servicer, in its capacity as custodian for the Trust and the Trust Collateral Agent, and the Trust Collateral Agent has received a written acknowledgment from the Servicer, in its capacity as custodian, that it is holding such tangible chattel paper solely on its behalf and for the benefit of the Trust Collateral Agent, the Seller, the Trust and the relevant Dealer(s). All financing statements filed or to be filed against CAC in favor of Funding in connection with this Contribution Agreement describing the Contributed Property contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Secured Party."

PRIORITY

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

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

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

SURVIVAL OF PERFECTION REPRESENTATIONS

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

NO WAIVER

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

Agency with prompt written notice of any breach of the Perfection Representations, Warranties or Covenants, and shall not, without obtaining a confirmation of the then-current rating of the Class A Notes (without giving effect to the Class A Note Insurance Policy) as determined after any adjustment or withdrawal of the ratings following notice of such breach) waive a breach of any of the Perfection Representations, Warranties or Covenants.

EXHIBIT 4(f)(48)

BACKUP SERVICING AGREEMENT

BACKUP SERVICING AGREEMENT (the "Agreement"), dated as of June 27, 2003, among SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation (the "Backup Servicer"), RADIAN ASSET ASSURANCE INC., a New York stock insurance company (the "Class A Insurer"), CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("Credit Acceptance" or the "Servicer"), CREDIT ACCEPTANCE FUNDING LLC 2003-1, a Delaware limited liability company (the "Seller"), CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1, a Delaware statutory trust (the "Trust" or the "Issuer") and JPMORGAN CHASE BANK, a New York banking corporation, as trust collateral agent (the "Trust Collateral Agent").

W I T N E S S E T H :

WHEREAS, Credit Acceptance, the Seller, the Backup Servicer, the Issuer and the Trust Collateral Agent have entered into a Sale and Servicing Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Sale and Servicing Agreement");

WHEREAS, the parties to the Sale and Servicing Agreement desire to obtain the services of the Backup Servicer to perform certain servicing functions and assume certain obligations with respect to the Sale and Servicing Agreement, all as set forth herein, and the Backup Servicer has agreed to perform such functions and assume such obligations; and

WHEREAS, for its services hereunder and with respect to the Sale and Servicing Agreement, the Backup Servicer will receive a fee payable as described herein;

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

ARTICLE 1
DEFINITIONS

SECTION 1.1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings specified in, or incorporated by reference to, the Sale and Servicing Agreement. The following terms shall have the meanings specified below:

"Aggregate Basis" means verification of only such aggregated amounts as are stated in the Servicer's Certificate, and not as to any amount related to any Dealer Loan or Contract.

"Assumption Date" has the meaning specified in Section 2.3(a).

"Backup Servicer Event of Default" has the meaning specified in Section 4.1.

"Backup Servicer's Certificate" has the meaning specified in Section 2.10.

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

"Continued Errors" has the meaning specified in Section 2.2(c)(iii).

"Errors" has the meaning specified in Section 2.2(c)(iii).

"Liability" has the meaning specified in Section 2.2(c)(i).

"Live Data Files" has the meaning specified in Section 2.6(c).

"Material Adverse Change" means any circumstance or event which in the reasonable judgment of the Class A Insurer (a) may be reasonably expected to cause a material adverse change to the validity or enforceability of this Agreement or the Sale and Servicing Agreement, or (b) may be reasonably expected to materially impair the ability of the Backup Servicer to fulfill its obligations under this Agreement or the Sale and Servicing Agreement.

"Servicer's Data File" has the meaning specified in Section 2.1(a).

"Service-Related Activities" means the services and service-related activities and the servicer-related responsibilities of the Servicer provided for under the Sale and Servicing Agreement as modified or eliminated herein with respect to the Backup Servicer.

"Servicing Fee" has the meaning given such term in the Sale and Servicing Agreement.

"Successor Backup Servicer" has the meaning specified in Section 2.4(b).

"Third Party" has the meaning specified in Section 2.9(d).

SECTION 1.2. Usage of Terms. With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other gender; references to "writing" include printing, typing, lithography, and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

SECTION 1.3. Section References. All section references shall be to Sections in this Agreement (unless otherwise provided).

ARTICLE 2
ADMINISTRATION AND COLLECTION

SECTION 2.1. Reconciliation of Servicer's Certificate.

(a) No later than 9:00 A.M. New York time on the third Business Day following the end of each Collection Period, the Servicer shall send to the Backup Servicer an electronic file, detailing the Collections received during the prior Collection Period and all other information relating to the Dealer Loans and the Contracts as may be necessary for the complete and correct completion of the Servicer's Certificate (the "Servicer's Data File"). Such electronic file shall be in the form and have the specifications as may be agreed to between the Servicer and the Backup Servicer from time to time. The Backup Servicer shall, within one (1) day of the receipt thereof, load the Servicer's Data File and confirm that it is in readable form. If the Backup Servicer determines that the Servicer's Data File is not in readable form, the Backup Servicer shall immediately upon discovery thereof notify the Servicer and the Trust Collateral Agent by telephone, and upon such notification, the Servicer shall prepare and send a replacement Servicer's Data File to the Backup Servicer satisfying the Backup Servicer's specifications, for receipt by the Backup Servicer on the next day.

(b) No later than the end of the second Business Day prior to each Determination Date, the Servicer shall furnish to the Backup Servicer the Servicer's Certificate related to the prior Collection Period together with all other information necessary for preparation of such Servicer's Certificate and necessary to determine the application of Collections as provided in the Sale and Servicing Agreement. The Backup Servicer shall review the information contained in the Servicer's Certificate against the information on the Servicer's Data File, on an Aggregate Basis. No later than three (3) Business Days after the Backup Servicer's receipt of each Servicer's Certificate, the Backup Servicer shall notify the Servicer, the Trust Collateral Agent, the Indenture Trustee and the Class A Insurer of any inconsistencies between the Servicer's Certificate and the information contained in the Servicer's Data File; provided, however, in the absence of a reconciliation, the Servicer's Certificate shall control for the purpose of calculations and distributions with respect to the related Distribution Date. If the Backup Servicer and the Servicer are unable to reconcile discrepancies with respect to a Servicer's Certificate prior to the related Distribution Date, the Servicer shall cause a firm of independent accountants, at the Servicer's expense, to audit the Servicer's Certificate and, prior to the third Business Day, but in no event later than the fifth calendar day, of the following month, reconcile the discrepancies. The effect, if any, of such reconciliation shall be reflected in the Servicer's Certificate for such next Distribution Date. The Backup Servicer shall only review the information provided by the Servicer in the Servicer's Certificate and in the Servicer's Data File and its obligation to report any inconsistencies shall be limited to those determinable from such information.

(c) The Backup Servicer and the Servicer shall attempt to reconcile any such inconsistencies and/or to furnish any omitted information and the Servicer shall amend the Servicer's Certificate to reflect the results of the reconciliation or to include any omitted information.

(d) The Servicer shall provide monthly, or as otherwise requested, to the Backup Servicer, or its agent, information on the Dealer Loans and related Contracts sufficient to enable the Backup Servicer to assume the responsibilities as successor servicer under the Sale and Servicing Agreement and service and collect the Dealer Loans and related Contracts.

(e) The Servicer shall provide the Backup Servicer with any and all updates to the master file data layout and copy book information necessary due to system changes or modifications, which may require changes to the Backup Servicer's applications necessary to read the Servicer's Data File.

SECTION 2.2. Review and Verification.

(a) Notwithstanding anything in Section 2.1 to the contrary, on or before the end of the second Business Day prior to each Determination Date, the Servicer and the Trust Collateral Agent shall provide sufficient data to the Backup Servicer to allow the Backup Servicer to review on an Aggregate Basis the Servicer's Certificate related thereto and determine the following:

(i) that such Servicer's Certificate is complete on its face;

(ii) that the amounts credited to and withdrawn from the Collection Account and the balance of such account, as set forth in the records of the Trust Collateral Agent are the same as the amount set forth in the Servicer's Certificate; and

(iii) that the amounts credited to and withdrawn from the Reserve Account and the balance of such account, as set forth in the records of the Trust Collateral Agent are the same as the amount set forth in the Servicer's Certificate.

(b) The Backup Servicer shall, on or before the Determination Date with respect to any Collection Period, verify the Servicer's Certificate in its entirety, which shall include but not be limited to the following:

(i) the amount of the related distribution allocable to principal;

(ii) the amount of the related distribution allocable to interest;

(iii) the amount of the related distribution payable out of the Reserve Account;

(iv) the Aggregate Outstanding Net Eligible Loan Balance, the Aggregate Outstanding Eligible Loan Balance and the aggregate Outstanding Balance of all Eligible Contracts as of the close of business on the last day of the preceding Collection Period;

(v) the Class A Note Balance and the pool factor;

(vi) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period and/or due but unpaid with respect to such Collection Period or prior Collection Periods, as the case may be;

(vii) the Class A Interest Carryover Shortfall, if any;

(viii) the total amount of Collections for the related Collection Period; and

(ix) the aggregate Purchase Amount for the Ineligible Loans and Ineligible Contracts, if any, that was paid in such period.

(c) The Backup Servicer shall provide written notice to the Class A Insurer and the Trust Collateral Agent with respect to whether there are any inconsistencies or deficiencies with respect to its review and verification set forth in paragraphs (a) and (b) above and, if any, shall provide a description thereof as set forth in Section 2.10 hereof. In the event of any discrepancy between the information set forth in subparagraphs (a) and (b) above, as calculated by the Servicer, from that determined or calculated by the Backup Servicer, the Backup Servicer shall promptly notify the Servicer and, if within five (5) days of such notice being provided to the Servicer, the Backup Servicer and the Servicer are unable to resolve such discrepancy, the Backup Servicer shall promptly notify the Class A Insurer and the Trust Collateral Agent of such discrepancy.

(i) Other than as specifically set forth elsewhere in this Agreement, the Backup Servicer shall have no obligation to supervise, verify, monitor or administer the performance of the Servicer and shall have no duty, responsibility, obligation, or liability (collectively "Liability") for any action taken or omitted by the Servicer.

(ii) The Backup Servicer shall consult with the Servicer as may be necessary from time to time to perform or carry out the Backup Servicer's obligations hereunder, including the obligation, if requested in writing by the Class A Insurer, to succeed within thirty (30) days to the duties and obligations of the Servicer pursuant to Section 2.3.

(iii) Except as otherwise provided in this Agreement, the Backup Servicer may accept and reasonably rely on all accounting, records and work of the Servicer without audit, and the Backup Servicer shall have no Liability for the acts or omissions of the Servicer or for the inaccuracy of any data provided, produced or supplied by the Servicer. If any error, inaccuracy or omission (collectively, "Errors") exists in any information received from the Servicer, and such Errors should cause or materially contribute to the Backup Servicer making or continuing any Errors (collectively, "Continued Errors"), the Backup Servicer shall have no Liability for such Continued Errors; provided, however, that this provision shall not protect the Backup Servicer against any Liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in discovering or correcting any Error or in the performance of its

duties hereunder or under the Sale and Servicing Agreement. In the event the Backup Servicer becomes aware of Errors or Continued Errors which, in the opinion of the Backup Servicer impairs its ability to perform its services hereunder, the Backup Servicer may, with the prior consent of the Class A Insurer, undertake to reconstruct and reconcile such data as it deems appropriate to correct such Errors and Continued Errors and prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer.

(iv) The Backup Servicer and its officers, directors, employees and agents shall be indemnified by the Servicer and the Issuer from and against all claims, damages, losses or expenses reasonably incurred by the Backup Servicer (including reasonable attorney's fees and expenses) arising out of claims asserted against the Backup Servicer on any matter arising out of this Agreement to the extent the act or omission giving rise to the claim accrues before the Assumption Date, except for any claims, damages, losses or expenses arising from the Backup Servicer's own willful misfeasance, bad faith or gross negligence. The obligations of the Servicer and the Issuer under this Section shall survive the termination of this Agreement and the earlier resignation or removal of the Backup Servicer.

SECTION 2.3. Assumption of Servicer's Obligations.

(a) The Backup Servicer agrees that within 30 days of receipt of a written notice from the Class A Insurer, or the Trust Collateral Agent if a Class A Insurer Default has occurred and is continuing, of the termination of the rights and obligations of Credit Acceptance as Servicer pursuant to the Sale and Servicing Agreement, and without further notice, the Backup Servicer shall, subject to the exclusions stated herein, assume the Service-Related Activities of Credit Acceptance under the Sale and Servicing Agreement (the "Assumption Date") and further agrees that it shall assume all such Service-Related Activities in accordance with the requirements, terms and conditions set forth in the Sale and Servicing Agreement and this Agreement. In the event of a conflict between any provision of the Sale and Servicing Agreement and this Agreement, this Agreement shall be controlling.

(b) In the event of an assumption by the Backup Servicer of the Servicer-Related Activities of Credit Acceptance under the Sale and Servicing Agreement, the Backup Servicer shall not be obligated to perform the obligations imposed in the following Sections of the Sale and Servicing Agreement: Sections 3.02 (provided that the Backup Servicer shall be obligated to inform the other parties to this Agreement of the breaches or failures set forth in Section 3.02 of which a Responsible Officer has actual knowledge), 4.01(c), 4.01(d)(i), 4.01(d)(ii), 4.04, 4.06(a)(iii), 4.06(a)(v), 4.06(a)(ix), 4.06(a)(x), 4.06(b)(i), 4.06(b)(ii), 4.06(b)(v) (only with respect to the Servicer's obligation to defend the right, title and interest of the Trust Collateral Agent in the Trust Property against the claims of third parties), 4.07 (provided that the Backup Servicer shall be obligated to inform the other parties to this Agreement of certain breaches detailed in Section 4.07 of which a Responsible Officer has actual knowledge in the manner described therein), 4.11, 4.15(b), 4.15(c), 5.01(b), 5.01(c), 5.02(a) (only with respect to the amount of time in which the Servicer is required to remit Collections to the Collection

Account which, in the case of SST after the Assumption Date, will be within one (1) Business Day of receipt of such Collections with respect to cleared funds, and in all other cases will be within three (3) Business Days of receipt of such Collections, 5.09(b), 5.10(b), 7.02 (provided that the Backup Servicer shall be liable under Section 7.02(iii) of the Sale and Servicing Agreement as to action taken by it as successor Servicer), 7.03, 7.06, 9.05 or 10.01(b).

SECTION 2.4. Servicing and Retention of Servicer.

(a) Subject to early termination of the Backup Servicer due to the occurrence of a Backup Servicer Event of Default, or pursuant to Article 4, or as otherwise provided in this Section 2.4, on and after the Assumption Date, the Backup Servicer shall be responsible for the servicing, administering, managing and collection of the Dealer Loans and Contracts in accordance herewith and the Sale and Servicing Agreement.

(b) In the event of a Backup Servicer Event of Default, the Class A Insurer shall have the right to terminate the Backup Servicer as successor Servicer and Backup Servicer hereunder. Upon the termination or resignation of the Backup Servicer hereunder, the Class A Insurer shall have the right to appoint a successor Backup Servicer (the "Successor Backup Servicer") and enter into a backup servicing agreement with such Successor Backup Servicer at such time and exercise all of its rights under Section 4.15 of the Sale and Servicing Agreement; provided, however, that if such termination or resignation of the Backup Servicer occurs prior to the Assumption Date, the appointment of the Successor Backup Servicer shall be mutually acceptable to Credit Acceptance and the Class A Insurer. Such backup servicing agreement shall specify the duties and obligations of the Successor Backup Servicer, and all references herein and in the Sale and Servicing Agreement to the Backup Servicer shall be deemed to refer to such Successor Backup Servicer.

(c) The Backup Servicer shall not resign from the obligations and duties imposed on it by this Agreement or the Sale and Servicing Agreement, as successor servicer or as Backup Servicer, as applicable, except upon a determination that by reason of a change in legal requirements, the performance of its duties hereunder or under the Sale and Servicing Agreement would cause it to be in violation of such legal requirements in a manner which would have a material adverse effect on the Backup Servicer, and the Class A Insurer does not elect to waive the obligations of the Backup Servicer to perform the duties which render it legally unable to act or to delegate those duties to another Person. Any such determination permitting the resignation of the Backup Servicer pursuant to this Section 2.4(c) shall be evidenced by an opinion of counsel to such effect delivered and acceptable to the Class A Insurer. No resignation of the Backup Servicer shall become effective until an entity reasonably acceptable to the Class A Insurer shall have assumed the responsibilities and obligations of the Backup Servicer.

(d) Any Person: (i) into which the Backup Servicer may be merged or consolidated; (ii) resulting from any merger or consolidation to which the Backup Servicer shall be a party; (iii) which acquires by conveyance, transfer or lease substantially all of the assets of the Backup Servicer; or (iv) succeeding to the business of the Backup Servicer, in any of the foregoing cases shall execute an agreement of assumption to perform every obligation of the Backup Servicer under this Agreement and the Sale and Servicing Agreement, whether or not such assumption agreement is executed, shall be the successor to the Backup Servicer under this

Agreement and the Sale and Servicing Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement or the Sale and Servicing Agreement, anything herein or therein to the contrary notwithstanding; provided, however, that nothing contained herein or therein shall be deemed to release the Backup Servicer from any obligation hereunder or under the Sale and Servicing Agreement.

(e) Following the Assumption Date, beginning with the calendar year ending December 31, 2003, the Backup Servicer shall be required to deliver to the Indenture Trustee, the Trust Collateral Agent and the Class A Insurer on or before one hundred twenty (120) days after the end of the Backup Servicer's fiscal year, with respect to such fiscal year, a copy of its annual SAS-70 and its audited financial statements for such fiscal year.

(f) Concurrently with the delivery of the financial reports delivered under (e) above, a report in substantially the form attached to this Agreement as Exhibit I and certified by the chief financial officer of the Backup Servicer, certifying that no Backup Servicer Event of Default and no event which, with the giving of notice or the passage of time, would become a Backup Servicer Event of Default has occurred and is continuing or, if any such Backup Servicer Event of Default or other event has occurred and is continuing, such a Backup Servicer Event of Default has occurred and is continuing, the action which the Backup Servicer has taken or proposes to take with respect thereto, shall be delivered to the Indenture Trustee, the Trust Collateral Agent and the Class A Insurer.

SECTION 2.5. Servicing Duties of the Backup Servicer. On and after the Assumption Date:

(a) The Backup Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Dealer Loans and Contracts from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Collection Guidelines. There shall be no recourse to the Backup Servicer with regard to the Dealer Loans and Contracts. The Backup Servicer shall hold in trust for the Trust Collateral Agent all records which evidence or relate to all or any part of the Trust Estate. In the event that a Successor Backup Servicer is appointed, the outgoing Backup Servicer shall deliver to the Successor Backup Servicer and the Successor Backup Servicer shall hold in trust for the Trust Collateral Agent all records which evidence or relate to all or any part of the Trust Estate.

(b) The Backup Servicer shall as soon as practicable upon demand, deliver to the Issuer all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Dealer Loan or Contract.

(c) The Backup Servicer shall remit to the Collection Account within two (2) Business Days of receipt, all Collections.

(d) In addition to the obligations of the Backup Servicer under this Agreement, the Backup Servicer shall perform all of the obligations of the Servicer as servicer under the Sale and Servicing Agreement, except as set forth in Section 2.3(b) hereof. Without limiting the foregoing and anything provided for herein, the Backup Servicer shall perform the

following in substantially the same manner and level at which Credit Acceptance performs such on the date hereof: (a) customer service inquiries/responsibilities; (b) collections on delinquent and charged-off accounts; (c) insurance monitoring and the making of claims with respect thereto; (d) creating the Servicer's Certificates; (e) repossession and other legal actions; (f) statements to performing accounts and other correspondence; (g) reconciliation of dealer holdback payments; (h) inventory management; (i) maintenance of lock-box accounts; (j) electronic skip tracing; and (k) document storage and title maintenance.

SECTION 2.6. Other Obligations of the Backup Servicer and Servicer.

(a) In order to ensure preparedness to carry out the Service-Related Activities, the Backup Servicer agrees that immediately upon execution of this Agreement, it will begin to formulate a contingency plan designed to execute a transition of the Service-Related Activities from Credit Acceptance, and such plan shall be finalized within sixty (60) days of execution of this Agreement. The contingency plan of the Backup Servicer shall contemplate the services to be provided by the Backup Servicer under this Agreement and the Sale and Servicing Agreement and, without limiting the obligations hereunder and thereunder, shall provide for the servicing and enforcement of the Dealer Loans and Contracts in a manner comparable to the servicing and enforcement of similar dealer loans and contracts that the Backup Servicer carries out for itself and others.

(b) [Reserved]

(c) No later than the 10th day of each calendar month until the earlier of the Assumption Date or the termination of this Agreement, Credit Acceptance shall provide a Live Data File (as defined below) transmission to the Backup Servicer, which shall include the Dealer Loan and Contract master file, the transaction history file and all other files necessary to carry out the Service-Related Activities received in connection herewith (the "Live Data Files"). The Backup Servicer shall convert the Live Data Files to its internal systems, and no later than five (5) Business Days after the receipt thereof, shall confirm in writing to Credit Acceptance the accuracy and completeness of the conversion; provided, however, that such confirmation shall not be deemed to apply to the accuracy of the Live Data Files as provided by Credit Acceptance, but shall be deemed only to apply to the accuracy of the conversion of the Live Data Files to the Backup Servicer's internal systems. In the event of any changes in format with respect to either Credit Acceptance or the Backup Servicer, Credit Acceptance and the Backup Servicer shall coordinate with each other for the replacement of the data files with files in the correct format, modified accordingly. To verify that Live Data Files have been accurately converted to the Backup Servicer's internal servicing system, the Backup Servicer will provide Credit Acceptance with such reports as are mutually agreed upon by Credit Acceptance and the Backup Servicer from time to time. Credit Acceptance reserves the right to review converted data on the Backup Servicer's system either by performing an onsite review of the Backup Servicer's systems or, at Credit Acceptance's sole expense, by having remote access to the Backup Servicer's systems.

(d) In connection with the Backup Servicer assuming the obligations of Servicer hereunder and under the Sale and Servicing Agreement, Credit Acceptance agrees that it shall: (i) promptly make available to the Backup Servicer access to all records and information in the possession of Credit Acceptance related to the Dealer Loans and the Contracts as may be

necessary or reasonably requested by the Backup Servicer in connection with the performance of the Backup Servicer's obligations hereunder and thereunder; and (ii) cooperate in good faith with the Backup Servicer and the Trust Collateral Agent in connection with any transition of the servicing of the Dealer Loans and Contracts to the Backup Servicer.

SECTION 2.7. Servicing Compensation. As compensation for the performance of its obligations under this Agreement and with respect to the Sale and Servicing Agreement, the Backup Servicer is entitled to: (i) prior to the Assumption Date, the Backup Servicing Fee and (ii) after the Assumption Date, the sum of: (A) the Servicing Fee, (B) any Repossession Expenses, (C) any Reliening Expenses and (D) any Transition Expenses.

SECTION 2.8. Trust Collateral Agent's Rights. At any time following the Assumption Date:

(a) The Trust Collateral Agent or the Backup Servicer may direct that payment of all amounts payable under any Dealer Loans or Contracts be made directly to the Backup Servicer, the Trust Collateral Agent or its designee.

(b) The Servicer shall, (unless otherwise directed by the Trust Collateral Agent) (i) assemble all of the records relating to the Trust Estate and shall make the same available to the Backup Servicer (or the Trust Collateral Agent if so directed by the Trust Collateral Agent) at a place selected by the Backup Servicer or the Trust Collateral Agent, as applicable; provided, however, that the Servicer will be entitled to retain copies of all records provided pursuant to this Section 2.8(b), and (ii) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner acceptable to the Trust Collateral Agent and shall, promptly upon receipt but no later than one (1) Business Day after receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, as directed by the Trust Collateral Agent or the Backup Servicer.

(c) Credit Acceptance hereby authorizes the Trust Collateral Agent and the Backup Servicer to take any and all steps in Credit Acceptance's name and on behalf of Credit Acceptance necessary or desirable, in the determination of the Backup Servicer or the Trust Collateral Agent acting in "good faith" (as such term is defined in Article 9 of the UCC), to collect all amounts due under any and all of the Dealer Loans, including, without limitation, endorsing Credit Acceptance's name on checks and other instruments representing Collections and enforcing the Dealer Loans and Contracts; provided, however, that the Trust Collateral Agent shall not have an affirmative obligation to carry out such duties.

SECTION 2.9. Liability of the Backup Servicer; Standard of Care.

(a) The Backup Servicer shall not be liable for its actions or omissions hereunder except for its negligence, willful misconduct or breach of this Agreement not caused by another party to this Agreement, or for any recitals, statements, representations or warranties made expressly by the Backup Servicer.

(b) The Backup Servicer shall indemnify, defend and hold harmless the Servicer and its respective officers, directors, agents and employees from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss,

claim, damage or liability arose out of, or was imposed upon the Servicer through the Backup Servicer's breach of this Agreement, the willful misfeasance, bad faith or negligence of the Backup Servicer in the performance of its duties under this Agreement or by reason of reckless disregard of its obligations and duties under this Agreement.

(c) The Servicer shall indemnify, defend and hold harmless the Backup Servicer and its respective officers, directors, agents and employees from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon the Backup Servicer through the Servicer's breach of this Agreement, the willful misfeasance, bad faith or negligence of the Servicer in the performance of its duties under this Agreement or by reason of reckless disregard of its obligations and duties under this Agreement.

(d) The Backup Servicer may accept and reasonably rely on all accounting and servicing records and other documentation provided to the Backup Servicer by or at the direction of the Servicer, including documents prepared or maintained by any originator, or previous servicer, or any party providing services related to the Dealer Loans or Contracts (collectively, the "Third Party"). The Servicer agrees to indemnify (subject to the limitation provided in subsection (e) below) and hold harmless the Backup Servicer, its respective officers, employees and agents against any and all claims, losses, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees and expenses that the Backup Servicer may sustain in any way related to the negligence or misconduct of any Third Party with respect to the Dealer Loans or Contracts. The Backup Servicer shall have no Liability for the acts or omissions of any such Third Party or for the inaccuracy of any data provided, produced or supplied by such Third Party. If any Error exists in any information provided to the Backup Servicer and such Errors cause or materially contribute to the Backup Servicer making a Continuing Error, the Backup Servicer shall have no liability for such Continued Errors; provided, however, that this provision shall not protect the Backup Servicer against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in discovering or correcting any error or in the performance of its duties contemplated herein.

In the event the Backup Servicer becomes aware of Errors and/or Continued Errors which, in the opinion of the Backup Servicer, impair its ability to perform its services hereunder, the Backup Servicer shall promptly notify the Servicer and the Class A Insurer of such Errors and/or Continued Errors. With the prior consent of the Servicer and the Class A Insurer, the Backup Servicer may undertake to reconstruct any data or records appropriate to correct such Errors and/or Continued Errors and to prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer.

(e) Indemnification under this Article shall include, without limitation, reasonable fees and expenses of counsel and expenses of litigation. If the indemnifying party has made any indemnity payments pursuant to this Article and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts collected to the indemnifying party, together with any interest earned thereon.

(f) In performing the Service-Related Activities contemplated by this Agreement, the Backup Servicer agrees to comply in all respects with the applicable state and federal laws and will carry out such activities with the same degree of care as that provided for the Servicer under the Sale and Servicing Agreement. The Backup Servicer shall maintain all state and federal licenses and franchises necessary for it to perform Service-Related Activities. The Backup Servicer shall not have any Liability for any Error or Continued Error by the Servicer, or for any error, inaccuracy or omission of the Servicer before the Backup Servicer assumes the Service-Related Activities.

(g) Neither the Backup Servicer nor any of the directors or officers or employees or agents of the Backup Servicer shall be under any liability to the Servicer or any party to this Agreement or the Sale and Servicing Agreement except as provided in this Agreement, for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement; provided, however, that this provision shall not protect the Backup Servicer or any such person against any liability that would otherwise be imposed by reason of a breach of this Agreement or willful misfeasance, bad faith or gross negligence (excluding errors in judgment) in the performance of duties, by reason of reckless disregard of obligations and duties under this Agreement or any violation of law by the Backup Servicer or such person, as the case may be. The Backup Servicer and any director, officer, employee or agent of the Backup Servicer may conclusively rely and shall be fully protected in acting or refraining from acting upon any document, certificate, instrument, opinion, notice, statement, consent, resolution, entitlement order, approval or conversation believed by it to be genuine and made by the proper person and upon the advice or opinion of counsel or other experts selected by it. The Backup Servicer shall not be liable for an error of judgment made in good faith by a Responsible Officer of the Backup Servicer, unless it shall be proven that the Backup Servicer was negligent in ascertaining the pertinent facts.

(h) The Backup Servicer shall maintain its existence and rights as a corporation under the laws of the jurisdiction of its incorporation, and will obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which the failure to so qualify would have an adverse effect on the validity or enforceability of any Contract, Dealer Agreement, this Agreement or on the ability of the Backup Servicer to perform its duties under this Agreement.

(i) The provisions of this Section shall survive the termination of this Agreement.

(j) The Backup Servicer shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

(k) The Backup Servicer may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care.

(l) To the extent that the Backup Servicer is not indemnified by the Servicer pursuant to Section 2.2 hereunder and under the Sale and Servicing Agreement, such amounts

shall be reimbursable by the Issuer pursuant to Section 5.08(a) of the Sale and Servicing Agreement.

SECTION 2.10. Monthly Backup Servicer's Certificate. Prior to the Assumption Date, on or before 12:00 noon (New York City time) on the Business Day preceding each Distribution Date, the Backup Servicer shall deliver or cause to be delivered to the Class A Insurer and the Trust Collateral Agent a certificate (the "Backup Servicer's Certificate"), in form and substance satisfactory to the Class A Insurer, signed by an officer of the Backup Servicer, stating that (i) the Backup Servicer has loaded the Servicer's Data File as described in Section 2.1(a) on its hardware, (ii) a review of the Servicer's Certificate for the related Distribution Date has been made under such officer's supervision, (iii) the Backup Servicer has received the Live Data File described in 2.6(c), and (iv) to such officer's knowledge, (x) the electronic media is in readable form; (y) with respect to the review and verification set forth in Section 2.2(a) and 2.2(b), the data on the Servicer's Data File tie to the related Servicer's Certificate resulting in no discrepancies between them, and (z) the Servicer's Certificate does not contain any errors in accordance with the review criteria set forth in Section 2.2(a) hereunder. If the preceding statements cannot be made in the affirmative, the applicable officer shall state the nature of any and all anomalies, discrepancies and errors, and indicate all actions it is currently taking with the Servicer to reconcile and/or correct the same. Each Backup Servicer's Certificate shall be dated as of the related Determination Date. Upon the request of the Indenture Trustee, the Trust Collateral Agent or the Class A Insurer, a Backup Servicer's Certificate shall be accompanied by copies of any third party reports relied on or obtained in connection with the Backup Servicer's duties hereunder. The Backup Servicer, with respect to the Backup Servicer's Certificate, shall not be responsible for delays attributable to the Servicer's failure to deliver information, defects in the information supplied by the Servicer or other circumstances beyond the control of the Backup Servicer. After the Assumption Date, the Backup Servicer shall deliver the Servicer's Certificate in accordance with Section 4.09 of the Sale and Servicing Agreement.

SECTION 2.11. Backup Servicer's Expenses. The Backup Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder, including fees and disbursements of independent accountants, taxes imposed on the Backup Servicer and expenses incurred in connection with distributions and reports to the Servicer, the Trust Collateral Agent and the Class A Insurer. When the Backup Servicer incurs expenses after the occurrence of a Servicer Default specified in Section 8.01 of the Sale and Servicing Agreement or an Indenture Event of Default specified in Section 5.1 of the Indenture, the parties hereto intend that such expenses constitute expenses of administration under the Bankruptcy Code or any other applicable Federal or State bankruptcy, insolvency or similar law.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Representations and Warranties of the Backup Servicer. The Backup Servicer represents, warrants and covenants as of the date of execution and delivery of this Agreement:

(a) Organization and Good Standing. The Backup Servicer has been duly organized and is validly existing as a corporation in good standing under the laws of Delaware,

with power, authority and legal right to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and now has, power, authority and legal right to enter into and perform its obligations under this Agreement or the Sale and Servicing Agreement.

(b) Due qualification. The Backup Servicer is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions where the failure to do so would materially and adversely affect the performance of its obligations under this Agreement or the Sale and Servicing Agreement.

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

(d) Binding Obligation. This Agreement shall constitute the legal, valid and binding obligation of the Backup Servicer enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Violation. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the fulfillment of the terms hereof, shall not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the certificate of incorporation or bylaws of the Backup Servicer, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Backup Servicer is a party or by which it is bound, or result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than this Agreement, or violate any law, order, rule or regulation applicable to the Backup Servicer of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Backup Servicer or any of its properties.

(f) No Proceedings. There are no proceedings or investigations pending or, to the Backup Servicer's knowledge, threatened against the Backup Servicer, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Backup Servicer or its properties: (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Backup Servicer of its obligations under, or the validity or enforceability of, this Agreement.

(g) The Backup Servicer is not required to obtain the consent of any other party or any consent, license, approval or authorization, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement.

(h) Facilities. The Backup Servicer has adequate facilities and employees in place to handle the following, in accordance with its Collection Guidelines, including, but not limited to: (i) customer service inquiries/responsibilities; (ii) collections on delinquent and charged-off accounts; (iii) insurance monitoring and the making of claims with respect thereto; (iv) creating the Servicer's Certificate; (v) repossession and other legal actions; (vi) statements to performing accounts and other correspondence; (vii) reconciliation of dealer holdback payments; (viii) inventory management; (ix) maintenance of lock-box accounts; (x) electronic skip tracing; and (xi) document storage and title maintenance.

(i) The Backup Servicer shall take all actions it deems necessary to commence servicing within 30 days of receipt of written notice from the Class A Insurer, including without limitation, hiring and training new personnel and purchasing any necessary equipment.

(j) The Backup Servicer will keep gateways, hardware, software, systems and the interface used to fulfill its obligations hereunder up-to-date as necessary to ensure continuing compatibility with Credit Acceptance's systems, utilized by Credit Acceptance in its capacity as Servicer, and otherwise maintain a technology platform that will enable the Backup Servicer to fulfill its obligations at all times, provided that the Backup Servicer will not be responsible for ensuring compatibility with systems changed or modified by Credit Acceptance unless Credit Acceptance notifies the Backup Servicer of such changes or modifications.

(k) The Backup Servicer and all of its employees performing the services described hereunder will perform such services in accordance with industry standards applicable to the performance of such services, and with the same degree of care as it applies to the performance of such services for any assets which the Backup Servicer holds for its own account.

(l) Upon a Backup Servicer Event of Default, the Backup Servicer shall promptly notify the Class A Insurer, or, if a Class A Insurer Default has occurred and is continuing, the Indenture Trustee who shall distribute such notice to the Class A Noteholders, that a Backup Servicer Event of Default has occurred.

ARTICLE 4
TERMINATION

SECTION 4.1. Backup Servicer Event of Default.

For purposes of this Agreement, any of the following shall constitute a "Backup Servicer Event of Default":

(a) Failure on the part of the Backup Servicer duly to observe or perform in any material respect any covenant or agreement of the Backup Servicer set forth in this Agreement, which failure continues unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Backup Servicer by the Class A Insurer.

(b) Any failure by the Backup Servicer (x) after the Assumption Date to deposit to the Collection Account any amount required to be deposited by the Servicer (except for any amounts required to be deposited by the Servicer under Section 4.07 of the Sale and Servicing Agreement) and such failure shall continue unremedied for a period of two (2) days or (y) to deliver to the Trust Collateral Agent or the Class A Insurer the Backup Servicer's Certificate on the related Distribution Date that shall continue unremedied for a period of one (1) Business Day.

(c) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, or liquidator for the Backup Servicer in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days or the entry of any decree or order for relief in respect of the Backup Servicer under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, or similar law, whether now or hereafter in effect, which decree or order for relief continues unstayed and in effect for a period of 60 consecutive days.

(d) The consent by the Backup Servicer to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Backup Servicer or relating to substantially all of its property; or the admission by the Backup Servicer in writing of its inability to pay its debts generally as they become due, the filing by the Backup Servicer of a petition to take advantage of any applicable insolvency or reorganization statute, the making by the Backup Servicer of an assignment for the benefit of its creditors, or the voluntarily suspension by the Backup Servicer of payment of its obligations.

(e) Any representation, warranty or statement of the Backup Servicer made in this Agreement or any certificate, report or other writing delivered by the Backup Servicer pursuant hereto shall prove to be incorrect in any material respect as of the time when the same shall have been made and, within 30 days after written notice thereof shall have been given to the Backup Servicer by the Class A Insurer, the circumstances or condition in respect of which such representation, warranty or statement was incorrect shall not have been eliminated or otherwise cured.

SECTION 4.2. Consequences of a Backup Servicer Event of Default.

If a Backup Servicer Event of Default has occurred and is continuing, the Class A Insurer may, by notice given in writing to the Backup Servicer, terminate all of the rights and obligations of the Backup Servicer under this Agreement. On or after the receipt by the Backup Servicer of such written notice, all authority, power, obligations and responsibilities of the Backup Servicer under this Agreement shall be terminated. The terminated Backup Servicer agrees to cooperate with the Class A Insurer in effecting the termination of the responsibilities and rights of the terminated Backup Servicer under this Agreement.

SECTION 4.3. Backup Servicing Termination.

Prior to the time the Backup Servicer receives a notice from the Trust Collateral Agent that the Backup Servicer will become the Servicer, the Backup Servicer may terminate this Agreement for any reason in its sole judgment and discretion upon delivery of 90 days advance written notice to the Class A Insurer or the Trust Collateral Agent of such termination.

SECTION 4.4. Return of Confidential Information.

Upon termination of this Agreement, the Backup Servicer shall, at the direction of the Class A Insurer or the Trust Collateral Agent, promptly return all written confidential information and any related electronic and written files and correspondence in its possession as are related to this Agreement and the Service-Related Activities contemplated hereunder. The Backup Servicer shall provide reasonable access to its facilities and assistance to any successor servicer or other party assuming the servicing responsibilities, provided, however, that such access shall not unreasonably interfere with the Backup Servicer conducting its day to day operations.

ARTICLE 5
MISCELLANEOUS

SECTION 5.1. Notices, Etc.

(a) On and after the Assumption Date, Credit Acceptance and the Trust Collateral Agent hereby agree to provide to the Backup Servicer all notices required to be provided to the Servicer pursuant to the Sale and Servicing Agreement and the other Basic Documents, as well as a hard copy sent by a nationally recognized courier service with item tracking capability.

(b) Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be sent by facsimile transmission with a confirmation of the receipt thereof and shall be deemed to be given for purposes of this Agreement on the day that the receipt of such facsimile transmission is confirmed in accordance with the provisions of this Section 5.1. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions (including payment instructions) and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses and accounts indicated below, and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below:

If to the Servicer:

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road, Suite 3000
Southfield, Michigan 48034-8339
Attention: James D. Murray, Jr.
Telephone: (248) 353-2400 (ext. 884)
Telecopy: (248) 827-8542

If to the Trust Collateral Agent:

JPMorgan Chase Bank
4 New York Plaza, 6th Floor
New York, NY 10004
Attention: Corporate Trust Office
Telephone: (877) 772-7095

If to the Class A Insurer:

Radian Asset Assurance Inc.
335 Madison Avenue
New York, NY 10017-4605
Attention: Chief Risk Officer and Chief Legal Officer
Telephone: (212) 983-3100
Telecopy: (212) 682-5377

If to the Backup Servicer:

Systems & Services Technologies, Inc.
4315 Pickett Road
St. Joseph, MO 64503
Attention: John Chappell, President and Joseph Booz,
Executive Vice President/General Counsel
Telephone: (816) 671-2022
Telecopy: (816) 671-2029

SECTION 5.2. Successors and Assigns. This Agreement shall be binding upon the Backup Servicer, and shall inure to the benefit of the Trust Collateral Agent and the Class A Insurer and their respective successors and permitted assigns; provided that the Backup Servicer shall not assign any of its rights or obligations hereunder without the prior written consent of the Class A Insurer, and any such assignment in contradiction of the foregoing shall be null and void.

SECTION 5.3. No Bankruptcy Petition Against the Seller and the Issuer. The parties hereto agree that until one year and one day after such time as the Class A Notes issued under the Indenture are paid in full, they shall not (i) institute the filing of a bankruptcy petition against the Seller or the Trust based upon any claim in its favor arising hereunder or under the Basic Documents; (ii) file a petition or consent to a petition seeking relief on behalf of the Seller or the Trust under the Bankruptcy Law; or (iii) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of the Seller or the Trust or any portion of the property of the Seller or the Trust. The parties hereto agree that all obligations of the Issuer and the Seller are non-recourse to the Trust Property except as specifically set forth in the Basic Documents.

SECTION 5.4. Class A Insurer Control Rights. Notwithstanding anything herein or in any other Basic Document to the contrary, during the continuance of a Class A Insurer Default, any voting, consent or control rights granted to the Class A Insurer hereunder or under any other

Basic Document shall be suspended and shall instead be made by the Majority Noteholders; provided, however, that upon the cure of the Class A Insurer Default, such voting, consent and control rights shall be reinstated.

SECTION 5.5. Severability Clause. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 5.6. Amendments. This Agreement and the rights and obligations of the parties hereunder may not be changed orally but only by an instrument in writing signed by the parties hereto.

SECTION 5.7. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

SECTION 5.8. Counterparts. This Agreement may be executed in any number of copies, and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument.

SECTION 5.9. Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

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IN WITNESS WHEREOF, the Servicer, the Class A Insurer, the Backup Servicer, the Trust Collateral Agent, the Issuer and the Seller have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CREDIT ACCEPTANCE CORPORATION,
as Servicer

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer & Treasurer

RADIAN ASSET ASSURANCE INC.,
as Class A Insurer

By: /S/ George F. Schulz

Name: George F. Schulz
Title: Vice President

SYSTEM & SERVICES TECHNOLOGIES, INC.,
as Backup Servicer

By: /S/ Joseph D. Booz

Name: Joseph D. Booz
Title: EVP/Secretary/General Counsel

JPMORGAN CHASE BANK,
as Trust Collateral Agent

By: /S/ Esther D. Antoine

Name: Esther D. Antoine
Title: Trust Officer

CREDIT ACCEPTANCE AUTO DEALER LOAN
TRUST 2003-1, as Issuer

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

By: /S/ Sterling C. Correia

Name: Sterling C. Correia
Title: Vice President

CREDIT ACCEPTANCE FUNDING LLC 2003-1,
as Seller

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: VP Finance & Treasurer

Exhibit I

Backup Servicer Certification

INTERCREDITOR AGREEMENT

This Intercreditor Agreement (this "Agreement"), dated June 27, 2003, is among Credit Acceptance Corporation ("CAC"), CAC Warehouse Funding Corp., Credit Acceptance Funding LLC 2003-1, Credit Acceptance Auto Dealer Loan Trust 2003-1 (the "2003-1 Trust"), Wachovia Securities, LLC (f/k/a Wachovia Securities, Inc.), as agent under the Wachovia Securitization Documents (as hereinafter defined) ("Wachovia"), JPMorgan Chase Bank, as trustee under the 2003-1 Securitization Documents (as hereinafter defined) (the "Trustee"), Comerica Bank, as agent under the CAC Credit Facility Documents (as hereinafter defined) ("Comerica"), and each other creditor who becomes a party hereto after the date hereof.

BACKGROUND

A. Pursuant to the terms of the various Dealer Agreements between CAC and the Dealers, Collections from a particular Pool are first used to pay certain collection costs, CAC's servicing fee and to pay back the Pool's Advance balance. After the Advance balance under such Pool has been reduced to zero, the Dealer to whom the Pool relates has a contractual right under the related Dealer Agreement to receive a portion of any further Collections with respect to the Pool (such portion of further Collections otherwise payable to the Dealer is referred to herein as "Back-end Dealer Payments"), subject to CAC's right of offset as described in paragraph F below.

B. CAC has granted a security interest in CAC's rights with respect to its Pools (to the extent not released) and related assets generally under the CAC Credit Facility Documents to Comerica, as collateral agent for the banks which are parties thereto.

C. CAC and Wachovia have entered into a transaction as set forth in the Wachovia Securitization Documents (the "Wachovia Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets was released by Comerica, CAC contributed such Pools and related assets to its wholly-owned subsidiary, CAC Warehouse Funding Corp., and CAC Warehouse Funding Corp. granted Wachovia a security interest in CAC Warehouse Funding Corp.'s rights to such Pools and related assets (such Pools and related assets are referred to herein as the "Wachovia Pools").

D. CAC and the Trustee are entering into a transaction as set forth in the 2003-1 Securitization Documents (the "2003-1 Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets is being released by Comerica, CAC is contributing such Pools and related assets to its wholly-owned subsidiary, Credit Acceptance Funding LLC 2003-1, who is subsequently selling such Pools and related assets to the 2003-1 Trust, a trust the depositor of which is Credit Acceptance Funding LLC 2003-1, and the 2003-1 Trust is granting the Trustee a security interest in its right, title and interest in and to such Pools and related assets (such Pools and related assets are referred to herein as the "2003-1 Pools").

E. Comerica retains a security interest in Pools and related assets which have not been released pursuant to the Wachovia Securitization, and which security interest is not being

released, and has not been granted to the Trustee, pursuant to the 2003-1 Securitization (such unreleased Pools and related assets are referred to herein as the "Comerica Pools").

F. The Dealer Agreements permit CAC and its assignees, under certain circumstances, to set off any Collections received with respect to any Pool of a Dealer against Advances under other Pools of that Dealer and such set off rights are authorized and permitted under the 2003-1 Securitization Documents.

G. The parties hereto acknowledge that the rights of CAC or its assigns, pursuant to the Dealer Agreements, to set off Collections received with respect to a Pool against the outstanding balance under any other Pool are not intended, and should not be permitted, to be used to prejudice the collateral position of any of the parties hereto, and therefore the exercise of such rights should be limited to Back-end Dealer Payments.

In consideration of the mutual premises and promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

1. Confirmation. Notwithstanding any statement or provision contained in the Financing Documents or otherwise to the contrary, and irrespective of the time, order or method of attachment or perfection of security interests granted pursuant to the Financing Documents, respectively, or the time or order of filing or recording of any financing statements, or other notices of security interests, liens or other interests granted pursuant to the Financing Documents, respectively, or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other security interests, and irrespective of anything contained in any filing or agreement to which any Creditor may now or hereafter be a party and irrespective of the ordinary rules for determining priority under the Uniform Commercial Code or under any other law governing the relative priorities of secured creditors, subject, however, to the terms and conditions of this Agreement:

(a) RELEASE BY WACHOVIA. Wachovia (i) releases any and all rights in and to any Collections with respect to the Comerica Pools or the 2003-1 Pools or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools which Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the Wachovia Pools, and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer or CAC Warehouse Funding Corp. to use Collections on its behalf contrary to clause (a)(i). Wachovia agrees that the lien and security interest granted to it pursuant to the Wachovia Securitization Documents to which it is a party does not and shall not attach to any Comerica Pools or 2003-1 Pools (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(b) RELEASE BY THE TRUSTEE. The Trustee (i) releases any and all rights in and to any Collections with respect to the Comerica Pools or the Wachovia Pools or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected

under any Pools which Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the 2003-1 Pools, and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer or Credit Acceptance Funding LLC 2003-1 or Credit Acceptance Auto Dealer Loan Trust 2003-1 to use Collections on its behalf contrary to clause (b)(i). The 2003-1 Trust agrees that the lien and security interest granted to the Trustee pursuant to the 2003-1 Securitization Documents to which it is a party does not and shall not attach to any Comerica Pools or Wachovia Pools (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(c) RELEASE BY COMERICA. Comerica (i) releases any and all rights in and to any Collections with respect to the Wachovia Pools and the 2003-1 Pools, other than amounts collected under the Wachovia Pools or the 2003-1 Pools which are owed to Dealers as Back-end Dealer Payments and which are subject to set off by CAC pursuant to the related Dealer Agreement and which have not been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the Wachovia Pools or the 2003-1 Pools, and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, or any successor servicer to use Collections on its behalf contrary to clause (c)(i). Except for Back-end Dealer Payments to the extent provided in (c)(i), Comerica agrees that the lien and security interest granted to it pursuant to the CAC Credit Facility Documents does not and shall not attach to any Wachovia Pools or 2003-1 Pools and shall not assert any claim against the Wachovia Pools or the 2003-1 Pools or Collections related thereto.

2. Covenant of the CAC Entities.

(a) Each of the CAC Entities covenants that it shall not use any right it may have under the Dealer Agreements, whether at the direction of Comerica, Wachovia or the Trustee or otherwise, to set off any Collections, other than amounts which are owed to Dealers as Back-end Dealer Payments, from one Pool against amounts owed under another Pool encumbered in favor of another Creditor.

(b) Each of the CAC Entities covenants that it will require any other person or entity which hereafter acquires any security interest in the Pools, Dealer Agreements and related assets from a CAC Entity to become parties to this Agreement by executing an amendment or acknowledgment, in form and substance reasonably satisfactory to CAC and the Creditors, by which such persons or entities agree to be bound by the terms of this Agreement, and delivering such signed amendment or acknowledgement hereof to each of the CAC Entities and the Creditors; provided, however, that in the event the amount owed by the CAC Entities to any Creditor shall be reduced to zero and such Creditor shall have no obligation or agreement to make any further advances to any CAC Entity, such Creditor shall have no rights under this Section 2(b).

3. Turnover of Proceeds. The parties hereto agree that if, at any time, a Creditor (a "Receiving Creditor") (x) receives any payment, distribution, security or the proceeds thereof to which another Creditor or Creditors shall, under the terms of Section 1 of this Agreement, be entitled and (y) the Receiving Creditor either (A) had actual knowledge, at the time of such receipt, that such payment, distribution or proceeds were wrongfully received by it or (B) another

Creditor or Creditors shall have given written notice to the Receiving Creditor, prior to such receipt, of its good faith belief that such payments, distributions or proceeds are being misapplied, and such notice contains evidence reasonably satisfactory to the Receiving Creditor of such misapplication then such Receiving Creditor shall receive and hold the same separately and in trust for the benefit of, and shall forthwith pay over and deliver the same to the relevant Creditor. For purposes of the foregoing, the actual knowledge of the Trustee shall be determined based on the actual knowledge of the Trustee's Responsible Officers (as defined the Indenture dated as of June 27, 2003 between the Trustee and the 2003-1 Trust), it being understood that each such Responsible Officer shall have no duty to make any inquiry regarding the propriety of any payment, distribution or proceed.

4. Further Assurances. Each Creditor and CAC Entity agrees that it shall be bound by all of the provisions of this Agreement. Without limiting any other provision hereof, each of the Creditors and CAC Entities agrees that it will promptly execute such instruments, notices or other documents as may be reasonably requested in writing by any party hereto for the purpose of confirming the provisions of this Agreement or better effectuating the intent hereof. CAC will reimburse each Creditor for all reasonable expenses incurred by such Creditor pursuant to this Section 4.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to its conflicts of laws rules. Each of the parties hereto agrees to the non-exclusive jurisdiction of any federal court located within the State of New York. Each of the Parties hereto hereby waives any objection based on forum non conveniens, and any objection to venue of any action instituted hereunder in any of the aforementioned courts and consents to the granting of such legal or equitable relief as is deemed appropriate by such court.

6. Counterparts. This Agreement may be executed in two or more counterparts including facsimile transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one of the same instrument.

7. Severability. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

8. No Proceedings. Each of the parties hereto hereby agrees that it will not institute against, or join any other person in instituting against CAC Warehouse Funding Corp., Credit Acceptance Funding LLC 2003-1 or Credit Acceptance Auto Dealer Loan Trust 2003-1, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year and one day after there are no remaining amounts owed to any of the Creditors by any of the CAC Entities pursuant to the Wachovia Securitization Documents and the 2003-1 Securitization Documents.

9. Amendment. This Agreement and the rights and obligations of the parties hereunder may not be changed orally, but only by an instrument in writing executed by all of the parties hereto; provided further that if the amount owed by the CAC Entities to any Creditor shall be reduced to zero and such Creditor shall have no obligation or agreement to make any further advances to any CAC Entity, this Agreement may be amended by the other parties hereto without the consent of such Creditor.

10. Capitalized Terms. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in Appendix A attached hereto and made part of this Agreement.

11. No Third Party Beneficiaries. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

12. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns, including any successor or assignor trustee under the 2003-1 Securitization Documents. On or about July 1, 2003, certain businesses of Wachovia Securities, LLC ("WSL") will be transferred, assigned or otherwise conveyed (the occurrence of such event, the "Transfer") to Wachovia Capital Markets, LLC or another newly formed affiliate of WSL ("WCM"). Each of the parties hereto expressly consents to the assignment by WSL of all of its rights and obligations hereunder to WCM simultaneous with the Transfer. Each of the parties acknowledges and agrees that upon the occurrence of the Transfer, such assignment shall be effective without any further action by any of the parties hereto and from and after the Transfer: (i) WCM shall be a party hereto and shall have all rights and obligations of WSL hereunder and (ii) WSL shall cease to be a party hereto and shall be released from its obligations hereunder.

13. Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing, and either: (i) sent via certified or registered mail (or the equivalent thereof), postage prepaid, (ii) delivered by messenger or overnight courier, or (iii) transmitted via facsimile with a confirmation of the receipt thereof. Notice shall be deemed to be given for purposes of this Agreement on the day of receipt. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands and other communications in writing shall be given to or made upon the respective parties hereto: (a) in the case of any of the CAC Entities, to Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339, Attention: James D. Murray, Jr., telephone: (248) 353-2700 (ext. 884), facsimile: (248) 827-8542; (b) in the case of Wachovia, to One Wachovia Center, Charlotte, North Carolina 28288-0610, Attention: Conduit Administration, telephone: (704) 383-9343, facsimile: (704) 383-9579; (c) in the case of the Trustee, to its Corporate Trust Office, 4 New York Plaza, 6th Floor, New York, NY 10024, Attention: Institutional Trust Services/Structured Finance, telephone: (212) 623-5600, facsimilie: (212) 623-5932; and (d) in the case of Comerica, to One Detroit Center, 6th Floor, 500 Woodward Avenue, Detroit, Michigan 48226, Attention: Scott Dorn, telephone: (313) 222-5868, facsimile: (313) 222-7475.

14. Termination. Each party's rights and obligations under this agreement shall terminate at the time all amounts due to or owed by such party have been paid in full and such party's applicable Financing Documents have been terminated so long as each party whose rights

and obligations are subject to termination pursuant to this Section 14 (i) has no actual knowledge or written notice of payments, distributions, security or the proceeds thereof to which another Creditor or Creditors is entitled, as provided in Section 3, and (ii) has not received a written notice from the Agent under the CAC Credit Facility Documents that there is a Default or an Event of Default (as such terms are defined therein) at the time of the termination of the applicable Financing Documents..

15. Termination of Prior Agreement. This Agreement is intended to supersede the Prior Agreement in its entirety. Each of Comerica, Wachovia and the CAC Entities that were parties to the Prior Agreement further acknowledge and agree that, as among themselves, this Agreement supersedes the Prior Agreement with respect to their rights as against each other and that this Agreement shall govern their rights against each other and the other parties hereto.

[signature page follows]

This Intercreditor Agreement has been executed and delivered by the parties hereto on June 27, 2003.

CREDIT ACCEPTANCE CORPORATION

/S/ Douglas W. Busk
- ----------
BY: Douglas W. Busk
TITLE: Chief Financial Officer & Treasurer

JPMORGAN CHASE BANK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE

/S/ Esther D. Antoine
- ----------
BY: Esther D. Antoine
TITLE: Trust Officer

CAC WAREHOUSE FUNDING CORP.

/S/ Douglas W. Busk
- ----------
BY: Douglas W. Busk
TITLE: Chief Financial Officer & Treasurer

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1

BY: WACHOVIA BANK OF DELAWARE, NATIONAL ASSOCIATION, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS OWNER TRUSTEE

/S/ Sterling C. Correia
- ----------
BY: Sterling C. Correia
TITLE: Vice President

WACHOVIA SECURITIES, LLC, AS AGENT

/S/ Prakash B. Wadhwani
- ----------
BY: Prakash B. Wadhwani
TITLE: Vice President

COMERICA BANK, AS AGENT

/S/ Scott Dorn
- ----------
BY: Scot Dorn
TITLE: Assistant Vice President

CREDIT ACCEPTANCE FUNDING LLC 2003-1

/S/ Douglas W. Busk
- ----------
BY: Douglas W. Busk
TITLE: VP Finance & Treasurer

[Signature Page to Intercreditor Agreement]

APPENDIX A

DEFINITIONS

2003-1 Securitization Documents: The Sale and Serving Agreement dated as of June 27, 2003 among Credit Acceptance Auto Dealer Loan Trust 2003-1, Credit Acceptance Funding LLC 2003-1, CAC, the Trustee, and Systems & Services Technologies, Inc., the Indenture dated as of June 27, 2003 between the Trustee and the 2003-1 Trust, and the documents related thereto.

Advance: Amounts advanced to a Dealer upon the acceptance of a Contract by CAC pursuant to a Dealer Agreement.

CAC Credit Facility Documents: The Second Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 9, 2003, as amended, by and among the Banks signatory thereto, Comerica Bank, CAC, Credit Acceptance Corporation UK Limited, CAC of Canada Limited and Credit Acceptance Corporation Ireland Limited and the documents related thereto.

CAC Entities: Each of CAC, CAC Warehouse Funding Corp., Credit Acceptance Funding LLC 2003-1 and Credit Acceptance Auto Dealer Loan Trust 2003-1.

Collections: All money, amounts or other payments received or collected by CAC, individually or as servicer, or any successor servicer or any other CAC Entity with respect to a Contract in the form of cash, checks, wire transfers or other form of payment in accordance with the Contracts or the Dealer Agreements, including, without limitation, with respect to a Pool amounts collected under any other Pool which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents, against amounts owing under such Pool.

Contract: A retail installment contract for the sale of new or used motor vehicles assigned outright by Dealers to CAC or a subsidiary of CAC or written by Dealers in the name of CAC or a subsidiary of CAC (and funded by CAC or such subsidiary) or assigned by Dealers to CAC or a subsidiary of CAC, as nominee for the Dealer, for administration, servicing, and Collection, in each case pursuant to an applicable Dealer Agreement.

Creditor: Each of Comerica, Wachovia and the Trustee.

Dealer: A person engaged in the business of the retail sale or lease of new or used motor vehicles, including both businesses exclusively selling used motor vehicles and businesses principally selling new motor vehicles, but having a used vehicle department, including any such person which constitutes an affiliate of CAC.

Dealer Agreement: The sales and/or servicing agreements between CAC or its subsidiaries and a participating Dealer which sets forth the terms and conditions under which CAC or its subsidiaries (i) accepts, as nominee for such Dealer, the assignment of Contracts for purposes of administration, servicing and collection and under which CAC

or its subsidiary may make Advances to such Dealers and (ii) accepts outright assignments of Contracts from Dealers or funds Contracts originated by such Dealer in the name of CAC or any of its subsidiaries, in each case as such agreements may be in effect from time to time.

Financing Documents: The CAC Credit Facility Documents, the Wachovia Securitization Documents and the 2003-1 Securitization Documents.

Pool: A grouping on the books and records of CAC or any of its subsidiaries of Advances, Contracts originated or to be originated with CAC or any of its subsidiaries by a Dealer and bearing the same pool identification number assigned by CAC's computer system.

Prior Agreement: The Intercreditor Agreement dated September 27, 2002 among CAC, CAC Warehouse Funding Corp., CAC Funding Corp., Bank of America, N.A., Wachovia and Comerica.

Wachovia Securitization Documents: The Loan and Security Agreement dated as of September 27, 2002 among CAC Warehouse Funding Corp., CAC, the Investors named therein, Variable Funding Capital Corporation, Wachovia Securities, LLC (f/k/a Wachovia Securities, Inc.), Wachovia Bank, National Association and OSI Portfolio Services, Inc. and the documents related thereto.

EXHIBIT 4(f)(50)

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1
CLASS A ASSET BACKED NOTES

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1,
as the Issuer

CREDIT ACCEPTANCE FUNDING LLC 2003-1,
as the Seller

CREDIT ACCEPTANCE CORPORATION,
as the Servicer

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

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

SALE AND SERVICING AGREEMENT
Dated as of June 27, 2003

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SCHEDULES

This Sale and Servicing Agreement, dated as of June 27, 2003, among CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1 (the "Issuer" or the "Trust"), CREDIT ACCEPTANCE FUNDING LLC 2003-1, a Delaware limited liability company, as Seller (the "Seller"), CREDIT ACCEPTANCE CORPORATION, a Michigan corporation, as Servicer (the "Servicer"), JPMORGAN CHASE BANK, a New York banking corporation, in its capacity as Trust Collateral Agent and Indenture Trustee (the "Trust Collateral Agent" and the "Indenture Trustee"), and SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation, as Backup Servicer (the "Backup Servicer").

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

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

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

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

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

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. A Person shall not be deemed to be an Affiliate of any person solely because such other Person has the contractual right or obligation to manage such Person unless such other Person controls such Person through equity ownership or otherwise.

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

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

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

"Amortization Period" means the period of time beginning on the earlier of (i) the close of business on the December 2003 Distribution Date, and (ii) the automatic occurrence or declaration of an Early Amortization Event pursuant to Section 2.02 hereof.

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

"Authorized Officer" has the meaning assigned to such term in the Indenture.

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

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

"Backup Servicer" means SST.

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

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

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

"Basic Documents" means this Agreement, the Certificate of Trust (as defined in the Trust Agreement), the Trust Agreement, the Backup Servicing Agreement, the Indenture, the Contribution Agreement, the Insurance Agreement, the Initial Purchaser Agreement, the

Intercreditor Agreement, the Premium Letter, the Class A Notes, the Certificates and all other documents and certificates delivered in connection therewith.

"Benefit Plan" means any pension plan (other than a Multiemployer Plan) covered by Title IV of ERISA, which is maintained by an ERISA Affiliate or in respect of which an ERISA Affiliate has liability.

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

"Capped Backup Servicer and Trustee Fees and Expenses" means, with respect to any Distribution Date, in respect of fees, indemnification amounts and expenses due to the Backup Servicer in its capacity as Backup Servicer, the Owner Trustee, the Indenture Trustee and the Trust Collateral Agent: (i) prior to the occurrence of an Indenture Event of Default, an amount not to exceed $15,000 for any Distribution Date, in the aggregate; and (ii) after the occurrence of an Indenture Event of Default, but prior to the acceleration of the Class A Notes, (A) to the Backup Servicer, the Indenture Trustee and the Trust Collateral Agent, an amount not to exceed $20,850 for any Distribution Date, in the aggregate; and (B) to the Owner Trustee, an amount not to exceed $2,500 for any Distribution Date.

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

"Certificate" means a Trust Certificate (as defined in the Trust Agreement).

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

"Certificateholder" means the person in whose name the respective Certificates shall be registered in the Certificate Register.

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

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

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

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

"Class A Insurer Default" means: (i) failure by the Class A Insurer to make a payment required under the Class A Note Insurance Policy in accordance with its terms; (ii) the occurrence of an involuntary insolvency event with respect to the Class A Insurer which remains unstayed for 60 consecutive days; (iii) consent by the Class A Insurer to the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, readjustment of debt, marshaling of assets and liabilities, rehabilitation or similar proceedings of or relating to the Class A Insurer or of or relating to all or substantially all of its property; or (iv) the Class A Insurer admits in writing its inability to pay its debts generally as they become due, files a petition to take advantage of or otherwise voluntarily commences a case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar statute, makes an assignment for the benefit of its creditors, or voluntarily suspends payments of its obligations.

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

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

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

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

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

"Class A Note Insurance Policy" means the Class A Note guaranty insurance policy issued by the Class A Insurer to the Indenture Trustee for the benefit of the Class A Noteholders with respect to the Class A Notes.

"Class A Note Rate" means 2.77% per annum computed on the basis of a 360-day year consisting of twelve 30-day months.

"Class A Notes" means the 2.77% Class A Asset Backed Notes of the Issuer issued pursuant to the Indenture.

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

"Class A Termination Date" means the date on which all amounts owing to the Class A Noteholders and, as certified in writing by the Class A Insurer to the Owner Trustee, all amounts owing to the Class A Insurer under the Basic Documents shall be paid in full.

"Closing Date" shall be June 27, 2003.

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

"Collateral Amount" means, on any Distribution Date, an amount equal to the Aggregate Outstanding Net Eligible Loan Balance (less all Overconcentration Contracts and Ineligible Loans), after giving effect to all purchases of Dealer Loans on such date.

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

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

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

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

"Comerica Credit Agreement" means that certain Second Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 9, 2003, with Comerica

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

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

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

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

"Contract File" means with respect to each Contract, the fully executed original counterpart (for UCC purposes) of the Contract, either a copy of the application to the appropriate state authorities for a certificate of title with respect to the related Financed Vehicle or a standard assurance in the form commonly used in the industry relating to the provision of a certificate of title or other evidence of lien, all original instruments modifying the terms and conditions of such Contract and the original endorsements or assignments of such Contract.

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

"Corporate Trust Office" means (i) with respect to the Owner Trustee, the principal corporate trust office of the Owner Trustee, which at the time of execution of this Agreement is One Rodney Square, 920 No. King Street, 1st Floor, Wilmington, Delaware 19801 and (ii) with respect to the Trust Collateral Agent, the principal corporate trust office of the Trust Collateral Agent, which at the time of execution of this Agreement is 4 New York Plaza, 6th Floor, New York, NY 10004, Attention: Institutional Trust Services/Structured Finance.

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

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

"Cut-off Date" means, (i) with respect to Dealer Loans and related collateral to be sold to the Issuer on the Closing Date, the close of business on April 30, 2003, and (ii) with respect to Dealer Loans and related collateral purchased by the Issuer on each Distribution Date

during the Revolving Period, the close of business on the last day of the immediately preceding Collection Period.

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

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

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

"Dealer Concentration Limit" means, with respect to any Dealer, an amount equal to: (i) in the case of Dealer Loans related to any Dealer: (A) with respect to the Closing Date, 3.0% of the Aggregate Outstanding Net Eligible Loan Balance as of the initial Cut-off Date; and (B) with respect to each Distribution Date during the Revolving Period on which Dealer Loans are purchased by the Issuer, 3.0% of the Aggregate Outstanding Net Eligible Loan Balance as of such Distribution Date, after giving effect to all Collections received during the related Collection Period and the purchase of Dealer Loans on such Distribution Date; and (ii) in the case of Contracts related to any Dealer: (A) with respect to the Closing Date, 2.0% of the Outstanding Balance of all Eligible Contracts as of the initial Cut-off Date and (B) with respect to each Distribution Date during the Revolving Period on which Dealer Loans are purchased by the Issuer, 2.0% of the Outstanding Balance of all Eligible Contracts as of such Distribution Date, after giving effect to all Collections received during the related Collection Period and the purchase of Dealer Loans on such Distribution Date; provided, however, that for no more than three (3) Dealers, such limit shall be 2.3%, of the Outstanding Balance of all Eligible Contracts on the Closing Date or Distribution Date, as the case may be.

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

"Defaulted Contract" means each Contract for which the amounts due thereunder should be charged off in accordance with the Servicer's accounting policies in effect from time to time. A Contract shall become a Defaulted Contract on the day on which the amounts due under such Contract are recorded as charged off on the Servicer's master file of Contracts, but, in any event, shall be deemed a Defaulted Contract no later than the earlier of (x) the day it becomes 90 days delinquent, based on the date the last payment thereon was received by the Servicer and (y) the day on which an auction check is posted to the relevant account.

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

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

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

Federal book-entry regulations as belonging to the Trust Collateral Agent and indicating that such securities intermediary holds such Eligible Investment solely as agent for the Trust Collateral Agent; and such additional or alternative procedures as may hereafter become appropriate to effect complete transfer of ownership of any such Eligible Investment to the Trust Collateral Agent, consistent with changes in applicable law or regulations or the interpretation thereof; and

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

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

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

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

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

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

"Eligible Account" shall mean a non-interest bearing segregated trust account or accounts maintained with an institution whose deposits are insured by the FDIC, the unsecured

and uncollateralized long term debt obligations of which institution shall be rated "AA-" or higher by S&P and "Aa3" or higher by Moody's and in the highest short term rating category by the Rating Agency, and which is (i) a federal savings and loan association duly organized, validly existing and in good standing under the federal banking laws, (ii) an institution duly organized, validly existing and in good standing under the applicable banking laws of any state, (iii) a national banking association duly organized, validly existing and in good standing under the federal banking laws, (iv) a principal subsidiary of a bank holding company, or (v) approved in writing by the Class A Insurer, and, as confirmed in writing by the Rating Agency, will not result in the downgrade of the ratings of the Class A Notes, without regard to the Class A Note Insurance Policy.

"Eligible Contract" means each Contract which (i) at the time of its pledge by the applicable Dealer to the Originator, satisfied the requirements for "Qualified Loan" set forth in the related Dealer Agreement and (ii) is not an Overconcentration Contract.

"Eligible Dealer Agreement" means each Dealer Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) demand deposits, time deposits or certificates of deposit of any depository institution (including any Affiliate of the Seller, the Servicer, the Trust Collateral Agent, the Indenture Trustee or the Owner Trustee) or trust company incorporated under the laws of the United States of America or any state thereof or the District of Columbia (or any domestic branch of a foreign bank) and subject to supervision and examination by Federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (i) above or a portion of such obligation for the benefit of the holders of such depository receipts); provided, however, that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Distribution Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) of such depository institution or trust company shall have a credit rating from Standard & Poor's of at least A-1+ and from Moody's of Prime-1;

(iii) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States of America, in either case entered into with a depository institution or trust company (acting as principal) referred to in clause (ii) above;

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

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

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

(vii) any other demand or time deposit, obligation, security or investment as may be acceptable, so long as no Class A Insurer Default has occurred and is continuing, to the Class A Insurer and, as confirmed in writing by the Rating Agency, will not result in the downgrade of the ratings of the Class A Notes, without regard to the Class A Note Insurance Policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) is not an Overconcentration Loan; and

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

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

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

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

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

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

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

"First Distribution Date" means July 15, 2003.

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

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

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

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

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

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

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

"Indenture Trustee" means JPMorgan Chase Bank, in its capacity as trustee under the Indenture.

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

"Independent Accountants" means a firm of nationally recognized certified public accountants that is Independent and is acceptable to the Class A Insurer.

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

"Ineligible Loan" means each Dealer Loan other than an Eligible Loan; provided, however, solely for purposes of calculating the Collateral Amount, the determination of whether a Dealer Loan is an "Eligible Loan" shall be made as if such Dealer Loan were transferred on the date of such calculation.

"Initial Purchaser Agreement" means the Initial Purchaser Agreement dated June 17, 2003, by and among the Issuer, Credit Acceptance, the Seller and Wachovia Securities, LLC as the Initial Purchaser.

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

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

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

"Insurance Agreement" means the Insurance Agreement dated as of the date hereof, among the Class A Insurer, the Servicer, the Seller, the Issuer, the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee and the Originator.

"Intercreditor Agreement" means the Intercreditor Agreement dated as of the date hereof among Credit Acceptance, CAC Warehouse Funding Corp., Seller, Issuer, Wachovia Securities, LLC, as agent, JPMorgan Chase Bank, as trustee, Comerica Bank, and each other Person who becomes a party thereto after the date thereof.

"Issuer" or "Trust" means Credit Acceptance Auto Dealer Loan Trust 2003-1, a Delaware statutory trust.

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

"Lien" means with respect to a Dealer Loan, Dealer Agreement or Contract or other property any security interest, lien, charge, pledge, equity, or encumbrance of any kind (other than tax liens, mechanics' liens, liens of collection attorneys or agents collecting the

property subject to such tax or mechanics' lien, and any liens which attach thereto by operation of law).

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

"Loan Loss Reserve" means the loan loss reserve, calculated in accordance with Credit Acceptance's periodic analysis of the performance of each Dealer, maintained against the Dealer Loans of such Dealer, equal to the amount by which the Outstanding Balance of such Dealer Loans exceeds the present value of Forecasted Collections of the Contracts securing such Dealer Loans.

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

"Maximum Advance Rate" means 75.0%.

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

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

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

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

"Note Register" and "Note Registrar" shall have the meanings set forth in the Indenture.

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

"Notes" means the Class A Notes.

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

"Officer's Certificate" means a certificate signed by the chairman of the board, the vice chairman, the president, the chief financial officer, any executive vice president, any

vice president, the treasurer, any assistant treasurer, the secretary, any assistant secretary or the controller of the Seller or the Servicer, as appropriate.

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

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

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

"Originator" means Credit Acceptance.

"Outstanding Balance" means (i) with respect to any Contract on any date of determination, all amounts owing under such Contract (whether considered principal or as finance charges), on such date of determination. The Outstanding Balance with respect to a Contract shall be deemed to have been created at the end of the day on the date of processing of such Contract, which shall be greater than or equal to zero; and (ii) with respect to any Dealer Loan on any date of determination, the aggregate amount advanced under such Dealer Loan, less all Collections applied through such date of determination in accordance with the related Dealer Agreement to the reduction of the balance of such Dealer Loan.

"Overconcentration Contract" means, with respect to any Dealer, the amount by which the aggregate Outstanding Balance of all Eligible Contracts on the Closing Date or on any Distribution Date during the Revolving Period on which the Issuer purchases Dealer Loans, as the case may be, related to such Dealer, exceeds the Dealer Concentration Limit described in clause (ii) of the definition thereof.

"Overconcentration Loan" means, with respect to any Dealer, the amount by which the Aggregate Outstanding Net Eligible Loan Balance on the Closing Date or on any Distribution Date during the Revolving Period on which the Issuer purchases one or more Dealer Loans, as the case may be, related to such Dealer, exceeds the Dealer Concentration Limit described in clause (i) of the definition thereof.

"Owner Trustee" means Wachovia Bank of Delaware, National Association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement, its successors in interest or any successor Owner Trustee under the Trust Agreement.

"Owner Trustee's Fees" means $3,000, payable by the Issuer to the Owner Trustee annually in advance, plus reasonable out of pocket expenses not to exceed $50,000 annually incurred by the Owner Trustee in fulfilling its duties under the Basic Documents.

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

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

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

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

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

"Premium Supplement" has the meaning set forth in the Premium Letter.

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

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

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

"Private Placement Memorandum" means the Private Placement Memorandum dated June 17, 2003, relating to the private placement of the Class A Notes.

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

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

"Purchase Amount" means: (i) with respect to an Ineligible Loan (or Dealer Loan with respect to which payment is required to be made), shall be equal to the product of: (A) the Net Loan Balance related to such Ineligible Loan as of the last day of the preceding Collection Period and (B) the Advance Rate in effect of the date of such payment; and (ii) with respect to an Ineligible Contract (or Contract with respect to which payment is required to be made), is equal to the product of: (A) the Outstanding Balance of such Contract as of the last day of the preceding Collection Period and (B) a fraction, the numerator of which is the Class A Note Balance as of the last day of the preceding Collection Period and the denominator of which is the

Outstanding Balance of all Eligible Contracts as of the last day of the preceding Collection Period.

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

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

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

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

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

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

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

"Reserve Account Requirement" means, with respect to any Distribution Date, $4,000,000; provided, however, that the Reserve Account Requirement can never exceed the then outstanding Class A Note Balance.

"Responsible Officer" means, with respect to the Indenture Trustee, the Trust Collateral Agent or the Owner Trustee, any officer within the Corporate Trust Office of the Indenture Trustee, the Trust Collateral Agent or the Owner Trustee, as the case may be, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, Corporate Trust Officer or any other officer of the Indenture Trustee, the Trust Collateral Agent or the Owner Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of any familiarity with the particular subject.

"Revolving Period" means the period beginning on the Closing Date and terminating on the earlier of (i) the close of business on December 15, 2003, and (ii) the automatic occurrence or declaration of an Early Amortization Event.

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

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

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

"Seller" means Credit Acceptance Funding LLC 2003-1 and any permitted successor thereto (in the same capacity).

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

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

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

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

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

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

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

"Servicing Fee" means, for each Distribution Date, a fee payable to the Servicer for services rendered during the related Collection Period, equal to: (i) so long as Credit Acceptance is the Servicer, the product of (A) 6.00% and (B) the total Collections for the related Collection Period, and (ii) if the Backup Servicer is the Servicer, the sum of: (1) the greatest of: (a) the product of 10.0% and total Collections for the related Collection Period; (b) actual costs incurred by the Backup Servicer as successor Servicer; and (c) the product of (x) $30.00 and (y) the aggregate number of Contracts serviced by it during the related Collection Period, plus (2) without duplication, Late Fees and Servicer Expenses; provided, however, with respect to each Distribution Date on which the Backup Servicer is the Servicer, the Servicing Fee shall be at least equal to $2,500.

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

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

"Stated Final Maturity" means, with respect to the Class A Notes, June 16, 2008.

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

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

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

"Transition Expenses" means, if the Backup Servicer has become the successor Servicer, the sum of: (i) reasonable costs and expenses incurred by the Backup Servicer in connection with its assumption of the servicing obligations hereunder, related to travel, Obligor welcome letters, freight and file shipping plus (ii) a boarding fee equal to the product of $7.50 and the number of Contracts to be serviced.

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

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

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

"Trust Collateral Agent" means JPMorgan Chase Bank as Trust Collateral Agent hereunder, its successors in interest and any successor Trust Collateral Agent hereunder.

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

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

SECTION 1.02. Usage of Terms.

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

SECTION 1.03. Closing Date and Record Date.

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

SECTION 1.04. Section References.

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

SECTION 1.05. Compliance Certificates.

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

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

SECTION 1.06. Directions.

Any directions required to be given hereunder by the Class A Insurer shall, in the case of the occurrence and continuance of a Class A Insurer Default, be made by the Majority Noteholders.

ARTICLE II

CONVEYANCE OF SELLER PROPERTY; FURTHER ENCUMBRANCE THEREOF

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

(a) In consideration of the Trust's delivery to, or upon the order of, the Seller on the Closing Date of the net proceeds from the sale of the Class A Notes and the other amounts

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

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

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

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

SECTION 2.02. Revolving Period; Principal Collection Account.

(a) On each Distribution Date during the Revolving Period, the Issuer shall receive Available Funds after the payment of all amounts due and payable in Section 5.08(a)(i) through (v) and shall be required to use those amounts and any amounts on deposit in the Principal Collection Account to purchase additional Dealer Loans and all collateral related thereto from the Seller until the Collateral Amount equals the Minimum Collateral Amount. If on any Distribution Date during the Revolving Period there are not sufficient Eligible Dealer Loans for purchase by the Issuer to cause the Collateral Amount to equal the Minimum Collateral Amount, an amount necessary to cause the Adjusted Collateral Amount to equal the Minimum Collateral Amount will remain on deposit in the Principal Collection Account. Subject to the foregoing, and in consideration of the payment of the Subsequent Seller Property Purchase Price, the Seller agrees to convey, assign, sell and transfer without recourse, except as

set forth in this Agreement, to the Trust all of its right, title and interest in and to: (i) the Dealer Loans listed on the schedule delivered to the Class A Insurer, the Servicer and the Trust Collateral Agent on each Distribution Date during the Revolving Period; (ii) all rights under the Dealer Agreements related thereto (other than the Excluded Dealer Agreement Rights), including Credit Acceptance's right to service the Dealer Loans and the related Contracts and receive the related collection fee and receive reimbursement of certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements; (iii) Collections (other than Dealer Collections) after the applicable Cut-off Date; (iv) a security interest in each Contract securing each Dealer Loan; (v) all records and documents relating to the Dealer Loans and the Contracts; (vi) all security interests purporting to secure payment of the Dealer Loans; (vii) all security interests purporting to secure payment of each Contract (including a security interest in each Financed Vehicle); (viii) all guarantees, insurance (including insurance insuring the priority or perfection of any Contract) or other agreements or arrangements securing the Contracts; (ix) the Seller's rights under the Contribution Agreement; and (x) all Proceeds of the foregoing (the "Subsequent Seller Property").

On each Distribution Date during the Revolving Period on which the Issuer purchases Subsequent Seller Property, the Issuer shall deliver to the Servicer, the Backup Servicer, the Trust Collateral Agent and the Class A Insurer a supplement to Schedule A hereto listing the additional Dealer Loans purchased on such Distribution Date, and the Dealer Agreements and Contracts related thereto.

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

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

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

(ii) a Servicer Default occurs;

(iii) an Indenture Event of Default occurs;

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

(v) Collections for any two (2) consecutive Collection Periods are less than 75.0% of Forecasted Collections for such Collection Periods; or

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

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

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

(ii) the Issuer fails to observe or perform in any material respect any of its covenants or agreements set forth in this Agreement and that failure continues unremedied for 30 days after written notice of such failure to the Issuer by the Class A Insurer, or if a Class A Insurer Default has occurred, the Indenture Trustee, at the direction of Majority Noteholders;

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

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

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

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

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

(d) If a Responsible Officer of the Indenture Trustee shall have actual knowledge, or the Indenture Trustee shall receive written notice from the Class A Insurer, or, if a Class A Insurer Default has occurred and is continuing, the Majority Noteholders, that an Early

Amortization Event has occurred, the Indenture Trustee shall promptly issue written notice of such Early Amortization Event to the Servicer, the Class A Insurer, the Backup Servicer, the Rating Agency, the Trust Collateral Agent and each of the Class A Noteholders, which notice shall advise them of the nature of the Early Amortization Event, to the extent actually known by the Indenture Trustee, and the date of the occurrence thereof.

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

SECTION 2.03. Title to Trust Property.

(a) Immediately upon the conveyance to the Trust by the Seller of any item of property pursuant to Section 2.01 or 2.02, all right, title and interest of the Seller in and to such item of property shall terminate, and all such right, title and interest shall vest in the Trust, in accordance with the Trust Agreement and Sections 3802 and 3805 of the Business Trust Statute (as defined in the Trust Agreement).

(b) Immediately upon the vesting of the Trust Property in the Trust, the Trust shall have the sole right to pledge or otherwise encumber, such Trust Property but only in accordance with the terms of the Basic Documents. Pursuant to the Indenture, the Trust shall grant a security interest in the Trust Property to the Indenture Trustee for the benefit of the Class A Insurer and the Class A Noteholders to secure the repayment of the Class A Notes and amounts owed to the Class A Insurer.

(c) It is the intention of the Seller that (i) the transfer and assignment contemplated by this Agreement shall constitute a sale of the Seller Property from the Seller to the Trust and (ii) the beneficial interest in and title to the Seller Property shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law.

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

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

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

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

designated by such purchaser, for purposes of perfecting the security interest pursuant to the UCC; and

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

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

ARTICLE III

THE DEALER LOANS AND THE CONTRACTS

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

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

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

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

(iii) Eligibility of Contracts. Each Contract classified as an "Eligible Contract" (or included in any aggregation of balances of "Eligible Contracts") by the

Seller or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Contract on the date so delivered.

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

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

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

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

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

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

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

(xi) Representations and Warranties in Contribution Agreement. The representations and warranties made by the Originator to the Seller in the Contribution

Agreement are hereby remade by the Seller on each date to which they speak in the Contribution Agreement as if such representations and warranties were set forth herein. For purposes of this Section 3.01(xi), such representations and warranties are incorporated herein by reference as if made by the Seller to the Trust Collateral Agent and the Class A Insurer under the terms hereof mutatis mutandis.

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

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

(xiv) Final Score. With respect to the purchase by the Issuer of Dealer Loans and related Seller Property on each Distribution Date during the Revolving Period, on each such Distribution Date, immediately after giving effect thereto, the weighted average of the Final Scores of all Contracts transferred on such Distribution Date is 630 or greater.

SECTION 3.02. Payment Upon Breach.

(a) The Seller, the Servicer, or the Trust Collateral Agent, as the case may be, shall inform the other parties to this Agreement and the Class A Insurer promptly, in writing, upon the discovery of (which, in the case of the Trust Collateral Agent shall mean actual knowledge of a Responsible Officer of the Trust Collateral Agent or receipt of written notice of such breach or failure): (i) any breach of the Seller's representations and warranties pursuant to Section 3.01 hereof without regard to any limitation set forth therein concerning the knowledge of the Seller as to the facts stated therein; or (ii) any failure of a Contract File to contain an original Contract following the review described in Section 3.03(d). Unless the breach or failure shall have been cured by the last day of the first full Collection Period following the discovery thereof the Seller shall have an obligation, and the Trust Collateral Agent shall at the expense of the Seller enforce such obligation of the Seller, and, if necessary, the obligation of Credit Acceptance under the Contribution Agreement, to make a payment in respect of any nonconforming Dealer Loan or any Contract for which the Contract File fails to contain the original Contract, in each case, that is materially and adversely affected by the breach or failure or which materially and adversely affects the interests of the Indenture Trustee or the Class A Insurer, as of such last day. In consideration thereof, the Seller shall remit, or cause Credit Acceptance to remit, the Purchase Amount, in the manner specified in Section 5.04 hereof.

(b) [Reserved.]

(c) The sole remedy of the Trust Collateral Agent, the Trust, the Class A Noteholders and the Certificateholders with respect to a breach of the Seller's representations and warranties pursuant to Section 3.01 hereof which materially and adversely affects the interests of the Class A Noteholders or the Class A Insurer shall be to require the Seller to make payments in respect of the related Dealer Loans pursuant to this Section or to enforce the

obligation of Credit Acceptance to repurchase such Dealer Loans pursuant to the Contribution Agreement, and to require the Seller to make payments in respect of the related Contracts pursuant to this Section or to enforce the obligation of Credit Acceptance to make such payments pursuant to the Contribution Agreement. The Trust Collateral Agent shall have no duty to conduct any affirmative investigation as to the occurrence of any condition requiring the purchase of any Dealer Loan or payment in respect of any Contract pursuant to this Section. Any expenses incurred by the Trust Collateral Agent in enforcing the obligations of the Seller or Credit Acceptance shall be paid pursuant to Section 5.08(a).

(d) Notwithstanding anything herein to the contrary, (i) during the Revolving Period such payments shall not be required if the Adjusted Collateral Amount is equal to or greater than the Minimum Collateral Amount, and (ii) during the Amortization Period, the Seller's obligation to make such payments may be waived with the prior written consent of the Class A Insurer. The Class A Insurer shall notify the Rating Agency of any such waiver.

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

SECTION 3.03. Custody of Dealer Agreements and Contract Files.

(a) The Trust hereby revocably appoints Credit Acceptance as custodian of the Dealer Agreements, the Contract Files and the certificates of title (or other evidence of lien) related to the Financed Vehicles. Credit Acceptance hereby accepts such appointment and agrees to hold each Dealer Agreement, Contract File and certificate of title (or other evidence of lien) related to each Financed Vehicle under this Agreement as custodian for the Trust and the Trust Collateral Agent.

(b) (i) On or prior to the Closing Date, the Servicer shall provide an Acknowledgment substantially in the form of Exhibit E hereto dated as of the Closing Date to the Owner Trustee, the Trust Collateral Agent and the Class A Insurer confirming that the Servicer has received and is in possession of the original of each Dealer Agreement listed on Schedule A hereto. On or prior to the 120th day and the 180th day after the Closing Date, the Servicer shall provide an Acknowledgment substantially in the form of Exhibit E hereto, dated as of such date, to the Owner Trustee, the Trust Collateral Agent and the Class A Insurer confirming that the Servicer has received and is in possession of the original Contract with respect to 75% or, the remaining 25%, as applicable, of the Contracts listed on Schedule A hereto.

(ii) On or prior to each Distribution Date during the Revolving Period, the Servicer shall provide an Acknowledgment substantially in the form of Exhibit E hereto dated as of such Distribution Date to the Owner Trustee, the Trust Collateral Agent and the Class A Insurer confirming that the Servicer has received and is in possession of the original of each Dealer Agreement listed on Schedule A hereto as amended or supplemented on the related Distribution Date. On or prior to the 120th day and the 180th day after each Distribution Date during the Revolving Period, the Servicer shall provide an Acknowledgment substantially in the form of Exhibit E hereto, dated as of such date, to the Owner Trustee, the Trust Collateral Agent and the Class A Insurer

confirming that the Servicer has received and is in possession of the original Contract with respect to 75%, or, the remaining 25%, as applicable, of the Contracts listed on Schedule A hereto as amended or supplemented on the related Distribution Date.

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

(d) (i) The Servicer shall within: (a) 120 days after the Closing Date, review 75% of the Contract Files related to the Contracts transferred to the Issuer on the Closing Date; and (b) 180 days after the Closing Date, review the remainder of the Contract Files related to the Contracts transferred to the Issuer on the Closing Date, in each case, to verify the presence of the original Contract, provided, however, that the certificate of title or other evidence of lien with respect to a Contract need not be verified. With respect to any Contract for which any of the foregoing documents have not been delivered to the Servicer within 120 days, or 180 days, as applicable, of the Closing Date, or corrected, the Seller shall make a payment in respect of the related Contract in an amount equal to the related Purchase Amount, in accordance with the provisions of Section 3.02(a) hereof.

(ii) The Servicer shall within: (a) 120 days after each Distribution Date during the Revolving Period, review 75% of the Contract Files relating to the Dealer Loans sold to the Trust on such Distribution Date; and (b) 180 days after such Distribution Date, review the remainder of the Contract Files relating to the Dealer Loans sold to the Trust on such Distribution Date, in each case, to verify the presence of the original Contract, provided, however, that the certificate of title or other evidence of lien with respect to a Contract need not be verified. With respect to any Contract for which any of the foregoing documents have not been delivered to the Servicer within 120 days, or 180 days, as applicable, of the relevant Distribution Date, or corrected, the Seller shall make a payment in respect of the related Contract in an amount equal to the related Purchase Amount, in accordance with the provisions of Section 3.02(a) hereof.

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

ADMINISTRATION AND SERVICING OF DEALER LOANS AND CONTRACTS

SECTION 4.01. Appointment; Duties of Servicer.

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

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

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

(c) Duties with Respect to the Basic Documents. Credit Acceptance shall perform all its duties and, unless otherwise specified, the administrative duties of the Issuer under the Basic Documents. In addition, Credit Acceptance shall consult with the Indenture Trustee and, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer, as Credit Acceptance deems appropriate regarding the duties of the Issuer under the Basic Documents. Credit Acceptance shall monitor the performance of the Trust and shall advise the Owner Trustee and Indenture Trustee, so long as no Class A Insurer Default has occurred and is continuing, and the Class A Insurer, when action is necessary to comply with the Trust's duties under the Basic Documents. The Seller shall execute and deliver all Issuer Orders and Officer's Certificates required by the Trust under the Indenture. Notwithstanding anything herein to the contrary, the Backup Servicer, as successor Servicer, shall not have an obligation to perform such duties set forth in this Section 4.01(c).

(d) Duties with Respect to the Trust.

(i) In addition to the duties of the Servicer set forth in this Agreement or any of the Basic Documents, the Servicer shall perform such calculations, shall execute and deliver all Issuer Orders and Officer's Certificates required of the Issuer under the Basic Documents, and shall prepare for execution by the Trust or the Owner Trustee or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust or the Owner Trustee to prepare, file or deliver pursuant to this Agreement or any of the Basic Documents or under state and federal tax and securities laws and shall take all appropriate action that it is the duty of the Trust to take pursuant to this Agreement or any of the Basic Documents, including, without limitation, pursuant to Section 5.1 (with respect to the preparation and filing of tax returns) of the Trust Agreement.

(ii) In carrying out the foregoing duties or any of its other obligations under this Agreement, the Servicer may enter into transactions with or otherwise deal with any of its Affiliates; provided, however, that such delegation shall not relieve the Servicer of its obligations that the terms of any such transaction or dealings shall be in

accordance with any directions received from the Trust and shall be, in the Servicer's opinion, no less favorable to the Trust in any material respect.

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

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

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

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

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

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

SECTION 4.03. Realization Upon Contracts.

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

SECTION 4.04. Physical Damage Insurance.

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

SECTION 4.05. Maintenance of Security Interests in Financed Vehicles.

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

SECTION 4.06. Covenants of Servicer.

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

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

(ii) Preservation of Existence. The Servicer will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and

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

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

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

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

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

(vii) Books and Records. The Servicer shall keep, or cause to be kept, in reasonable detail, books and records of account of its assets and business, and shall clearly reflect therein the ownership of the Trust Property by the Issuer.

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

Such inspections and discussions shall be conducted at such reasonable times, as often as may be reasonably requested and in a commercially reasonable manner.

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

(x) Financial Reporting. The Servicer shall furnish or cause to be furnished to the Class A Insurer or, if a Class A Insurer Default has occurred and is continuing, to the Indenture Trustee for distribution to the Class A Noteholders, and to the Rating Agency the following:

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

(B) Quarterly Financial Statements. As soon as available, and in any event within 45 days after the close of the first three quarters of each fiscal year of the Servicer, the unaudited consolidated balance sheet of the Servicer as of the end of each such quarter, and the unaudited consolidated statements of income, shareholders' equity and cash flows of the Servicer for the portion of the fiscal year then ended, in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with GAAP, consistently applied (subject to normal year-end adjustments), and certified by an authorized officer of the Servicer as being complete and correct in all material respects and presenting the financial condition and results of operations of the Servicer as of the dates and for the

periods indicated, in accordance with GAAP consistently applied (subject as to interim statements to normal year-end adjustments).

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

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

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

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

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

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

(A) the Servicer has delivered to the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Backup Servicer and the Class A Insurer an Officer's Certificate and an Opinion of Counsel each stating that any consolidation,

merger, conveyance or transfer and such supplemental agreement comply with the terms of this Agreement and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to the Servicer and such other matters as the Trust Collateral Agent and the Class A Insurer may reasonably request;

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

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

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

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

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

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

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

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

SECTION 4.07. Payments in Respect of Contracts Upon Breach.

The Servicer or the Trust Collateral Agent (provided that a Responsible Officer of the Trust Collateral Agent has actual knowledge or has received written notice thereof) shall inform the other parties to this Agreement and the Class A Insurer promptly, in writing, upon the discovery of any breach of Section 4.01, 4.02, 4.03, 4.04, 4.05 or 4.06 hereof which materially and adversely affects the interest of the Issuer, the Indenture Trustee or the Class A Insurer. Unless the breach shall have been cured by the last day of the first full Collection Period following such actual knowledge or receipt of notice by an Authorized Officer of the Servicer, the Servicer shall, as of the Business Day preceding the Determination Date relating to the respective Collection Period, make payments with respect to any nonconforming Dealer Loan that is materially and adversely affected by such breach or which materially and adversely affects the interests of the Class A Insurer, and shall prepay in full any nonconforming Contract that is materially and adversely affected by such breach or which materially and adversely affects the interests of the Class A Insurer; provided, however, if the Backup Servicer is acting as successor Servicer, it shall not have any obligation to make payments with respect to any Dealer Loans or prepay any Contracts. In consideration of the making of payments with respect to such Dealer Loan or such Contract, the Servicer shall remit the Purchase Amount in the manner specified in Section 5.04 hereof. Notwithstanding anything herein to the contrary, (i) during the Revolving Period, such payments shall not be required if the Adjusted Collateral Amount is equal to or greater than the Minimum Collateral Amount; and (ii) during the Amortization Period, the Servicer's obligation to make such payments may be waived with the prior written consent of the Class A Insurer. The Trust Collateral Agent shall have no duty to conduct any affirmative investigation or inquiry as to the occurrence of any condition requiring payments to be made with respect to any Dealer Loan or Contract pursuant to this Section. Any Contract which is subject to a payment in accordance with this Section shall be deemed to be an Ineligible Contract.

SECTION 4.08. Servicer Fee.

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

SECTION 4.09. Servicer's Certificate.

(a) By the Determination Date in each calendar month, the Servicer shall deliver to the Trust Collateral Agent, the Class A Insurer, the Rating Agency, the Backup Servicer, and Wachovia Securities, LLC, a Servicer's Certificate substantially in the form of Exhibit B hereto containing all information necessary to make the transfers, deposits and distributions pursuant to Sections 5.04 through 5.11 hereof for the Collection Period immediately preceding the date of such Servicer's Certificate and as of the last day of such Collection Period, and all information necessary for the Trust Collateral Agent to make available statements to Class A Noteholders and the Class A Insurer pursuant to Section 5.11 hereof. Upon receipt of the Servicer's Certificate, the Trust Collateral Agent shall conclusively rely (and shall be fully protected in so relying) on the information contained therein for the purposes of making distributions and allocations as provided for herein. Each Servicer's Certificate shall be certified by a Responsible Officer of the Servicer. The Seller shall assist the Trust Collateral Agent with its obligation to make distributions and allocations. Dealer Loans purchased by the Trust shall be identified by the Servicer by the Dealer's account number and certain other information with respect to such Dealer Loan (as specified in Schedule A to this Agreement).

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

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

calendar day, of the following month, reconcile the discrepancies. The effect, if any, of such reconciliation shall be reflected in the Servicer's Certificate for such next Determination Date. The Backup Servicer shall only review the information provided by the Servicer in the Servicer's Certificate and in the Servicer's Data File and its obligation to report any inconsistencies shall be limited to those determinable from such information.

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

(d) The Servicer shall provide to the Backup Servicer, or its agent, monthly, or as frequently as may be otherwise requested, information on the Dealer Loans and related Contracts sufficient to enable the Backup Servicer to assume the responsibilities as successor Servicer and collect on the Contracts.

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

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

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

(a) The Servicer shall deliver to the Trust Collateral Agent, the Owner Trustee, the Rating Agency, the Indenture Trustee, the Class A Insurer and the Class A Noteholders, on or before March 31st of each year beginning in the year 2004, an Officer's Certificate, dated as of the preceding December 31st, stating that (i) a review of the activities of the Servicer during the preceding 12-month (or for the initial certificate, for such shorter period as may have elapsed from the Closing Date to such December 31st or, with respect to a successor Servicer, shorter period if a successor Servicer becomes Servicer after the beginning of a calendar year) period and of its performance under this Agreement has been made under such officer's supervision and (ii) to the best of such officer's knowledge, based on such review, the Servicer has fulfilled all its obligations under this Agreement throughout such period, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof.

(b) The Servicer shall deliver to the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Class A Insurer and to the Rating Agency, promptly after having obtained knowledge thereof, but in no event later than five (5) Business Days thereafter, written notice in an Officer's Certificate of any event which with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 8.01. The Seller shall deliver to the Trust Collateral Agent, the Indenture Trustee, the Class A Insurer and to such Rating Agency, promptly after having obtained knowledge thereof, but in no event later than five (5) Business Days thereafter, written notice in an Officer's Certificate of any event which with the giving of notice or lapse of time, or both, would become a Servicer Default under clause (ii) of Section 8.01. The Trust Collateral Agent shall forward a copy of each Officer's Certificate so received to each Class A Noteholder.

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

The Servicer will deliver to the Trust Collateral Agent, the Owner Trustee, the Indenture Trustee, each Class A Noteholder, the Class A Insurer and the Rating Agency, on or before March 31st of each year beginning in the year 2004, a copy of a report prepared by Independent Accountants, who may also render other services to the Servicer or any of its Affiliates, or to the Seller, addressed to the Board of Directors of the Servicer, the Indenture Trustee and the Class A Insurer and dated during the current year, to the effect that such firm has examined the Servicer's policies and procedures and issued its report thereon and expressing a summary of findings (based on certain procedures performed on the documents, records and accounting records that such accountants considered appropriate under the circumstances) relating to the servicing of the Dealer Loans and the related Contracts and the administration of the Dealer Loans and the related Contracts and of the Trust during the preceding calendar year and that such servicing and administration was conducted in compliance with the terms of this Agreement, except for (i) such exceptions as such firm shall believe to be immaterial and (ii) such other exceptions as shall be set forth in such report and that such examination (1) was performed in accordance with standards established by the American Institute of Certified Public Accountants, and (2) included tests relating to auto loans serviced for others in accordance with the requirements of the Uniform Single Attestation Program for Mortgage Bankers (the "Program") to the extent the procedures in the Program are applicable to the servicing obligations set forth in this Agreement.

In the event such independent public accountants require the Trust Collateral Agent to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section 4.11, the Servicer shall direct the Trust Collateral Agent in writing to so agree; it being understood and agreed that the Trust Collateral Agent will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Trust Collateral Agent has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

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

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

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

SECTION 4.13. Servicer Expenses.

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

SECTION 4.14. Servicer Not to Resign as Servicer.

Subject to the provisions of Section 7.03 of this Agreement, the Servicer shall not resign from the obligations and duties hereby imposed on it as Servicer under this Agreement except upon determination that the performance of its duties under this Agreement shall no longer be permissible under applicable law. Notice of any such determination permitting the resignation of the Servicer shall be communicated to the Trust Collateral Agent, the Rating Agency, the Class A Insurer and the Indenture Trustee within five (5) Business Days thereafter (and, if such communication is not in writing, shall be confirmed in writing within five (5) Business Days thereafter) and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Trust Collateral Agent, the Class A Insurer and the Indenture Trustee concurrently with or promptly after such notice. No such resignation shall become effective until the successor Servicer, appointed in accordance with Section 8.02 hereof, shall have taken

the actions required by the last paragraph of Section 8.01 of this Agreement and shall have assumed the responsibilities and obligations of the predecessor Servicer in accordance with Section 8.02 of this Agreement. The Trust Collateral Agent shall forward a copy of each notice so received to each Class A Noteholder and the Rating Agency.

SECTION 4.15. The Backup Servicer.

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

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

(b) The Backup Servicer shall not be required to expend or risk its own funds or otherwise incur liability (financial or otherwise) in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if the repayment of such funds or written indemnity reasonably satisfactory to it against such risk or liability is not reasonably assured to it in writing prior to the expenditure or risk of such funds or incurrence of financial liability. Notwithstanding any provision to the contrary, the Backup Servicer, in its capacity as such, and not in its capacity as successor Servicer, shall not be liable for any obligation of the Servicer contained in this Agreement, and the parties shall look only to the Servicer to perform such obligations.

(c) The Servicer shall have no liability, direct or indirect, to any party, for the acts or omissions of the Backup Servicer, whenever such acts or omissions occur whenever such liability is imposed, except as set forth in Section 4.09(f). The successor Servicer shall not be liable for the acts or omissions of any predecessor Servicer.

(d) Notwithstanding anything to the contrary herein, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer shall have the right to remove the Backup Servicer for cause at any time and replace the Backup Servicer. In the event that the Class A Insurer exercises its right to remove and replace SST as Backup Servicer, SST shall have no further obligation to perform the duties of the Backup Servicer under this Agreement.

SECTION 4.16. Fidelity Bond.

The Servicer hereby represents and covenants that the Servicer has obtained, and shall continue to maintain in full force and effect, a fidelity bond covering the Servicer of a type and in such

amount as is customary for prudent servicers engaged in the business of servicing sub-prime and non-prime motor vehicle retail installment sales contracts similar to the Contracts.

ARTICLE V

TRUST ACCOUNTS; DISTRIBUTIONS; STATEMENTS TO CERTIFICATEHOLDERS AND NOTEHOLDERS

SECTION 5.01. Establishment of Trust Accounts.

(a) (i) On or prior to the Closing Date, the Trust Collateral Agent, on behalf of the Indenture Trustee, for the benefit of the Class A Noteholders, the Class A Insurer and the Certificateholders, shall establish and maintain in its own name two Eligible Accounts (respectively, the "Collection Account" and the "Principal Collection Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholders, the Class A Insurer and the Certificateholders as their interests may appear. The Collection Account and the Principal Collection Account shall initially be established with the Trust Collateral Agent.

(ii) The Trust Collateral Agent, on behalf of the Indenture Trustee, for the benefit of the Class A Noteholders and the Class A Insurer, shall establish and maintain in its own name an Eligible Account (the "Class A Note Distribution Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholder and the Class A Insurer as their interests may appear. The Class A Note Distribution Account shall initially be established with the Trust Collateral Agent.

(iii) The Trust Collateral Agent, on behalf of the Indenture Trustee, for the benefit of the Certificateholders, shall establish and maintain in its own name an Eligible Account (the "Certificate Distribution Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Certificateholders. The Certificate Distribution Account shall initially be established with the Trust Collateral Agent.

(iv) The Trust Collateral Agent, on behalf of the Class A Noteholders, the Class A Insurer and the Certificateholders, as their interests may appear, shall establish and maintain in its own name an Eligible Account (the "Reserve Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trust Collateral Agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholders, the Class A Insurer and the Certificateholders as their interests may appear. The Reserve Account shall initially be established with the Trust Collateral Agent.

(b) Funds on deposit in the Collection Account, subject to Section 5.07(b) hereof, the Principal Collection Account and the Reserve Account shall each be invested by the Trust Collateral Agent (or any custodian with respect to funds on deposit in any such account) in Eligible Investments selected in writing by the Servicer (pursuant to standing instructions or otherwise), bearing interest or sold at a discount, and maturing, unless payable on demand, no later than the Business Day immediately preceding the next Distribution Date; provided, however, it is understood and agreed that the Trust Collateral Agent shall not be liable for any loss arising from such investment in Eligible Investments unless the Eligible Investment was a direct obligation of the Trust Collateral Agent in its commercial capacity or unless such loss was caused by the Trust Collateral Agent's negligence or willful misconduct (it being understood and acknowledged that no loss on any such Eligible Investment which was made in conformity with this Agreement and the instructions of the Servicer shall be considered "caused by the Trust Collateral Agent's negligence or willful misconduct"). All such Eligible Investments shall be held by or on behalf of the Trust Collateral Agent for the benefit of the Indenture Trustee on behalf of the Class A Noteholders, the Class A Insurer and Certificateholders as their interests may appear. Funds deposited in the Collection Account on the day immediately preceding a Distribution Date upon the maturity of any Eligible Investments are not required to be invested overnight. On each Distribution Date, all interest and investment income (net of investment losses and expenses) on funds on deposit in the Collection Account, as of the end of the Collection Period shall be included in Available Funds; and all interest and other investment income (net of investment losses and expenses) on funds on deposit in the Reserve Account shall be deposited into the Reserve Account. On each Distribution Date during the Revolving Period, all interest and other investment income (net of investment losses and expense) on funds on deposit in the Principal Collection Account shall be deposited into the Principal Collection Account; thereafter, such interest and other investment income (net of investment losses and expense) shall be included in Available Funds in the Collection Account.

(c) If (i) the Servicer shall have failed to give investment directions for any funds on deposit in the Collection Account, the Principal Collection Account or the Reserve Account to the Trust Collateral Agent by 2:00 p.m. Eastern Time (or such other time as may be agreed by the Issuer and Trust Collateral Agent) on any Business Day; or (ii) an Indenture Default or Indenture Event of Default shall have occurred and be continuing with respect to the Class A Notes but the Class A Notes shall not have been declared due and payable, or, if such Class A Notes shall have been declared due and payable following an Indenture Event of Default, amounts collected or receivable from the Trust Property are being applied as if there had not been such a declaration; then the Trust Collateral Agent shall, to the fullest extent practicable, invest and reinvest funds in the Collection Account, the Principal Collection Account or the Reserve Account, as the case may be, in Eligible Investments described in clause (vi) of the definition thereof.

(d) (i) Subject to the grant of the security interest pursuant to the Indenture in favor of the Indenture Trustee, the Trust shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts (other than Dealer Collections) and in all proceeds thereof and all such funds, investments, proceeds and income shall be part of the Trust Property. Except as otherwise provided herein, the Trust Accounts shall be under the sole dominion and control of the Trust Collateral Agent for the benefit of the Class A Noteholders, the Class A Insurer and the Certificateholders as their interests may appear.

(ii) With respect to any Eligible Investments held from time to time in any Trust Account, the Trust Collateral Agent agrees that:

(A) any Eligible Investment that is held in deposit accounts shall be, except as otherwise provided herein, subject to the exclusive custody and control of the Trust Collateral Agent, and the Trust Collateral Agent shall have sole signature authority with respect thereto;

(B) any Eligible Investment that constitutes Physical Property shall be delivered to the Trust Collateral Agent in accordance with paragraph (a) of the definition of "Delivery" and shall be held, pending maturity or disposition, solely by the Trust Collateral Agent or a securities intermediary (as such term is defined in Section 8-102(a)(14) of the UCC) acting solely for the Trust Collateral Agent;

(C) any Eligible Investment that is a book-entry security held through the Federal Reserve System pursuant to Federal book-entry regulations shall be delivered in accordance with paragraph (b) of the definition of "Delivery" and shall be maintained by the Trust Collateral Agent, pending maturity or disposition, through continued book-entry registration of such Eligible Investment as described in such paragraph; and

(D) any Eligible Investment that is an "uncertificated security" under Article 8 of the UCC and that is not governed by clause (C) above shall be delivered to the Trust Collateral Agent in accordance with paragraph (c) of the definition of "Delivery" and shall be maintained by the Trust Collateral Agent, pending maturity or disposition, through continued registration of the Trust Collateral Agent's (or its nominee's) ownership of such security.

(e) The Servicer shall have the power, revocable by the Class A Insurer, the Trust Collateral Agent, by the Indenture Trustee or by the Owner Trustee, each with the prior written consent of the Class A Insurer (so long as no Class A Insurer Default has occurred and is continuing) and the Indenture Trustee, to instruct the Trust Collateral Agent to make withdrawals and payments from the Trust Accounts for the purpose of permitting the Servicer and the Trust Collateral Agent to carry out its respective duties hereunder.

(f) If ratings of the unsecured and uncollateralized long-term debt obligations of the Trust Collateral Agent or its parent are lower than "AA-" by S&P and "Aa3" by Moody's, then the Servicer shall, with the Trust Collateral Agent's assistance as necessary, cause the Trust Accounts to be moved within five (5) Business Days to another institution where such Trust Accounts will be Eligible Accounts.

SECTION 5.02. Collections; Allocation.

The Servicer shall remit to the Collection Account within two (2) Business Days of receipt all Collections collected during the Collection Period. On the Closing Date, the Servicer shall deposit in the Collection Account the foregoing amounts received with respect to the Dealer Loans and Contracts since the initial Cut-off Date.

The Servicer shall determine each month the amount of Collections received during such month which constitute Dealer Collections and shall so notify the Trust Collateral Agent in writing. Notwithstanding any other provision hereof, the Trust Collateral Agent, at the written direction of the Servicer, shall distribute on each Distribution Date: (i) to the Issuer an amount equal to the aggregate amount of Dealer Collections received during or with respect to the prior Collection Period; and (ii) to the Backup Servicer, if it has become successor Servicer, an amount equal to Repossession Expenses related to the prior Collection Period prior to the distribution of Available Funds pursuant to Section 5.08(a) hereof. Upon receipt, the Issuer shall remit all Dealer Collections to Credit Acceptance. In the event the Backup Servicer is acting as successor Servicer, the Seller shall assist the Backup Servicer in the performance of its obligations under this Section 5.02.

SECTION 5.03. Certain Reimbursements to the Servicer.

The Servicer will be entitled to be reimbursed from amounts on deposit in the Collection Account with respect to a Collection Period for amounts previously deposited in the Collection Account but later determined by the Servicer to have resulted from mistaken deposits or postings or checks returned for insufficient funds. The amount to be reimbursed hereunder shall be paid to the Servicer on the next succeeding Business Day(s) out of collections on Dealer Loans and the related Contracts to be remitted to the Collection Account to the extent the net amount to the Collection Account is greater than zero.

SECTION 5.04. Additional Deposits.

(a) The Servicer or the Seller, as applicable, shall deposit or cause to be deposited in the Collection Account each Purchase Amount paid hereunder. Credit Acceptance shall deposit any amounts in respect of the Limited Repurchase Option to the Collection Account. All such deposits with respect to a Collection Period shall be made, in immediately available funds, on the Business Day immediately preceding the Determination Date related to such Collection Period.

(b) The proceeds of any purchase or sale of the assets of the Trust described in Section 10.01 hereof shall be deposited by the Seller or the Servicer, as applicable, in the Collection Account on the Business Day immediately preceding the Distribution Date on which such purchase shall occur.

(c) Following the acceleration of the Class A Notes pursuant to Section 5.2 of the Indenture, the proceeds shall be deposited in the Collection Account to be distributed by the Indenture Trustee in accordance with Section 5.2(b) of the Indenture.

SECTION 5.05. Reserve Account.

(a) On the Closing Date, the Seller shall direct the Trust Collateral Agent to deposit to the Reserve Account a cash amount equal to the Initial Reserve Amount.

(b) With respect to each Distribution Date, on the fourth Business Day immediately preceding such Distribution Date, the Servicer (provided, that in the event the Backup Servicer is acting as successor Servicer, the Seller shall assist the Backup Servicer in the

performance of its obligations under this Section 5.05(b)) shall instruct the Trust Collateral Agent (based on the information contained in the Servicer's Certificate delivered to the Trust Collateral Agent in respect of the related Determination Date pursuant to Section 4.09), prior to the making of any transfers pursuant to Section 5.08 hereof, if required, to withdraw from the Reserve Account to the extent available therein with respect to amounts payable on such Distribution Date, the amounts specified below, and deposit such amounts in the Collection Account to be applied as follows:

(i) first, an amount equal to the excess of (x) the Servicing Fee, up to the Capped Servicing Fee, over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(i) hereof on such Distribution Date;

(ii) second, an amount equal to the excess of (x) the Class A Interest Distributable Amount plus the Class A Interest Carryover Shortfall, if any, over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(ii) hereof on such Distribution Date;

(iii) third, an amount equal to the excess of (x) any amounts due and payable to the Class A Insurer under Section 5.08(a)(iv) hereof over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(iv) hereof on such Distribution Date;

(iv) fourth, an amount equal to the Principal Deficiency (assuming that, for purposes of determining the Principal Deficiency in this clause only, the amounts available for the distribution of principal are attributable to those amounts required to be applied pursuant to Section 5.08(a)(vii) hereof) on such Distribution Date;

(v) fifth, if the next Distribution Date is the Stated Final Maturity, an amount equal to the excess of (x) the Class A Note Balance over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(vii) hereof on the Stated Final Maturity;

(vi) sixth, an amount equal to the excess of (x) without duplication, the Class A Insurer Reimbursement Obligations over (y) the Available Funds required to be applied pursuant to Section 5.08(a)(viii) hereof on such Distribution Date; and

(vii) seventh, an amount equal to the excess of the funds remaining in the Reserve Account after the withdrawals referred to in clauses (i) through (vi) above over the Reserve Account Requirement on such Distribution Date.

(c) Notwithstanding the foregoing, all transfers of funds between accounts may occur on the Business Day immediately preceding the Distribution Date related to such transfer; all distributions from accounts shall occur on the Distribution Date.

(d) Amounts withdrawn from the Reserve Account pursuant to clause (b)(i)-(vi) above shall be used solely for the amounts described in clause (b)(i)-(vi) above, as applicable. Amounts withdrawn from the Reserve Account pursuant to clause (b)(vii) above shall constitute Available Funds.

SECTION 5.06. Reserved.

SECTION 5.07. Payments under the Class A Note Insurance Policy.

(a) (i) If, on the close of business on the fourth Business Day immediately prior to any Distribution Date with respect to the Class A Notes, the sum of (A) the Class A Interest Distributable Amount (exclusive of Default Interest, as defined in the Class A Note Insurance Policy) and (B) any Principal Deficiency, exceeds the sum of (x) Available Funds on deposit in the Collection Account and available for payment of the Class A Interest Distributable Amount and/or Principal Deficiency and (y) the amount on deposit in the Reserve Account on such Distribution Date and available for payment of Class A Interest Distributable Amount and the Principal Deficiency, the Trust Collateral Agent shall, no later than 12:00 noon New York time, on the third Business Day immediately preceding such Distribution Date make a claim under the Class A Note Insurance Policy in an amount equal to such excess, in accordance with the terms of the Class A Note Insurance Policy.

(ii) If, on the close of business on the fourth Business Day immediately prior to the Stated Final Maturity, the Class A Note Balance, as of the opening of business on such Distribution Date, exceeds the sum of (x) Available Funds remaining in the Collection Account and available for payment of Class A Principal Distributable Amount hereof and (y) the amount available on the Stated Final Maturity in the Reserve Account and available for payment of Class A Principal Distributable Amount, the Trust Collateral Agent shall, no later than 12:00 noon New York time, on the third Business Day immediately preceding the Stated Final Maturity make a claim under the Class A Note Insurance Policy in an amount equal to such excess, in accordance with the terms of the Class A Note Insurance Policy.

(b) Proceeds of claims on the Class A Note Insurance Policy shall be deposited in the Collection Account, shall remain uninvested and shall be used solely to pay amounts due in respect of interest and principal on the Class A Notes on each Distribution Date or the Stated Final Maturity, as applicable.

(c) In addition, on any day that a Responsible Officer of the Trust Collateral Agent has actual knowledge or receives written notice that any amount previously paid to a Class A Noteholder has been subsequently recovered from such Class A Noteholder pursuant to a final order of a court of competent jurisdiction that such payment constitutes an avoidable preference within the meaning of any applicable bankruptcy law to such Class A Noteholder (a "Preference Amount"), the Trust Collateral Agent shall make a claim within one Business Day upon the Class A Note Insurance Policy for the full amount of such Preference Amount in accordance with the terms of the Class A Note Insurance Policy. The proceeds of any such claim shall be disbursed to the receiver or trustee in bankruptcy named in the final order of the court exercising jurisdiction on behalf of the Class A Noteholder and not to any Class A Noteholder directly unless such Class A Noteholder has returned principal or interest paid on the obligations to such receiver or trustee in bankruptcy, in which case such payment shall be disbursed to the Trust Collateral Agent for distribution to such Class A Noteholder.

(d) The Trust Collateral Agent shall, and hereby agrees that it will, hold the Class A Note Policy in trust and will hold any proceeds of any claim thereunder in trust, solely for the benefit of and use of the Class A Noteholders.

SECTION 5.08. Transfers and Distributions.

(a) Unless the Class A Notes have been accelerated in accordance with the terms of the Indenture, on each Distribution Date, after making any transfers and distributions required by Sections 5.02, 5.03, 5.04, 5.05(b) and 5.07(b) hereof, the Trust Collateral Agent shall (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) cause to be made the following transfers and distributions for such Distribution Date from Available Funds and amounts deposited to the Collection Account from the Reserve Account (such amounts from the Reserve Account to be applied in accordance with Section 5.05(b)), in the following order of priority:

(i) pro rata: (A) (i) to the Servicer, the Servicing Fee and any Servicing Fee unpaid from any prior Distribution Date, or (ii) if the Servicer has been replaced pursuant to the terms of this Agreement, to the Backup Servicer, the Servicing Fee and any Servicing Fee unpaid from any prior Distribution Date up to the Capped Servicing Fee; and (B) to the Backup Servicer: (i) any Transition Expenses; and (ii) any accrued and unpaid indemnification amounts owed to it up to $17,000; and (C) pro rata, to the Backup Servicer, so long as it has not become the Servicer, any accrued and unpaid Backup Servicing Fees, and to the Owner Trustee, the Indenture Trustee and the Trust Collateral Agent, pro rata, their related accrued and unpaid fees, indemnification amounts and expenses, up to the Capped Backup Servicer and Trustee Fees and Expenses;

(ii) to the Class A Note Distribution Account, the Class A Interest Distributable Amount due and payable on such Distribution Date and the Class A Interest Carryover Shortfall, if any, from any prior Distribution Date, for distribution to the Class A Noteholders;

(iii) to any successor Servicer, an amount equal to the Reliening Expenses;

(iv) to the Class A Insurer: (A) so long as no Class A Insurer Default described in clause (i) of such definition has occurred and is continuing, the Premium due to the Class A Insurer, including any past due Premium and any Premium Supplement; (B) so long as no Class A Insurer Default has occurred and is continuing, any expenses owed to the Class A Insurer under the Insurance Agreement; and (C) so long as no Class A Insurer Default has occurred and is continuing, any Class A Insurer Reimbursement Obligations owed for any draw on the Class A Note Insurance Policy for payment of the Class A Interest Distributable Amount;

(v) to the Reserve Account, an amount equal to the amount necessary to cause the amount on deposit in the Reserve Account to equal the Reserve Account Requirement for such Distribution Date;

(vi) during the Revolving Period, to the Principal Collection Account, for application by the Issuer to purchase additional Dealer Loans from the Seller, the amount needed to cause the Collateral Amount to equal the Minimum Collateral Amount, and if the Minimum Collateral Account cannot be reached due to an insufficient amount of Dealer Loans for purchase by the Issuer, the amount needed to cause the Adjusted Collateral Amount to equal the Minimum Collateral Amount;

(vii) during the Amortization Period, to the Class A Note Distribution Account, the Class A Principal Distributable Amount for distribution to the Class A Noteholders, until the Class A Note Balance has been reduced to zero;

(viii) to the Class A Insurer, the Class A Reimbursement Obligations and any other amounts owed to the Insurer, to the extent not paid pursuant to clause (iv);

(ix) pro rata, (A) to the Backup Servicer, any Servicing Fee or indemnification amounts owed to it to the extent not paid pursuant to clause (i), and (B) to the Owner Trustee, the Indenture Trustee and the Trust Collateral Agent, any accrued fees, indemnification amounts or expenses, to the extent not paid pursuant to clause (i); and

(x) following the payment in full of all distributable amounts and after making all allocations set forth in clauses (i) through (ix) above, to the Indenture Trustee for deposit in the Certificate Distribution Account any remaining Available Funds in the Collection Account for distribution to the Certificateholder pursuant to Section 5.10 hereof.

(b) In the event that the Collection Account is maintained with an institution other than the Trust Collateral Agent, the Servicer shall instruct the Trust Collateral Agent to instruct and cause such institution to make all transfers, deposits and distributions pursuant to Section 5.08(a) hereof on the related Distribution Date.

(c) Notwithstanding the foregoing, all transfers of funds between accounts may occur on the Business Day immediately preceding the Distribution Date related to such transfer; all distributions from accounts shall occur on the Distribution Date.

SECTION 5.09. Distributions from the Class A Note Distribution Account.

(a) Subject to Section 5.12 hereof, on each Distribution Date, after making all transfers and distributions required to be made on such Distribution Date by Sections 5.05 and 5.08 hereof, the Trust Collateral Agent shall (based on the information contained in the Servicer's Certificate delivered on the related Determination date) distribute all amounts on deposit in the Class A Note Distribution Account to Noteholders in respect of the Class A Notes in the following amounts and in the following order of priority:

(i) to the Class A Noteholders the sum of (x) the Class A Interest Distributable Amount for such Distribution Date and (y) the Class A Interest Carryover Shortfall, if any, for such Distribution Date; and

(ii) after the application of clause (i) above and until the outstanding principal balance of the Class A Notes is reduced to zero, to the Holders of the Class A Notes, the Class A Principal Distributable Amount for such Distribution Date.

(b) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to a Class A Noteholder, such withholding tax shall reduce the amount otherwise distributable to the Class A Noteholder in accordance with this Section 5.09. The Trust Collateral Agent is hereby authorized and directed to retain from amounts otherwise distributable to the Class A Noteholders sufficient funds for the payment of any withholding tax that is legally owed by the Trust as instructed by the Servicer, in writing in a Servicer's Certificate (but such authorization shall not prevent the Trust Collateral Agent from contesting at the expense of the Seller any such withholding tax in appropriate proceedings, and withholding payment of withholding such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to a Class A Noteholder shall be treated as cash distributed to such Class A Noteholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If there is a possibility that withholding tax is payable with respect to a distribution (such as a distribution to a non-US Noteholder), the Trust Collateral Agent may withhold such amounts in accordance with this clause (b). In the event that a Class A Noteholder wishes to apply for a refund of any such withholding tax, the Trust Collateral Agent shall reasonably cooperate with such Class A Noteholder in making such claim so long as such Class A Noteholder agrees to reimburse the Trust Collateral Agent for any out-of-pocket expenses incurred. The Class A Note Insurance Policy does not cover any shortfalls relating to withholding taxes.

(c) Distributions required to be made to Noteholders on any Distribution Date shall be made to each Class A Noteholder of record on the preceding Record Date either by wire transfer, in immediately available funds, to the account of such Holder at a bank or other entity having appropriate facilities therefor, if (i) such Class A Noteholder shall have provided to the Class A Note Registrar appropriate written instructions at least ten Business Days prior to such Distribution Date and such Holder's Certificates in the aggregate evidence a Certificate Interest of at least 10% of the Original Certificate Interest or (ii) such Class A Noteholder is the Seller, or an Affiliate thereof, or, if not, by check mailed to such Class A Noteholder at the address of such holder appearing in the Class A Note Register. Notwithstanding the foregoing, the final distribution in respect of any Class A Note (whether on the Stated Final Maturity or otherwise) will be payable only upon presentation and surrender of such Class A Note at the office or agency maintained for that purpose by the Note Registrar pursuant to Section 2.7 of the Indenture.

SECTION 5.10. Certificate Distribution Account.

(a) On each Distribution Date, the Trust Collateral Agent shall (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) distribute all amounts on deposit in the Certificate Distribution Account to the Certificateholders.

(b) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to a Certificateholder, such tax shall reduce the amount otherwise distributable to the Certificateholder in accordance with this Section. The Trust Collateral Agent

is hereby authorized and directed to retain from amounts otherwise distributable to the Certificateholders sufficient funds for the payment of any tax that is legally owed by the Trust as instructed in writing by the Servicer (but such authorization shall not prevent the Trust Collateral Agent from contesting, at the expense of the Seller, any such tax in appropriate proceedings, and withholding payment of such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to a Certificateholder shall be treated as cash distributed to such Certificateholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If there is a possibility that withholding tax is payable with respect to a distribution (such as a distribution to a non-US Certificateholder), the Trust Collateral Agent may withhold such amounts in accordance with this clause (b). In the event that a Holder wishes to apply for a refund of any such withholding tax, the Trust Collateral Agent shall reasonably cooperate with such Certificateholder in making such claim so long as such Certificateholder agrees to reimburse the Trust Collateral Agent for any out-of-pocket expenses incurred.

(c) Distributions required to be made to Certificateholders on any Distribution Date shall be made to each Certificateholder of record on the preceding Record Date either by wire transfer, in immediately available funds, to the account of such Holder at a bank or other entity having appropriate facilities therefor, if (i) such Certificateholder shall have provided to the Certificate Registrar appropriate written instructions at least ten Business Days prior to such Distribution Date and such Holder's Certificates in the aggregate evidence a denomination of not less than $500,000 or (ii) such Certificateholder is the Seller, or an Affiliate thereof, or, if not, by check mailed to such Certificateholder at the address of such holder appearing in the Certificate Register. Notwithstanding the foregoing, the final distribution in respect of any Certificate (whether on the Stated Final Maturity or otherwise) will be payable only upon presentation and surrender of such Certificate at the office or agency maintained for that purpose by the Certificate Registrar pursuant to Section 3.4 of the Trust Agreement.

(d) Notwithstanding the foregoing, all transfers of funds between accounts may occur on the Business Day immediately preceding the Distribution Date related to such transfer; all distributions from accounts shall occur on the Distribution Date.

SECTION 5.11. Statements to Certificateholders and Noteholders.

On or prior to each Distribution Date, the Servicer (provided, that in the event the Backup Servicer is acting as successor Servicer, the Seller shall assist the Backup Servicer in the performance of its obligations under this Section 5.11) shall provide to the Trust Collateral Agent the Servicer's Certificate (with a copy to the Rating Agency). The Trust Collateral Agent will be required to make the Servicer's Certificate related to such Distribution Date available to the Class A Insurer, the Class A Noteholders, the Certificateholder, the Initial Purchaser and Bloomberg, L.P. (at 499 Park Avenue, New York, New York 10022, Attention: Credit Acceptance 2003-1). Each Servicer's Certificate will include, among other things, the following information with respect to the Class A Notes with respect to the related Distribution Date, or the period since the previous Distribution Date, as applicable.

(i) the amount of the related distribution allocable to principal;

(ii) the amount of the related distribution allocable to interest;

(iii) the amount of the related distribution payable out of the Reserve Account;

(iv) the Aggregate Outstanding Net Eligible Loan Balance, the Aggregate Outstanding Eligible Loan Balance and the aggregate Outstanding Balance of all Eligible Contracts as of the close of business on the last day of the preceding Collection Period;

(v) the Class A Note Balance and the pool factor (as of the close of business on a Distribution Date, a seven-digit decimal figure equal to the outstanding principal amount of the Class A Notes divided by the initial Class A Note Balance, after giving effect to payments allocated to principal reported under (i) above;

(vi) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period and/or due but unpaid with respect to such Collection Period or prior Collection Periods, as the case may be;

(vii) the Class A Interest Carryover Shortfall, if any;

(viii) the total amount of Collections for the related Collection Period; and

(ix) the aggregate Purchase Amount for the Ineligible Loans and Ineligible Contracts, if any, that was paid in such period.

Each amount set forth pursuant to paragraph (i), (ii), (iii), (vi) and (vii) above shall be expressed as a dollar amount per $1,000 of the initial note principal balance or the Original Certificate Balance, as applicable.

The Trust Collateral Agent shall make such information and certain other documents, reports, and Dealer Loan and Contract information provided by the Servicer's Certificate available to each Class A Noteholder and the Class A Insurer, via the Trust Collateral Agent's Internet Website, with the use of a password provided by the Trust Collateral Agent or its agent to such Person upon receipt by the Trust Collateral Agent from such Person of a certification in the form of Exhibit C; provided, however, that the Trust Collateral Agent or its agent shall provide such password to the parties to this Agreement and the Rating Agency without requiring such certification. The Trust Collateral Agent will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

The Trust Collateral Agent's Internet Website shall be initially located at www.jpmorgan.com/absmbs (Help Desk phone no. 1-877-722-1095) or at such other address as shall be specified by the Trust Collateral Agent from time to time in writing to each of the parties hereto and to each Class A Noteholder. In connection with providing access to the Trust Collateral Agent's Internet Website, the Trust Collateral Agent may require registration and the

acceptance of a disclaimer. The Trust Collateral Agent shall not be liable for the dissemination of information received and distributed in accordance with this Agreement.

ARTICLE VI

THE SELLER AND THE ISSUER

SECTION 6.01. Representations and Warranties of the Seller.

The Seller makes the following representations on which the Trust, the Indenture Trustee and the Trust Collateral Agent relied in accepting the Trust Property in trust and in connection with the performance by the Trust Collateral Agent and the Backup Server of its obligations hereunder and the Class A Insurer relied in issuing the Class A Note Insurance Policy. The representations speak as of the execution and delivery of this Agreement on the Closing Date but shall survive the sale of the Contracts to the Trust:

(i) Organization and Good Standing. The Seller is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has and had at all relevant times, full power, authority, and legal right to acquire and own the Dealer Loans and the related Contracts.

(ii) Due Qualification. The Seller is duly qualified to do business as a foreign limited liability company in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications.

(iii) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms. The Seller has full power and authority to sell and assign the property to be sold and assigned to and deposited with the Trust and has duly authorized such sale and assignment to the Trust by all necessary action; and the execution, delivery, and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by the Seller by all necessary action and do not require any additional approvals or consents or other action by or any notice to or any filing with, any Person.

(iv) Valid Sale; Binding Obligations. This Agreement evidences a valid sale, transfer, and assignment of the Trust Property enforceable against creditors of and purchasers from the Seller; and a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

(v) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof does not conflict with, result in any breach of

any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the Certificate of Formation, limited liability company agreement of the Seller, or any indenture, agreement, or other instrument to which the Seller is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; or violate any law or, to the best of the Seller's knowledge, any order, rule, or regulation applicable to the Seller of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties.

(vi) No Proceedings. There are no proceedings or investigations pending, or to the Seller's best knowledge threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties: A) asserting the invalidity of this Agreement, any other Basic Document to which it is a party or the Class A Notes; B) seeking to prevent the issuance of the Class A Notes or the consummation of any of the transactions contemplated by this Agreement or, any other Basic Document to which it is a party; C) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement, any other Basic Document to which it is a party or the Class A Notes; or D) relating to the Seller and which might adversely affect the federal income tax attributes of the Class A Notes.

(vii) Principal Place of Business; Jurisdiction of Organization. The principal place of business of the Seller is located in Michigan. The Seller is organized under the laws of Delaware as a limited liability company, and is not organized under the laws of any other jurisdiction. "Credit Acceptance Funding LLC 2003-1" is the correct legal name of the Seller indicated on the public records of the Seller's jurisdiction of organization which shows it to be organized.

(viii) [Reserved.]

(ix) Certificates, Statements and Reports. The officers' certificates, statements, reports and other documents prepared by the Seller and furnished by the Seller to the Issuer, the Indenture Trustee or the Class A Insurer pursuant to this Agreement or any other Basic Document to which the Seller is a party, and in connection with the transactions contemplated hereby or thereby, when taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained hereon or therein not misleading.

(x) Accuracy of Information. All information heretofore furnished by the Seller to the Trust or its successors and assigns or to the Class A Insurer pursuant to or in connection with any Basic Document or any transaction contemplated thereby is, and all such information hereafter furnished by the Seller will be, true and accurate in every material respect on the date such information is stated or certified and does not contain an material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

(xi) Ownership of Seller. Credit Acceptance is the sole owner of the membership interests of the Seller, all of which are fully paid and nonassessable and owned of record, free and clear of all mortgages, assignments, pledges, security interests, warrants, options and rights to purchase, except for the lien thereon in favor of Comerica Bank, a collateral agent under the Comerica Credit Agreement.

(xii) Use of Proceeds. No proceeds of any sale of Seller Property will be used (i) for a purpose that violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 12, 13 or 14 of the Securities Exchange Act of 1934, as amended.

(xiii) Taxes. The Seller has filed on or before their respective due dates, all tax returns which are required to be filed in any jurisdiction or has obtained extensions for filing such tax returns and has paid all taxes, assessments, fees and other governmental charges against the Seller or any of its properties, income or franchises, to the extent that such taxes have become due, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Seller as may be required by GAAP. To the best of the knowledge of the Seller, all such tax returns were true and correct in all material respects and the Seller knows of any proposed material additional tax assessment against it nor any basis therefor. Any taxes, assessments, fees and other governmental charges payable by the Seller in connection with the execution and delivery of the Basic Documents and the issuance of the Class A Notes have been paid or shall have been paid at or prior to Closing Date.

(xiv) Consolidated Returns. The Originator, the Seller and the Issuer are members of an affiliated group within the meaning of Section 1504 of the Internal Revenue Code which will file a consolidated federal income tax return at all times until the termination of the Basic Documents.

(xv) ERISA. The Seller is in compliance in all material respects with the Employee Retirement Income Security Act of 1974, as amended.

(xvi) Compliance with Laws. The Seller has complied in all material respects with all applicable, laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

(xvii) Material Adverse Change. Since the date of its formation, no event has occurred that would have a material adverse effect on (i) the financial condition or operations of the Seller, (ii) the ability of the Seller to perform its obligations under the Basic Documents, or (ii) the collectibility of the Dealer Loans generally or any material portion of the Dealer Loans.

(xviii) Special Purpose Entity.

(A) The capital of the Seller is adequate for the business and undertakings of the Seller.

(B) Other than as provided in the Basic Documents, the Seller is not engaged in any business transactions with Credit Acceptance.

(C) Other than in connection with the Basic Documents, the Seller has not incurred any indebtedness or assumed or guarantied any indebtedness of any other entity.

(D) At least two directors of the board of directors of the Seller shall be persons who are not, and will not be, a director, officer, employee or holder of any equity securities of Credit Acceptance or any of its Affiliates or Subsidiaries.

(E) Once identified as Seller funds and assets by the Servicer and separated in accordance with the Servicer's normal and customary business practices, the funds and assets of the Seller are not, and will not be, commingled with the funds of any other Person, except for Dealer Collections and erroneous deposits.

(F) The limited liability company agreement of the Seller requires it to maintain (A) correct and complete minute books and records of account, and (B) minutes of the meetings and other proceedings of its shareholders and board of directors.

(xix) Solvency; Fraudulent Conveyance. The Seller is solvent, is able to pay its debts as they become due and will not be rendered insolvent by the transactions contemplated by the Basic Documents and, after giving effect thereto, will not be left with an unreasonably small amount of capital with which to engage in its business. The Seller does not intends to incur, or believes that it has incurred, debts beyond its ability to pay such debts as they mature. The Seller does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official or any of its assets. The amount of consideration being received by the Seller upon the sale of the Seller Property to the Trust constitutes reasonably equivalent value and fair consideration for the Seller Property. The Seller is not selling the Seller Property to the Trust, as provided in the Basic Documents, with any intent to hinder, deal or defraud any of Credit Acceptance's creditors.

(xx) Payment to Originator. The Seller has given reasonably equivalent value and fair consideration for the Contributed Property conveyed to the Seller under the Contribution Agreement and such transfer was not made for or on account of an antecedent debt. No transfer by the Originator of any originator property under the Contribution Agreement is or may be voidable under any section of the Bankruptcy Code.

SECTION 6.02. Limitation on Liability of Seller and Others.

Neither the Seller nor any of the directors or officers or employees or agents of the Seller shall be under any liability to the Trust, the Trust Collateral Agent or the Class A Noteholders or the Certificateholders, except as provided under this Agreement for any action taken or omitted to be taken pursuant to this Agreement; provided, however, that this provision shall not protect the Seller against any liability that would otherwise be imposed by reason of willful misconduct or

negligence in the performance of their respective duties under this Agreement. Each of the Seller and any director or officer or employee or agent of the Seller may rely in good faith on the advice of counsel, Opinion of Counsel, Officer's Certificate, or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute, or defend any legal action that shall not be incidental to its obligations under this Agreement, and that in its opinion may involve it in any expense or liability; provided, however, that the Seller may undertake any reasonable action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties to this Agreement and the interests of the Class A Noteholders and the Certificateholders under this Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs, and liabilities of the Seller.

SECTION 6.03. Seller May Own Notes.

The Seller and any Person controlling, controlled by, or under common control with the Seller may in their individual or any other capacities become the owner or pledgee of the Class A Notes with the same rights as it would have if it were not the Seller or an affiliate thereof, except as otherwise provided in the definition of "Noteholder" specified in Section 1.01 and except as otherwise specifically provided herein. The Class A Notes so owned by or pledged to the Seller or such controlling, controlled or commonly controlled Person shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority, or distinction as among all of the Class A Notes.

SECTION 6.04. Additional Covenants of the Seller.

The Seller shall not do any of the following, without: (i) the prior written consent of the Class A Insurer and (ii) the prior written consent of the Trust Collateral Agent, who shall, without any exercise of its own discretion, also provide its written consent to the Seller upon receipt by it of a copy of the written consent of the Class A Insurer:

(i) engage in any business or activity other than those set forth in the Certificate of Formation or limited liability company agreement of the Seller or amend the Seller's Certificate of Formation or limited liability company agreement other than in accordance with its terms as in effect on the date hereof;

(ii) incur any indebtedness, or assume or guaranty any indebtedness of any other entity, other than (A) any indebtedness incurred in connection with the Class A Notes, and (B) any indebtedness to Credit Acceptance incurred in connection with the acquisition of the Dealer Loans, which indebtedness shall be subordinated to all other obligations of the Seller and Credit Acceptance; or

(iii) dissolve or liquidate, in whole or in part; consolidate or merge with or into any other entity or convey or transfer its properties and assets substantially as an entirety to any entity.

SECTION 6.05. Indemnities of the Issuer.

The Issuer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Issuer under this Agreement and the other Basic Documents to which it is a party and no implied duties or obligations shall be read into this Agreement against the Issuer.

(i) The Issuer shall defend, indemnify, and hold harmless the Trust Collateral Agent, the Servicer, the Backup Servicer, the Indenture Trustee, the Class A Insurer and the Owner Trustee and their respective officers, directors, employees and agents, and the Trust from and against any and all costs, expenses, losses, damages, claims, and liabilities, arising out of or resulting from the use, ownership, or operation by the Issuer or any Affiliate thereof of a Financed Vehicle.

(ii) The Issuer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Servicer, the Backup Servicer, the Class A Insurer and their respective officers, directors, employees and agents, and the Trust from and against any taxes that may at any time be asserted against them with respect to the transactions contemplated herein, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege, or license taxes (but, in the case of the Trust, not including any taxes asserted with respect to, and as of the date of, the sale of the Dealer Loans to the Trust or the issuance and original sale of the Class A Notes, or asserted with respect to ownership of the Dealer Loans, or federal or other income taxes arising out of the transactions contemplated by this Agreement) and costs and expenses in defending against the same.

(iii) The Issuer shall indemnify, defend, and hold harmless the Trust, the Servicer, the Backup Servicer, the Trust Collateral Agent, the Owner Trustee, the Indenture Trustee, the Class A Insurer, and each of their respective officers, directors, employees and agents, and the Class A Noteholders from and against any and all costs, expenses, losses, claims, damages, and liabilities to the extent that such cost, expense, loss, claim, damage, or liability arose out of, or was imposed upon such party through the breach by the Issuer of its obligations under this Agreement or any other Basic Document to which it is a party, the negligence, willful misconduct or bad faith of the Issuer in the performance of its duties under this Agreement or any other Basic Document to which it is a party.

(iv) The Issuer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Servicer, the Backup Servicer and each of their respective officers, directors, employees and agents from and against all costs, expenses, losses, claims, damages, and liabilities arising out of or incurred in connection with the acceptance or performance of the trusts and duties herein contained, except, with respect to any such indemnified party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith, or negligence (or in the case of the Owner Trustee, gross negligence) of such indemnified party; (b) shall arise from such indemnified party's breach of any of its representations or warranties in any material respect set forth in the Indenture; or (c) as to the Trust Collateral Agent, shall

arise out of or be incurred in connection with the performance by the Trust Collateral Agent of the duties of successor Servicer hereunder.

(v) The Issuer shall indemnify, defend, and hold harmless, the Indenture Trustee, the Owner Trustee, the Class A Insurer and each of their officers, directors, employees and agents from and against all costs, expenses, losses, claims, damages, and liabilities arising out of or incurred in connection with the acceptance or performance of the trusts and duties contained in the Trust Agreement, except, as to any such party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith or negligence (or in the case of the Owner Trustee, gross negligence) of such party; or (b) shall arise from such breach of any of its representations or warranties set forth in the Trust Agreement.

Indemnification under this Section by the Issuer shall survive the termination of this Agreement and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Issuer shall have made any indemnity payments pursuant to this Section and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts to the Issuer, without interest. Amounts payable by the Issuer pursuant to this Section 6.05 shall only be payable: (i) in accordance with and only to the extent funds are available therefor pursuant to Section 5.08(a) hereof; or (ii) to the extent the Issuer receives additional funds designated for such purpose. No amount owing by the Issuer under this Section 6.05 shall constitute a claim (as defined in Section 101(5) of the Bankruptcy Code) against the Issuer and recourse to it.

ARTICLE VII

THE SERVICER

SECTION 7.01. Representations of Servicer.

Credit Acceptance makes the following representations on which the Trust, the Indenture Trustee and the Trust Collateral Agent relies in accepting the Trust Property in trust and in connection with the performance by the Trust Collateral Agent of its obligations hereunder and the Class A Insurer relies in issuing the Class A Note Insurance Policy. The representations speak as of the execution and delivery of this Agreement on the Closing Date but shall survive the sale of the Dealer Loans to the Trust:

(i) Organization and Good Standing. The Servicer is duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has and had at all relevant times, full power, authority, and legal right to acquire, own, sell, and service the Dealer Loans and the related Contracts and to perform its other obligations under the Basic Documents.

(ii) Due Qualification. The Servicer is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and

approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business including the servicing of the Dealer Loans and the related Contracts as required by this Agreement requires such qualifications except where such failure will not have a material adverse effect.

(iii) Power and Authority. The Servicer has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms; and the execution, delivery, and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by the Servicer by all necessary corporate action.

(iv) Binding Obligations. This Agreement and the other Basic Documents to which it is a party constitute legal, valid, and binding obligations of the Servicer enforceable in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

(v) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the Certificate of Incorporation or bylaws of the Servicer, or any indenture, agreement, or other instrument to which the Servicer is a party or by which it may be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument (other than this Agreement); nor, to the best of the Servicer's knowledge, violate any law applicable to the Servicer or any order, rule, or regulation applicable to the Servicer of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Servicer or its properties or in any way materially adversely affect the interest of the Class A Noteholders, the Class A Insurer, the Trust, the Trust Collateral Agent or the Indenture Trustee in any of the Trust Property or adversely affect the Servicer's ability to perform its obligations under this Agreement or any other Basic Document to which it is a party.

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

(vii) No Consents. The Servicer is not required to obtain the consent of any other party or any consent, license, approval or authorization, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement or the other Basic Documents to which it is a party.

(viii) Approvals. The Servicer (i) is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject, which violation materially and adversely affects the business or condition (financial or otherwise) of the Servicer and its subsidiaries, the Servicer's ability to perform its obligations hereunder or under any other Basic Document or any of the Trust Property, (ii) has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its business which failure to obtain will materially and adversely affect the business or condition (financial or otherwise) of the Servicer and its subsidiaries, the Servicer's ability to perform its obligations hereunder or under any other Basic Document or any of the Trust Property and (iii) is not in violation of any term of any agreement, charter instrument, bylaw or instrument to which it is a party or by which it may be bound, which violation or failure to obtain materially and adversely affect the business or condition (financial or otherwise) of the Servicer and its subsidiaries, the Servicer's ability to perform its obligations hereunder or under any other Basic Document or any of the Trust Property.

(ix) Investment Company. The Servicer is not an investment company which is required to register under the Investment Company Act of 1940, as amended.

(x) Taxes. The Servicer has filed on a timely basis all material tax returns required to be filed by it and paid all material taxes, to the extent that such taxes have become due.

(xi) No Injunctions. There are no existing injunctions, writs, restraining orders or other similar orders which might adversely affect the performance by the Servicer or its obligations under, or the validity and enforceability of, this Agreement or any other Basic Document to which it is a party.

(xii) Practices. The practices used or to be used by the Servicer, to monitor collections with respect to the Trust Property and repossess and dispose of the Financed Vehicles related to the Trust Property will be, in all material respects, in conformity with the requirements of all applicable federal and State laws, rules and regulations, and this Agreement. The Servicer is in possession of all State and local licenses (including all debt collection licenses) required for it to perform its services hereunder, and none of such licenses has been suspended, revoked or terminated, except where the failure to have such licenses would not be reasonably likely to have material adverse effect on its ability to service the Dealer Loans or Contracts or on the interest of the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer or the Class A Noteholders.

SECTION 7.02. Indemnities of Servicer.

The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Servicer under this Agreement and the other Basic Documents to which it is a party and no implied duties or obligations shall be read into this Agreement against the Servicer.

(i) The Servicer shall defend, indemnify, and hold harmless the Trust Collateral Agent, the Backup Servicer, the Indenture Trustee, the Class A Insurer and the Owner Trustee and their respective officers, directors, employees and agents, and the Trust from and against any and all costs, expenses, losses, damages, claims, and liabilities, arising out of or resulting from the use, ownership, or operation by the Servicer or any Affiliate thereof of a Financed Vehicle.

(ii) The Servicer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Backup Servicer, the Class A Insurer and their respective officers, directors, employees and agents, and the Trust from and against any taxes that may at any time be asserted against them with respect to the transactions contemplated herein, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege, or license taxes (but, in the case of the Trust, not including any taxes asserted with respect to, and as of the date of, the sale of the Dealer Loans to the Trust or the issuance and original sale of the Class A Notes, or asserted with respect to ownership of the Dealer Loans, or federal or other income taxes arising out of the transactions contemplated by this Agreement) and costs and expenses in defending against the same.

(iii) The Servicer shall indemnify, defend, and hold harmless the Trust, the Backup Servicer, the Trust Collateral Agent, the Owner Trustee, the Indenture Trustee, the Class A Insurer, and each of their respective officers, directors, employees and agents, and the Class A Noteholders from and against any and all costs, expenses, losses, claims, damages, and liabilities to the extent that such cost, expense, loss, claim, damage, or liability arose out of, or was imposed upon such party through the breach by the Servicer of its obligations under this Agreement or any other Basic Document to which it is a party, in its capacity as Servicer, the negligence, willful misconduct or bad faith of the Servicer in the performance of its duties under this Agreement or any other Basic Document to which it is a party.

(iv) The Servicer shall indemnify, defend, and hold harmless the Trust Collateral Agent, the Indenture Trustee, the Owner Trustee, the Class A Insurer, the Backup Servicer and each of their respective officers, directors, employees and agents from and against all costs, expenses, losses, claims, damages, and liabilities arising out of or incurred in connection with the acceptance or performance of the trusts and duties herein contained, except, with respect to the any such indemnified party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith, or negligence (or, in the case of the Owner Trustee, gross negligence) of such indemnified party; (b) shall arise from such indemnified party's breach of any of its representations or warranties in any material respect set forth in the Indenture; or (c) as to the Trust Collateral Agent, shall arise out of or be incurred in

connection with the performance by the Trust Collateral Agent of the duties of successor Servicer hereunder.

(v) The Servicer shall indemnify, defend, and hold harmless, the Indenture Trustee, the Owner Trustee, the Class A Insurer and each of their officers, directors, employees and agents from and against all costs, expenses, losses, claims, damages, and liabilities arising out of or incurred in connection with the acceptance or performance of the trusts and duties contained in the Trust Agreement, except, as to any such party, to the extent that such cost, expense, loss, claim, damage, or liability: (a) shall be due to the willful misconduct, bad faith or negligence (or in the case of the Owner Trustee, gross negligence) of such party; or (b) shall arise from such breach of any of its representations or warranties set forth in the Trust Agreement.

(vi) The Servicer shall indemnify, defend, and hold harmless, the Backup Servicer and its officers, directors, employees and agents from and against all costs, expenses, losses, claims, damages, and liabilities to the extent that such cost, expense, claim, damage, or liability arose out of, or was imposed upon the Backup Servicer resulting from the acts or omissions of the Servicer in the performance of its duties in its capacity as Servicer under this Agreement or any other Basic Document to which it is a party.

Indemnification under this Section by the Servicer, with respect to the period such Person was (or was deemed to be) the Servicer, shall survive the termination of such Person as Servicer or a resignation by such Person as Servicer as well as the termination of this Agreement and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Servicer shall have made any indemnity payments pursuant to this Section and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts to the Servicer, without interest.

For purposes of this Section 7.02, in the event of the termination of the rights and obligations of the Servicer (or any successor thereto pursuant to Section 7.03) as Servicer pursuant to Section 8.01, a non-renewal of the servicing term referred to in Section 4.01(a) or a resignation by such Servicer pursuant to this Agreement, such Servicer shall remain the Servicer until a successor Servicer has accepted its appointment pursuant to Section 8.02. The provisions of this paragraph shall in no way affect the survival pursuant to the preceding paragraph of the indemnification by the Servicer.

Notwithstanding any other provision of this Agreement, the obligations of the Servicer described in this Section shall not terminate or be deemed released upon the resignation or termination of the Servicer and shall survive any termination of this Agreement to the extent that such obligations arise from the Servicer's actions hereunder while acting as Servicer.

SECTION 7.03. Merger or Consolidation of, or Assumption of the Obligations of, Servicer; Resignation.

(a) Any Person (i) into which the Servicer may be merged or consolidated, (ii) resulting from any merger, conversion, or consolidation to which the Servicer shall be a party, or

(iii) succeeding to the business of the Servicer (or to substantially all of the Servicer's business insofar as it relates to the making of Dealer Loans to Dealers and the servicing of the Dealer Loans and the related Contracts), which corporation in any of the foregoing cases executes an agreement of assumption acceptable to the Class A Insurer to perform every obligation of the Servicer under this Agreement and the other Basic Documents to which it is a party, will be the successor to the Servicer under this Agreement and the other Basic Documents to which it is a party without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement; provided, however, that (x) the Servicer shall have delivered to the Trust Collateral Agent, the Class A Insurer, the Owner Trustee and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, conversion, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent provided for in this Agreement and the other Basic Documents to which it is a party relating to such transaction have been complied with and (y) the Servicer shall have delivered to the Trust Collateral Agent, the Class A Insurer, the Owner Trustee and the Indenture Trustee an Opinion of Counsel either (A) stating that, in the opinion of such Counsel, all financing statements and continuation statements and amendments thereto have been filed that are necessary fully to preserve and protect the interest of the Trust in the Contracts, and reciting the details of such filings, or (B) stating that, in the opinion of such Counsel, no such action shall be necessary to preserve and protect such interest and (z) the Rating Agency shall have confirmed the "shadow ratings" of the Class A Notes without regard to the Class A Note Insurance Policy. The Servicer shall provide notice of any merger, conversion, consolidation or succession pursuant to this Section to the Class A Insurer and the Rating Agency then providing a rating for the Class A Notes. The Trust Collateral Agent shall forward a copy of each such notice to each Class A Noteholder. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clauses (x), (y) and (z) above shall be conditions to the consummation of the transactions referred to in clauses (i), (ii), (iii) or (iv) above.

SECTION 7.04. Limitation on Liability of Servicer and Others.

Subject to Section 7.02, neither the Servicer nor any of the directors or officers or employees or agents of the Servicer shall be under any liability to the Trust, the Trust Collateral Agent or the Class A Noteholders or the Certificateholders, except as provided under this Agreement or any other Basic Document to which it is a party, for any action taken or omitted to be taken pursuant to this Agreement in the good faith business judgment of the Servicer; provided, however, that this provision shall not protect the Servicer against any liability that would otherwise be imposed by reason of bad faith, willful misconduct in the performance of duties, or by reason of negligence in the performance of its duties under this Agreement or any other Basic Document to which it is a party. The Servicer and any director, officer or employee or agent of the Servicer may rely in good faith on any advice of counsel, Opinion of Counsel or on any Officer's Certificate of the Seller or certificate of auditors or other document of any kind believed to be genuine and to have been signed by the proper party in respect of any matters arising under this Agreement.

Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute, or defend any legal action that shall not be incidental to its duties to service the Dealer Loans and the related Contracts in accordance with this Agreement,

and that in its opinion may involve it in any expense or liability; provided, however, that the Servicer may undertake any reasonable action that it may deem necessary or desirable in respect of this Agreement and the rights and duties of the parties to this Agreement and the interests of the Class A Noteholders and the Certificateholders under this Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs, and liabilities of the Servicer.

SECTION 7.05. Delegation of Duties.

The Servicer may at any time perform specific duties or all the duties enumerated herein as servicer under this Agreement through sub-contractor acceptable to the Class A Insurer; provided that no such delegation or subcontracting shall relieve the Servicer of its responsibilities with respect to such duties as to which the Servicer shall remain primarily responsible with respect thereto.

SECTION 7.06. Certification Upon Satisfaction.

Upon the satisfaction and discharge of the Indenture pursuant to Section 4.1 thereof, the Servicer shall deliver to the Owner Trustee a written certification of a Responsible Officer stating, to the best knowledge of such Responsible Officer, that (a) no claims remain against the Issuer, or (b) the only pending or threatened claims known to such Responsible Officer (including contingent and unliquidated claims) are those listed on a schedule to such certification.

ARTICLE VIII
DEFAULT

SECTION 8.01. Servicer Defaults.

If any one of the following events (each, a "Servicer Default") shall occur:

(i) any failure by the Servicer (x) to deposit to the Collection Account any amount required to be deposited therein by the Servicer (and, in the event the Backup Servicer is acting as successor Servicer, such failure shall continue for two (2) Business Days) or (y) to deliver to the Trust Collateral Agent or the Class A Insurer the Servicer's Certificate on the related Determination Date; or

(ii) failure on the part of the Servicer duly to observe or to perform in any material respect any other covenants or agreements of the Servicer set forth in the Class A Notes, this Agreement or any other Basic Document, or any representation or warranty of the Servicer made in this Agreement, any other Basic Document or in any certificate or other writing delivered pursuant to any Basic Document proving to have been incorrect in any material respect as of the time when the same shall have been made, which default shall continue unremedied for a period of 30 days (or a longer period, not in excess of 60 days, as may be reasonably necessary to remedy such default, if the default is capable of remedy within 60 days or less and the Servicer delivers an Officer's Certificate to the Indenture Trustee to the effect that it has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy the default) after (x) there shall have been given written notice of such failure, requiring the same to be

remedied, (1) to the Servicer, by the Trust Collateral Agent, or (2) to the Servicer by the Class A Insurer, or if a Class A Insurer Default has occurred and is continuing, by the Trust Collateral Agent at the direction of Class A Noteholders representing at least 25% or the Outstanding Class A Note Balance; or (y) discovery of such failure by an officer of the Servicer; or

(iii) the entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, or liquidator for the Servicer or any of its subsidiaries in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days or the entry of any decree or order for relief in respect of the Servicer or any of its subsidiaries under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, or similar law, whether now or hereafter in effect, which decree or order for relief continues unstayed and in effect for a period of 60 consecutive days; or

(iv) the consent by the Servicer or any of its subsidiaries to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Servicer or any of its subsidiaries or relating to substantially all of its property; or the admission by the Servicer or any of its subsidiaries in writing of its inability to pay its debts generally as they become due, the filing by the Servicer or any of its subsidiaries of a petition to take advantage of any applicable insolvency or reorganization statute, the making by the Servicer or any of its subsidiaries of an assignment for the benefit of its creditors, or the voluntarily suspension by the Servicer or any of its subsidiaries of payment of its obligations;

(v) the Servicer breaches any Financial Covenant, after giving effect to all notice and grace periods set forth therein; or

(vi) the Originator or Servicer, if Credit Acceptance is the Servicer, fails to pay when due Purchase Amounts in excess of $100,000.

then, and in each and every case, any of the Trust Collateral Agent, if so requested by the Class A Insurer, or if a Class A Insurer Default has occurred and is continuing, the Majority Noteholders by notice then given in writing to the Servicer, the Backup Servicer, the Trust Collateral Agent may: (A) terminate all of the rights and obligations of the Servicer under this Agreement or (B) if Credit Acceptance is the Servicer, reduce its servicing term then in effect to a term of three (3) months. Upon sending or receiving any such notice, the Trust Collateral Agent shall promptly send a copy thereof to the Indenture Trustee, the Owner Trustee, the Rating Agency, the Class A Insurer and to each Class A Noteholder. Within 30 days after the receipt by the Backup Servicer of such written notice (if such notices relates to terminating the Servicer) and subject to Section 8.02(a)), all authority and power of the Servicer under this Agreement, whether with respect to the Class A Notes or the Dealer Loans or Contracts or otherwise, shall, without further action, pass to and be vested in the Backup Servicer or such successor Servicer as may be appointed under Section 8.02; and, without limitation, the Backup Servicer is hereby

authorized and empowered to execute and deliver, on behalf of the predecessor servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of the Dealer Loans and the Contracts and related documents, or otherwise.

The predecessor Servicer shall cooperate with the successor Servicer and the Backup Servicer in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the Backup Servicer or the successor Servicer for administration by it of all cash amounts that shall at the time be held by the predecessor servicer for deposit, or shall thereafter be received with respect to a Dealer Loan or related Contract, and the related accounts and records maintained by the Servicer. All Transition Expenses shall be paid by the predecessor servicer upon presentation of reasonable documentation of such costs and expenses. If such Transition Expenses are not paid to the successor Servicer by the predecessor Servicer, such Transition Expenses shall be paid under Section 5.08(a)(i) hereof. In addition, the Class A Insurer shall have the option to pay the Transition Expenses. If the Class A Insurer elects to pay any such Transition Expenses, the amount paid by the Class A Insurer shall constitute part of the Class A Insurer Reimbursement Obligations due to the Class A Insurer.

SECTION 8.02. Appointment of Successor.

(a) Upon the Servicer's receipt of notice of termination pursuant to Section 8.01, the expiration and non-renewal of the Servicer's term pursuant to Section 4.01(a) or the Servicer's resignation in accordance with the terms of this Section 4.14, the predecessor servicer shall continue to perform its functions as Servicer under this Agreement, in the case of termination, only until (i) the date of such expiration, in the case of a termination pursuant to Section 4.01(a), (ii) the date specified in such termination notice or, if no such date is specified in a notice of termination, until receipt of such notice and, (iii) in the case of resignation, until the later of (x) the date 30 days from the delivery to the Backup Servicer and the Trust Collateral Agent and the Indenture Trustee of written notice of such resignation (or the date of written confirmation of such notice prior to the expiration of the 45 days) in accordance with the terms of this Agreement and (y) the date upon which the predecessor servicer shall become unable to act as Servicer, as specified in the notice of resignation and accompanying Opinion of Counsel. In the event of the Servicer's resignation or termination hereunder, and, so long as no Class A Insurer Default has occurred and is continuing, if the Class A Insurer so directs, the Backup Servicer shall be the successor in all respects to the Servicer in its capacity as servicer under this Agreement and the transactions set forth or provided for herein and shall be subject to the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, as modified or limited by the Backup Servicing Agreement; provided, however, that the Backup Servicer shall not be liable for any actions of any Servicer prior to such succession or for any breach by the Servicer of any of its representations and warranties contained in this Agreement or in any related document or agreement. Notwithstanding the above, if the Backup Servicer is legally unable to so act or, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer otherwise directs, the Class A Insurer may appoint a successor Servicer, otherwise, the Trust Collateral Agent shall appoint (after soliciting bids from potential servicers), or petition a court of competent jurisdiction to appoint, a Servicer

as the successor Servicer hereunder, in the assumption of all or any part of the responsibilities, duties or liabilities of the outgoing Servicer hereunder. In the event that SST, as Backup Servicer, is legally unable to act as Servicer under this Agreement and another entity is appointed as successor Servicer under this Section 8.02(a), SST shall have no further obligation to perform the obligations of Servicer or Backup Servicer under this Agreement. Pending appointment of a successor to the outgoing Servicer hereunder, if the Backup Servicer is prohibited by law from so acting (as evidenced by an Opinion of Counsel to the Trust Collateral Agent and the Class A Insurer) or, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer otherwise directs, the Trust Collateral Agent shall act in such capacity as hereinabove provided; provided, however, that the Trust Collateral Agent shall not be liable for any actions of any Servicer prior to such succession or for any breach by the Servicer of any of its representations and warranties contained in this Agreement or in any related document or agreement. In the event that the Trust Collateral Agent is so prohibited by law from acting or, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer otherwise directs, the outgoing Servicer shall continue to act as Servicer hereunder until a successor Servicer which, so long as no Class A Insurer Default has occurred and is continuing, shall be acceptable to the Class A Insurer is appointed and assumes the obligations as successor Servicer. In the event the Backup Servicer assumes the responsibilities of the Servicer pursuant to this Section 8.02, the Backup Servicer will make reasonable efforts consistent with Applicable Law to become licensed, qualified and in good standing under the laws which require licensing or qualification, in order to perform its obligations as Servicer hereunder or, alternatively, shall retain an agent who is so licensed, qualified and in good standing.

(b) Upon appointment, the Backup Servicer or the successor Servicer shall be the successor in all respects to the predecessor servicer and shall be subject to the responsibilities, duties, and liabilities arising thereafter relating thereto placed on the predecessor servicer, (subject to the limitations and modifications thereto set forth in the Backup Servicing Agreement) and shall be entitled to (to the extent arranged in accordance with the following paragraph) the Servicing Fee, Servicer Expenses, Reliening Expenses, Repossession Expenses and all of the rights granted to the predecessor servicer, by the terms and provisions of this Agreement, provided that neither the Backup Servicer nor the successor Servicer shall be liable for the acts or omissions of any predecessor servicer.

(c) In connection with such appointment, the Trust Collateral Agent may make such arrangements for the compensation of such successor Servicer (including Transition Expenses) out of payments on Dealer Loans and related Contracts as it, the Class A Insurer (so long as no Class A Insurer Default has occurred and is continuing) and such successor Servicer shall agree; provided, however, that no such compensation (excluding Transition Expenses, Repossession Expenses and Reliening Expenses) shall be in excess of the Servicing Fee. The Backup Servicer, the Trust Collateral Agent and any such successor Servicer shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession.

SECTION 8.03. Notification to Class A Noteholders and Certificateholders.

Upon any termination of, or appointment of a successor to, the Servicer pursuant to this Article VIII, the Trust Collateral Agent shall promptly upon its receipt of notice thereof give prompt written notice thereof to Class A Noteholders and the Certificateholders at their respective

addresses appearing in the Note Register and the Certificate Register and to each of the Rating Agency then rating the Class A Notes and the Class A Insurer.

SECTION 8.04. Waiver of Past Defaults.

So long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer, may, on behalf of all Class A Noteholders and the Certificateholders, waive any or all default(s) by the Servicer or the Seller in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to or payments from a Trust Account in accordance with this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement.

ARTICLE IX

THE TRUST COLLATERAL AGENT

SECTION 9.01. Duties of the Trust Collateral Agent.

(a) The Issuer hereby appoints JPMorgan Chase Bank as the Trust Collateral Agent, and JP Morgan Chase hereby accepts such appointment.

(b) (i) the Trust Collateral Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and the Basic Documents and no implied covenants or obligations shall be read into this Sale and Servicing Agreement or the Basic Documents against the Trust Collateral Agent; and

(ii) in the absence of bad faith or willful misconduct on its part, the Trust Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trust Collateral Agent and conforming to the requirements of this Agreement and the Basic Documents; however, the Trust Collateral Agent shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Agreement and the Basic Documents.

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

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

(ii) the Trust Collateral Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trust Collateral Agent unless it is proved that the Trust Collateral Agent was negligent in ascertaining the pertinent facts.

(d) Money held in trust by the Trust Collateral Agent need not be segregated from other funds except to the extent required by law or the terms of this Agreement.

(e) No provision of this Agreement shall require the Trust Collateral Agent to expend or risk its own funds or otherwise incur liability (financial or otherwise) in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or indemnity satisfactory to it against such risk or liability reasonably satisfactory to it is not reasonably assured to it.

(f) Every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trust Collateral Agent shall be subject to the provisions of this Section.

(g) Without limiting the generality of this Section, the Trust Collateral Agent shall have no duty (A) to see to any recording, filing or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest in the Contracts or the Financed Vehicles, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (B) to see to any insurance on the Financed Vehicles or Obligors or to effect or maintain any such insurance, (C) to see to the payment or discharge of any tax, assessment or other governmental charge or any Lien or encumbrance of any kind owing with respect to, assessed or levied against any part of the Trust, (D) to confirm or verify the contents of any reports or certificates delivered to the Trust Collateral Agent pursuant to this Agreement believed by the Trust Collateral Agent to be genuine and to have been signed or presented by the proper party or parties, or (E) to inspect the Contracts at any time or ascertain or inquire as to the performance or observance of any of the Issuer's, the Seller's or the Servicer's representations, warranties or covenants or the Servicer's duties and obligations as Servicer and as custodian of the Dealer Agreements, the original certificates of title relating to the Financed Vehicles and the Contracts under this Agreement.

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

(i) JPMorgan Chase Bank by its execution hereof accepts its appointment as Trust Collateral Agent under the Indenture and this Agreement. The Trust Collateral Agent shall act upon and in compliance with the written instructions of the Indenture Trustee delivered pursuant to the Indenture promptly following receipt of such written instructions; provided that the Trust Collateral Agent shall not act in accordance with any instructions (i) which are not authorized by, or in violation of the provisions of, the Indenture or this Agreement, (ii) which are in violation of any applicable law, rule or regulation or (iii) for which the Trust Collateral Agent has not received indemnity reasonably satisfactory to it. Receipt of such instructions shall not be a condition to the exercise by the Trust Collateral Agent of its express duties hereunder, except where the Indenture or this Agreement provides that the Trust Collateral Agent is permitted to act only following and in accordance with such instructions.

SECTION 9.02. Rights of the Trust Collateral Agent.

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

(b) The Trust Collateral Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee and shall not be responsible for the misconduct or negligence of any agent, attorney, custodian or nominee appointed with due care.

(c) The Trust Collateral Agent shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trust Collateral Agent's conduct does not constitute willful misconduct, negligence or bad faith.

(d) The Trust Collateral Agent may consult with counsel, and the written advice or opinion of counsel with respect to legal matters relating to this Sale and Servicing Agreement and the Class A Notes or Certificates shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the written advice or opinion of such counsel.

(e) The Trust Collateral Agent shall be under no obligation to exercise any of the rights and powers vested in it by this Agreement or the other Basic Documents, or to institute, conduct or defend any litigation under this Agreement or in relation to this Sale and Servicing Agreement, at the request, order or direction of any of the Holders of Notes or Certificates or the instructing party, as the case may be, pursuant to the provisions of this Agreement, unless it shall have been offered to the Trust Collateral Agent security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby.

(f) The Trust Collateral Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by the Majority Noteholders or the Class A Insurer (so long as no Class A Insurer Default has occurred and is continuing); provided, however, that if the payment within a reasonable time to the Trust Collateral Agent of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trust Collateral Agent, not reasonably assured to the Trust Collateral Agent by the security afforded to it by the terms of this Agreement, the Trust Collateral Agent may require indemnity reasonably satisfactory to it against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the requesting Holders or the instructing party, as the case may be, or, if paid by the Trust Collateral Agent, shall be reimbursed by the requesting Holders upon demand.

(g) Delivery of any reports, information and documents to the Trust Collateral Agent provided for herein is for informational purposes only (unless otherwise expressly stated herein) and the Trust Collateral Agent's receipt of such shall not constitute constructive

knowledge of any information contained therein or determinable from information contained therein, including the Servicer's, Seller's or Issuer's compliance with any of its representations, warranties or covenants hereunder (as to which the Trust Collateral Agent is entitled to rely exclusively on Officers' Certificates).

(h) The Trust Collateral Agent shall not be deemed to have knowledge of a Servicer Default or an Early Amortization Event unless a Responsible Officer of the Trust Collateral Agent has actual knowledge or has received written notice thereof.

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

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

(k) In no event shall the Trust Collateral Agent be liable for any act or omission on the part of the Issuer or the Servicer or any other Person. The Trust Collateral Agent shall not be responsible for monitoring or supervising the Issuer or the Servicer.

SECTION 9.03. Individual Rights of Trust Collateral Agent.

The Trust Collateral Agent in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trust Collateral Agent.

SECTION 9.04. Reports by Trust Collateral Agent to Holders.

The Trust Collateral Agent shall on behalf of the Issuer deliver to each Class A Noteholder such information as may be reasonably required to enable such Holder to prepare its Federal and state income tax returns.

SECTION 9.05. Compensation.

(a) The Issuer shall pay to the Trust Collateral Agent from time to time compensation provided under this Agreement, as provided in a separate fee letter, and all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services, except any such expense as may be attributable to its willful misconduct, negligence or bad faith. Such compensation and expenses shall be paid in accordance with Section 5.08(a) hereof. Such expenses shall include securities transaction charges relating to the investment of funds on deposit in the Trust Accounts and the reasonable compensation and reasonable expenses, disbursements and advances of the Trust Collateral Agent's counsel and of all persons not regularly in its employ; provided, however, that the securities transaction charges referred to above shall, in the case of certain Eligible Investments selected by the Servicer, be waived for a particular investment in the event that any amounts are

received by the Trust Collateral Agent from a financial institution in connection with the purchase of such Eligible Investments.

(b) [Reserved.]

(c) The Issuer's and the Servicer's payment obligations to the Trust Collateral Agent pursuant to this Section shall survive the discharge of this Agreement and any resignation or removal of the Trust Collateral Agent. When the Trust Collateral Agent incurs expenses after the occurrence of an Indenture Event of Default specified in Section 5.1(iv) or (v) of the Indenture with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or similar law. Notwithstanding anything else set forth in this Agreement or the Basic Documents, the Trust Collateral Agent agrees that the obligations of the Issuer or the Seller (but not the Servicer) to the Trust Collateral Agent hereunder and under the Basic Documents shall not be recourse to the assets of the Issuer, the Seller or any Class A Noteholder.

SECTION 9.06. Eligibility.

The Trust Collateral Agent under this Agreement shall at all times be a corporation or banking association having an office in the same state as the location of the Corporate Trust Office as specified in this Agreement; acceptable to the Class A Insurer, so long as no Class A Insurer Default has occurred and is continuing; organized and doing business under the laws of such state or the United States of America; authorized under such laws to exercise corporate trust powers; having a combined capital and surplus of at least $100,000,000; having long-term unsecured debt obligations rated at least "Baa2" by Moody's and "BBB-" by Standard and Poor's; and subject to supervision or examination by federal or state authorities. If such corporation shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trust Collateral Agent shall cease to be eligible in accordance with the provisions of this Section, the Trust Collateral Agent shall resign immediately, provided that such resignation shall not be effective until a successor Trust Collateral Agent accepts appointment in accordance with Section 9.10(d) hereof.

SECTION 9.07. Trust Collateral Agent's Disclaimer.

The Trust Collateral Agent shall not be responsible for and make no representation as to the validity, sufficiency or adequacy of this Agreement, the Trust Property or the Securities, shall not be accountable for the Issuer's use of the proceeds from the Securities, and shall not be responsible for any statement of the Issuer in this Agreement or in any document issued in connection with the sale of the Securities or in the Securities.

SECTION 9.08. Limitation on Liability.

Neither the Trust Collateral Agent nor any of its directors, officers or employees shall be liable for any action taken or omitted to be taken by it or them hereunder, or in connection herewith,

except that the Trust Collateral Agent shall be liable for its negligence, bad faith or willful misconduct; nor shall the Trust Collateral Agent be responsible for the validity, effectiveness, value, sufficiency or enforceability against the Issuer of this Agreement or any of the Trust Property (or any part thereof). Notwithstanding any term or provision of this Agreement, the Trust Collateral Agent shall incur no liability to the Issuer for any action taken or omitted by the Trust Collateral Agent in connection with the Trust Property, except for the negligence, bad faith or willful misconduct on the part of the Trust Collateral Agent, and, further, shall incur no liability to the Issuer except for negligence, bad faith or willful misconduct in carrying out its duties to the Issuer. Subject to Section 9.09, the Trust Collateral Agent shall be protected and shall incur no liability to any such party in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness of any notice, demand, certificate, signature, instrument or other document reasonably believed by the Trust Collateral Agent to be genuine and to have been duly executed by the appropriate signatory (absent actual knowledge of a Responsible Officer of the Trust Collateral Agent to the contrary), and the Trust Collateral Agent shall not be required to make any independent investigation or inquiry with respect thereto. The Trust Collateral Agent shall at all times be free independently to establish to its reasonable satisfaction, but shall have no duty to independently verify, the existence or nonexistence of facts that are a condition to the exercise or enforcement of any right or remedy hereunder or under any of the Basic Documents. The Trust Collateral Agent may consult with counsel, and shall not be liable for any action taken or omitted to be taken by it hereunder in good faith and in accordance with the written advice of such counsel.

SECTION 9.09. Reliance Upon Documents.

In the absence of bad faith or willful misconduct on its part, the Trust Collateral Agent shall be entitled to conclusively rely on any communication, instrument, paper or other document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons and shall have no liability in acting, or omitting to act, where such action or omission to act is in reasonable reliance upon any statement or opinion contained in any such document or instrument.

SECTION 9.10. Successor Trust Collateral Agent.

(a) Merger. Any Person into which the Trust Collateral Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, merger, consolidation, sale or transfer to which the Trust Collateral Agent is a party, shall (provided it is otherwise qualified to serve as the Trust Collateral Agent hereunder) be and become a successor Trust Collateral Agent hereunder and be vested with all of the trusts, powers, discretions, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Trust Collateral Agent shall give notice to the Class A Insurer and the Rating Agency of any such transaction.

(b) Resignation. The Trust Collateral Agent and any successor Trust Collateral Agent may resign at any time by giving sixty days prior written notice to the Issuer, the Rating Agency and the Class A Insurer; provided, that such resignation shall not be effective

until a successor Trust Collateral Agent is appointed and accepts appointment in accordance with clause (d) below.

(c) Removal.

(i) The Issuer, prior to the Class A Termination Date with the prior written consent of the Class A Insurer, may remove the Trust Collateral Agent by written notice if:

(A) a court having jurisdiction in the premises in respect of the Trust Collateral Agent in an involuntary case or proceeding under federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, shall have entered a decree or order granting relief or appointing a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or similar official) for the Trust Collateral Agent or for any substantial part of the Trust Collateral Agent's property, or ordering the winding-up or liquidation of the Trust Collateral Agent's affairs;

(B) an involuntary case under the federal bankruptcy laws, as now or hereafter in effect, or another present or future federal or state bankruptcy, insolvency or similar law is commenced with respect to the Trust Collateral Agent and such case is not dismissed within 60 days;

(C) the Trust Collateral Agent commences a voluntary case under any federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or other similar official) for the Trust Collateral Agent or for any substantial part of the Trust Collateral Agent's property, or makes any assignment for the benefit of creditors or fails generally to pay its debts as such debts become due or takes any corporate action in furtherance of any of the foregoing;

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

(E) the Trust Collateral Agent otherwise becomes legally incapable of acting.

(ii) The Class A Insurer may remove the Trust Collateral Agent for any reason by 30 days' prior written notice.

(iii) If the Trust Collateral Agent resigns or is removed or if a vacancy exists in the office of Trust Collateral Agent for any reason (the Trust Collateral Agent in such event being referred to herein as the retiring Trust Collateral Agent), prior to the Class A Termination Date the Class A Insurer may appoint a successor Trust Collateral Agent and if it fails to, the Issuer shall promptly appoint a successor Trust Collateral Agent acceptable to the Class A Insurer. After the Class A Termination Date, the Issuer

may appoint a successor Trust Collateral Agent without the consent of the Class A Insurer.

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

If a successor Trust Collateral Agent that is, prior to the Class A Termination Date, acceptable to the Class A Insurer does not take office within 60 days after the retiring Trust Collateral Agent resigns or is removed, the retiring Trust Collateral Agent, or the Control Party may petition any court of competent jurisdiction for the appointment of a successor Trust Collateral Agent that is meets the eligibility requirements set forth in Section 9.06 hereof.

If the Trust Collateral Agent fails to comply with Section 9.12, any Noteholder, prior to the Class A Termination Date with the prior written consent of the Class A Insurer, may petition any court of competent jurisdiction for the removal of the Trust Collateral Agent and the appointment of a successor Trust Collateral Agent acceptable to the Class A Insurer.

Any resignation or removal of the Trust Collateral Agent and appointment of a successor Trust Collateral Agent pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Trust Collateral Agent acceptable to the Class A Insurer pursuant to this Section 9.10(c) and payment of all fees and expenses owed to the outgoing Trust Collateral Agent by the Servicer and the Issuer.

Notwithstanding the replacement of the Trust Collateral Agent pursuant to this Section, the Issuer's and the Servicer's obligations under Section 9.05 shall continue for the benefit of the retiring Trust Collateral Agent.

(d) Acceptance by Successor. If the Trust Collateral Agent has resigned or has been removed pursuant to this Section 9.10, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer has the right to appoint a successor Trust Collateral Agent and if it fails to, or if a Class A Insurer Default has occurred and is continuing, the Owner Trustee shall have the sole right to appoint each successor Trust Collateral Agent that meets the qualifications required hereunder. Every temporary or permanent successor Trust Collateral Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Owner Trustee, each Class A Noteholder, each Certificateholder, the Rating Agency, the Class A Insurer and the Issuer an instrument in writing accepting such appointment hereunder and the relevant predecessor shall execute, acknowledge and deliver such other documents and instruments as will effectuate the delivery of all Collateral to the successor Trust Collateral Agent, whereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of the Issuer, execute

and deliver an instrument transferring to such successor all the estates, properties, rights and powers of such predecessor hereunder. In the event that any instrument in writing from the Issuer is reasonably required by a successor Trust Collateral Agent to more fully and certainly vest in such successor the estates, properties, rights, powers, duties and obligations vested or intended to be vested hereunder in the Trust Collateral Agent, any and all such written instruments shall, at the request of the temporary or permanent successor Trust Collateral Agent, be forthwith executed, acknowledged and delivered by the Owner Trustee or the Issuer, as the case may be. The designation of any successor Trust Collateral Agent and the instrument or instruments removing any Trust Collateral Agent and appointing a successor hereunder, together with all other instruments provided for herein, shall be maintained with the records relating to the Trust Property and, to the extent required by applicable law, filed or recorded by the successor Trust Collateral Agent in each place where such filing or recording is necessary to effect the transfer of the Trust Property to the successor Trust Collateral Agent or to protect or continue the perfection of the security interests granted hereunder.

If no successor Trust Collateral Agent shall have been appointed and accepted the appointment within sixty (60) days after the giving of notice of resignation, the resigning Trust Collateral Agent may petition any court of competent jurisdiction for the appointment of a successor Trust Collateral Agent that meets the qualifications required hereunder.

SECTION 9.11. Representations and Warranties of the Trust Collateral Agent.

The Trust Collateral Agent represents and warrants to the Issuer, the Class A Insurer and to the Class A Noteholders as follows:

(i) The Trust Collateral Agent is a New York banking corporation, duly organized and validly existing under the laws of the United States and is authorized to conduct and engage in a banking and trust business under such laws.

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

(iii) This Agreement and the other Basic Documents to which it is a party have been duly executed and delivered by the Trust Collateral Agent.

(iv) This Agreement and the other Basic Documents to which it is a party are the legal, valid and binding obligations of the Trust Collateral Agent enforceable in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and to general principles of equity.

SECTION 9.12. Waiver of Setoffs.

Except with respect to the Certificate Distribution Account, the Trust Collateral Agent hereby expressly waives any and all rights of setoff that the Trust Collateral Agent may otherwise at any time have under applicable law with respect to any Trust Account and agrees that amounts in the Trust Accounts shall at all times be held and applied solely in accordance with the provisions hereof.

ARTICLE X
TERMINATION

SECTION 10.01. Optional Purchase.

(a) On the last day of any Collection Period as of which the Class A Note Balance shall be less than or equal to 15% of the initial Class A Note Balance, the Servicer shall have the option to reacquire the Trust Property, other than the Trust Accounts. To exercise such option, the Servicer shall deposit pursuant to Section 5.04 in the Collection Account an amount equal to the Purchase Amount for the Dealer Loans, plus the appraised value of any other property held by the Trust (other than the Trust Accounts), such value to be determined by an appraiser mutually agreed upon by the Servicer and the Trust Collateral Agent. Notwithstanding the foregoing, the Servicer shall not exercise such option unless the Purchase Amount is sufficient to pay the full amount of principal and interest due and payable on the Class A Notes, and all amounts due and payable to the Class A Insurer, the Indenture Trustee, the Trust Collateral Agent, the Backup Servicer and the Owner Trustee under the Basic Documents. Upon such deposit the Servicer shall succeed to all interests in and to the Trust (other than the Trust Accounts).

(b) Notice of any termination of the Trust shall be given by the Servicer to the Owner Trustee, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Rating Agency as soon as practicable after the Servicer has received notice of the occurrence of an event of termination under Section 9.1(a) of the Trust Agreement.

(c) Credit Acceptance shall have the right to purchase at any time 1.0% of the Dealer Loans, based upon the Aggregate Outstanding Net Eligible Loan Balance on the date of purchase for an amount equal to the greater of: (i) the Purchase Amount related to such Dealer Loans; and (ii) the aggregate fair market value of such Dealer Loans.

ARTICLE XI
MISCELLANEOUS PROVISIONS

SECTION 11.01. Amendment.

This Agreement may be amended by the Seller, the Servicer, and the Trust Collateral Agent, without the consent of any of the Class A Noteholders (at the written direction of the Issuer), but with the prior written consent of the Class A Insurer, so long as no Class A Insurer Default has occurred and is continuing, to (i) cure any ambiguity, to correct or supplement any provisions in this Agreement, or to add any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement, or (ii) reflect the succession of a successor Servicer; provided, however, that in connection with any amendment pursuant to clause (i), the action referred to

therein shall not, as evidenced by an Opinion of Counsel, adversely affect in any material respect the interests of any Class A Noteholder; and provided, further, that in connection with any amendment pursuant to clause (ii) above, the Servicer shall deliver to the Trust Collateral Agent, the Class A Insurer and the Indenture Trustee a letter from each Rating Agency, which then has a rating on the Class A Notes, to the effect that such amendment will not cause the then current rating on the Class A Notes to be qualified, reduced or withdrawn without regard to the Class A Note Insurance Policy.

This Agreement may also be amended from time to time by the Seller, the Servicer, and the Trust Collateral Agent (at the written direction of the Issuer) with the consent of the Class A Insurer or, if a Class A Insurer Default has occurred and is continuing, the holders of Class A Notes (which consent of any Holder of a Class A Note given pursuant to this Section or pursuant to any other provision of this Agreement shall be conclusive and binding on such Holder and on all future Holders of such Class A Note and of any Class A Note issued upon the registration of transfer thereof or in exchange thereof or in lieu thereof whether or not notation of such consent is made upon the Class A Note), evidencing not less than 51% of the sum of the then outstanding Class A Note Balance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, or of modifying in any manner the rights of the Holders of the Class A Notes; provided, however, that no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Contracts or distributions that shall be required to be made on any Class A Note or change the Class A Note Rate or the Class A Principal Distributable Amount or (b) reduce the aforesaid percentage required to consent to any such amendment, without the consent of the Holders of all Class A Notes then outstanding. Notwithstanding the foregoing, however, no consent of any Class A Noteholder shall be required in connection with any amendment in order for the Certificateholders to sell, assign, transfer or otherwise dispose of the excess interest, provided that the Certificateholders present evidence to the Trust Collateral Agent and the Class A Insurer that the ratings of the Class A Notes shall not be reduced or withdrawn as a result without regard to the Class A Note Insurance Policy.

Prior to the execution of any such amendment or consent, the Servicer will provide and the Trust Collateral Agent shall distribute written notification of the substance of such amendment or consent to each Rating Agency then rating the Class A Notes and the Class A Insurer.

Promptly after the execution of any such amendment or consent, the Trust Collateral Agent shall furnish written notification of the substance of such amendment or consent to each Class A Noteholder and each Certificateholder.

It shall not be necessary for the consent of Class A Noteholders pursuant to this Section to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents (and any other consents of Class A Noteholders provided for in this Agreement) and of evidencing the authorization of the execution thereof by Class A Noteholders shall be subject to such reasonable requirements as the Trust Collateral Agent may prescribe.

Prior to the execution of any amendment to this Agreement, the Trust Collateral Agent shall be entitled to receive and conclusively rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and the Opinion of Counsel referred to in Section 11.02(i)(1). The Trust Collateral Agent may, but shall not be obligated to, enter into any such amendment which affects the Trust Collateral Agent's own rights, duties or immunities under this Agreement or otherwise.

SECTION 11.02. Protection of Title to Trust.

(a) The Seller shall file such financing statements and cause to be filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve, maintain, and protect the interest of the Class A Noteholders, the Class A Insurer, the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts and in the proceeds thereof and the sale of accounts and chattel paper. The Seller shall deliver (or cause to be delivered) to the Trust Collateral Agent and the Class A Insurer file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(b) None of the Originator, the Seller nor the Servicer shall change its name, identity, state of incorporation or formation or corporate structure in any manner that would, could, or might make any financing statement or continuation statement filed by the Seller in accordance with paragraph (a) above seriously misleading within the meaning of ss.9-506 or ss.9-507 of the UCC, unless it shall have given the Trust Collateral Agent and the Class A Insurer at least five days' prior written notice thereof and shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements.

(c) The Seller, the Originator and the Servicer shall give the Trust Collateral Agent and the Class A Insurer at least 60 days' prior written notice of any relocation of its principal executive office or change of its state of incorporation or formation if, as a result of any such change, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and shall promptly file any such amendment. Unless otherwise permitted by the Control Party, the Servicer shall at all times maintain each office from which it shall service the Dealer Loans and the related Contracts, and its principal executive office, within the United States of America.

(d) The Servicer shall maintain accounts and records as to each Dealer Loan and Contract accurately and in sufficient detail to permit (i) the reader thereof to know at any time the status of such Dealer Loan and Contract, including payments and recoveries made and payments owing (and the nature of each) and (ii) reconciliation between payments or recoveries on (or with respect to) each Dealer Loan and Contract and the amounts from time to time deposited in the Collection Account in respect of such Dealer Loan and Contract.

(e) The Servicer shall maintain its computer systems so that, from and after the time of sale under this Agreement of the Dealer Loans and the related Contracts to the Trust, the Servicer's master computer records (including any back-up archives) that refer to a Dealer Loan or Contract shall indicate clearly (including by means of tagging) the interest of the Trust in such Dealer Loan or Contract and that such Dealer Loan or Contract is owned by the Trust.

Indication of the Trust's ownership of a Dealer Loan or Contract shall be deleted from or modified on the Servicer's computer systems when, and only when, the Dealer Loan or Contract shall have been paid in full or repurchased.

(f) If at any time the Seller or the Servicer shall propose to sell, grant a security interest in, or otherwise transfer any interest in automotive receivables to any prospective purchaser, lender, or other transferee, the Servicer shall give to such prospective purchaser, lender, or other transferee computer tapes, records, or print-outs (including any restored from back-up archives) that, if they shall refer in any manner whatsoever to any Dealer Loan or Contract, shall indicate clearly (including by means of tagging) that such Dealer Loan or Contract has been sold and is owned by the Trust.

(g) The Servicer shall, upon reasonable prior notice, permit the Trust Collateral Agent, the Class A Insurer and their respective agents at any time during normal business hours to inspect, audit, and make copies of and abstracts from the Servicer's records regarding any Contract at the office of the Servicer in a reasonable manner.

(h) Upon request, the Servicer shall furnish to the Trust Collateral Agent, the Indenture Trustee and the Class A Insurer, within twenty Business Days, a list of all Dealer Loans and Contracts (by agreement or contract number and name of Dealer or Obligor) then held as part of the Trust, together with a reconciliation of such list to the schedule of Dealer Loans, Dealer Agreements and Contracts attached hereto as Schedule A and to each of the Servicer's Certificates furnished before such request indicating removal of Dealer Loans or Contracts from the Trust.

(i) The Seller shall deliver to the Trust Collateral Agent, the Indenture Trustee and the Class A Insurer:

(1) upon the execution and delivery of this Agreement and of each amendment thereto, an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all financing statements (and releases of financing statements) and continuation statements have been executed that are necessary fully to preserve and protect the interest of the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts, and reciting the details of the expected filings thereof or referring to prior Opinions of Counsel in which such details are given, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest; and

(2) within 90 days after the beginning of each calendar year beginning with the first calendar year beginning more than three months after the Cut-off Date, an Opinion of Counsel, dated as of a date during such 90-day period, either (A) stating that, in the opinion of such Counsel, all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the interest of the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) stating that, in the opinion of such Counsel, no such action shall be

necessary to preserve and protect such interest. Such Opinion of Counsel shall also describe the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to preserve and protect the interest of the Indenture Trustee and the Trust Collateral Agent in the Dealer Loans and the related Contracts, until January 30 in the following calendar year.

Each Opinion of Counsel referred to in clause (i)(1) or (i)(2) above shall specify any action necessary (as of the date of such opinion) to be taken in the following year to preserve perfection of such interest.

(j) For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

SECTION 11.03. Limitation on Rights of Class A Noteholders.

No Class A Noteholder shall have any right to vote (except as provided in this Agreement or in the Indenture) or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties to this Agreement, nor shall anything in this Agreement set forth, or contained in the terms of the Class A Notes be construed so as to constitute the Class A Noteholders from time to time as partners or members of an association; nor shall any Class A Noteholder be under any liability to any third person by reason of any action taken pursuant to any provision of this Agreement.

No Class A Noteholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any suit, action, or proceeding in equity or at law upon or under or with respect to this Agreement, unless, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer has given its prior written consent and such Holder previously shall have given to the Trust Collateral Agent a written notice of default and of the continuance thereof, and unless also (i) the default arises from the Seller's or the Servicer's failure to remit payments when due hereunder, or (ii) the Majority Noteholders shall have made written request upon the Trust Collateral Agent to institute such action, suit or proceeding in its own name as Trust Collateral Agent under this Agreement and such Holder shall have offered to the Trust Collateral Agent such indemnity as it may reasonably require against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trust Collateral Agent, for 30 days after its receipt of such notice, request, and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and during such 30-day period no request or waiver inconsistent with such written request has been given to the Trust Collateral Agent pursuant to this Section or Section 8.04; no one or more Holders of Notes or Certificates shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb, or prejudice the rights of the Holders of any other of the Class A Notes or the Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right, under this Agreement except in the manner provided in this Agreement and for the equal, ratable, and common benefit of all Class A Noteholders and all Certificateholders. For the protection and

enforcement of the provisions of this Section, each Class A Noteholder, each Certificateholder and the Trust Collateral Agent shall be entitled to such relief as can be given either at law or in equity.

In the event the Trust Collateral Agent shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Class A Notes, each representing less than the required amount of the Class A Notes, the Indenture Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Agreement.

SECTION 11.04. Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), BUT OTHERWISE, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 11.05. Notices.

All demands, notices, and communications upon or to the Seller, the Servicer, the Trust Collateral Agent, the Backup Servicer, the Owner Trustee, the Indenture Trustee, the Class A Insurer or any Rating Agency under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, and shall be deemed to have been duly given upon receipt (a) in the case of the Seller at the following address: Attention: Credit Acceptance Funding LLC 2003-1/James D. Murray, Jr., Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339; phone number: (248) 353-2400 (ext. 884); fax number: (248) 827-8542; (b) in the case of the Servicer at the following address: Attention: Credit Acceptance Corporation/James D. Murray, Jr., Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339; phone number: (248) 353-2400 (ext. 884); fax number: (248) 827-8542; (c) in the case of the Trust Collateral Agent and the Indenture Trustee, at its Corporate Trust Office, 4 New York Plaza, 6th Floor, New York, NY 10024, Attention: Institutional Trust Services/Structured Finance; (d) in the case of the Backup Servicer, at the following address: Systems & Services Technologies, Inc., 4315 Pickett Road, St. Joseph, MO 64503, Attention: John Campbell, President, Joseph Booz, EVP/General Counsel, phone: (816) 671-2022; (816) 671-2028, fax: (816) 671-2029; (e) [reserved]; (f) in the case of the Owner Trustee, at: One Rodney Square 920 No. King St., 1st Floor, Wilmington, DE 19801 Attn: Sterling Correia, phone: (302) 888-7528; fax: (302) 888-7544; (g) in the case of the Class A Insurer, to: Radian Asset Assurance Inc., 335 Madison Avenue, New York, New York 10017, Attention: Chief Risk Officer and Chief Legal Officer (and if such notice refers to a Servicer Default or is a notice with respect to which the failure on the part of the Class A Insurer to respond shall be deemed to constitute consent or acceptance, such notice shall be marked to indicate "Urgent Material Enclosed"); and (h) in the case of the Rating Agency, to: Standard & Poor's Rating Services, Asset Backed Surveillance Department, 55 Water Street, New York, New York 10041 or to such other address as shall be designated by written notice to the other parties. Any notice required or permitted to be mailed to a Class A Noteholder or

Certificateholder, as the case may be shall be given by first class mail, postage prepaid, at the address of such Holder as shown in the Class A Note or Certificate Register. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Class A Noteholder or the Certificateholder, as the case may be, shall receive such notice.

SECTION 11.06. Severability of Provisions.

If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Securities or the rights of the Holders thereof or of the Class A Insurer.

SECTION 11.07. Assignment.

Notwithstanding anything to the contrary contained herein, except as provided in Sections 6.02, 6.05 and 7.03 and as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the Seller or the Servicer without the prior written consent of the Trust Collateral Agent and the Class A Insurer.

SECTION 11.08. Further Assurances.

The Seller and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the Trust Collateral Agent or the Class A Insurer more fully to effect the purposes of this Agreement and the other Basic Documents, including, without limitation, the execution of any financing statements or continuation statements relating to the Dealer Loans or the related Contracts for filing under the provisions of the UCC of any applicable jurisdiction.

SECTION 11.09. No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Trust Collateral Agent, the Class A Insurer, or the Class A Noteholders or the Certificateholders, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges therein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

SECTION 11.10. Third-Party Beneficiaries.

This Agreement will inure to the benefit of and be binding upon the parties hereto, the Indenture Trustee, the Class A Noteholders and the Certificateholders, respectively, and their respective successors and permitted assigns. Except as may be otherwise provided in this Agreement, no other person will have any right or obligation hereunder. The Class A Insurer is an express third party beneficiary of this Agreement.

SECTION 11.11. Actions by Noteholders.

(a) Wherever in this Agreement a provision is made that an action may be taken or a notice, demand, or instruction given by Noteholders, such action, notice, demand or instruction may be taken or given by any Class A Noteholder, unless such provision requires a specific percentage of Noteholders.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be taken or given by Class A Noteholders, may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Class A Noteholders, in person or by an agent duly appointed in writing.

(c) The fact and date of the execution by any Class A Noteholder or any Certificateholder of any instrument or writing may be proved in any reasonable manner which the Trust Collateral Agent deems sufficient.

(d) Any request, demand, authorization, direction, notice, consent, waiver, or other act by a Class A Noteholder shall bind such Class A Noteholder and every subsequent holder of such Class A Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done or omitted to be done by the Trust Collateral Agent, the Seller or the Servicer in reliance thereon, whether or not notation of such action is made upon such Class A Note.

(e) The Trust Collateral Agent may require such additional proof of any matter referred to in this Section as it shall deem necessary.

SECTION 11.12. Corporate Obligation.

No recourse may be taken, directly or indirectly, against any partner, incorporator, subscriber to the capital stock, stockholder, director, officer or employee of the Seller or the Servicer with respect to their respective obligations and indemnities under this Agreement or any certificate or other writing delivered in connection herewith.

SECTION 11.13. Covenant Not to File a Bankruptcy Petition.

The parties hereto agree that until one year and one day after such time as the Class A Notes issued under the Indenture are paid in full, they shall not (i) institute the filing of a bankruptcy petition against the Seller or the Trust based upon any claim in its favor arising hereunder or under the Basic Documents; (ii) file a petition or consent to a petition seeking relief on behalf of the Seller or the Trust under the Bankruptcy Law; or (iii) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of the Seller or the Trust or any portion of the property of the Seller or the Trust. The parties hereto agree that all obligations of the Issuer and the Seller are non-recourse to the Trust Property except as specifically set forth in the Basic Documents.

SECTION 11.14. Class A Insurer Control Right. So long as any Class A Note is outstanding, the Class A Insurer shall have the power to exercise the voting rights granted to the Class A Noteholders, except as set forth in Section 11.01; provided, however, that

during the continuance of a Class A Insurer Default, all voting, consent or control rights of the Class A Insurer shall be suspended. Upon the cure of a Class A Insurer Default, such voting, consent and control rights shall be reinstated.

IN WITNESS WHEREOF, the Issuer, Seller, Servicer, Backup Servicer and the Trust Collateral Agent have caused this Sale and Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

CREDIT ACCEPTANCE FUNDING
LLC 2003-1, as Seller

By: /S/ Douglas W. Busk

    Name: Douglas W. Busk
    Title: VP Finance & Treasurer

CREDIT ACCEPTANCE CORPORATION, as Servicer

By: /S/ Douglas W. Busk

    Name: Douglas W. Busk
    Title: Chief Financial Officer & Treasurer

[Sale and Servicing Agreement Signature Page]

CREDIT ACCEPTANCE AUTO DEALER
LOAN TRUST 2003-1, as Issuer

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

By: /S/ Sterling C. Correia

Name: Sterling C. Correia
Title: Vice President

JPMORGAN CHASE BANK, as Trust Collateral Agent and Indenture Trustee

By: /S/ Esther D. Antoine

Name: Esther D. Antoine
Title: Trust Officer

SYSTEMS & SERVICES TECHNOLOGIES, INC., as Backup Servicer

By: /S/ Joseph D. Booz

Name: Joseph D. Booz
Title: EVP/Secretary/General Counsel

[Sale and Servicing Agreement Signature Page]

EXHIBIT A

[Reserved]

EXHIBIT B

Credit Acceptance Auto Dealer Loan Trust 2003-1
Servicer's Certificate

EXHIBIT C

Investor Certification
for Electronic Password

Date:

JPMORGAN CHASE BANK

Attention: Corporate Trust Services -- Asset-Backed Administration
Credit Acceptance Auto Dealer Loan Trust 2003-1

In accordance with Section 5.11 of the Sale and Servicing Agreement dated as of June 27, 2003 (the "Agreement"), by and among Credit Acceptance Funding Corporation Trust 2003-1, as the Issuer, Credit Acceptance Funding LLC 2003-1, as the Seller, Credit Acceptance Corporation, as the Servicer, JPMorgan Chase Bank, as the Trust Collateral Agent, and Systems & Services Technologies, Inc., as the Backup Servicer, with respect to the Class A Asset Backed Notes (the "Class A Notes") and the Asset Backed Certificates the ("Certificates"), the undersigned hereby certifies and agrees as follows:

1. The undersigned is a beneficial owner of $_____ in principal balance of the Class A Notes.

2. The undersigned is requesting a password pursuant to Section 5.11 of the Agreement for access to certain information (the "Information") on the Trust Collateral Agent's website.

3. In consideration of the Trust Collateral Agent's disclosure to the undersigned of the Information, or the password in connection therewith, the undersigned will keep the Information confidential (except from such outside persons are as are assisting it in connection with the related Notes, from its accountants and attorneys, and otherwise from such governmental or banking authorities or agencies to which the undersigned is subject), and such Information will not, without the prior written consent of the Trust Collateral Agent, be otherwise disclosed by the undersigned or by its officers, directors, partners, employees, agents or representatives (collectively, the "Representatives") in any manner whatsoever, in whole or in part.

4. The undersigned will not use or disclose the Information in any manner which could result in a violation of any provision of the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended, or would require registration of any Class A Note pursuant to Section 5 of the Securities Act.

5. The undersigned shall be fully liable for any breach of this agreement by itself or any of its Representatives and shall indemnify each of the parties to the Agreement for

any loss, liability or expense incurred thereby with respect to any such breach by the undersigned or any of its Representatives.

6. Capitalized terms used but not defined herein shall have the respective meanings assigned thereto in the Agreement.

IN WITNESS WHEREOF, the undersigned has caused its name to be signed hereby by its duly authorized officer, as of the day and year written above.

_____
Beneficial Owner

By: _____
Title: _____
Company: _____
Phone: _____

EXHIBIT D

FORM OF DEALER AGREEMENT

EXHIBIT E

FORM OF
SERVICER'S ACKNOWLEDGMENT

Credit Acceptance Corporation (the "Servicer") under the Sale and Servicing Agreement, dated as of June 27, 2003 (the "Sale and Servicing Agreement") among Credit Acceptance Auto Dealer Loan Trust 2003-1, Credit Acceptance Funding LLC 2003-1, JPMorgan Chase Bank, Systems & Services Technologies, Inc. and the Trust Collateral Agent, pursuant to which the Servicer holds on behalf of the Class A Noteholders, the Class A Insurer and the Trust Collateral Agent certain [Dealer Agreements] [Contracts] as described in the Sale and Servicing Agreement, hereby acknowledges receipt thereof, listed on Schedule A to said Sale and Servicing Agreement except as noted in the Exception List attached as Schedule I hereto.

IN WITNESS WHEREOF, the Servicer has caused this acknowledgment to be executed by its duly authorized officer as of this ____ day of _____, 2003.

CREDIT ACCEPTANCE CORPORATION,
as Servicer

By: _____
Name: _____
Title: _____

EXHIBIT F

FORM OF CONTRACTS

EXHIBIT G

COLLECTION GUIDELINES

EXHIBIT H

CREDIT GUIDELINES

[On file with the Servicer]

EXHIBIT I

COVENANT COMPLIANCE REPORT

1.	Asset Coverage Ratio	
	Consolidated Net Assets	$
	Consolidated Funded Debt	
	Excess Net Assets	$
		==========
2.	Total Liabilities Ratio	
	Consolidated Total Liabilities	$
	Consolidated Tangible Net Worth	
	Ratio	==========
	Permitted	==========
3.	Minimum Tangible Net Worth	
	Base Net Worth	$
	80% Consolidated Net Income	
	Minimum Tangible Net Worth	$
	Actual Consolidated Tangible Net Worth	
	Excess Consolidated Tangible Net Worth	$
		==========
4.	Fixed Charge Coverage Ratio	
	Consolidated Net Income, as adjusted (last four quarters)	$
	Add:	
	Income Taxes	
	Interest	
	Depreciation and Amortization	
	Rent	
	Consolidated income available for fixed charges	$
	Fixed Charges:	
	Interest	$
	Rent	
	Total Fixed Charges	$
	Fixed Charge Coverage Ratio	
	Allowable fixed charge coverage ratio	

SCHEDULE A
to Sale and
Servicing Agreement

Dealer Loans, Dealer Agreements and Contracts

SCHEDULE B
to Sale and
Servicing Agreement

FORECASTED COLLECTIONS

COLLECTION PERIOD	CREDIT ACCEPTANCE FORECASTED COLLECTIONS
May-2003	11,200,367.70
Jun-2003	10,942,012.61
Jul-2003	10,662,697.52
Aug-2003	10,366,792.64
Sep-2003	10,038,493.32
Oct-2003	9,705,149.80
Nov-2003	9,372,774.18
Dec-2003	8,996,011.80
Jan-2004	8,662,330.52
Feb-2004	8,329,837.04
Mar-2004	7,892,065.31
Apr-2004	7,409,127.70
May-2004	6,945,983.85
Jun-2004	6,472,824.24
Jul-2004	6,076,782.91
Aug-2004	5,676,140.87
Sep-2004	5,269,839.19
Oct-2004	4,926,555.25
Nov-2004	4,606,534.79
Dec-2004	4,318,109.95
Jan-2005	4,098,674.86
Feb-2005	3,882,682.25
Mar-2005	3,615,245.74
Apr-2005	3,341,255.16
May-2005	3,084,156.50
Jun-2005	2,769,677.48
Jul-2005	2,466,661.70
Aug-2005	2,241,349.10
Sep-2005	1,999,244.22
Oct-2005	1,810,415.83
Nov-2005	1,606,005.89
Dec-2005	1,392,250.18
Jan-2006	1,215,785.91
Feb-2006	1,004,414.76
Mar-2006	736,511.28
Apr-2006	549,025.67
May-2006	529,722.86
Jun-2006	528,399.41

COLLECTION PERIOD	CREDIT ACCEPTANCE FORECASTED COLLECTIONS
Jul-2006	526,570.92
Aug-2006	524,893.25
Sep-2006	523,137.52
Oct-2006	520,678.16
Nov-2006	518,554.15
Dec-2006	516,347.44
Jan-2007	514,460.00
Feb-2007	512,007.87
Mar-2007	505,699.85
Apr-2007	498,894.91
May-2007	493,010.35
Jun-2007	487,933.81
Jul-2007	482,973.19
Aug-2007	480,124.25
Sep-2007	477,233.45
Oct-2007	473,620.86
Nov-2007	470,043.35
Dec-2007	467,534.81
Jan-2008	463,295.54
Feb-2008	455,461.32
Mar-2008	426,067.25
Apr-2008	392,899.01
May-2008	373,202.56
Jun-2008	357,841.77
Jul-2008	331,421.35
Aug-2008	307,118.19
Sep-2008	287,039.67
Oct-2008	273,925.31
Nov-2008	261,591.70
Dec-2008	249,348.39
Jan-2009	238,943.74
Feb-2009	219,091.25
Mar-2009	191,709.81
Apr-2009	180,143.87
May-2009	153,935.95
Jun-2009	145,517.10
Jul-2009	129,735.13
Aug-2009	98,147.67
Sep-2009	82,099.22
Oct-2009	78,234.56
Nov-2009	65,125.89
Dec-2009	42,360.56
Jan-2010	33,510.94
Feb-2010	22,206.63
Mar-2010	7,292.64
Apr-2010	21,006.45

SCHEDULE C
to Sale and
Servicing Agreement

PERFECTION REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to the representations, warranties and covenants contained in the Agreement, the Seller hereby represents, warrants, and covenants to the Trust and the Indenture Trustee as follows on the Closing Date and on each Distribution Date on which the Trust purchases Dealer Loans, in each case only with respect to the Seller Property conveyed to the Trust on such Closing Date or the relevant Distribution Date:

GENERAL

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

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

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

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

CREATION

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

PERFECTION

1. The Seller has caused or will have caused, within ten days after the effective date of the Indenture, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the contribution and sale of the Contributed Property from the Originator to the Seller, the transfer and sale of the Seller Property

from the Seller to the Issuer, and the security interest in the Collateral granted to the Indenture Trustee under the Indenture.

2. With respect to Seller Property that constitutes tangible chattel paper, such tangible chattel paper is in the possession of the Servicer, in its capacity as custodian for the Trust and the Trust Collateral Agent, and the Trust Collateral Agent has received a written acknowledgment from the Servicer, in its capacity as custodian, that it is holding such tangible chattel paper solely on its behalf and for the benefit of the Trust Collateral Agent, the Seller, the Trust and the relevant Dealer(s). All financing statements filed or to be filed against the Seller in favor of the Issuer or its assignee in connection with this Agreement describing the Seller Property contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Secured Party."

PRIORITY

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

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

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

SURVIVAL OF PERFECTION REPRESENTATIONS

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

NO WAIVER

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

or Covenants, and shall not, without obtaining a confirmation of the then-current rating of the Class A Notes (without giving effect to the Class A Note Insurance Policy) as determined after any adjustment or withdrawal of the ratings following notice of such breach) waive a breach of any of the Perfection Representations, Warranties or Covenants.

SCHEDULE D
to Sale and
Servicing Agreement

FINANCIAL COVENANTS
AND RELATED DEFINITIONS

1. Maintain Asset Coverage Ratio. Credit Acceptance shall, on a Consolidated basis, maintain at all times, Consolidated Net Assets at a level greater than or equal to Consolidated Funded Debt.

2. Maintain Total Liabilities Ratio Level. Credit Acceptance shall, on a Consolidated basis, maintain as of the end of each fiscal quarter a ratio of Consolidated Total Liabilities (including in the calculation thereof, all Debt incurred by a Special Purpose Subsidiary, whether or not included therein under GAAP other than Debt represented by Intercompany Loans incurred by the English Special Purpose Subsidiary pursuant to the UK Restructuring) to Credit Acceptance's Consolidated Tangible Net Worth equal to or less than 1.75 to 1.0.

3. Minimum Tangible Net Worth. Credit Acceptance shall, on a Consolidated basis, maintain Consolidated Tangible Net Worth of not less than Two Hundred Forty-Five Million Dollars ($245,000,000), plus the sum of (i) eighty percent (80%) of Consolidated Net Income for each fiscal quarter of Credit Acceptance (A) beginning on or after April 1, 2003, (B) ending on or before the applicable date of determination thereof, and (C) for which Consolidated Net Income as determined above is a positive amount and (ii) the Equity Offering Adjustment.

4. Maintain Fixed Charge Coverage Ratio Liabilities. Credit Acceptance shall, on a Consolidated basis, maintain as of the end of each fiscal quarter a Fixed Charge Coverage Ratio of not less than 2.50 to 1.0.

DEFINITIONS

Other than the term "Credit Acceptance," which shall have the meaning given to it in this Sale and Servicing Agreement, capitalized terms used in this Schedule D shall have the meanings given such terms in the Comerica Credit Agreement as in effect on the date of this Sale and Servicing Agreement.

EXHIBIT 4(f)(51)

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CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1
$100,000,000 Class A Asset Backed Notes

INDENTURE

Dated as of June 27, 2003

JPMORGAN CHASE BANK
as the Trust Collateral Agent/Indenture Trustee

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1
as the Issuer

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TABLE OF CONTENTS

INDENTURE dated as of June 27, 2003, between CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1, a Delaware statutory trust (the "Issuer"), and JPMORGAN CHASE BANK, a New York banking corporation, as trust collateral agent (the "Trust Collateral Agent") and as indenture trustee (the "Indenture Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Issuer's $100,000,000 Class A 2.77% Asset Backed Notes (the "Class A Notes"), and the Class A Insurer:

GRANTING CLAUSE

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

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

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

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

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

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

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

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

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

(ix) all rights under the Contribution Agreement;

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

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

(xii) all proceeds of the foregoing.

Such grant shall include all rights, powers and options (but none of the obligations) of the Issuer, including the immediate and continuing right to claim for, collect, receive and give receipt for principal and interest payments in respect of the Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring proceedings in the name of the Issuer or otherwise and generally to do and receive anything that the Issuer is or may be entitled to do or receive thereunder or with respect thereto.

The Indenture Trustee hereby acknowledges such grant, accepts the trusts under this Indenture in accordance with the provisions of this Indenture and agrees to perform its duties required in this Indenture to the best of its ability to the end that the interests of the parties and the Holders of the Notes and the Class A Insurer, recognizing the priorities of their respective interests, may be adequately and effectively protected.

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

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

ARTICLE I
Definitions and Incorporation by Reference

SECTION 1.1 Definitions.

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

(b) Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Sale and Servicing Agreement or the Trust Agreement.

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

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. A Person shall not be deemed to be an Affiliate of any person solely because such other Person has the contractual right or obligation to manage such Person unless such other Person controls such Person through equity ownership or otherwise.

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

"Backup Servicer" means Systems and Services Technologies, Inc. (the "Backup Servicer" or "SST").

"Backup Servicing Agreement" means the Backup Servicing Agreement, dated as of June 27, 2003, among the Backup Servicer, the Servicer, the Class A Insurer, the Trust, the Seller and the Trust Collateral Agent, as amended, modified or supplemented from time to time, in accordance with its terms.

"Basic Documents" has the meaning set forth in the Sale and Servicing Agreement.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies located in Detroit, Michigan or New York, New York are authorized or obligated by law, executive order, or governmental decree to be closed.

"Certificate of Trust" means the certificate of trust of the Issuer substantially in the form of Exhibit B to the Trust Agreement.

"Class A Insurer" means Radian Asset Assurance Inc., or its successor in interest.

"Class A Note Insurance Policy" means the note guaranty insurance policy issued by the Class A Insurer to the Indenture Trustee for the benefit of the Class A Noteholders with respect to the Class A Notes, including any endorsements thereto.

"Class A Termination Date" means the date on which all amounts owing to the Class A Noteholders and, as certified in writing by the Class A Insurer to the Owner Trustee, all amounts owing to the Class A Insurer under the Basic Documents are paid in full.

"Class A Notes" means the 2.77% Class A Asset Backed Notes of the Issuer, substantially in the form of Exhibit A hereto.

"Class A Note Rate" means 2.77% per annum (computed on the basis of a 360-day year of twelve 30-day months and assuming the Distribution Date is on the 15th of each month).

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

"Clearing Agency Participant" means the Depository Trust Company, and its successors, each of which shall be a broker, dealer, bank or other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means June 27, 2003.

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

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

"Control Party" means: (i) prior to the Class A Termination Date, so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer; and (ii) otherwise, the Majority Noteholders.

"Corporate Trust Office" means the principal corporate trust office of the Indenture Trustee, which at time of execution of this Indenture is located at 4 New York Plaza, 6th Floor, New York, NY 10004, Attention: Institutional Trust Services/Structured Finance or at such other address as the Indenture Trustee may designate from time to time by notice to the Class A Noteholders, the Servicer, the Class A Insurer and the Issuer, or the principal corporate trust office of any successor Indenture Trustee (the address of which the successor Indenture Trustee will notify the Class A Noteholders, the Class A Insurer and the Issuer).

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

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

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

"Indebtedness" means, with respect to any Person at any time, (a) indebtedness or liability of such Person for borrowed money whether or not evidenced by bonds, debentures, notes or other instruments, or for the deferred purchase price of property or services (including trade obligations); (b) obligations of such Person as lessee under leases which should have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases; (c) current liabilities of such Person in respect of unfunded vested benefits under plans covered by Title IV of ERISA; (d) obligations issued for or liabilities incurred on the account of such Person; (e) obligations or liabilities of such Person arising under acceptance facilities; (f) obligations of such Person under any guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; (g) obligations of such Person secured by any lien on property or assets of such Person, whether or not the obligations have been assumed by such Person; provided that the amount of such indebtedness if not so assumed shall in no event be deemed to be greater than the fair market value from time to time (as reasonably determined in good faith by the Issuer) of the property subject to such lien; or (h) obligations of such Person under any interest rate or currency exchange agreement.

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

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

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

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

"Independent" means, when used with respect to any specified Person, that the Person (a) is in fact independent of the Issuer, the Originator, any other obligor upon the Class A Notes, the Seller and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, the Originator, any such other obligor, the Seller or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, the Originator, any such other obligor, the Seller or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

"Independent Certificate" means a certificate or opinion to be delivered to the Indenture Trustee and the Class A Insurer under the circumstances described in, and otherwise

complying with, the applicable requirements of Section 11.1, prepared by an Independent appraiser or other expert appointed by an Issuer Order and approved by the Indenture Trustee, and prior to the Class A Termination Date, the Class A Insurer, in the exercise of reasonable care, which opinion or certificate shall state that the signer has read the definition of "Independent" in this Indenture and that the signer is Independent within the meaning thereof.

"Issuer" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein, each other obligor on the Class A Notes.

"Issuer Order" and "Issuer Request" means a written order or request signed in the name of the Issuer by any one of its Authorized Officers and delivered to the Indenture Trustee a copy of which shall be delivered to the Class A Insurer.

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

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

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

"Note" means a Class A Note.

"Note Owner" means, with respect to any Note registered in the name of the Clearing Agency or its nominee, the Person who is the beneficial owner of such Class A Note, as reflected on the books of the Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Note Register" and "Note Registrar" mean the register maintained and the registrar appointed pursuant to Section 2.3 hereof.

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

"Officer's Certificate" means a certificate signed by any Authorized Officer of the Owner Trustee, under the circumstances described in, and otherwise complying with, the applicable requirements of Section 11.1 hereof.

"Opinion of Counsel" means one or more written opinions of counsel who may, except as otherwise expressly provided in this Indenture, or as otherwise required by the

Indenture Trustee or the Class A Insurer, be employees of or counsel to the Issuer and who shall be reasonably satisfactory to the Indenture Trustee and the Class A Insurer, and which shall comply with any applicable requirements of Section 11.1 hereof, and shall be in form and substance reasonably satisfactory to the Indenture Trustee and the Class A Insurer.

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

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

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

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

provided, however, that (x) in determining whether the Holders of the requisite Outstanding Amount of the Class A Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Class A Notes owned by the Issuer, the Servicer, any other obligor upon the Class A Notes, the Seller or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be fully protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Class A Notes that a Responsible Officer of the Indenture Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded; provided, further, however, that Class A Notes which have been paid with proceeds of the Class A Note Insurance Policy shall continue to remain outstanding until the Class A Insurer has been paid as subrogee hereunder or reimbursed pursuant to the Insurance Agreement delivered to the Indenture Trustee, and the Class A Insurer shall be deemed to be the Holder thereof to the extent of any payments thereon made by the Class A Insurer. Class A Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgees right so to act with respect to such Notes and that the pledgee is not the Issuer, any other obligor upon the Class A Notes, the Seller or any Affiliate of any of the foregoing Persons and (y) to the extent that the Indenture Trustee is a Class A Noteholder, Class A Notes owned by the Indenture Trustee shall be disregarded for purposes of Section 6.8(b) hereof.

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

"Paying Agent" means the Indenture Trustee or any other Person that meets the eligibility standards for the Indenture Trustee specified in Section 6.12 and is authorized by the

Issuer to make the payments to and distributions from the Collection Account, the Note Distribution Account, the Reserve Account, the Principal Distribution Account and the Certificate Distribution Account including payment of principal of or interest on the Class A Notes on behalf of the Issuer.

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

"Private Placement Memorandum" means the confidential private placement memorandum, relating to the Class A Notes, dated June 17, 2003.

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

"Rating Agency" means S&P or any other nationally recognized statistical rating agency requested by the Seller or an Affiliate thereof, and acceptable to the Class A Insurer, to rate the Class A Notes.

"Rating Agency Condition" means, with respect to any action, that the Rating Agency shall have been given 10 days (or such shorter period as shall be acceptable to the Rating Agency) prior notice thereof and that such Rating Agency shall have notified the Seller, the Servicer, the Indenture Trustee, the Owner Trustee, the Class A Insurer and the Issuer that such action will not result in a reduction or withdrawal of the then current rating of the Class A Notes, without regard to the Class A Note Insurance Policy.

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

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

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

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

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

"Responsible Officer" means, with respect to the Indenture Trustee, the Trust Collateral Agent, the Paying Agent or the Owner Trustee, any officer within the Corporate Trust Office of the Indenture Trustee, the Trust Collateral Agent, the Paying Agent, or the Owner Trustee, as the case may be, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, Associate, Corporate Trust Officer or any other officer of the Indenture Trustee, the Trust Collateral Agent, the Paying Agent, or the Owner Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

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

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

"Sale and Servicing Agreement" means the Sale and Servicing Agreement dated as of June 27, 2003, among the Issuer, the Seller, the Servicer, the Trust Collateral Agent/Indenture Trustee and the Backup Servicer, as the same may be amended or supplemented from time to time in accordance with its terms.

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

"Servicer Default" has the meaning given such term in Section 8.01 of the Sale and Servicing Agreement.

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

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

"Termination Date" means the later of: (i) the expiration of the Class A Note Policy in accordance with its terms and the return thereof to the Class A Insurer for cancellation and (ii) the date on which the Indenture Trustee and the Class A Insurer shall have received payment and performance of all Issuer Secured Obligations.

"Trust Collateral Agent" means, initially, JPMorgan Chase Bank, in its capacity as collateral agent on behalf of the Indenture Trustee for the benefit of the Class A Noteholders and the Class A Insurer, including its successors-in-interest, until and unless a successor Person

shall have become the Trust Collateral Agent pursuant to the Sale and Servicing Agreement, and thereafter "Trust Collateral Agent" shall mean such successor Person.

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

"UCC" means, unless the context otherwise requires, the Uniform Commercial Code, as in effect in the relevant jurisdiction, as amended from time to time.

SECTION 1.2. Rules of Construction.

Unless the context otherwise requires:

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

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles as in effect from time to time;

(iii) "or" is not exclusive;

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

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

ARTICLE II

The Notes

SECTION 2.1. Form.

The Class A Notes together with the Indenture Trustee's certificate of authentication, shall be in definitive registered form in substantially the form set forth in Exhibit A hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Class A Notes, as evidenced by their execution of the Class A Notes. Any portion of the text of any Class A Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Class A Note.

The Class A Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the officers executing such Class A Notes, as evidenced by their execution of such Class A Notes.

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

SECTION 2.2. Execution, Authentication and Delivery.

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

Class A Notes bearing the manual or facsimile signature of individuals who were at any time Authorized Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Class A Notes or did not hold such offices at the date of such Class A Notes.

The Indenture Trustee shall upon receipt of the Issuer Order authenticate and deliver the Class A Notes for original issue in an aggregate principal amount of $100,000,000. The aggregate outstanding principal balance of the Class A Notes at any time may not exceed such amount.

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

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

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

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

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

other times as the Indenture Trustee may reasonably request the names and addresses of the Holders as they appear in the Note Register.

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

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

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

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

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

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

(b) If an election is made to hold Class A Notes in book-entry form, the Class A Notes shall be registered in the name of a nominee designated by the Clearing Agency (and

may be aggregated as to denominations with other Class A Notes held by the Clearing Agency). With respect to Class A Notes held in book-entry form:

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

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

(iii) whenever this Indenture or any of the Basic Documents requires or permits actions to be taken based upon instructions or directions of Holders of Class A Notes evidencing a specified percentage of the Class A Note Balance, the Clearing Agency will be deemed to represent such percentage only to the extent that it has received instructions to such effect from Note Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in the Class A Notes and has delivered such instructions to the Indenture Trustee; and

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

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

If (i)(A) the Issuer advises the Indenture Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Class A Notes as described in the Depository Agreement and (B) the Issuer is unable to locate a qualified successor, (ii) the Issuer at its option advises the Indenture Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency, or (iii) Note Owners representing beneficial interests in Class A Notes aggregating not less than a majority of the Class A Note Balance advise the Indenture Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency with respect to such class is no longer in the best interests of the related Note Owners, then the Indenture Trustee shall notify all such Note Owners, through the Clearing Agency, and the Class A Insurer of the occurrence of any such event and of the availability of definitive Class A Notes to such Note Owners requesting the same. Upon surrender to the Indenture Trustee of the related Class A Notes by the Clearing Agency accompanied by registration instructions from the Clearing Agency, the Indenture Trustee shall issue definitive

Class A Notes and deliver such definitive Notes in accordance with the 'instructions of the Clearing Agency. None of the Issuer, the Note Registrar, the Class A Insurer, or the Indenture Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of definitive Class A Notes, the Indenture Trustee shall recognize the Holders of the definitive Class A Notes as Noteholders hereunder. The Indenture Trustee shall not be liable if the Seller is unable to locate a qualified successor Clearing Agency.

(c) In order to preserve the exemption for resales and transfers provided by Rule 144A, the Issuer shall provide to any Holder of a Class A Note and any prospective purchaser designated by such Holder, upon request of such Holder or such prospective purchaser, such information required by Rule 144A as will enable the resale of such Class A Note to be made pursuant to Rule 144A. The Servicer and the Indenture Trustee shall cooperate with the Issuer in providing the Issuer such information regarding the Class A Notes, the Collateral and other matters regarding the Trust as the Issuer shall reasonably request to meet its obligations under the preceding sentence.

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

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

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

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

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

If (a) any mutilated Class A Note shall be surrendered to the Note Registrar, or if the Note Registrar shall receive evidence to its satisfaction of the destruction, loss, or theft of any Class A Note and (b) there shall be delivered to the Note Registrar, the Class A Insurer, the Issuer and the Indenture Trustee such security or indemnity (an unsecured indemnity agreement of a Class A Noteholder with a net worth at least equal to $200,000,000 containing terms reasonably satisfactory to the Indenture Trustee and the Class A Insurer being sufficient for such security or indemnity requirement), as may be required by them to save each of them and the Issuer harmless, then in the absence of notice that such Note shall have been acquired by a bona fide purchaser, the Owner Trustee on behalf of the Issuer shall execute and the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Class A Note, a new Class A Note of like tenor and denomination. In connection with the issuance of any new Class A Note under this Section, the Indenture Trustee and the Note Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. The Indenture Trustee may charge such Holder for its expenses (including without limitation the fees and expenses of its counsel) in replacing a Class A Note. Any duplicate Class A Note issued pursuant to this Section shall constitute conclusive evidence of ownership of such Class A Note, as if originally issued, whether or not the lost, stolen, or destroyed Class A Note shall be found at any time.

SECTION 2.5. Persons Deemed Owners.

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

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

The Indenture Trustee shall furnish or cause to be furnished to the Servicer or the Class A Insurer, within 15 days after receipt by the Indenture Trustee of a request therefor from the Servicer or the Class A Insurer in writing, a list, in such form as the Servicer or the Class A Insurer may reasonably require, of the names and addresses of the Class A Noteholders as of the most recent Record Date. If three or more Class A Noteholders, or one or more Holders of Notes aggregating not less than 10% of the Class A Note Balance, apply in writing to the Indenture Trustee, and such application states that the applicants desire to communicate with other Noteholders with respect to their rights under this Indenture or under the Class A Notes and such application shall be accompanied by a copy of the communication that such applicants propose to transmit, then the Indenture Trustee shall, within five Business Days after the receipt of such application, make available to such Class A Noteholders access during normal business hours to the current list of Class A Noteholders. Each Holder, by receiving and holding a Class A Note, shall be deemed to have agreed to hold neither the Servicer, the Class A Insurer nor the Indenture

Trustee accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 2.7. Maintenance of Office or Agency.

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

SECTION 2.8. Payment of Principal and Interest; Defaulted Interest.

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

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

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

SECTION 2.9. Release of Collateral.

The Indenture Trustee shall, on or after the Termination Date, release and shall cause the Trust Collateral Agent to release any remaining portion of the Trust Property from the lien created by

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

ARTICLE III

Covenants, Representations and Warranties

SECTION 3.1. Payment of Principal and Interest.

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

SECTION 3.2. Maintenance of Office or Agency.

For so long as the Indenture Trustee is the transfer agent, the Issuer will maintain in New York, New York, an office or agency where Class A Notes may be surrendered for registration of transfer or exchange, and an office in New York, New York where notices and demands to or upon the Issuer in respect of the Class A Notes and this Indenture may be served. The Issuer hereby initially appoints the Indenture Trustee to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Indenture Trustee and the Class A Insurer of the location, and of any change in the location, of any such office or agency. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Indenture Trustee or the Class A Insurer with the address thereof, such surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Issuer hereby appoints the Indenture Trustee as its agent to receive all such surrenders, notices and demands.

SECTION 3.3. Money for Payments to be Held in Trust.

On or before each Distribution Date and Redemption Date, the Issuer shall deposit or cause to be deposited in the Note Distribution Account from the Collection Account, a sum sufficient to pay the amounts then becoming due under the Class A Notes, such sum to be held in trust for the benefit of the Persons entitled thereto and (unless the Paying Agent is the Indenture Trustee) shall promptly notify the Indenture Trustee of its action or failure so to act.

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

(i) hold all sums held by it for the payment of amounts due with respect to the Class A Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Indenture Trustee and the Class A Insurer written notice of any default by the Issuer of which a Responsible Officer has actual knowledge (or any other obligor upon the Class A Notes) in the making of any payment required to be made with respect to the Class A Notes;

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

(iv) immediately resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Class A Notes if at any time it ceases to meet the standards required to be met by a Paying Agent at the time of its appointment; and

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Class A Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith in each case, as instructed by the Issuer.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such a payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Subject to applicable laws with respect to the escheat of funds, any money held by the Indenture Trustee or any Paying Agent in trust for the payment of any amount due with respect to any Class A Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Request, with the written consent of the Class A Insurer if the Class A Termination Date has not occurred; and the Holder of such Class A Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee or such Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, shall at the expense of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee shall also adopt and employ, at the

expense of the Issuer, any other reasonable means of notification of such repayment (including, but not limited to, mailing notice of such repayment to Holders whose Class A Notes have been called but have not been surrendered for redemption or whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Indenture Trustee or of any Paying Agent, at the last address of record for each such Holder).

SECTION 3.4. Existence.

Except as otherwise permitted by the provisions of Section 3.10, the Issuer will keep in full effect its existence, rights and franchises as a statutory trust under the laws of the State of Delaware and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Class A Notes, the Collateral and each other instrument or agreement included in the Trust Property.

SECTION 3.5. Protection of Trust Property.

The Issuer intends the security interest granted pursuant to this Indenture in favor of the Indenture Trustee, the Class A Noteholders and the Class A Insurer to be prior to all other liens in respect of the Trust Property, and the Issuer shall take all actions necessary to obtain and maintain, in favor of the Indenture Trustee, for the benefit of the Class A Noteholders and the Class A Insurer, a first lien on and a first priority, perfected security interest in the Trust Property. The Issuer will from time to time prepare (or shall cause to be prepared), execute, file and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

(i) grant more effectively all or any portion of the Trust Property;

(ii) maintain or preserve the lien and security interest (and the priority thereof) in favor of the Indenture Trustee for the benefit of the Class A Noteholders and the Class A Insurer created by this Indenture or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any grant made or to be made by this Indenture;

(iv) enforce any of the Trust Property;

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

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

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

SECTION 3.6. Opinions as to Trust Property.

(a) On the Closing Date, the Issuer shall furnish to the Indenture Trustee and the Class A Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to this Indenture and other requisite documents and with respect to the execution and filing of any financing statements and continuation statements, as are necessary to perfect and make effective the first priority lien and security interest in favor of the Indenture Trustee, created by this Indenture and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make such lien and security interest effective.

(b) Within 90 days after the beginning of each calendar year, beginning with the first calendar year beginning more than three months after the Closing Date, the Issuer shall furnish to the Indenture Trustee and the Class A Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and with respect to the filing of any financing statements and continuation statements as are necessary to maintain the lien and security interest created by this Indenture and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain such lien and security interest. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to maintain the lien and security interest of this Indenture until the 90th day to occur in the following calendar year.

SECTION 3.7. Performance of Obligations; Servicing of Contracts.

(a) The Issuer will not take any action and will use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or obligations under any instrument or agreement included in the Trust Property or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except as ordered by any bankruptcy or other court or as expressly provided in this Indenture, the Basic Documents or such other instrument or agreement.

(b) The Issuer may contract with other Persons acceptable to the Class A Insurer to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Indenture Trustee and the Class A Insurer in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer. Initially, the Servicer has agreed to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the Basic Documents and in the instruments and agreements included in the Trust Property, including, but not limited to, preparing (or causing to be prepared) and filing (or causing to be filed) all UCC financing statements and continuation

statements required to be filed by the terms of this Indenture and the Sale and Servicing Agreement in accordance with and within the time periods provided for herein and therein.

(d) The Issuer shall promptly notify the Indenture Trustee, the Class A Insurer and the Rating Agency of the occurrence of a Servicer Default in accordance with Section 11.4 hereof, and shall specify in such notice the action, if any, the Issuer is taking in respect of such default. If a Servicer Default shall arise from the failure of the Servicer to perform any of its duties or obligations under the Sale and Servicing Agreement with respect to the Dealer Loans or Contracts, the Issuer shall take all reasonable steps available to it to remedy such failure.

(e) The Issuer agrees that it will not waive timely performance or observance by the Servicer or the Seller of their respective duties under the Basic Documents, (x) prior to the Class A Termination Date without the prior written consent of the Class A Insurer, or (y) if the effect thereof would adversely affect the Holders of the Class A Notes.

SECTION 3.8. Negative Covenants.

So long as any Class A Notes are Outstanding, the Issuer shall not:

(i) except as expressly permitted by this Indenture or the Basic Documents, sell, transfer, exchange or otherwise dispose of any of the properties or assets of the Issuer, including those included in the Trust Property, unless directed to do so by the Class A Insurer;

(ii) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Class A Notes (other than amounts properly withheld from such payments under the Code) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Trust Property; or

(iii) (A) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien in favor of the Indenture Trustee created by this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Class A Notes under this Indenture except as may be expressly permitted hereby, (B) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden the Trust Property or any part thereof or any interest therein or the proceeds thereof (other than tax liens, mechanics' liens and other liens that arise by operation of law, in each case on a Financed Vehicle and arising solely as a result of an action or omission of the related Obligor), (C) permit the lien of this Indenture not to constitute a valid perfected first priority security interest in the Trust Property, (D) change its name, identity, state of organization or structure as a statutory trust in any manner that would, could or might make any financing statement or continuation statement filed with respect to it seriously misleading within the meaning of Section 9-507 of the UCC or (E) waive, amend, modify, supplement or terminate any Basic Document or any provision thereof, or fail to

comply with the provisions of the Basic Documents, in each case, prior to the Class A Termination Date, without the prior written consent of the Class A Insurer.

SECTION 3.9. Annual Statement as to Compliance.

The Issuer will deliver to the Indenture Trustee, the Rating Agency, the Class A Insurer and the Noteholders on or before March 31st of each year beginning in the year 2004, an Officer's Certificate dated as of the previous December 31st stating, as to the Authorized Officer signing such Officer's Certificate, that

(i) a review of the activities of the Issuer during the preceding 12-month period (or, for the initial certificate, for such shorter period as may have elapsed from the initial issuance of the Class A Notes to such December 31st) and of performance under this Indenture has been made under such Authorized Officer's supervision; and

(ii) to the best of such Authorized Officer's knowledge, based on such review, the Issuer has complied with all conditions and covenants under this Indenture throughout such year, or, if there has been a default in the compliance of any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

SECTION 3.10. Issuer May Consolidate, Etc. Only on Certain Terms.

(a) The Issuer shall not consolidate or merge with or into any other Person, unless

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall be a Person organized and existing under the laws of the United States of America or any State and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form satisfactory to the Indenture Trustee, and prior to the Class A Termination Date, the Class A Insurer, the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein;

(ii) immediately after giving effect to such transaction, no Early Amortization Event, Indenture Default or Indenture Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Indenture Trustee and the Class A Insurer) to the effect that such transaction will not have any material adverse tax consequence to the Trust, any Class A Noteholder, the Class A Insurer or any Certificateholder;

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

(vi) prior to the Class A Termination Date, the Issuer shall have given the Class A Insurer written notice of such proposed consolidation or merger at least 30 Business Days prior to its proposed consummation, and the Class A Insurer has given its prior written consent of such consolidation or merger; and

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

(b) The Issuer shall not convey or transfer all or substantially all of its properties or assets, including those included in the Trust Property, to any Person, unless

(i) the Person that acquires by conveyance or transfer the properties and assets of the Issuer the conveyance or transfer of which is hereby restricted shall (A) be a United States citizen or a Person organized and existing under the laws of the United States of America or any State, (B) expressly assume, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form satisfactory to the Indenture Trustee, and prior to the Class A Termination Date the Class A Insurer, the due and punctual payment of the principal of and interest on all Class A Notes and the performance or observance of every agreement and covenant of this Indenture and each of the Basic Documents on the part of the Issuer to be performed or observed, all as provided herein, (C) expressly agree by means of such supplemental indenture that all right, title and interest so conveyed or transferred shall be subject and subordinate to the rights of Holders of the securities and (D) unless otherwise provided in such supplemental indenture, expressly agree to indemnify, defend and hold harmless the Issuer against and from any loss, liability or expense arising under or related to this Indenture and the Class A Notes;

(ii) immediately after giving effect to such transaction, no Early Amortization Event, Indenture Default or Indenture Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Indenture Trustee and the Class A Insurer) to the effect that such transaction will not have any material adverse tax consequence to the Trust, any Class A Noteholder, the Class A Insurer or any Certificate holder;

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

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

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

SECTION 3.11. Successor or Transferee.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.10(a), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(b) Upon a conveyance or transfer of all the assets and properties of the Issuer pursuant to Section 3.10 (b), Credit Acceptance Auto Dealer Loan Trust 2003-1 will be released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with respect to the Class A Notes immediately upon the delivery of written notice from the Issuer to the Indenture Trustee and the Class A Insurer stating that Credit Acceptance Auto Dealer Loan Trust 2003-1 is to be so released.

SECTION 3.12. No Other Business.

The Issuer shall not engage in any business other than financing, purchasing, owning, selling and managing the Contracts in the manner contemplated by this Indenture and the Basic Documents and activities incidental thereto and any other activities permitted under the Trust Agreement.

SECTION 3.13. No Borrowing.

The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any Indebtedness except for: (i) the Class A Notes; (ii) obligations owing from time to time to the Class A Insurer; and (iii) any other Indebtedness permitted by or arising under the Basic Documents. The proceeds of the Class A Notes shall be used exclusively to fund the Issuer's purchase of the Dealer Loans and the other assets specified in the Sale and Servicing Agreement, to fund the Reserve Account and to pay the Issuer's organizational, transactional and start-up expenses.

SECTION 3.14. Guarantees, Loans, Advances and Other Liabilities.

Except as contemplated by the Sale and Servicing Agreement or this Indenture, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or

acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

SECTION 3.15. Capital Expenditures.

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

SECTION 3.16. Compliance with Laws.

The Issuer shall comply with the requirements of all applicable laws, the non-compliance with which would, individually or in the aggregate, materially and adversely affect the ability of the Issuer to perform its obligations under the Class A Notes, this Indenture or any Basic Document.

SECTION 3.17. Restricted Payments.

The Issuer shall not, directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to the Owner Trustee or any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest or security in or of the Issuer or to the Servicer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (iii) set aside or otherwise segregate any amounts for any such purpose; provided, however, that the Issuer may make, or cause to be made, distributions to the Servicer, the Owner Trustee, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Certificateholders as permitted by, and to the extent funds are available for such purpose under, the Sale and Servicing Agreement and the Trust Agreement. The Issuer will not, directly or indirectly, make payments to or distributions from the Collection Account except in accordance with this Indenture and the Basic Documents.

SECTION 3.18. Notice of Indenture Events of Default.

Upon a Responsible Officer of the Owner Trustee having actual knowledge or receipt of written notice thereof, the Issuer agrees to give the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer and the Rating Agency prompt written notice of each Indenture Event of Default hereunder and each default on the part of the Servicer or the Seller of its obligations under the Sale and Servicing Agreement.

SECTION 3.19. Further Instruments and Acts.

Upon request of the Indenture Trustee or the Class A Insurer, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 3.20. Amendments of Sale and Servicing Agreement and Trust Agreement.

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

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

SECTION 3.21. Income Tax Characterization.

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

SECTION 3.22. Perfection Representations, Warranties and Covenants.

The perfection representations, warranties and covenants made by the Issuer and set forth on Schedule A hereto shall be a part of this Indenture for all purposes.

ARTICLE IV

Satisfaction and Discharge

SECTION 4.1. Satisfaction and Discharge of Indenture.

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

(A) either

(1) all Class A Notes theretofore authenticated and delivered (other than (i) Class A Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.4 and (ii) Class A Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.3) have been delivered to the Indenture Trustee for cancellation; or

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

(i) have become due and payable,

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

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

and the Issuer, in the case of (i), (ii) or (iii) of this clause (2), has irrevocably deposited or caused to be irrevocably deposited with the Trust Collateral Agent cash or direct obligations of or obligations guaranteed by the United States of America (which will mature prior to the date such amounts are payable), in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness on such Class A Notes not theretofore delivered to the Indenture Trustee for cancellation when due to the Stated Final Maturity or Redemption Date (if Class A Notes shall have been called for redemption pursuant to Section 10.1(a)), as the case may be;

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

(C) the Issuer has delivered to the Indenture Trustee and the Class A Insurer an Officer's Certificate, an Opinion of Counsel and if required by the Indenture Trustee or the Class A Insurer an Independent Certificate from a firm of certified public accountants, each meeting the applicable requirements of Section 11.1(a) and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with; and

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

SECTION 4.2. Application of Trust Money.

All moneys deposited with the Indenture Trustee pursuant to Section 4.1 hereof shall be held in trust and applied by it, in accordance with the provisions of the Class A Notes and this Indenture, to the payment, either directly or through any Paying Agent, as the Indenture Trustee may determine, to the Holders of the particular Class A Notes for the payment or redemption of which such moneys have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal and interest; but such moneys need not be segregated from other funds except to the extent required herein or in the Sale and Servicing Agreement or required by law.

SECTION 4.3. Repayment of Moneys Held by Paying Agent.

In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Paying Agent other than the Indenture Trustee under the provisions of this Indenture with respect to such Class A Notes shall, upon demand of the Issuer, be paid to the

Indenture Trustee to be held and applied according to Section 3.3 and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE V

Remedies

SECTION 5.1. Indenture Events of Default.

"Indenture Event of Default", wherever used herein or in the other Basic Documents, means any one of the following events (whatever the reason for such Indenture Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) default by the Issuer in the payment of any interest on the Class A Notes when the same becomes due and payable, and such default shall continue for a period of five (5) days (it being understood that any payment by the Class A Insurer under the Class A Note Insurance Policy shall not constitute payment by the Issuer); or

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

(iii) default in the observance or performance of any covenant or agreement of the Issuer made under this Indenture (other than a covenant or agreement, a default in the observance or performance of which is specifically dealt with elsewhere in this Section 5.1), or any representation or warranty of the Issuer made in this Indenture or in any certificate or other writing delivered pursuant to this Indenture or in connection with this Indenture proving to have been incorrect in any material respect as of the time when the same shall have been made, and such default shall continue or not be cured, or the circumstance or condition in respect of which such misrepresentation or warranty was incorrect shall not have been eliminated or otherwise cured, for a period of 30 days (or a longer period, not in excess of 60 days as may be reasonably necessary to remedy such default, if the default is capable of remedy within 60 days or less, and the Servicer, on behalf of the Issuer, delivers an officer's certificate to the Indenture Trustee to the effect that the Issuer has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy the default) after there shall have been given to the Issuer by the Class A Insurer, or if a Class A Insurer Default has occurred and is continuing, the Indenture Trustee at the direction of Class A Noteholders representing at least 25% of the outstanding Class A Note Balance, a written notice specifying such default or incorrect representation or warranty and requiring it to be remedied and stating that such notice is a "Notice of Default" pursuant to this Indenture; or

(iv) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Seller, the Issuer or any substantial part of

the Trust Property in an involuntary case under any applicable Federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Seller or the Issuer, as applicable, or for any substantial part of the Trust Property, or ordering the winding-up or liquidation of the Seller's affairs or the Issuer's affairs, as applicable, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(v) the commencement by the Seller or the Issuer of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by the Issuer to the entry of an order for relief in an involuntary case under any such law, or the consent by the Issuer to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Seller or Issuer, as applicable, or for any substantial part of the Trust Property, or the making by the Seller or Issuer, as applicable, of any general assignment for the benefit of creditors, or the failure by the Seller or Issuer, as applicable, generally to pay its debts as such debts become due, or the taking of action by the Issuer in furtherance of any of the foregoing; or

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

(vii) Collections for any three (3) consecutive Collection Periods are less than 65.0% of Forecasted Collections for such Collection Periods; or

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

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

SECTION 5.2. Rights Upon Indenture Event of Default.

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

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

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

SECOND: to the Class A Insurer, the Premium due pursuant to the Insurance Agreement;

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

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

FIFTH: to the Class A Insurer, the Class A Insurer Reimbursement Obligations.

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

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

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

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

(C) all sums paid or advanced by or due to the Class A Insurer and its Premium, which funds shall be paid to the Class A Insurer; and

(ii) all Indenture Events of Default, other than the nonpayment of the interest on or the principal of the Class A Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 5.12.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

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

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

(a) The Issuer hereby irrevocably and unconditionally appoints the Indenture Trustee as the true and lawful attorney-in-fact of the Issuer, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, pleading or instrument and to do in the name of the Indenture Trustee as well as in the name, place and stead of the Issuer such acts, things and deeds for or on behalf of and in the name of the Issuer under this Indenture (including specifically under Section 5.4) and under the Basic Documents which the Issuer could or might do or which may be necessary, desirable or convenient in the Indenture Trustee's sole discretion to effect the purposes contemplated hereunder and under the Basic Documents and, without limitation, following the occurrence of an Indenture Event of Default, acting at the instruction or with the consent of the Control Party, in accordance with the terms of Article V hereof, exercise full right, power and authority to take, or defer from taking, any and all acts with respect to the administration, maintenance or disposition of the Trust Property.

(b) Notwithstanding anything to the contrary contained in this Indenture (including, without limitation, Sections 5.4(a), 5.12, 5.13 and 5.16), the Indenture Trustee, prior to the Class A Termination Date, may with the prior written consent of the Class A Insurer or shall, at the direction of the Class A Insurer, and thereafter may at its discretion, proceed to protect and enforce its rights and the rights of the Class A Noteholders and the Class A Insurer by such appropriate proceedings as the Indenture Trustee or the Class A Insurer shall deem most effective to protect and enforce any such rights, whether for specific performance of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture or by law.

(c) In case there shall be pending, relative to the Issuer or any other obligor upon the Class A Notes or any Person having or claiming an ownership interest in the Trust Property, proceedings under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Class A Notes, or to the creditors or property of the Issuer or such other obligor, the Indenture Trustee, irrespective of whether the principal of any Class A Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall

be entitled and empowered, at the expense of the Seller by intervention in such proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Class A Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence, bad faith or willful misconduct), the Class A Insurer and of the Class A Noteholders allowed in such proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of Class A Notes in any election of a trustee, a standby trustee or person performing similar functions in any such proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Class A Noteholders, the Class A Insurer and the Indenture Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee, the Class A Insurer or the Holders of Class A Notes allowed in any judicial proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such proceeding is hereby authorized by each of such Class A Noteholders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Class A Noteholders, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence, bad faith or willful misconduct.

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

(e) All rights of action and of asserting claims under this Indenture or under any of the Class A Notes, may be enforced by the Indenture Trustee without the possession of any of the Class A Notes or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Indenture Trustee shall be brought

in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Class A Notes and the Class A Insurer.

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

SECTION 5.4. Remedies.

(a) If an Indenture Event of Default shall have occurred and be continuing, the Control Party, or the Indenture Trustee at the written direction of the Control Party, may do any one or more of the following:

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable to the Class A Insurer or on the Class A Notes or under this Indenture with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Class A Notes moneys adjudged due;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Trust Property;

(iii) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee, the Holders of the Class A Notes and the Class A Insurer; and

(iv) direct the Indenture Trustee to sell the Trust Property or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law; provided, however, that the Control Party may not direct the Indenture Trustee to sell or otherwise liquidate the Trust Property following an Indenture Event of Default unless:

(A) if the Class A Insurer is the Control Party, the Class A Insurer may not direct the Indenture Trustee to sell or otherwise liquidate the Trust Property following an Indenture Event of Default unless the proceeds of such sale or liquidation distributable to the Class A Noteholders are sufficient to discharge in full all amounts then due and unpaid upon the Class A Notes for principal and interest due thereon;

(B) if the Majority Holders are the Control Party, the Indenture Trustee, if so directed by the Majority Holders, may not sell or otherwise liquidate the Trust Property following an Indenture Event of Default unless:

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

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

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

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

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

SECTION 5.5. Optional Preservation of the Trust Property.

If the Class A Notes have been declared to be due and payable under Section 5.2 following an Indenture Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee may, with the prior written consent of the Control Party, but need not unless directed in writing by the Control Party, maintain possession of the Trust Property which is in its possession and elect to direct the Trust Collateral Agent to maintain possession of the Trust Property which is in the possession of the Trust Collateral Agent. It is the desire of the parties hereto and the Class A Noteholders that there be at all times sufficient funds for the payment of principal of and interest on the Class A Notes, and the Control Party shall take such desire into account when determining whether or not to direct the Indenture Trustee or the Trust Collateral Agent, as applicable, to maintain possession of the Trust Property. In determining whether to direct the Indenture Trustee or the Trust Collateral Agent, as applicable, to obtain possession of the Trust Property, the Control Party may, but need not maintain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Property for such purpose.

SECTION 5.6. [Reserved].

SECTION 5.7. Limitation of Suits.

Subject to Section 5.8 and Section 6.8, no Holder of any Class A Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) such Holder has previously given written notice to the Indenture Trustee of a continuing Indenture Event of Default;

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

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

(iv) the Indenture Trustee for 30 days after its receipt of such notice, request and offer of indemnity has failed to institute such proceedings;

(v) no direction inconsistent with such written request has been given to the Indenture Trustee during such 30-day period; and

(vi) the Class A Insurer has given its prior written consent.

it being understood and intended that no one or more Holders of Class A Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Class A Noteholders.

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Class A Notes, each representing less than a majority of the Outstanding Amount of the Class A Notes, the Indenture Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.8. Unconditional Rights of Noteholders To Receive Principal and Interest.

Notwithstanding any other provisions in this Indenture, the Holder of any Class A Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Class A Note on or after the respective due dates thereof expressed in such Class A Note or in this Indenture (or, in the case of redemption, on or after the Redemption Date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.9. Restoration of Rights and Remedies.

If the Indenture Trustee, the Class A Insurer or any Class A Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee, the Class A Insurer or such Class A Noteholder, then and in every such case the Issuer, the Indenture Trustee, the Class A Insurer and the Class A Noteholders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee, the Class A Insurer and the Class A Noteholders shall continue as though no such proceeding had been instituted.

SECTION 5.10. Rights and Remedies Cumulative.

Except as provided in Section 5.7, no right or remedy herein conferred upon or reserved to the Indenture Trustee, the Class A Insurer or the Class A Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11. Delay or Omission Not a Waiver.

No delay or omission of the Indenture Trustee, the Class A Insurer or any Holder of any Class A Note to exercise any right or remedy accruing upon any Indenture Default or Indenture Event of Default shall impair any such right or remedy or constitute a waiver of any such Indenture Default or Indenture Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Indenture Trustee, the Class A Insurer or to the Class A Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee, the Class A Insurer or by the Class A Noteholders, as the case may be.

SECTION 5.12. Control by Class A Insurer.

Prior to the Termination Date, and so long as no Class A Insurer Default has occurred and is continuing, the Class A Insurer shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee with respect to the Class A Notes or exercising any trust or power conferred on the Indenture Trustee;

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

SECTION 5.13. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Class A Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

SECTION 5.14. Waiver of Stay or Extension Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.15. Action on Class A Notes.

The Indenture Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Class A Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Trust Property or upon any of the assets of the Issuer.

SECTION 5.16. Performance and Enforcement of Certain Obligations.

(a) Promptly following a request from the Indenture Trustee or, prior to the Class A Termination Date, the Class A Insurer, to do so and at the Issuer's expense, the Issuer agrees to take all such lawful action as the Indenture Trustee or the Class A Insurer, as the case may be, may request to compel or secure the performance and observance by the Seller and the Servicer, as applicable, of each of their obligations to the Issuer under or in connection with the Sale and Servicing Agreement in accordance with the terms thereof, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Sale and Servicing Agreement to the extent and in the manner directed by the Indenture Trustee, or prior to the Class A Termination Date, the Class A Insurer, including the transmission of notices of default on the part of the Seller or the Servicer thereunder and the institution of legal or administrative actions or proceedings to compel or secure performance by the Seller or the Servicer of each of their obligations under the Sale and Servicing Agreement.

(b) If an Indenture Event of Default has occurred, the Indenture Trustee may, with the prior written consent of the Class A Insurer or at the written direction of the Class A Insurer, shall, exercise all rights, remedies, powers, privileges and claims of the Issuer against

the Seller or the Servicer under or in connection with the Sale and Servicing Agreement, including the right or power to take any action to compel or secure performance or observance by the Seller or the Servicer of each of their obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Sale and Servicing Agreement, and any right of the Issuer to take such action shall be suspended.

SECTION 5.17. Subrogation. Any and all proceeds of claims paid by the Class A Insurer under the Class A Note Policy and disbursed by the Indenture Trustee or the Trust Collateral Agent shall not be considered payment by the Issuer with respect to the Class A Notes, and shall not discharge the obligations of the Issuer with respect thereto. The Class A Insurer shall, to the extent it makes any payment with respect to the Class A Notes, become subrogated to the rights of the recipients of such payments to the extent of such payments. Subject to and conditioned upon any payment with respect to the Class A Notes by or on behalf of the Class A Insurer, each Class A Noteholder shall be deemed, without further action, to have directed the Indenture Trustee or the Trust Collateral Agent to assign to the Class A Insurer all rights to the payment of interest or principal with respect to the Class A Notes which are then due for payment to the extent of all payments made by the Class A Insurer and the Class A Insurer may exercise any option, vote, right, power or the like with respect to the Class A Notes to the extent that it has made payment pursuant to the Class A Note Policy. To evidence such subrogation, the Note Registrar shall note the Class A Insurer's rights as subrogee upon the Class A Note Register upon receipt from the Class A Insurer of proof of payment by the Class A Insurer of any Class A Interest Distributable Amount or Class A Principal Distributable Amount.

SECTION 5.18. Preference Claims. (a) In the event that the Indenture Trustee has received a certified copy of a final, non-appealable order of the appropriate court that any Insured Payment paid on a Class A Note has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Indenture Trustee shall so notify the Class A Insurer, shall comply with the provisions of the Class A Note Policy to obtain payment by the Class A Insurer of such avoided payment, and shall, at the time it provides notice to the Class A Insurer, comply with the provisions of the Class A Note Policy to obtain payment by the Class A Insurer, notify Holders of the Class A Notes by mail that, in the event that any Class A Noteholder's payment is so recoverable, such Class A Noteholder will be entitled to payment pursuant to the terms of the Class A Note Policy. The Indenture Trustee shall furnish to the Class A Insurer at its written request, the requested records it holds in its possession evidencing the payments of principal of and interest on the Class A Notes, if any, which have been made by the Indenture Trustee and subsequently recovered from any Class A Noteholders, and the dates on which such payments were made. Pursuant to the terms of the Class A Note Policy, the Class A Insurer will make such payment on behalf of the Class A Noteholder to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order (as defined in the Class A Note Policy) and not to the Indenture Trustee or any Class A Noteholder directly (unless a Class A Noteholder has previously paid such payment to the receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case the Class A Insurer will make such payment to the Indenture Trustee for payment, in accordance with the instructions to be provided by the Class A Insurer, to such Class A Noteholder upon proof of such payment reasonably satisfactory to the Class A Insurer).

(b) Each Notice for Payment (as defined in the Class A Note Policy) shall provide that the Indenture Trustee, on its behalf and on behalf of the Class A Noteholders, thereby appoints the Class A Insurer as agent and attorney-in-fact for the Indenture Trustee and each Class A Noteholder in any legal proceeding with respect to the Class A Notes. The Indenture Trustee shall promptly notify the Class A Insurer of any proceeding or the institution of any action (of which a Responsible Officer of the Indenture Trustee has actual knowledge) seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (a "Preference Claim") of any payment made with respect to the Class A Notes. Each Class A Noteholder, by its purchase of a Class A Note, and the Indenture Trustee hereby agree that so long as a Class A Insurer Default shall not have occurred and be continuing, the Class A Insurer may at any time during the continuation of any proceeding relating to a Preference Claim direct all matters relating to such Preference Claim including, without limitation, (i) the direction of any appeal of any order relating to any Preference Claim and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the Class A Insurer, but subject to reimbursement as provided in the Insurance Agreement. In addition, and without limitation of the foregoing, as set forth in Section 5.17, the Class A Insurer shall be subrogated to, and each Class A Noteholder and the Indenture Trustee hereby delegate and assign, to the fullest extent permitted by law, the rights of the Indenture Trustee and each Class A Noteholder in the conduct of any proceeding with respect to a Preference Claim, including, without limitation, all rights of any party to an adversary Proceeding action with respect to any court order issued in connection with any such Preference Claim.

ARTICLE VI

The Indenture Trustee

SECTION 6.1. Duties of Indenture Trustee.

(a) If an Indenture Event of Default has occurred and is continuing, the Indenture Trustee shall follow such instructions and directions as it may receive pursuant to Section 5.2 hereof and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Indenture Event of Default:

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

(ii) in the absence of bad faith, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture and the Basic Documents; however, the Indenture Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture and the Basic Documents.

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

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

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

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.12.

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

(e) No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur liability (financial or otherwise) in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

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

(g) Without limiting the generality of this Section, the Indenture Trustee shall have no duty (A) to see to any recording, filing or depositing of this Indenture or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest in the Financed Vehicles, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (B) to see to any insurance on the Financed Vehicles or Obligors or to effect or maintain any such insurance, (C) to see to the payment or discharge of any tax, assessment or other governmental charge or any Lien or encumbrance of any kind owing with respect to, assessed or levied against any part of the Trust, (D) to confirm or verify the contents of any reports or certificates delivered to the Indenture Trustee pursuant to this Indenture or the Sale and Servicing Agreement believed by the Indenture Trustee to be genuine and to have been signed or presented by the proper party or parties, or (E) to inspect the Financed Vehicles at any time or ascertain or inquire as to the performance or observance of any of the Issuer's, the Seller's or the Servicer's representations, warranties or covenants or the Servicer's duties and obligations as Servicer and as custodian of the original Certificates of Title of the Financed Vehicles under the Sale and Servicing Agreement.

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

(i) The Indenture Trustee shall, upon reasonable prior written notice to the Indenture Trustee by the Class A Insurer, permit any representative of the Class A Insurer, during the Indenture Trustee's normal business hours, at its offices, to examine all books of account, records, reports and other papers of the Indenture Trustee relating to the Class A Notes or the Collateral, to make copies and extracts therefrom and to discuss the Indenture Trustee's affairs and actions, as such affairs and actions relate to the Indenture Trustee's duties with respect to the Class A Notes or the Collateral, with the Indenture Trustee's officers and employees responsible for carrying out the Indenture Trustee's duties with respect to the Collateral or the Class A Notes. Any expenses incurred in connection with such examination shall be payable by the Issuer to the Class A Insurer or the Indenture Trustee, as applicable, in accordance with Section 5.08(a) of the Sale and Servicing Agreement.

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

SECTION 6.2. Rights of Indenture Trustee.

Except as otherwise provided in Section 6.1:

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

(b) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee and shall not be responsible for the misconduct or negligence of any agent, attorney, custodian or nominee appointed with due care.

(c) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Indenture Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

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

(e) The Indenture Trustee may consult with counsel, and the written advice or opinion of counsel with respect to legal matters relating to this Indenture and the Class A Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the written advice or opinion of such counsel.

(f) The Indenture Trustee shall be under no obligation to exercise any of the rights and powers vested in it by this Indenture or the other Basic Documents, or to institute, conduct or defend any litigation under this Indenture or in relation to this Indenture, at the

request, order or direction of any of the Holders of Class A Notes, pursuant to the provisions of this Indenture, unless it shall have been offered security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby; provided, however, that the Indenture Trustee shall, upon the occurrence of an Indenture Event of Default (that has not been cured), exercise the rights and powers vested in it by this Indenture with the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(g) Except during the continuance of an Indenture Event of Default, the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by the Majority Noteholders or the Class A Insurer; provided, however, that if the payment within a reasonable time to the Indenture Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Indenture Trustee, not reasonably assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture, the Indenture Trustee may require indemnity reasonably satisfactory to the Indenture Trustee against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the requesting Holders or the instructing party, as the case may be, or, if paid by the Indenture Trustee, shall be reimbursed by the requesting Holders or the instructing party, as the case may be, upon demand.

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

(i) Delivery of any reports, information and documents to the Indenture Trustee provided for herein is for informational purposes only (unless otherwise expressly stated herein) and the Indenture Trustee's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its representations, warranties or covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Officers' Certificates).

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

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

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

SECTION 6.3. Individual Rights of Indenture Trustee.

The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Class A Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Indenture Trustee. Any Paying Agent, Note Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Indenture Trustee must comply with Section 6.15.

SECTION 6.4. Indenture Trustee's Disclaimer.

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

SECTION 6.5. Notice of Indenture Events of Default.

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

SECTION 6.6. Reports by Indenture Trustee to Holders.

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

SECTION 6.7. Compensation.

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

Collateral Agent from a financial institution in connection with the purchase of such Eligible Investments. The Issuer agrees to indemnify the Indenture Trustee and Trust Collateral Agent as set forth in Section 6.05 of the Sale and Servicing Agreement. The Indenture Trustee agrees that its recourse to the Issuer, the Seller and the Trust Property shall be limited to the right to receive distributions in accordance with Section 5.08(a) of the Sale and Servicing Agreement and Article V hereof and shall not be recourse to the assets of any Class A Noteholder.

(b) The Issuer's payment obligations to the Indenture Trustee pursuant to this Section shall survive the discharge of this Indenture and the earlier resignation or removal of the Indenture Trustee. When the Indenture Trustee incurs expenses after the occurrence of an Indenture Event of Default specified in Section 5.1(iv) or (v) with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or similar law. Notwithstanding anything else set forth in this Indenture or the Basic Documents, the Indenture Trustee agrees that the obligations of the Issuer to the Indenture Trustee hereunder and under the Basic Documents shall not be recourse to the assets of any Class A Noteholder.

SECTION 6.8. Replacement of Indenture Trustee.

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

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

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

(ii) a court having jurisdiction in the premises in respect of the Indenture Trustee in an involuntary case or proceeding under federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, shall have entered a decree or order granting relief or appointing a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or similar official) for the Indenture Trustee or for any substantial part of the Indenture Trustee's property, or ordering the winding-up or liquidation of the Indenture Trustee's affairs;

(iii) an involuntary case under the federal bankruptcy laws, as now or hereafter in effect, or another present or future federal or state bankruptcy, insolvency or similar law is commenced with respect to the Indenture Trustee and such case is not dismissed within 60 days;

(iv) the Indenture Trustee commences a voluntary case under any federal or state banking or bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or other similar official) for the Indenture Trustee or for any

substantial part of the Indenture Trustee's property, or makes any assignment for the benefit of creditors or fails generally to pay its debts as such debts become due or takes any corporate action in furtherance of any of the foregoing;

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

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

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

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

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

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

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

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

Notwithstanding the replacement of the Indenture Trustee pursuant to this Section, the Issuer's and the Servicer's obligations under Section 6.7 shall continue for the benefit of the retiring Indenture Trustee.

SECTION 6.9. Successor Indenture Trustee by Merger.

If the Indenture Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation, provided it meets the eligibility requirements of Section 6.12, without any further act shall be the successor Indenture Trustee. The Indenture Trustee shall provide the Rating Agency and the Class A Insurer written notice of any such transaction.

In case at the time such successor or successors by merger, conversion or consolidation to the Indenture Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Indenture Trustee shall have.

SECTION 6.10. The Issuer and the Indenture Trustee do hereby appoint JPMorgan Chase Bank to act as the initial collateral agent on behalf of the Indenture Trustee and JPMorgan Chase Bank hereby accepts such appointment.

SECTION 6.11. Appointment of Co-Indenture Trustee or Separate Indenture Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Trust may at the time be located, the Issuer and the Indenture Trustee acting jointly and at the expense of the Issuer, prior to the Class A Termination Date with the consent of the Class A Insurer, shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Class A Noteholders and the Class A Insurer, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Issuer and the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.12 and no notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 6.8 hereof.

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

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

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, including acts or omissions of predecessor or successor trustees; and

(iii) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

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

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

SECTION 6.12. Eligibility.

The Indenture Trustee under this Indenture shall at all times be a corporation or banking association acceptable to the Class A Insurer having an office in the same state as the location of the Corporate Trust Office as specified in this Indenture; organized and doing business under the laws of such state or the United States of America; authorized under such laws to exercise corporate trust powers; having a combined capital and surplus of at least $100,000,000; having long-term unsecured debt obligations which have at least the Required Long-Term Debt Rating and subject to supervision or examination by federal or state authorities. If such corporation

shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section, the Indenture Trustee shall resign immediately.

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

The Indenture Trustee hereby authorizes the Trust Collateral Agent to take such action on its behalf, and to exercise such rights, remedies, powers and privileges hereunder, as the Indenture Trustee may direct and as are specifically authorized to be exercised by the Trust Collateral Agent by the terms hereof, together with such actions, rights, remedies, powers and privileges as are reasonably incidental thereto.

SECTION 6.14. Representations and Warranties of the Indenture Trustee.

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

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

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

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

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

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

(vi) The execution, delivery and performance of this Indenture, and each other Basic Document to which it is a party, by the Indenture Trustee do not require

any approval or consent of any Person, do not conflict with the articles of incorporation or bylaws of the Indenture Trustee.

SECTION 6.15. Waiver of Setoffs. Each of the Indenture Trustee and the Trust Collateral Agent hereby expressly waives any and all rights of setoff that the Indenture Trustee or the Trust Collateral Agent may otherwise at any time have under applicable law with respect to any Trust Account and agrees that amounts in the Trust Accounts shall at all times be held and applied solely in accordance with the provisions hereof and the Sale and Servicing Agreement or under Article V hereunder.

SECTION 6.16. Control by the Class A Insurer. Subject to the terms of Section 11.21 hereof and the definition of "Control Party," and unless otherwise specifically set forth herein, the Indenture Trustee and the Trust Collateral Agent shall comply with notices and instructions given by the Issuer prior to the Class A Termination Date only if accompanied by the prior written consent of the Class A Insurer, except that if any Indenture Event of Default shall have occurred and be continuing, the Indenture Trustee and the Trust Collateral Agent shall act upon and comply with notices and instructions given by the Class A Insurer alone in the place and stead of the Issuer.

SECTION 6.17. Disqualification of the Indenture Trustee.

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

SECTION 6.18. Authorization and Direction.

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

SECTION 6.19. Action under the Intercreditor Agreement.

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

ARTICLE VII

Noteholders' Lists and Reports

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

The Issuer will furnish or cause to be furnished to the Indenture Trustee (a) not more than five days after each Record Date, a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, (b) at such other times as the Indenture Trustee may request in writing, within 30 days after receipt by the Issuer

of any such request, a list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; provided, however, that so long as the Indenture Trustee is the Note Registrar, no such list shall be required to be furnished.

SECTION 7.2. Preservation of Information; Communications to Noteholders.

The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders contained in the most recent list furnished to the Indenture Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided in such Section 7.1 upon receipt of a new list so furnished.

ARTICLE VIII

Accounts, Disbursements and Releases

SECTION 8.1. Collection of Money.

Except as otherwise expressly provided herein, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Trust Collateral Agent pursuant to the Sale and Servicing Agreement. The Indenture Trustee shall apply all such money received by it, or cause the Trust Collateral Agent to apply all money received by it as provided in this Indenture and the Sale and Servicing Agreement. Except as otherwise expressly provided in this Indenture or in the Sale and Servicing Agreement, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Trust Property, the Indenture Trustee may at the expense of the Issuer take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate proceedings. Any such action shall be without prejudice to any right to claim an Indenture Default or Indenture Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

SECTION 8.2. Release of Trust Property.

Subject to the payment of its fees and expenses pursuant to Section 6.7, the Indenture Trustee may after the Termination Date, and when required by the provisions of this Indenture shall, and shall cause the Trust Collateral Agent to execute instruments to release property from the lien of this Indenture, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Indenture Trustee as provided in this Article VIII shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

SECTION 8.3. Opinion of Counsel.

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

as a condition to such action, an Opinion of Counsel in form and substance satisfactory to the Indenture Trustee, and prior to the Class A Termination Date, to the Class A Insurer, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely impair the security for the Class A Notes or the rights of the Class A Noteholders or the Class A Insurer in contravention of the provisions of this Indenture; provided, however, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the Trust Property. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Indenture Trustee in connection with any such action.

ARTICLE IX

Supplemental Indentures

SECTION 9.1. Supplemental Indentures Without Consent of Noteholders.

(a) Without the consent of the Holders of any Class A Notes but, prior to the Class A Termination Date, with the prior written consent of the Class A Insurer, and with prior notice to the Rating Agency by the Issuer, as evidenced to the Indenture Trustee, the Issuer and the Indenture Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Indenture Trustee, and prior to the Class A Termination Date, the Class A Insurer, for any of the following purposes; provided, however, if any party to this Indenture is unable to sign any amendment due to its dissolution, winding up or comparable circumstances, then the consent of the Noteholders and Certificate holders representing at least 51% of the total current outstanding Class A Note Balance and at least 51% of the current total Certificate Interest, respectively and the consent of the Class A Insurer shall be sufficient to amend this Agreement without such party's signature:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Class A Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Class A Notes and the Class A Insurer, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Trust Collateral Agent;

(v) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture which may be inconsistent with any other provision herein or in any supplemental indenture or to add any other provisions with

respect to matters or questions arising under this Indenture or in any supplemental indenture; provided that such action shall not adversely affect the interests of the Holders of the Class A Notes; or

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor Indenture Trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one Indenture Trustee, pursuant to the requirements of Article VI.

The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained provided that such action shall not adversely affect the interests of the Holders of the Notes.

(b) The Issuer and the Indenture Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Class A Notes but, prior to the Class A Termination Date with the prior written consent of the Class A Insurer, and with prior notice to the Rating Agency by the Issuer, as evidenced to the Indenture Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Class A Notes under this Indenture; provided, however, that such action shall not, as evidenced by an Opinion of Counsel, adversely affect in any material respect the interests of any Noteholder.

SECTION 9.2. Supplemental Indentures with Consent of Noteholders.

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

(i) change the time of payment of any installment of principal of or interest on any Class A Note, or reduce the principal amount thereof, the interest rate thereon or the Redemption Price with respect thereto, change the provision of this Indenture relating to the application of collections on, or the proceeds of the sale of, the Trust Property to payment of principal of or interest on the Class A Notes;

(ii) impair the right to institute suit for the enforcement of the provisions of this Indenture requiring the application of funds available therefor, as

provided in Article V, to the payment of any such amount due on the Class A Notes on or after the respective due dates thereof (or, in the case of redemption, on or after the Redemption Date);

(iii) reduce the percentage of the Outstanding Amount of the Class A Notes, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iv) modify or alter the provisions of the proviso to the definition of the term "Outstanding Amount";

(v) reduce the percentage of the Outstanding Amount of the Class A Notes required to direct the Indenture Trustee to direct the Issuer to sell or liquidate the Trust Property pursuant to Section 5.4;

(vi) modify any provision of this Section except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the Basic Documents cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

(vii) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest or principal due on any Note on any Distribution Date (including the calculation of any of the individual components of such calculation) or to affect the rights of the Holders of Class A Notes to the benefit of any provisions for the mandatory redemption of the Class A Notes contained herein; or

(viii) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Trust Property or, except as otherwise permitted or contemplated herein or in any of the Basic Documents, terminate the Lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security provided by the Lien of this Indenture.

The Issuer may determine whether or not any Class A Notes would be affected by any supplemental indenture and any such determination shall be conclusive upon the Holders of all Class A Notes, whether theretofore or thereafter authenticated and delivered hereunder. The Indenture Trustee shall not be liable for any such determination made in good faith.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture pursuant to this Section, the Indenture Trustee shall mail to the Class A Insurer and the Holders of the Class A Notes to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Indenture Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.3. Execution of Supplemental Indentures.

In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modifications thereby of the trusts created by this Indenture, the Class A Insurer and the Indenture Trustee shall be entitled to receive, and subject to Sections 6.1 and 6.2, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 9.4. Effect of Supplemental Indenture.

Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Class A Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Indenture Trustee, the Issuer and the Holders of the Class A Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.5. Reference in Class A Notes to Supplemental Indentures.

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

ARTICLE X

Redemption of Notes

SECTION 10.1. Redemption.

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

Redemption Price of the Class A Notes to be redeemed whereupon all such Class A Notes shall be due and payable on the Redemption Date, together with other amounts due and owing at such time under the Basic Documents, upon the furnishing of a notice complying with Section 10.2 to each Holder of Notes and the Class A Insurer.

(b) [Reserved]

(c) If amounts are to be paid to Class A Noteholders pursuant to Section 10.01(a), the Issuer shall, to the extent practicable, furnish notice of such event to the Indenture Trustee and the Class A Insurer not later than 45 days prior to the Redemption Date whereupon all such amounts shall be payable on the Redemption Date.

SECTION 10.2. Form of Redemption Notice.

Notice of redemption under Section 10.1(a) shall be given by the Indenture Trustee by facsimile or by first-class mail, postage prepaid, transmitted or mailed prior to the applicable Redemption Date to each Holder of the Class A Notes, as of the close of business on the Record Date preceding the applicable Redemption Date, at such Holder's address appearing in the Note Register.

All notices of redemption shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) that the Record Date otherwise applicable to such Redemption Date is not applicable and that payments shall be made only upon presentation and surrender of such Class A Notes and the place where such Class A Notes are to be surrendered for payment of the Redemption Price (which shall be the office or agency of the Issuer to be maintained as provided in Section 2.7); and

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

Notice of redemption of the Class A Notes shall be given by the Indenture Trustee in the name and at the expense of the Issuer. Failure to give notice of redemption, or any defect therein, to any Holder of any Class A Note shall not impair or affect the validity of the redemption of any other Note.

SECTION 10.3. Class A Notes Payable on Redemption Date.

The Class A Notes to be redeemed shall, following notice of redemption as required by Section 10.2 (in the case of redemption pursuant to Section 10.1(a)), on the Redemption Date become due and payable at the Redemption Price and (unless the Issuer shall default in the payment of the Redemption Price) no interest shall accrue on the Redemption Price for any period after the date to which accrued interest is calculated for purposes of calculating the Redemption Price.

ARTICLE XI

Miscellaneous

SECTION 11.1. Compliance Certificates and Opinions, etc.

(a) Upon any application or request by the Issuer or the Class A Insurer to the Indenture Trustee or the Trust Collateral Agent to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee, or the Trust Collateral Agent, as the case may be, and to the Class A Insurer, if such request is made by the Issuer, an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;

(ii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

(b) Prior to the deposit of any Collateral or other property or securities with the Trust Collateral Agent that is to be made the basis for the release of any property or securities subject to the lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 11.1(a) or elsewhere in this Indenture, furnish to the Indenture Trustee, the Class A Insurer and the Trust Collateral Agent an Officer's Certificate certifying or stating the opinion of each person signing such certificate (which may be based upon a certification of the Seller or the Servicer) as to the fair value (within 90 days of such deposit) to the Issuer of the Collateral or other property or securities to be so deposited.

(c) Whenever the Issuer is required to furnish to the Indenture Trustee, the Class A Insurer and the Trust Collateral Agent an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (b) above, the Issuer shall also deliver to the Indenture Trustee, the Class A Insurer and the Trust Collateral Agent an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to clause (b) above and this clause (c), is 10% or more of the Outstanding Amount of the Class A Notes, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than $25,000.

(d) Other than with respect to the release of any Purchased Loans, whenever any property or securities are to be released from the Lien of this Indenture, the Issuer shall also furnish to the Trust Collateral Agent and the Class A Insurer an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(e) Whenever the Issuer is required to furnish to the Indenture Trustee and the Class A Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (d) above, the Issuer shall also furnish to the Trust Collateral Agent and the Class A Insurer an Independent Certificate as to the same matters if the fair value of the property or securities and of all other property other than Purchased Loans, or securities released from the Lien of this Indenture since the commencement of the then current calendar year, as set forth in the certificates required by clause (d) above and this clause (e), equals 10% or more of the Outstanding Amount of the Notes, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than $25,000.

(f) Notwithstanding Section 2.9 or any other provision of this Section, the Issuer may, without delivering any Officer's Certificates or Independent Certificates (A) collect, liquidate, sell or otherwise dispose of Contracts as and to the extent required by the Basic Documents and (B) instruct the Trust Collateral Agent to make cash payments out of the Trust Accounts as and to the extent permitted or required by the Basic Documents.

SECTION 11.2. Form of Documents Delivered to Indenture Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicer, the Seller or the Issuer, stating that the information with respect to such factual matters is in the possession of the Servicer, the Seller or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to conclusively rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

SECTION 11.3. Acts of Noteholders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Class A Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Class A Noteholders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Class A Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved in any customary manner of the Indenture Trustee.

(c) The ownership of Class A Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Class A Notes shall bind the Holder of every Class A Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Class A Note.

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

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

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

(b) The Issuer by the Indenture Trustee, the Class A Insurer or by any Class A Noteholder shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier, mailed certified mail, return receipt requested or by telecopy to: Credit Acceptance Corporation, Silver Triangle Building, 25505 West Twelve Mile Road, Suite 3000, Southfield, Michigan 48034-8339, Attention: James D. Murray, Jr., Telephone: (248) 353-2400 (ext. 884), Telecopy: (248) 827-8542. The Issuer shall promptly transmit any notice received by it from the Class A Noteholders to the Indenture Trustee and the Class A Insurer.

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

(d) Notices required to be given to the Rating Agency by the Issuer, the Indenture Trustee or the Owner Trustee shall be in writing, personally delivered, delivered by overnight courier, or mailed certified mail, return receipt requested to the following address: to Standard & Poor's Rating Services, 55 Water Street, New York, New York 10041;

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

SECTION 11.5. Notices to Noteholders; Waiver.

Where this Indenture provides for notice to Class A Noteholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid to each Class A Noteholder affected by such event, at his address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Class A Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Class A Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

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

SECTION 11.6. Alternate Payment and Notice Provisions.

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

SECTION 11.7. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 11.8. Successors and Assigns.

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

SECTION 11.9. Separability.

In case any provision in this Indenture or in the Class A Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.10. Benefits of Indenture.

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

SECTION 11.11. Legal Holidays.

In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Class A Notes or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date an which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 11.12. GOVERNING LAW.

THIS INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 11.13. Counterparts.

This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 11.14. Recording of Indenture.

If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel to the Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee) to the effect that such recording is necessary either for the protection of the Class A Noteholders or any other person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture.

SECTION 11.15. Trust Obligation.

No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Owner Trustee, the Trust Collateral Agent or the Indenture Trustee on the Class A Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against: (i) the Seller, the Indenture Trustee or the Trust Collateral Agent or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent of the Issuer, the Seller, the Servicer, the Indenture Trustee or the Trust Collateral Agent or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer or of any successor or assign of the Seller, the Servicer, the Indenture Trustee or the Trust Collateral Agent or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Indenture Trustee or the Trust Collateral Agent and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or

call owing to such entity. For all purposes of this Indenture, in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Article VI, VII and VIII of the Trust Agreement.

SECTION 11.16. No Petition.

The Indenture Trustee, by entering into this Indenture, and each Class A Noteholder, by accepting a Class A Note, hereby covenant and agree that they will not at any time institute against the Seller or the Issuer, or join in any institution against the Seller or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law.

SECTION 11.17. Inspection.

The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Indenture Trustee or the Class A Insurer, during the Issuer's normal business hours, to examine all the books of account, records, reports, and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited by independent certified public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees, and independent certified public accountants, all at such reasonable times and as often as may be reasonably requested. The Indenture Trustee shall and shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law or in connection with litigation, and except to the extent that the Indenture Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder and under the Basic Documents.

SECTION 11.18. Maximum Interest Payable.

The Issuer, the Indenture Trustee and the Holders of the Class A Notes specifically intend and agree to limit contractually the amount of interest payable under this Indenture, the Class A Notes and all other instruments and agreements related hereto and thereto to the maximum amount of interest lawfully permitted to be charged under applicable law. Therefore, none of the terms of this Indenture, the Class A Notes or any instrument pertaining to or relating to or executed in connection with this Indenture or the Class A Notes shall ever be construed to create a contract to pay interest (or amounts deemed to be interest under applicable law) at a rate in excess of the maximum rate permitted to be charged under applicable law, and neither the Issuer nor any other party liable or to become liable hereunder, under the Class A Notes or under any other instruments and agreements related hereto and thereto shall ever be liable for interest in excess of the amount determined at such maximum rate, and the provisions of this Section shall control over all other provisions of this Indenture, the Class A Notes or any other instrument pertaining to or relating to the transactions herein or therein contemplated. If any amount of interest taken or received by the Indenture Trustee or any Holder of a Class A Note shall be in excess of said maximum amount of interest which, under applicable law, could lawfully have been collected by the Indenture Trustee or such Holder incident to such transactions, then such excess shall be deemed to have been the result of a mathematical error by all parties hereto and shall be automatically applied to the reduction of the principal amount owing under the Class A Notes or if such excessive interest exceeds the unpaid principal balance of the Class A Notes,

such excess shall be refunded promptly by the Person receiving such amount to the party paying such amount. All amounts paid or agreed to be paid in connection with such transactions which would under applicable law be deemed "interest" shall, to the extent permitted by such applicable law, be amortized, prorated, allocated and spread throughout the stated term of the Indenture. "Applicable law" as used in this paragraph means that law in effect from time to time which permits the charging and collection of the highest permissible lawful, nonusurious rate of interest on the transactions herein contemplated including laws of each State which may be held to be applicable and of the United States of America, and "maximum rate" as used in this paragraph means, with respect to each of the Class A Notes, the maximum lawful, nonusurious rates of interest (if any) which under applicable law may be charged to the Issuer from time to time with respect to such Class A Notes.

SECTION 11.19. No Legal Title in Holders.

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

SECTION 11.20. Third Party Beneficiary.

The parties hereto acknowledge and agree that the Class A Insurer and the Class A Noteholders are express third party beneficiaries of this Indenture.

SECTION 11.21. Class A Insurer Control Rights. Notwithstanding anything herein or in any other Basic Document to the contrary, during the continuance of a Class A Insurer Default, any voting, consent or control rights granted to the Class A Insurer hereunder or under any other Basic Document shall be suspended and shall instead be made by the Majority Noteholders; provided, however, that upon the cure of such Class A Insurer Default, such voting, consent and control rights shall be reinstated.

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IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Indenture to be duly executed by their respective officers, hereunto duly authorized, all as of the day and year first above written.

CREDIT ACCEPTANCE AUTO DEALER LOAN
TRUST 2003-1

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

By: /S/ Sterling C. Correia

Name: Sterling C. Correia
Title: Vice President

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

By: /S/ Esther D. Antoine

Name: Esther D. Antoine
Title: Trust Officer

[Indenture Signature Page]

EXHIBIT A

FORM OF CLASS A NOTE

SEE ATTACHED PAGES FOR CERTAIN DEFINITIONS

UNLESS THIS CLASS A NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CLASS A NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

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

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

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

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

REGISTERED

CUSIP 22530MAA2

No. A-1

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

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1

2.77% CLASS A ASSET BACKED NOTES

Credit Acceptance Auto Dealer Loan Trust 2003-1, a statutory trust organized and existing under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of ONE HUNDRED MILLION DOLLARS ($100,000,000) payable on each Distribution Date in an amount equal to the aggregate amount, if any, payable from the Note Distribution Account in respect of principal on the Class A Notes pursuant to Section 3.1 of the Indenture and Section 5.09 of the Sale and Servicing Agreement until the Class A Note Balance is reduced to zero; provided, however, that the entire unpaid principal amount of this Class A Note shall be due and payable on June 16, 2008 (the "Stated Final Maturity"). The Issuer will pay interest on this Class A Note at the rate per annum shown above (the "Class A Note Rate"), which shall be due and payable on each Distribution Date until the principal of this Class A Note is paid, on the principal amount of this Class A Note outstanding on the last day of the immediately preceding Collection Period. Interest on this Class A Note will accrue for each Distribution Date from the preceding Distribution Date to (or, in the case of the initial Distribution Date, from the Closing Date) but excluding the current Distribution Date. Interest will be computed on the basis of a 360-day year and twelve thirty day months.

This Class A Note is one of a duly authorized issue of notes of the Issuer, designated as its 2.77% Class A Asset Backed Notes (the "Class A Notes"), issued under an Indenture dated as of June 27, 2003 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and JPMorgan Chase Bank, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the Holders of the Class A Notes. The Class A Notes are subject to all terms of the Indenture and the Sale and Servicing Agreement. All terms used in this Class A Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A Notes are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture.

On each Distribution Date, Holders of the Class A Notes will be entitled to the Class A Interest Distributable Amount and its Class A Principal Distributable Amount in accordance with the terms of the Indenture. "Distribution Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing July 15, 2003.

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

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

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

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

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

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

As provided in the Indenture, the Class A Notes may be redeemed pursuant to Section 10.1(a) of the Indenture, in whole, but not in part, at the option of the Servicer or the

Seller, on any Distribution Date on or after the date on which the Class A Note Balance is less than or equal to 15% of the initial Class A Note Balance.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Class A Note may be registered on the Note Register upon surrender of this Class A Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee and the Note Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and (ii) accompanied by such other documents as the Indenture Trustee may require, and thereupon one or more new Class A Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Class A Note, but the Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such transfer or exchange of the Class A Notes.

Each Noteholder, by acceptance of a Class A Note covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Servicer, the Owner Trustee, the Indenture Trustee or the Trust Collateral Agent under the Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Seller, the Servicer, the Indenture Trustee or the Trust Collateral Agent or the Owner Trustee, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Indenture Trustee or the Trust Collateral Agent or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Owner Trustee or the Indenture Trustee or the Trust Collateral Agent or of any successor or assign of the Seller, the Servicer, the Indenture Trustee, the Owner Trustee in its individual capacity, or the Trust Collateral Agent except as any such Person may have expressly agreed (it being understood that the Indenture Trustee or the Trust Collateral Agent and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Class A Noteholder, by acceptance of a Class A Note, covenants and agrees that by accepting the benefits of the Indenture that such Class A Noteholder will not at any time institute against the Seller or the Issuer or join in any institution against the Seller or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Class A Notes, the Indenture or the Basic Documents. In addition, each Class A Noteholder, by acceptance of a Class A Note, agrees to treat the Class A Notes as indebtedness of the Issuer.

Prior to the due presentment for registration of transfer of this Class A Note, the Issuer, the Indenture Trustee, the Class A Insurer and the Note Registrar and any agent of the Issuer, the Indenture Trustee, the Class A Insurer and the Note Registrar may treat the Person in whose name this Class A Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this

Class A Note be overdue, and neither the Issuer, the Indenture Trustee, the Note Registrar, the Class A Insurer nor any such agent shall be bound by notice to the contrary.

The term "Issuer" as used in this Class A Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee, the Class A Insurer and the Holders of Class A Notes under the Indenture.

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

This Class A Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Class A Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Class A Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither Wachovia Bank of Delaware, National Association in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Class A Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Class A Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Indenture Event of Default, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Class A Note.

The principal of and interest on this Class A Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Class A Note shall be applied first to interest due and payable on this Class A Note as provided above and then to the unpaid principal of this Class A Note.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Class A Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1

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

By: /s/ Sterling C. Correia

Name: Sterling C. Correia
Title: Vice President

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Date:

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

by: _____
Authorized Signatory

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
(name and address of assignee)

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

SCHEDULE A
to Indenture

PERFECTION REPRESENTATIONS, WARRANTIES AND COVENANTS

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

GENERAL

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

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

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

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

CREATION

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

PERFECTION

1. The Trust has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Collateral granted to the Indenture Trustee under the Indenture.

2. With respect to Collateral that constitutes tangible chattel paper, such tangible chattel paper is in the possession of the Servicer, in its capacity as custodian for the Trust and the Trust Collateral Agent, and the Trust Collateral Agent has received a written acknowledgment from the Servicer, in its capacity as custodian, that it is holding such tangible chattel paper solely on its behalf and for the benefit of the Trust Collateral Agent, the Seller, the Trust and the relevant Dealer(s). All financing statements filed or to be filed against the Trust in favor of the Indenture Trustee in connection with this Indenture describing the Trust Property contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Secured Party."

PRIORITY

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

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

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

SURVIVAL OF PERFECTION REPRESENTATIONS

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

NO WAIVER

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

EXHIBIT 4(f)(52)

AMENDED AND RESTATED TRUST AGREEMENT

between

CREDIT ACCEPTANCE FUNDING LLC 2003-1
Seller

and

WACHOVIA BANK OF DELAWARE, NATIONAL ASSOCIATION
Owner Trustee

Dated as of June 27, 2003

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EXHIBITS

This AMENDED AND RESTATED TRUST AGREEMENT dated as of June 27, 2003 between CREDIT ACCEPTANCE FUNDING LLC 2003-1, a Delaware limited liability company (the "Seller"), and WACHOVIA BANK OF DELAWARE, NATIONAL ASSOCIATION, a national banking association, as Owner Trustee (solely in such capacity and not in its individual capacity, the "Owner Trustee").

PRELIMINARY STATEMENT

The Owner Trustee has executed and caused to be filed with the Delaware Secretary of State the Certificate of Trust relating to the Trust, on June 9, 2003. The Owner Trustee and the Seller heretofore entered into an Interim Trust Agreement dated June 9, 2003 relating to the Trust and desire to enter into this Amended and Restated Trust Agreement in order to amend and restate such Interim Trust Agreement.

ARTICLE I

Definitions

SECTION 1.1. Capitalized Terms.

For all purposes of this Agreement, the following terms shall have the meanings set forth below:

"Agreement" shall mean this Amended and Restated Trust Agreement, as the same may be amended and supplemented from time to time.

"Basic Documents" has the meaning set forth in the Sale and Servicing Agreement.

"Backup Servicer" shall mean Systems & Services Technologies, Inc.

"Benefit Plan" shall have the meaning assigned to such term in Section 3.9.

"Certificate" means a Trust Certificate.

"Certificate Distribution Account" shall mean the account designated as such as established and maintained pursuant to the Sale and Servicing Agreement.

"Certificate of Trust" shall mean the certificate of trust for the Trust filed on June 9, 2003, as amended and /or restated from time to time, a copy of which is attached hereto as Exhibit B.

"Certificate Register" and "Certificate Registrar" shall mean the register mentioned and the registrar appointed pursuant to Section 3.4.

"Class A Insurer" shall mean Radian Asset Assurance Inc., or its successor in interest.

"Class A Termination Date" shall mean the date on which all amounts owing to the Class A Noteholders and, as certified in writing by the Class A Insurer to the Owner Trustee, all amounts owing to the Class A Insurer under the Basic Documents shall be paid in full.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and Treasury Regulations promulgated thereunder.

"Corporate Trust Office" shall mean, with respect to the Owner Trustee, the principal corporate trust office of the Owner Trustee located at One Rodney Square, 920 No. King Street, 1st Floor, Wilmington, Delaware 19801 or at such other address as the Owner Trustee may designate by notice to the Certificateholders, the Class A Insurer and the Seller, or the principal corporate trust office of any successor Owner Trustee (the address of which the successor owner trustee will notify the Certificateholders, the Class A Insurer, and the Seller).

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

"ERISA" shall have the meaning assigned to such term in Section 3.9.

"Expenses" shall have the meaning assigned to such term in Section 8.2.

"Holder" or "Certificateholder" shall mean the Person in whose name a Certificate is registered on the Certificate Register.

"Indemnified Parties" shall have the meaning assigned to such term in Section 8.2.

"Indenture" shall mean the Indenture dated as of June 27, 2003, between Credit Acceptance Auto Dealer Loan Trust 2003-1 (the "Issuer") and JPMorgan Chase Bank, as the Indenture Trustee, as the same may be amended and supplemented from time to time in accordance with the provisions thereof.

"Majority Certificateholders" shall have the meaning specified in Section 4.5 hereof.

"Owner Trustee" shall mean Wachovia Bank of Delaware, National Association, a national banking association, not in its individual capacity but solely as owner trustee under this Agreement, and any successor Owner Trustee hereunder.

"Percentage Interest" means, with respect to any Certificates, the undivided percentage ownership of the Certificates evidenced by such Certificate, as set forth in such Certificate.

"Record Date" means, with respect to a Distribution Date, the last day of the calendar month preceding such Distribution Date; provided that the Record Date with respect to the First Distribution Date shall be the Closing Date.

"Sale and Servicing Agreement" shall mean the Sale and Servicing Agreement among the Trust, the Seller, the Servicer, the Trust Collateral Agent and Backup Servicer, dated as of June 27, 2003, as the same may be amended and supplemented from time to time.

"Secretary of State" shall mean the Secretary of State of the State of Delaware.

"Securityholders" shall mean the Certificateholders and the Class A Noteholders.

"Seller" shall mean Credit Acceptance Funding LLC 2003-1 in its capacity as Seller hereunder.

"Statutory Trust Act" shall mean Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 et seq. as the same may be amended from time to time.

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

"Trust" shall mean the trust established by this Agreement.

"Trust Certificate" means a Certificate evidencing the beneficial interest of a Certificateholder in the Trust, substantially in the form of Exhibit A attached hereto.

"Trust Collateral Agent" shall mean, initially, JPMorgan Chase Bank, in its capacity as trust collateral agent, including its successors-in-interest, until and unless a successor Person shall have become the Trust Collateral Agent pursuant to the Sale and Servicing Agreement, and thereafter "Trust Collateral Agent" shall mean such successor Person.

"Trust Property" shall mean all right, title and interest of the Trust in and to the property and rights assigned to the Trust pursuant to Section 2.01 of the Sale and Servicing Agreement, all of which such property and rights have been and will be, collaterally assigned to the Indenture Trustee pursuant to the Granting Clause of the Indenture, all funds on deposit from time to time in the Trust Accounts and all other property of the Trust from time to time, including any rights of the Owner Trustee and the Trust pursuant to the Sale and Servicing Agreement, all of which such property and rights have been and will be, so collaterally assigned to the Indenture Trustee.

SECTION 1.2. Other Definitional Provisions.

(a) Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Sale and Servicing Agreement or, if not defined therein, in the Indenture.

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles as in effect on the date of this Agreement or any such certificate or other document, as applicable. To the extent that the definitions of accounting terms in this Agreement or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such certificate or other document shall control.

(d) The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Section and Exhibit references contained in this Agreement are references to Sections and Exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(e) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

ARTICLE II

Organization

SECTION 2.1. Declaration of Trust; Name.

There is hereby formed a trust to be known as "Credit Acceptance Auto Dealer Loan Trust 2003-1", in which name the Owner Trustee may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust, and sue and be sued.

SECTION 2.2. Office.

The office of the Trust shall be in care of the Owner Trustee at the Corporate Trust Office or at such other address as the Owner Trustee may designate by written notice to the Certificateholders, the Class A Insurer and the Seller.

SECTION 2.3. Purposes and Powers.

(a) The purpose of the Trust is, and the Trust shall have the power and authority, to engage in the following activities:

(i) to issue the Class A Notes pursuant to the Indenture and the Certificates pursuant to this Agreement, and to sell the Class A Notes and the Certificates;

(ii) with the proceeds of the sale of the Class A Notes and the Certificates, to fund the Reserve Account and to pay the organizational, start-up and

transactional expenses of the Trust and to pay the balance to the Seller pursuant to the Sale and Servicing Agreement;

(iii) to assign, grant, transfer, pledge, mortgage and convey the Trust Property to the Trust Collateral Agent pursuant to the Sale and Servicing Agreement for the benefit of the Securityholders, the Class A Insurer and the Seller pursuant to the terms of the Sale and Servicing Agreement;

(iv) to enter into, execute and perform its obligations under the Basic Documents to which it is a party;

(v) to engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith;

(vi) subject to compliance with the Basic Documents, to engage in such other activities as may be required in connection with conservation of the Trust Property and the making of distributions to the Certificateholders, the Class A Insurer and the Class A Noteholders; and

(vii) at any time to enter into derivatives transactions.

The Trust is hereby authorized to engage in the foregoing activities. The Trust shall not engage in any activity other than in connection with the foregoing or other than as required or authorized by the terms of this Agreement or the Basic Documents.

SECTION 2.4. Appointment of Owner Trustee.

Pursuant to the Interim Trust Agreement, the Seller appointed the Owner Trustee as trustee of the Trust effective as of the date of the Interim Trust Agreement, to have all the rights, powers and duties set forth therein. The Owner Trustee by its execution hereof accepts and confirms such appointment and shall have all of the rights, powers and duties set forth herein and therein.

SECTION 2.5. Capital Contribution of Trust Estate.

Pursuant to the Interim Trust Agreement, the Seller sold, assigned, transferred, conveyed and set over to the Owner the sum of $1.00. The Owner Trustee hereby acknowledges receipt in trust from the Seller, as of the date of the Interim Trust Agreement, of the foregoing contribution, which shall constitute the initial Trust Property and shall be deposited with the Trust Collateral Agent for deposit in the Certificate Distribution Account.

SECTION 2.6. Status of Trust Under Statutory Trust Act; Certain Income Tax Matters.

The Owner Trustee hereby declares that it will hold the Trust Property in trust upon and subject to the conditions set forth herein for the use and benefit of the Securityholders, the Class A Insurer and the Seller, subject to the obligations of the Trust under Basic Documents.

It is the intention of the parties hereto that the Trust constitute a statutory trust under the Statutory Trust Act and that this Agreement constitute the governing instrument of such statutory trust. Should the Certificates be held by more than one Holder, it is the intention of the parties hereto that, solely for income and franchise tax purposes, the Trust shall be treated as a partnership with the owners of the Certificates being partners in such partnership for federal income tax purposes. The parties agree that, unless otherwise required by appropriate tax authorities, the Trust and the owners of the Certificates, provided that there is more than one owner of such Certificates, will file or cause to be filed annual or other necessary returns, reports and other forms consistent with the characterization of the Trust as a partnership for such tax purposes. Effective as of the date hereof, the Owner Trustee shall have all rights, powers and duties set forth herein and to the extent not inconsistent herewith, in the Statutory Trust Act with respect to accomplishing the purposes of the Trust. The Owner Trustee shall file the Certificate of Trust with the Secretary of State.

SECTION 2.7. Liability of Seller.

The Seller shall pay organizational expenses of the Trust as they may arise or shall, upon the request of the Owner Trustee and upon receipt of documentation or invoices therefor, promptly reimburse the Owner Trustee for any such expenses paid by the Owner Trustee.

SECTION 2.8. Appointment of Trust Collateral Agent; Title to Trust Property.

(a) [Reserved]

(b) The specific rights, duties and obligations of the Trust Collateral Agent shall be as set forth in the Sale and Servicing Agreement. Upon the issuance of the Class A Notes and the Certificates, the Seller shall have only such rights with respect to the Trust Collateral Agent as shall be specified in the Sale and Servicing Agreement.

(c) Subject to the lien of the Indenture, legal title to all the Trust Property shall be vested at all times in the Trust as a separate legal entity except where applicable law in any jurisdiction requires title to any part of the Trust Property to be vested in a trustee or trustees, a co-trustee and/or a separate trustee, in which case title shall be deemed to be vested in the Owner Trustee or a separate trustee, as the case may be. The Holders shall not have legal title to any part of the Trust Property. The Holders shall be entitled to receive distributions with respect to their beneficial ownership interest therein only in accordance with Article V of the Sale and Servicing Agreement and Article IX hereof. No transfer, by operation of law or otherwise, of any right, title or interest by any Certificateholder of its ownership interest in the Trust Property shall operate to terminate this Agreement or the trusts hereunder or entitle any transferee to an accounting or to the transfer to it of legal title to any part of the Trust Property.

(d) Pursuant to Section 3803 of the Statutory Trust Act, the Holders shall be entitled to the same limitation of personal liability extended to stockholders of private corporations organized under the General Corporation Law of the State of Delaware.

SECTION 2.9. Situs of Trust.

The Trust will be located and administered in the State of Delaware. The Trust shall not have any employees; provided, however, that nothing herein shall restrict or prohibit the Owner Trustee, the Servicer, the Backup Servicer, or any agent of the Trust from having employees within or without the State of Delaware. The only office of the Trust will be at the Corporate Trust Office in Delaware.

SECTION 2.10. Representations and Warranties of the Seller.

The Seller makes the following representations and warranties on which the Owner Trustee relies in accepting the Trust Property in trust and issuing the Certificates and on which the Class A Insurer relies in issuing the Class A Note Insurance Policy.

(a) Organization and Good Standing. The Seller is duly organized and validly existing as a Delaware limited liability company with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted and is proposed to be conducted pursuant to this Agreement and the Basic Documents.

(b) Due Qualification. The Seller is duly qualified to do business as a limited liability company in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of its property, the conduct of its business and the performance of its obligations under this Agreement and the Basic Documents requires such qualification.

(c) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and the other Basic Documents to which it is a party and to carry out their respective terms; the Seller has full power and authority to sell and assign the property to be sold and assigned to and deposited with the Trust and the Seller has duly authorized such sale and assignment and deposit to the Trust by all necessary action; and the execution, delivery and performance of this Agreement and the other Basic Documents to which it is a party have been duly authorized by the Seller by all necessary action.

(d) Enforceability. The Seller has duly executed and delivered this Agreement and the other Basic Documents to which it is a party and this Agreement and the other Basic Documents to which it is a party constitute legal, valid and binding obligations of the Seller, enforceable against Seller in accordance with their terms, and subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally or the rights of creditors of banks the deposit accounts of which are insured by the Federal Deposit Insurance Corporation and subject to general principles of equity (whether applied in a proceeding at law or in equity).

(e) No Consent Required. No consent, license, approval or authorization or registration or declaration with, any Person or with any governmental authority, bureau or agency is required in connection with the execution, delivery or performance of this Agreement and the Basic Documents, except for such as have been obtained, effected or made.

(f) No Violation. The consummation of the transactions contemplated by this Agreement and the other Basic Documents to which it is a party and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the certificate of formation or the limited liability company agreement of the Seller, or any material indenture, agreement or other instrument to which the Seller is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than pursuant to the Basic Documents); nor violate any law or any order, rule or regulation applicable to the Seller of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its properties.

(g) No Proceedings. There are no proceedings or investigations pending or, to the Seller's knowledge, threatened against the Seller before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over it or its properties (A) asserting the invalidity of this Agreement or any of the Basic Documents, (B) seeking to prevent the issuance of the Certificates or the Class A Notes or the consummation of any of the transactions contemplated by this Agreement or any of the Basic Documents, (C) seeking any determination or ruling that might materially and adversely affect its performance of its obligations under, or the validity or enforceability of, this Agreement or any of the Basic Documents, or (D) seeking to adversely affect the federal income tax or other federal, state or local tax attributes of the Certificates or the Class A Notes.

SECTION 2.11. Federal Income Tax Treatment of the Trust.

(a) For so long as the Trust has a single owner for federal income tax purposes, it will, pursuant to Treasury Regulations promulgated under Section 7701 of the Code, be disregarded as an entity distinct from the Certificateholder for all federal income tax purposes. Accordingly, for federal income tax purposes, the Certificateholder will be treated as (i) owning all assets owned by the Trust, (ii) having incurred all liabilities incurred by the Trust, and (iii) all transactions between the Trust and the Certificateholder will be disregarded.

(b) Neither the Owner Trustee nor any Certificateholder will, under any circumstances, and at any time, make an election on IRS Form 8832 or otherwise, to classify the Trust as an association taxable as a corporation for federal, state or any other applicable tax purpose.

(c) In the event that the Trust has two or more equity owners for federal income tax purposes, the Trust will be treated as a partnership. At any such time that the Trust has two or more equity owners, this Agreement may need to be amended, in accordance with Section 11.1 herein, and appropriate provisions may need to be added so as to provide for treatment of the Trust as a partnership.

SECTION 2.12. Covenants of the Seller.

The Seller agrees and covenants for the benefit of each Holder, the Class A Insurer and the Owner Trustee, during the term of this Agreement, and to the fullest extent permitted by applicable law, that:

(a) it shall not create, incur or suffer to exist any indebtedness or engage in any business, except, in each case, as permitted by its certificate of formation and limited liability company agreement and the Basic Documents;

(b) it shall not, for any reason, institute proceedings for the Trust to be adjudicated bankrupt or insolvent, or consent to or join in the institution of bankruptcy or insolvency proceedings against the Trust, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to the bankruptcy of the Trust, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or a substantial part of the property of the Trust or cause or permit the Trust to make any assignment for the benefit of creditors, or admit in writing the inability of the Trust to pay its debts generally as they become due, or declare or effect a moratorium on the debt of the Trust or take any action in furtherance of any such action;

(c) it shall obtain from each counterparty to each Basic Document to which it or the Trust is a party and each other agreement entered into on or after the date hereof to which it or the Trust is a party, an agreement by each such counterparty that prior to the occurrence of the event specified in Section 9.1(e) such counterparty shall not institute against, or join any other Person in instituting against, it or the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceedings under the laws of the United States or any state of the United States;

(d) it shall not, for any reason, withdraw or attempt to withdraw from this Agreement or any other Basic Document to which it is a party, dissolve, institute proceedings for it to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of it or a substantial part of its property, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or declare or effect a moratorium on its debt or take any action in furtherance of any such action;

(e) the Seller is a limited purpose limited liability company whose activities are restricted in its certificate of formation and limited liability company agreement to activities related to purchasing or otherwise acquiring Dealer Loans and related collateral, and related assets and rights and conducting any related or incidental business or activities it deems necessary or appropriate to carry out its primary purpose, including entering into agreements such as the Basic Documents;

(f) the Seller has not engaged, and does not presently engage, in any activity other than those activities expressly permitted hereunder and under the other Basic

Documents, nor has the Seller entered into any agreement other than this Trust Agreement, the other Basic Documents to which it is a party, and with the prior written consent of the Class A Noteholders, any other agreement necessary to carry out more effectively the provisions and purposes hereof or thereof;

(g) (A) the Seller maintains its own deposit account or accounts, separate from those of any of its Affiliates, with commercial banking institutions, (B) the funds of the Seller are not and have not been diverted to any other Person or for other than the corporate use of the Seller, and (C) except as may be expressly permitted by this Trust Agreement, the funds of the Seller are not and have not been commingled with those of any of its Affiliates;

(h) to the extent that the Seller contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing are fairly allocated to or among the Seller and such entities for whose benefit the goods and services are provided, and each of the Seller and each such entity bears its fair share of such costs; and, all material transactions between the Seller and any of its Affiliates shall be only on an arms-length basis;

(i) the Seller maintains a principal executive and administrative office through which its business is conducted and a telephone number and stationery through which all business correspondence and communication are conducted, in each case separate from those of the Originator and its Affiliates, or, if it shares office space with the Originator or any of its Affiliates, it shall allocate fairly and reasonably any overhead and expense for such shared office space;

(j) the Seller conducts its affairs strictly in accordance with its certificate of formation and limited liability company agreement and observes all necessary, appropriate and customary limited liability company formalities, including (A) holding all regular and special meetings appropriate to authorize all limited liability company action (which, in the case of regular meetings, are held at least annually), (B) keeping separate and accurate minutes of such meetings, (C) passing all resolutions or consents necessary to authorize actions taken or to be taken, and (D) maintaining accurate and separate books, records and accounts, including intercompany transaction accounts;

(k) all decisions with respect to its business and daily operations are independently made by the Seller (although the officer making any particular decision may also be an employee, officer or director of an Affiliate of the Seller) and are not dictated by any Affiliate of the Seller (it being understood that the Servicer, which is an Affiliate of the Seller, will undertake and perform all of the operations, functions and obligations of it set forth herein and it may appoint sub-servicers, which may be Affiliates of the Seller, to perform certain of such operations, functions and obligations);

(l) the Seller acts solely in its own limited liability company name and through its own authorized officers and agents, which can also be officers and agents of an Affiliate;

(m) no Affiliate of the Seller advances funds to the Seller, other than as is otherwise provided herein or in the other Basic Documents, and no Affiliate of the Seller otherwise supplies funds to, or guaranties debts of, the Seller; provided, however, that an Affiliate of the Seller may provide funds to the Seller in connection with the capitalization of the Seller;

(n) other than organizational expenses and as expressly provided herein or in its certificate of formation and limited liability company agreement, the Seller pays all expenses, indebtedness and other obligations incurred by it;

(o) the Seller does not guarantee, and is not otherwise liable, with respect to any obligation of any of its Affiliates;

(p) any financial reports required of the Seller comply with GAAP and are issued separately from, but may be consolidated with, any reports prepared for any of its Affiliates;

(q) at all times the Seller is adequately capitalized to engage in the transactions contemplated in its certificate of formation;

(r) the financial statements and books and records of the Seller reflect the separate corporate existence of the Seller;

(s) the Seller does not act as agent for any Affiliates of itself, but instead presents itself to the public as a limited liability company separate from each such entity and independently engaged in the business of purchasing and financing Contracts;

(t) the Seller shall at all times have at least two independent directors (each an "Independent Director). An Independent Directors shall be any person who (a) is not and has not been (i) a stockholder, officer, director (except in its capacity as Independent Directors of the Seller), partner, member or employee of the Seller's ultimate parent or any Subsidiaries or Affiliates thereof or of a significant customer, creditor, supplier or independent contractor of the Seller, its ultimate parent or any Subsidiaries or Affiliates thereof, and is not himself such a significant customer, creditor, supplier or independent contractor, or (ii) a member of the immediate family of any person described above, and (b) does not directly or indirectly own any class of voting securities of the Seller or any of its Subsidiaries or Affiliates. As used in this covenant of the Seller, the terms "Affiliate" and "Subsidiary" shall have the meanings ascribed thereto in the limited liability company agreement of the Seller as of the date of this Agreement;

(u) the certificate of formation or limited liability company agreement of the Seller require the affirmative vote of the independent directors before a voluntary petition under Section 301 of the Bankruptcy Code may be filed by the Seller, and the Seller to maintain correct and complete books and records of account and minutes of the meetings and other proceedings of its board of directors; and

(v) the Seller acknowledges that the parties hereto are entering into this Trust Agreement and the other Basic Documents in reliance upon the Seller being, on the Closing Date and at all times during the term of this Trust Agreement, a limited purpose entity.

SECTION 2.13. Covenants of the Certificateholders.

Each Certificateholder by becoming a beneficial owner of the Certificate agrees:

(a) to be bound by the terms and conditions of the Certificates of which such Certificateholder is the beneficial owner and of this Agreement, including any supplements or amendments hereto and to perform the obligations of a Certificateholder as set forth therein or herein, in all respects as if it were a signatory hereto. This undertaking is made for the benefit of the Trust, the Owner Trustee, the Class A Insurer and all other Certificateholders present and future;

(b) to the appointment of the Seller as such Certificateholder's agent and attorney-in-fact to sign any federal income tax information return filed on behalf of the Trust and, if requested by the Trust, to sign such federal income tax information return in its capacity as holder of an interest in the Trust;

(c) that all transactions and agreements between the Trust on the one hand, and any of the Owner Trustee, the Indenture Trustee, the Trust Collateral Agent, the Seller and any Certificateholder on the other hand, shall reflect the separate legal existence of each entity and will be formally documented in writing;

(d) not to take any position in such Certificateholder's tax returns inconsistent with those taken in any tax returns filed by the Trust;

(e) if such Certificateholder is other than an individual or other entity holding its Certificate through a broker who reports securities sales on Form 1099-B, to notify the Owner Trustee in writing of any transfer by it of a Certificate in a taxable sale or exchange, within 30 days of the date of the transfer; and

(f) until one year and one day after the completion of the events specified in Section 9.1(e), not, for any reason, to institute proceedings for the Trust or the Seller to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Trust or the Seller, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Trust or the Seller or a substantial part of its property, or cause or permit the Trust or the Seller to make any assignment for the benefit of its creditors or to admit in writing its inability to pay its debts generally as they become due, or declare or effect a moratorium on its debt or take any action in furtherance of any such action.

ARTICLE III

Certificates and Transfer of Interests

SECTION 3.1. Initial Ownership.

Effective upon the formation of the Trust by the contribution by the Seller pursuant to Section 2.5, the Seller shall be deemed to have acquired and to have become the owner of a 100% interest in the Trust and at all times prior to the issuance of any Certificates pursuant to Section 3.3 shall be the sole beneficial owner and beneficiary of the Trust.

SECTION 3.2. The Certificates.

The Certificates shall be executed on behalf of the Trust by manual or facsimile signature of an authorized officer of the Owner Trustee. Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be validly issued and entitled to the benefit of this Agreement, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such offices at the date of authentication and delivery of such Certificates. A transferee of a Certificate shall become a Certificateholder, and shall be entitled to the rights and subject to the obligations of a Certificateholder hereunder, upon due registration of such Certificate in such transferee's name pursuant to Section 3.4 hereof provided, that the number of Certificateholders at no time may exceed 95. Notwithstanding the provisions of Section 3.4 hereof, if the Seller is the Holder of a Certificate, it shall not pledge, sell, transfer, assign or convey such Certificate without the consent of the Class A Insurer, until the earlier of: (i) the Class A Termination Date; and (ii) the date on which Credit Acceptance is no longer Servicer under the Sale and Servicing Agreement.

SECTION 3.3. Authentication of Certificates.

Concurrently with the initial sale of the Contracts and other Trust Property to the Trust pursuant to Section 2.01 of the Sale and Servicing Agreement, the Owner Trustee shall cause one or more Certificates having the respective Percentage Interests (in the aggregate not to exceed 100%) specified in writing by the Seller to be authenticated, issued and delivered to or upon the written order of the Seller, signed by its president or any vice president, any assistant treasurer or any assistant secretary without further action by the Seller. No Certificate shall entitle its holder to any benefit under this Agreement, or shall be valid for any purpose, unless there shall appear on such Certificate a certificate of authentication substantially in the form set forth in Exhibit A, executed by the Owner Trustee, by manual signature; such authentication shall constitute conclusive evidence that such Certificate shall have been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication.

SECTION 3.4. Registration of Transfer and Exchange of Certificates.

The Certificate Registrar shall keep or cause to be kept, at the Corporate Trust Office, a Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Owner Trustee shall provide for the registration of Certificates and of transfers and

exchanges of Certificates as herein provided. Wachovia Bank of Delaware, National Association, shall be the initial Certificate Registrar.

The Certificate Registrar shall provide the Indenture Trustee, the Trust Collateral Agent and the Class A Insurer with a list of the names and addresses of the Certificateholders on the Closing Date, to the extent such information has been provided to the Certificate Registrar and in the form provided to the Certificate Registrar on such date. Upon any transfers of Certificates, the Certificate Registrar shall notify the Indenture Trustee, the Trust Collateral Agent and the Class A Insurer of the name and address of the transferee in writing, by facsimile, on the day of such transfer.

Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office, the Owner Trustee shall execute, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates in authorized denominations of a like class and aggregate face amount dated the date of authentication by the Owner Trustee or any authenticating agent. At the option of a Holder, Certificates may be exchanged for other Certificates of the same class in authorized denominations of a like aggregate amount upon surrender of the Certificates to be exchanged at the Corporate Trust Office.

Every Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in form satisfactory to the Owner Trustee and the Certificate Registrar duly executed by the Certificateholder or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Certificate Registrar, which requirements include membership or participation in the Securities Transfer Agent's Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Certificate Registrar in addition to, or in substitution for, STAMP. Each Certificate surrendered for registration of transfer or exchange shall be canceled and subsequently disposed of by the Owner Trustee in accordance with its customary practice.

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

The Certificates have not been registered under the Securities Act or any state securities law. Subject to the provisions of Section 3.1 hereof, the Certificate Registrar shall not register the transfer of any Certificate or unless such resale or transfer is: (i) pursuant to an effective registration statement under the Securities Act; (ii) to the Seller; or (iii) unless it shall have received a representation letter or such other representations and an Opinion of Counsel satisfactory to the Seller or the Owner Trustee and, prior to the Class A Termination Date, the Class A Insurer, to the effect that such resale or transfer is made (A) in a transaction exempt from the registration requirements of the Securities Act and applicable state securities laws, or (B) to a person who the transferor of the Certificate reasonably believes is a "qualified institutional buyer" (within the meaning of Rule 144A under the Securities Act) that is aware that such resale or other transfer is being made in reliance upon Rule 144A. Until the earlier of (i) such time as the Certificates shall be registered pursuant to a registration statement filed under

the Securities Act and (ii) the date three years from the later of the date of the original authentication and delivery of the Certificates and the date any Certificate was acquired from the Seller or any affiliate of the Seller, the Certificates shall bear a legend substantially to the effect set forth in the preceding two sentences. Neither the Seller, the Servicer, the Trust nor the Owner Trustee is obligated to register the Certificates under the Securities Act or to take any other action not otherwise required under this Agreement to permit the transfer of Certificates without registration.

SECTION 3.5. Mutilated, Destroyed, Lost or Stolen Certificates.

If (a) any mutilated Certificate shall be surrendered to the Certificate Registrar, or if the Certificate Registrar shall receive evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (b) there shall be delivered to the Certificate Registrar, the Class A Insurer and the Owner Trustee, such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, the Owner Trustee on behalf of the Trust shall execute and the Owner Trustee, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like class, tenor and denomination. In connection with the issuance of any new Certificate under this Section, the Owner Trustee or the Certificate Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section shall constitute conclusive evidence of an ownership interest in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

SECTION 3.6. Persons Deemed Certificateholders.

Every Person by virtue of becoming a Certificateholder in accordance with this Agreement shall be deemed to be bound by the terms of this Agreement. Prior to due presentation of a Certificate for registration of transfer, the Owner Trustee, the Certificate Registrar, the Trust Collateral Agent, the Class A Insurer and any agent of the Owner Trustee, the Trust Collateral Agent, the Class A Insurer and the Certificate Registrar, may treat the Person in whose name any Certificate shall be registered in the Certificate Register as the owner of such Certificate for the purpose of receiving distributions pursuant to the Sale and Servicing Agreement and for all other purposes whatsoever, and none of the Owner Trustee, the Trust Collateral Agent, the Class A Insurer or the Certificate Registrar nor any agent of the Owner Trustee, the Class A Insurer or the Certificate Registrar shall be bound by any notice to the contrary.

SECTION 3.7. Access to List of Certificateholders' Names and Addresses.

The Owner Trustee shall cause to be furnished to the Trust Collateral Agent, the Servicer or the Seller and, prior to the Class A Termination Date, the Class A Insurer, within 15 days after receipt by the Owner Trustee of a request therefor from such Person in writing, a list, of the names and addresses of the Certificateholders as of the most recent Record Date. If three or more Holders of Certificates or one or more Holders of Certificates evidencing not less than 25% of the Certificate Interest apply in writing to the Owner Trustee, and such application states that the applicants desire to communicate with other Certificateholders with respect to their

rights under this Agreement or under the Certificates and such application is accompanied by a copy of the communication that such applicants propose to transmit, then the Owner Trustee shall, within five Business Days after the receipt of such application, afford such applicants access during normal business hours to the current list of Certificateholders. Each Holder, by receiving and holding a Certificate, shall be deemed to have agreed not to hold any of the Seller, the Servicer, the Class A Insurer, the Trust Collateral Agent or the Owner Trustee or any agent thereof accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 3.8. Distributions.

Distributions on the Certificates shall be made in accordance with Section 5.08(a) and Section 5.10 of the Sale and Servicing Agreement.

SECTION 3.9. ERISA Restrictions.

The Certificates may not be acquired by or transferred to (i) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) that is subject to the provisions of Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended, or (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (each, a "Benefit Plan"). In connection with any acquisition or transfer of a Certificate, the Holder thereof shall be required to represent and warrant that it is not a Benefit Plan.

ARTICLE IV

Voting Rights and Other Actions

SECTION 4.1. Prior Notice to Holders with Respect to Certain Matters.

(a) The Owner Trustee shall not take any of the actions set forth below unless (i) the Owner Trustee shall have notified the Certificateholders and, prior to the Class A Termination Date, the Class A Insurer, in writing of the proposed action at least 30 days before the taking of such action, and (ii) the Class A Insurer prior to the Class A Termination Date, and thereafter, the Majority Certificateholders, have approved such action in writing, which approval has been received by the Owner Trustee by the 30th day after such notice has been given:

(i) the election by the Trust to file an amendment to the Certificate of Trust (unless such amendment is required to be filed under the Statutory Trust Act);

(ii) the amendment of the Indenture by a supplemental indenture in circumstances where the consent of any Class A Noteholder is required;

(iii) the amendment of the Indenture by a supplemental indenture in circumstances where the consent of any Class A Noteholder is not required and such amendment materially adversely affects the interest of the Certificateholders;

(iv) except pursuant to Section 11.01 of the Sale and Servicing Agreement, the amendment, change or modification of the Sale and Servicing Agreement.

(v) except as provided in Article IX hereof, dissolve, terminate or liquidate the Trust in whole or in part;

(vi) do any act which would make it impossible to carry on the ordinary business of the Trust;

(vii) confess a judgment against the Trust;

(viii) possess Trust assets, or assign the Trust's right to property, for other than a Trust purpose;

(ix) cause the Trust to lend any funds to any entity;

(x) change the Trust's purpose and powers from those set forth in this Agreement;

(xi) cause the Trust to incur, assume or guaranty any indebtedness except as set forth in this Agreement;

(xii) the initiation of any material claim or litigation by the Trust (except for claims or lawsuits brought in connection with the collection of Contracts or Dealer Loans;) or

(xiii) the appointment, pursuant to the Indenture of a successor Indenture Trustee or the consent to the assignment by the Indenture Trustee, Certificate Registrar or Owner Trustee of any of its obligations under the Indenture or any other Basic Document.

(b) In addition, the Trust shall not commingle its assets with those of any other entity. The Trust shall maintain its financial and accounting books and records separate from those of any other entity. Except as expressly set forth herein or in any other Basic Document, the Trust shall pay its indebtedness and expenses from its own funds and shall not pay the indebtedness or operating expenses of any other entity. The Trust shall maintain appropriate minutes or other records of all appropriate actions and shall maintain its office separate from the offices of the Seller and its affiliates

(c) The Trust and each Certificateholder shall comply with the following covenants:

(i) Neither the Owner Trustee nor any Certificateholder shall cause the funds and other assets of the Trust to be commingled with those of any other individual, corporation, estate partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or agency or political subdivision thereof or any other entity.

(ii) Neither the Owner Trustee nor any Certificateholder shall cause the Trust to be, become or hold itself out as being liable for the debts of any other party, and neither the Trust nor any Certificateholder shall act as agents for each other. The Trust shall not guarantee the indebtedness of or make loans to any other party or any Certificateholder. No Certificateholder may guarantee the indebtedness of or make loans to the Trust or hold itself out as being liable for the debts of the Trust.

(iii) Neither the Owner Trustee nor any Certificateholder shall cause the Trust (A) to act other than solely in its Trust name and through its duly authorized officers or agents in the conduct of its business, (B) to prepare all Trust correspondence otherwise than in the Trust name, (C) to conduct its business other than so as not to mislead others as to the identity of the entity with which they are conducting business; and no Certificateholder will be involved in the day-to-day management of the Trust.

(iv) The Owner Trustee shall maintain on behalf of the Trust all statutory trust records and books of account of the Trust and neither the Owner Trustee nor any Certificateholder shall cause the Trust to commingle its statutory trust records and books of account with the corporate records and books of account maintained by any Certificateholder or the Owner Trustee on behalf of the Trust shall reflect the separate existence of the Trust. The books of the Trust may be kept (subject to any provision contained in any applicable statutes) inside or outside the State of Delaware at such place or places as may be designated from time to time by the Owner Trustee with notice to the Class A Insurer.

(v) The Trust shall take such formalities as may be necessary to authorize all of its actions as may be required by law.

(vi) The Owner Trustee shall cause the Trust to (1) conduct its business in an office separate from that of each Certificateholder, (2) maintain stationery, if any, separate from that of each Certificateholder, (3) except as expressly set forth herein, to pay its indebtedness, operating expenses, and liabilities from its own funds, and not to pay the indebtedness, operating expenses and liabilities of any other entity, (4) observe all statutory formalities under the Statutory Trust Act, and (5) keep in full effect its existence, rights and franchises as a statutory trust under the laws of the State of Delaware until dissolved in accordance with the Basic Documents.

(d) For accounting purposes, the Trust shall be treated as an entity separate and distinct from any Certificateholder. The pricing and other material terms of all transactions and agreements to which the Trust is a party shall be intrinsically fair to all parties thereto. This Agreement is and shall be the only agreement among the parties thereto with respect to the creation, operation and termination of the Trust.

(e) The Owner Trustee shall not have the power, except upon the direction of the Class A Insurer and the Certificateholders, and to the extent otherwise consistent with the Basic Documents, to (i) remove or replace the Servicer, the Backup Servicer or the Indenture Trustee, (ii) institute proceedings to have the Trust declared or adjudicated a

bankruptcy or insolvent, (iii) consent to the institution of bankruptcy or insolvency proceedings against the Trust, (iv) file a petition or consent to a petition seeking reorganization or relief on behalf of the Trust under any applicable federal or state law relating to bankruptcy, (v) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or any similar official) of the Trust or a substantial portion of the property of the Trust, (vi) make any assignment for the benefit of the Trust's creditors, (vii) cause the Trust to admit in writing its inability to pay its debts generally as they become due, (viii) take any action, or cause the Trust to take any action, in furtherance of any of the foregoing (any of the above, a "Bankruptcy Action"). So long as the Indenture and Sale and Servicing Agreement remain in effect, no Certificateholder shall have the power to take, and shall not take, any Bankruptcy Action with respect to the Trust or direct the Owner Trustee to take any Bankruptcy Action with respect to the Trust.

(f) The Owner Trustee shall notify the Seller, the Servicer, the Class A Insurer and the Certificateholders in writing of any appointment of a successor Note Registrar, Trust Collateral Agent or Certificate Registrar within five Business Days of its receipt thereof.

SECTION 4.2. Action by Certificateholders with Respect to Certain Matters.

The Owner Trustee shall not have the power, except upon the written direction of the Certificateholders with the prior written consent of the Class A Insurer or, prior to the Class A Termination Date, the Class A Insurer in accordance with the Basic Documents, to (a) remove the Servicer under the Sale and Servicing Agreement or (b) except as expressly provided in the Basic Documents, sell the Dealer Loans after the termination of the Indenture. The Owner Trustee shall take the actions referred to in the preceding sentence only upon written instructions signed by the Certificateholders or the Class A Insurer, as applicable, and written consent of the Class A Insurer and the furnishing of indemnification satisfactory to the Owner Trustee by the Certificateholders.

SECTION 4.3. Action by Certificateholders with Respect to Bankruptcy.

The Owner Trustee shall not have the power to, and shall not, commence or join in any proceeding or other actions contemplated by Section 2.12(c) relating to the Trust without the unanimous prior approval of all Certificateholders and, prior to the Class A Termination Date, the Class A Insurer, and the delivery to the Owner Trustee by each such Certificateholder of a certificate certifying that such person reasonably believes that the Trust is insolvent and, prior to the Class A Termination Date, written consent of the Class A Insurer.

SECTION 4.4. Restrictions on Certificateholders' Power.

(a) The Certificateholders shall not direct the Owner Trustee to take or refrain from taking any action if such action or inaction would be contrary to any obligation of the Trust or the Owner Trustee under this Agreement or any of the Basic Documents or would be contrary to Section 2.3 nor shall the Owner Trustee follow any such direction, if given.

(b) No Certificateholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any suit, action, or proceeding in equity or at law upon or under or with respect to this Agreement or any Basic Document, unless the Certificateholders are the Instructing Party pursuant to Section 6.3 and unless a Certificateholder

previously shall have given to the Owner Trustee a written notice of default and of the continuance thereof, as provided in this Agreement, and also unless Certificateholders evidencing not less than 25% of the Certificate Interest shall have made written request upon the Owner Trustee to institute such action, suit or proceeding in its own name as Owner Trustee under this Agreement and shall have offered to the Owner Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Owner Trustee, for 30 days after its receipt of such notice, request, and offer of indemnity, shall have neglected or refused to institute any such action, suit, or proceeding, and during such 30-day period no request or waiver inconsistent with such written request has been given to the Owner Trustee pursuant to and in compliance with this Section or Section 6.3; it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder and the Owner Trustee, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb, or prejudice the rights of the Holders of any other of the Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement, except in the manner provided in this Agreement and for the equal, ratable, and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section, each and every Certificateholder and the Owner Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 4.5. Majority Control.

No Certificateholder shall have any right to vote or in any manner otherwise control the operation and management of the Trust except as expressly provided in this Agreement. Except as expressly provided herein, any action that may be taken by the Certificateholders under this Agreement shall be taken by the Holders of Certificates evidencing not less than 51% of the Certificate Interest (the "Majority Certificateholders"). Except as expressly provided herein, any written notice of the Certificateholders delivered pursuant to this Agreement shall be effective if signed by the Majority Certificateholders at the time of the delivery of such notice.

SECTION 4.6. Rights of the Class A Insurer.

Notwithstanding anything to the contrary in the Basic Documents, without the prior written consent of the Class A Insurer, prior to the Class A Termination Date, neither the Owner Trustee nor any Certificateholder shall (i) remove the Servicer, (ii) initiate any claim, suit or proceeding by the Trust or compromise any claim, suit or proceeding brought by or against the Trust, other than with respect to the enforcement of any Dealer Loan or Contract or any rights of the Trust thereunder, (iii) authorize the merger or consolidation of the Trust with or into any other statutory trust or other entity or convey or transfer all or substantially all of the Trust Property to any other entity, (iv) amend the Certificate of Trust or (v) amend this Agreement.

ARTICLE V

Certain Duties

SECTION 5.1. Accounting and Records to the Certificateholders, the Internal Revenue Service and Others.

Subject to the Code and Section 4.01 of the Sale and Servicing Agreement, the Owner Trustee shall (a) maintain (or cause to be maintained) the books of the Trust on a calendar year basis on the accrual method of accounting, (b) deliver (or cause to be delivered) to each Certificateholder, as may be required by the Code and applicable Treasury Regulations, such information as may be required (including Schedule K-1) to enable each Certificateholder to prepare its federal and state income tax returns, and (c) file or cause to be filed such tax returns relating to the Trust, and make such elections as may from time to time be required or appropriate under any applicable state or federal statute or rule or regulation thereunder. The Owner Trustee shall make all elections pursuant to this Section as directed in writing by the Seller. The Owner Trustee shall sign all tax information returns filed pursuant to this Section and any other returns as may be required by law, and in doing so shall rely entirely upon, and shall have no liability for information provided by, or calculations provided by, the Seller. The Owner Trustee shall elect under Section 1278 of the Code to include in income currently any market discount that accrues with respect to the Dealer Loans. The Owner Trustee shall not make the election provided under Section 754 of the Code.

SECTION 5.2. Signature on Returns; Tax Matters Partner.

(a) Notwithstanding the provisions of Section 5.1, the Owner Trustee shall sign on behalf of the Trust the tax returns of the Trust, if any, unless applicable law requires a Certificateholder to sign such documents, in which case such documents shall be signed by the Seller as "tax matters partner".

(b) The Certificateholders hereby elect the Seller as the "tax matters partner" of the Trust pursuant to Section 6231 of the Code and the Treasury Regulations promulgated thereunder.

ARTICLE VI

Authority and Duties of Owner Trustee

SECTION 6.1. General Authority.

The Owner Trustee is authorized and directed to execute and deliver on behalf of the Trust the Basic Documents to which the Trust is named as a party and each certificate or other document attached as an exhibit to or contemplated by the Basic Documents to which the Trust is named as a party and any amendment thereto, in each case, in such form as the Seller shall approve as evidenced conclusively by the Owner Trustee's execution thereof, and on behalf of the Trust, to direct the Indenture Trustee to authenticate and deliver the Class A Notes in the aggregate principal amount of $100,000,000. In addition to the foregoing, the Owner Trustee is authorized, but shall not be obligated, to take all actions required of the Trust pursuant to the

Basic Documents. The Owner Trustee is further authorized from time to time to take such action as the Instructing Party (as defined below) shall direct in writing with respect to the Basic Documents so long as such activities are consistent with the terms of the Basic Documents. The Instructing Party hereby agrees not to instruct the Owner Trustee to take any action which is inconsistent with or in violation of the terms of the Basic Documents.

SECTION 6.2. General Duties.

It shall be the duty of the Owner Trustee to: (a) discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of this Agreement and to administer the Trust in the interest of the Holders and the Class A Insurer, subject to the Basic Documents and in accordance with the provisions of this Agreement. Notwithstanding the foregoing, the Owner Trustee shall be deemed to have discharged its duties and responsibilities hereunder and under the Basic Documents (i) to the extent the Servicer has agreed in the Sale and Servicing Agreement to perform any act or to discharge any duty of the Owner Trustee or the Trust hereunder or under any Basic Document, and the Owner Trustee shall not be liable for the default or failure of the Servicer to carry out its obligations under the Sale and Servicing Agreement and (ii) to the extent that Owner Trustee has contracted with a third party acceptable to the Class A Insurer to discharge such duties and responsibilities. The Servicer, the Backup Servicer, the Trust Collateral Agent and the Seller shall all be deemed acceptable to the Class A Insurer; and (b) to obtain and preserve the Trust's qualification to do business in each jurisdiction in which, based upon the advice of the Seller or the Servicer, such qualification is or shall be necessary to protect the validity and enforceability of the Basic Documents and related instruments and agreements, the Class A Notes and the Trust Property.

SECTION 6.3. Action upon Instruction.

(a) Subject to Article IV, the Certificateholders holding not less than 51% of the Certificate Interest, with, prior to the Class A Termination Date, the consent of the Class A Insurer (the "Instructing Party") shall have the exclusive right to direct the actions of the Owner Trustee in the management of the Trust, so long as such instructions are not inconsistent with the express terms set forth herein or in any Basic Document or with instructions of the Class A Noteholders acting pursuant to the Basic Documents. The Instructing Party shall not instruct the Owner Trustee in a manner inconsistent with this Agreement or the Basic Documents.

(b) The Owner Trustee shall not be required to take any action hereunder or under any Basic Document if the Owner Trustee shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of the Owner Trustee or is contrary to the terms hereof or of any Basic Document or is otherwise contrary to law.

(c) Whenever the Owner Trustee is unable to decide between alternative courses of action permitted or required by the terms of this Agreement or any Basic Document, the Owner Trustee shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Instructing Party requesting instruction as to the course of action to be adopted, and to the extent the Owner Trustee acts in good faith in accordance with any written instruction of the Instructing Party received, the Owner Trustee shall not be liable on

account of such action to any Person. If the Owner Trustee shall not have received appropriate instruction within ten (10) days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Basic Documents, as it shall deem to be in the best interests of the Certificateholders and the Class A Insurer, and shall have no liability to any Person for such action or inaction absent gross negligence or willful misconduct.

(d) In the event that the Owner Trustee is unsure as to the application of any provision of this Agreement or any Basic Document or any such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement permits any determination by the Owner Trustee or is silent or is incomplete as to the course of action that the Owner Trustee is required to take with respect to a particular set of facts, the Owner Trustee may give notice (in such form as shall be appropriate under the circumstances) to the Instructing Party and, to the extent that the Owner Trustee acts or refrains from acting in good faith in accordance with any such instruction received, the Owner Trustee shall not be liable, on account of such action or inaction, to any Person. If the Owner Trustee shall not have received appropriate instruction within ten (10) days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Basic Documents, as it shall deem to be in the best interests of the Certificateholders and the Class A Insurer, and shall have no liability to any Person for such action or inaction, absent gross negligence or willful misconduct.

SECTION 6.4. No Duties Except as Specified in this Agreement or in Instructions.

The Owner Trustee shall not have any duty or obligation to manage, make any payment with respect to, register, record, sell, dispose of, or otherwise deal with the Trust Property, or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Owner Trustee is a party, except as expressly provided by the terms of this Agreement or in any document or written instruction received by the Owner Trustee pursuant to Section 6.3; and no implied duties or obligations shall be read into this Agreement or any Basic Document against the Owner Trustee. The Owner Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder or to prepare or file any filing for the Trust with the Securities and Exchange Commission or to record this Agreement or any Basic Document. The Owner Trustee nevertheless agrees that it will, at its own cost and expense, promptly take all action as may be necessary to discharge any Liens on any part of the Trust Property that result from actions by, or claims against, the Owner Trustee (solely in its individual capacity) and that are not related to the ownership or the administration of the Trust Property.

SECTION 6.5. No Action Except under Specified Documents or Instructions.

The Owner Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Property except (i) in accordance with the powers granted to and

the authority conferred upon the Owner Trustee pursuant to this Agreement, (ii) in accordance with the Basic Documents and (iii) in accordance with any document or instruction delivered to the Owner Trustee pursuant to Section 6.3.

SECTION 6.6. Restrictions.

The Owner Trustee shall not take any action (a) that is inconsistent with the purposes of the Trust set forth in Section 2.3 or (b) that, to the actual knowledge of the Owner Trustee, would result in the Trust's becoming taxable as a corporation for federal income tax purposes. The Certificateholders shall not direct the Owner Trustee to take action that would violate the provisions of this Section.

ARTICLE VII

Concerning the Owner Trustee

SECTION 7.1. Acceptance of Trusts and Duties.

The Owner Trustee accepts the trusts hereby created and agrees to perform its duties hereunder with respect to such trusts but only upon the terms of this Agreement and the Basic Documents. The Owner Trustee also agrees to disburse all moneys actually received by it constituting part of the Trust Property upon the terms of the Basic Documents and this Agreement. The Owner Trustee shall not be answerable or accountable in its individual capacity hereunder or under any Basic Document under any circumstances, except (i) for its own willful misconduct, bad faith or gross negligence, (ii) in the case of the inaccuracy of any representation or warranty contained in Section 7.3 expressly made by the Owner Trustee, (iii) for liabilities arising from the failure of the Owner Trustee to perform obligations expressly undertaken by it in the last sentence of Section 6.4 hereof, (iv) for any investments issued by the Owner Trustee or any branch or affiliate thereof in its commercial capacity or (v) for taxes, fees or other charges on, based on or measured by, any fees, commissions or compensation received by the Owner Trustee, and every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Owner Trustee shall be subject to this Section. In particular, but not by way of limitation (and subject to the exceptions set forth in the preceding sentence):

(a) the Owner Trustee shall not be liable for any error of judgment made by a Responsible Officer of the Owner Trustee or for any information contained in the Private Placement Memorandum;

(b) the Owner Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the instructions of the Instructing Party, the Servicer, the Backup Servicer or any Certificateholder in accordance with the terms of this Agreement and the Basic Documents;

(c) no provision of this Agreement or any Basic Document shall require the Owner Trustee to expend or risk funds or otherwise incur any liability (financial or otherwise) in the performance of any of its rights or powers hereunder or under any Basic Document if the Owner Trustee shall have reasonable grounds for believing that repayment of

such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it;

(d) under no circumstances shall the Owner Trustee be liable for indebtedness of the Trust evidenced by or arising under any of the Basic Documents, including the principal of and interest on the Class A Notes;

(e) the Owner Trustee shall not be responsible for or in respect of the validity or sufficiency of this Agreement or for the due execution hereof by the Seller or for the form, character, genuineness, sufficiency, value or validity of any of the Trust Property or for or in respect of the validity or sufficiency of the Basic Documents, other than the certificate of authentication on the Certificates, and the Owner Trustee shall in no event assume or incur any liability, duty or obligation to the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, any Class A Noteholder or to any Certificateholder, other than as expressly provided for herein and in the Basic Documents;

(f) the Owner Trustee shall not be liable for the default or misconduct of the Seller, the Indenture Trustee, the Trust Collateral Agent, the Class A Insurer, the Servicer or the Backup Servicer under any of the Basic Documents or otherwise and the Owner Trustee shall have no obligation or liability to perform the obligations under this Agreement or the Basic Documents that are required to be performed by the Seller under this Agreement, by the Indenture Trustee under the Indenture or the Trust Collateral Agent or the Servicer or the Backup Servicer under the Sale and Servicing Agreement; and

(g) the Owner Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or otherwise or in relation to this Agreement or any Basic Document, at the request, order or direction of the Instructing Party or any of the Certificateholders, unless such Instructing Party or Certificateholders have offered to the Owner Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred by the Owner Trustee therein or thereby. The right of the Owner Trustee to perform any discretionary act enumerated in this Agreement or in any Basic Document shall not be construed as a duty, and the Owner Trustee shall not be answerable for other than its gross negligence, bad faith or willful misconduct in the performance of any such act.

SECTION 7.2. Furnishing of Documents.

The Owner Trustee shall furnish to the Certificateholders, the Class A Insurer and the Rating Agencies promptly upon receipt of a written request therefor, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and any other instruments furnished to the Owner Trustee under the Basic Documents.

SECTION 7.3. Representations and Warranties.

The Owner Trustee hereby represents and warrants to the Seller, the Class A Insurer (which has relied on such representations and warranties in issuing the Class A Note Policy) and the Securityholders, that:

(a) It is a national banking association, duly organized and validly existing in good standing under the laws of the United States of America. It has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement.

(b) It has taken all corporate action necessary to authorize the execution and delivery by it of this Agreement, and this Agreement will be executed and delivered by one of its officers who is duly authorized to execute and deliver this Agreement on its behalf.

(c) Neither the execution nor the delivery by it of this Agreement, nor the consummation by it of the transactions contemplated hereby nor compliance by it with any of the terms or provisions hereof will contravene any federal or Delaware state law, governmental rule or regulation governing the banking or trust powers of the Owner Trustee or any judgment or order binding on it, or constitute any default under its charter documents or by-laws or any indenture, mortgage, contract, agreement or instrument to which it is a party or by which any of its properties may be bound.

SECTION 7.4. Reliance; Advice of Counsel.

(a) In the absence of bad faith, willful misconduct or gross negligence, the Owner Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and to be signed by the proper party or parties; however, the Owner Trustee shall examine the same to determine whether or not they conform on their face to the Trust Agreement. The Owner Trustee may accept a certified copy of a resolution of the board of directors of the Seller or other governing body of any corporate party or other entity as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the method of the determination of which is not specifically prescribed herein, the Owner Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president or by the treasurer, secretary or other authorized officers of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the trusts hereunder and in the performance of its duties and obligations under this Agreement or the Basic Documents, the Owner Trustee (i) may act directly or through its agents or attorneys pursuant to agreements entered into with any of them, and the Owner Trustee shall not be liable for the conduct or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Owner Trustee with reasonable care and are acceptable to the Class A Insurer (provided that any person to whom duties and obligations of the Owner Trustee are delegated pursuant to and in accordance with the Basic Documents shall be deemed to be acceptable to the Class A Insurer), and (ii) may consult with counsel, accountants and other skilled persons acceptable to the Class A Insurer that are selected with reasonable care and employed by it. The Owner Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the

opinion or advice of any such counsel, accountants or other such persons and according to such opinion not contrary to this Agreement or any Basic Document.

SECTION 7.5. Not Acting in Individual Capacity.

Except as provided in this Article VII, in accepting the trusts hereby created, Wachovia Bank of Delaware, National Association acts solely as Owner Trustee hereunder and not in its individual capacity and all Persons having any claim against the Owner Trustee by reason of the transactions contemplated by this Agreement or any Basic Document shall look only to the Trust Property for payment or satisfaction thereof.

SECTION 7.6. Owner Trustee Not Liable for Certificates or Contracts.

The recitals contained herein and in the Certificates (other than the signature and countersignature of the Owner Trustee on the Certificates) shall be taken as the statements of the Seller and the Owner Trustee assumes no responsibility for the correctness thereof. The Owner Trustee makes no representations as to the validity or sufficiency of this Agreement, of any Basic Document or of the Certificates (other than the signature and countersignature of the Owner Trustee on the Certificates) or the Class A Notes, or of any Dealer Loan, Contract or related documents. The Owner Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Dealer Loan or Contract, or the perfection and priority of any security interest created by any Dealer Loan or Contract in any Financed Vehicle or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Trust Property or its ability to generate the payments to be distributed to Certificateholders under this Agreement or the Class A Noteholders under the Indenture, including, without limitation: the existence, condition and ownership of any Financed Vehicle; the existence and enforceability of any insurance thereon; the existence and contents of any Dealer Loan or Contract on any computer or other record thereof; the validity of the assignment of any Dealer Loan or Contract to the Trust or of any intervening assignment; the completeness of any Dealer Loan or Contract; the performance or enforcement of any Dealer Loan or Contract; the compliance by the Seller, the Servicer or any other Person with any warranty or representation made under any Basic Document or in any related document or the accuracy of any such warranty or representation or any action of the Trust Collateral Agent or the Servicer, the Backup Servicer or any sub-servicer taken in the name of the Owner Trustee.

SECTION 7.7. Owner Trustee May Own Certificates and Notes.

The Owner Trustee in its individual or any other capacity may become the owner or pledgee of Certificates or Class A Notes and may deal with the Seller, the Trust Collateral Agent and the Servicer in banking transactions with the same rights as it would have if it were not Owner Trustee.

SECTION 7.8. Payments from Trust Property.

All payments to be made by the Owner Trustee on behalf of the Trust under this Agreement or any of the Basic Documents to which the Trust or the Owner Trustee is a party shall be made only from the corpus, income and proceeds of the Trust Property and only to the extent that the Owner Trustee shall have received corpus, income or proceeds from the Trust

Property to make such payments in accordance with the terms hereof. Wachovia Bank of Delaware, National Association, or any successor thereto, in its individual capacity, shall not be liable for any amounts payable under this Agreement or any of the Basic Documents to which the Trust or the Owner Trustee is a party.

SECTION 7.9. Doing Business in Other Jurisdictions.

Notwithstanding anything contained herein to the contrary, neither Wachovia Bank of Delaware, National Association nor any successor thereto, nor the Owner Trustee shall be required to take any action in any jurisdiction other than in the State of Delaware if the taking of such action will, even after the appointment of a co-trustee or separate trustee in accordance with Section 10.5 hereof, (i) require the consent or approval or authorization or order of or the giving of notice to, or the registration with or the taking of any other action in respect of, any state or other governmental authority or agency of any jurisdiction other than the State of Delaware; (ii) result in any fee, tax or other governmental charge under the laws of the State of Delaware becoming payable by Wachovia Bank of Delaware, National Association (or any successor thereto); or (iii) subject Wachovia Bank of Delaware, National Association (or any successor thereto) to personal jurisdiction in any jurisdiction other than the State of Delaware for causes of action arising from acts unrelated to the consummation of the transactions by Wachovia Bank of Delaware, National Association (or any successor thereto) or the Owner Trustee, as the case may be, contemplated hereby.

ARTICLE VIII

Compensation of Owner Trustee

SECTION 8.1. Owner Trustee's Fees and Expenses.

The Owner Trustee shall receive as compensation for its services hereunder such fees as have been separately agreed upon before the date hereof between Credit Acceptance and the Owner Trustee, and the Owner Trustee shall be entitled to be reimbursed therefor by the Issuer as set forth in Section 5.08(a) of the Sale and Servicing Agreement.

SECTION 8.2. Indemnification.

Credit Acceptance shall be liable as primary obligor for, and shall indemnify Wachovia Bank of Delaware, National Association, individually and as Owner Trustee and its officers, directors, successors, assigns, agents and servants (collectively, the "Indemnified Parties") from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions and suits, and any and all reasonable costs, expenses and disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever (collectively, "Expenses") which may at any time be imposed on, incurred by, or asserted against any Indemnified Party in any way relating to or arising out of this Agreement, the Basic Documents, the Trust Property, the administration of the Trust Property or the action or inaction of the Owner Trustee hereunder, within thirty (30) days of a demand by the Owner Trustee, upon receipt by the Owner Trustee of an invoice or other demand for payment, except only that Credit Acceptance shall not be liable for or required to indemnify the Owner Trustee from and against:

(i) Expenses arising or resulting from the gross negligence, willful misconduct or bad faith of the Owner Trustee or (ii) any Expenses which would constitute recourse for uncollectible Dealer Loans. Credit Acceptance shall advance to each Indemnified Party expenses incurred in defending any claim, demand, action, suit or proceeding, provided that such Indemnified Party shall be obligated to repay such amount if a court of competent jurisdiction determines that such Indemnified Party was not entitled to indemnification hereunder. The indemnities contained in this Section and the rights of the Owner Trustee under Section 8.1 shall be joint and several with the indemnification obligations of the Trust pursuant to Section 6.05 of the Sale and Servicing Agreement and shall survive the resignation or termination of the Owner Trustee or the termination of this Agreement In any event of any claim, action or proceeding for which indemnity will be sought pursuant to this Section, the Owner Trustee's choice of legal counsel shall be subject to the approval of Credit Acceptance which approval shall not be unreasonably withheld.

SECTION 8.3. Payments to the Owner Trustee.

Any amounts paid to the Owner Trustee pursuant to this Article VIII shall be deemed not to be a part of the Trust Property immediately after such payment.

SECTION 8.4 Non-Recourse Obligations.

Notwithstanding anything in this Agreement or any Basic Document, the Owner Trustee agrees that all obligations of the Trust individually or as Owner Trustee for the Trust shall be recourse to the Trust Property only, shall be paid in accordance with the priorities set forth in Section 5.08 of the Sale and Servicing Agreement and specifically shall not be recourse to the assets of any Holder. Wachovia Bank of Delaware, National Association agrees not to seek recourse against any Holder with respect to any obligations of the Trust owed to it.

ARTICLE IX

Termination of Trust Agreement

SECTION 9.1. Termination of Trust Agreement.

(a) This Agreement shall terminate and the Trust shall dissolve upon the latest of (i) the maturity, payment in full or other liquidation of the last Dealer Loan (including the purchase by the Servicer or the Seller at its option of the corpus of the Trust as described in Section 10.01 of the Sale and Servicing Agreement) and the subsequent distribution of amounts in respect of such Dealer Loans as provided in the Basic Documents and the satisfaction and discharge of the Indenture and the termination of the Sale and Servicing Agreement or (ii) the payment to Certificateholders of all amounts required to be paid to them pursuant to this Agreement and the payment to each of the Class A Noteholders and the Class A Insurer of all amounts payable to it under the Basic Documents; provided, however, that the rights to indemnification under Section 8.2 and the rights of the Owner Trustee under Section 8.1, and the terms of Section 11.7 hereof shall survive the termination of the Trust and that the winding up of the Trust shall be conducted in accordance with Section 3808(e) of the Statutory Trust Act, and the Owner Trustee shall be entitled to rely without investigation upon the

certificates of: (i) the Indenture Trustee pursuant to Section 4.1 of the Indenture; (ii) the Servicer pursuant to Section 7.06 of the Sale and Servicing Agreement; and (iii) the Class A Insurer pursuant to Section 4.03 of the Insurance Agreement as to the absence of liabilities. The Seller shall promptly notify the Owner Trustee and the Class A Insurer in writing of any prospective termination pursuant to this Section 9.1. The bankruptcy, liquidation, dissolution, death or incapacity of any Certificateholder shall not (x) operate to terminate this Agreement or the Trust, nor (y) entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of all or any part of the Trust or Trust Property nor (z) otherwise affect the rights, obligations and liabilities of the parties hereto.

(b) Except as provided in clause (a), neither the Seller nor any Certificateholder shall be entitled to revoke or terminate the Trust.

(c) Notice of any termination of the Trust, specifying the Distribution Date upon which the Certificateholders shall surrender their Certificates to the Trust Collateral Agent, as paying agent who shall then surrender such Certificates to the Owner Trustee for cancellation, shall be given by the Owner Trustee by letter to Certificateholders mailed within five Business Days of receipt of notice of such termination from the Seller or Servicer, as the case may be, given pursuant to Section 10.01(b) of the Sale and Servicing Agreement, stating (i) the Distribution Date upon or with respect to which final distributions on the Certificates shall be made upon presentation and surrender of the Certificates at the office of the Trust Collateral Agent therein designated, (ii) the amount of any such final distribution, and (iii) that the Record Date otherwise applicable to such Distribution Date is not applicable, payments being made only upon presentation and surrender of the Certificates at the office of the Owner Trustee therein specified. The Owner Trustee shall give such notice to the Certificate Registrar (if other than the Owner Trustee), the Class A Insurer and the Trust Collateral Agent at the time such notice is given to Certificateholders. Upon presentation and surrender of the Certificates to the Owner Trustee, the Trust Collateral Agent shall cause to be distributed to Certificateholders amounts distributable on such Distribution Date pursuant to Section 5.08 of the Sale and Servicing Agreement.

In the event that all of the Certificateholders shall not surrender their Certificates for cancellation within six months after the date specified in the above-mentioned written notice, the Owner Trustee shall give a second written notice to the remaining Certificateholders to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within one year after the second notice all the Certificates shall not have been surrendered for cancellation, the Owner Trustee may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Certificateholders concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds and other assets that shall remain subject to this Agreement. Any funds remaining in the Trust after two years shall be distributed, subject to applicable escheat laws, by the Owner Trustee or the Trust Collateral Agent upon the written direction of the Seller to the Seller and Holders shall look solely to the Seller for payment.

(d) Any funds remaining in the Trust after funds for final distribution have been distributed or set aside for distribution and reasonable provision has been made for

known claims and obligations of the Trust shall be distributed by the Owner Trustee to the Seller.

(e) Upon dissolution and the winding up of the Trust pursuant to Section 9.1(a), the Owner Trustee shall cause the Certificate of Trust to be canceled by filing a certificate of cancellation with the Secretary of State in accordance with the provisions of Section 3810 of the Statutory Trust Act.

ARTICLE X

Successor Owner Trustees and Additional Owner Trustees

SECTION 10.1. Eligibility Requirements for Owner Trustee.

The Owner Trustee shall at all times be a corporation or other institution: (i) satisfying the provisions of Section 3807(a) of the Statutory Trust Act; (ii) authorized to exercise corporate trust powers; (iii) having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authorities; provided however, the net worth of the parent organization of such corporation shall be included in the determination of the combined capital and surplus of such corporation; and (iv) prior to the Class A Termination Date, acceptable to the Class A Insurer in its sole discretion. If such corporation or other institution shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation or other institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Owner Trustee shall cease to be eligible in accordance with the provisions of this Section, the Owner Trustee shall resign immediately in the manner and with the effect specified in Section 10.2.

SECTION 10.2. Resignation or Removal of Owner Trustee.

The Owner Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Seller, the Class A Insurer and the Servicer. Upon receiving such notice of resignation, the Seller shall promptly appoint a successor Owner Trustee acceptable to the Class A Insurer and satisfying the qualifications of Section 10.1 hereof by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Owner Trustee and one copy to the successor Owner Trustee; provided that the Seller shall have received written confirmation from the Rating Agency that the proposed appointment will not result in an increased capital charge to the Class A Insurer by the Rating Agency. If no successor Owner Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Owner Trustee or, prior to the Class A Termination Date, the Class A Insurer may petition any court of competent jurisdiction for the appointment of a successor Owner Trustee acceptable to the Class A Insurer and satisfying the qualifications of Section 10.1 hereof.

If at any time, the Owner Trustee shall cease to be eligible in accordance with the provisions of Section 10.1 and shall fail to resign after written request therefor by the Seller with

the prior written consent of the Class A Insurer or if at any time the Owner Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the Owner Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Owner Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, prior to the Class A Termination Date, the Class A Insurer or the Seller with, prior to the Class A Termination Date, the consent of the Class A Insurer may remove the Owner Trustee. If the Seller or the Class A Insurer shall remove the Owner Trustee under the authority of the immediately preceding sentence, the Seller shall, or the Class A Insurer may, promptly appoint a successor Owner Trustee acceptable to the Class A Insurer, and satisfying the qualifications set forth in Section 10.1 hereto by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Owner Trustee so removed, one copy to the Class A Insurer, one copy to the successor Owner Trustee and payment of all fees owed to the outgoing Owner Trustee; provided, that the Seller shall have received written confirmation from the Rating Agency that the proposed appointment will not result in an increased capital charge to the Class A Insurer by the Rating Agency.

Any resignation or removal of the Owner Trustee and appointment of a successor Owner Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Owner Trustee pursuant to Section 10.3 and payment of all fees and expenses owed to the outgoing Owner Trustee. The Seller shall provide notice of such resignation or removal of the Owner Trustee to the Rating Agency and the Trust Collateral Agent.

SECTION 10.3. Successor Owner Trustee.

Any successor Owner Trustee appointed pursuant to Section 10.2 shall execute, acknowledge and deliver to the Seller, the Class A Insurer, the Servicer and to its predecessor Owner Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Owner Trustee shall become effective and such successor Owner Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Owner Trustee. The predecessor Owner Trustee shall upon payment of its fees and expenses deliver to the successor Owner Trustee all documents and statements and monies held by it under this Agreement; and the Seller and the predecessor Owner Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Owner Trustee all such rights, powers, duties and obligations.

No successor Owner Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Owner Trustee shall be eligible pursuant to Section 10.1.

Upon acceptance of appointment by a successor Owner Trustee pursuant to this Section, the Servicer shall mail notice of the successor of such Owner Trustee to all Certificateholders, the Indenture Trustee, the Class A Insurer, the Class A Noteholders and the Rating Agency. If the Servicer shall fail to mail such notice within 10 days after acceptance of

appointment by the successor Owner Trustee, the successor Owner Trustee shall cause such notice to be mailed at the expense of the Servicer.

Any successor Owner Trustee appointed pursuant to this Section 10.3 shall promptly file an amendment to the Certificate of Trust with the Secretary of State of Delaware, identifying the name and address of such successor Owner Trustee in the State of Delaware.

SECTION 10.4. Merger or Consolidation of Owner Trustee.

Any corporation into which the Owner Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Owner Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Owner Trustee, shall be the successor of the Owner Trustee hereunder, provided such corporation shall be eligible pursuant to Section 10.1, without the execution or filing of any instrument or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided further that the Owner Trustee shall mail notice of such merger or consolidation to the Class A Insurer and the Rating Agency.

SECTION 10.5. Appointment of Co-Trustee or Separate Trustee.

Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Property or any Financed Vehicle may at the time be located, the Servicer and the Owner Trustee acting jointly shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Owner Trustee and the Class A Insurer to act as co-trustee, jointly with the Owner Trustee, or separate trustee or separate trustees, of all or any part of the Trust Property, and to vest in such Person, in such capacity, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Servicer and the Owner Trustee may consider necessary or desirable. If the Servicer shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, the Owner Trustee shall, with the consent of the Class A Insurer, have the power to make such appointment. No co-trustee or separate trustee under this Agreement shall be required to meet the terms of eligibility as a successor trustee pursuant to Section 10.1 and no notice of the appointment of any co-trustee or separate trustee shall be required pursuant to Section 10.3.

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

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

thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Owner Trustee;

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

(iii) the Seller and the Owner Trustee acting jointly may at any time accept the resignation of or remove any separate trustee or co-trustee.

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

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

ARTICLE XI

Miscellaneous

SECTION 11.1. Supplements and Amendments.

(a) This Agreement may be amended by the Seller and the Owner Trustee, with (x) prior to the Class A Termination Date, the prior written consent of the Class A Insurer and (y) prior written notice to the Rating Agency, without the consent of any of the Class A Noteholders or the Certificateholders, (i) to cure any ambiguity or defect, (ii) to correct, supplement or modify any provisions in this Agreement or (iii) to add any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement; provided, however, that such action shall not, as evidenced by an Opinion of Counsel which may be based upon a certificate of the Seller, adversely affect in any material respect the interests of any Class A Noteholder.

(b) This Agreement may also be amended from time to time by the Seller and the Owner Trustee, with (x) prior written notice to the Rating Agency and (y) prior to the Class A Termination Date, the written consent of the Class A Insurer and thereafter, the consent of the Majority Certificateholders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement other than under

(a) above; provided, however, that, subject to the express rights of the Class A Insurer under the Basic Documents no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Dealer Loans or distributions that shall be required to be made for the benefit of the Class A Noteholders or (b) reduce the percentage of the Outstanding Amount of the Class A Notes required to consent to any such amendment, without the consent of the Holders of all the outstanding Class A Notes.

Promptly after the execution of any such amendment or consent, the Owner Trustee shall furnish written notification of the substance of such amendment or consent to each Certificateholder, the Class A Insurer, the Indenture Trustee and the Rating Agency.

It shall not be necessary for the consent of the Class A Noteholders or the Indenture Trustee pursuant to this Section to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents shall be subject to such reasonable requirements as the Owner Trustee may prescribe. Promptly after the execution of any amendment to the Certificate of Trust, the Owner Trustee shall cause the filing of such amendment with the Secretary of State.

Prior to the execution of any amendment to this Agreement or the Certificate of Trust, the Owner Trustee, the Indenture Trustee and the Class A Insurer shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement, that all conditions precedent to the execution and delivery of such amendment have been satisfied and that any such amendment would not result in the Trust becoming taxable as a corporation for federal income tax purposes. The Owner Trustee may, but shall not be obligated to, enter into any such amendment which affects the Owner Trustee's own rights, duties or immunities under this Agreement or otherwise.

SECTION 11.2. Limitations on Rights of Others.

Except for Section 2.7, the provisions of this Agreement are solely for the benefit of the Owner Trustee, the Seller, the Certificateholders, the Servicer, the Class A Insurer, the Backup Servicer and, to the extent expressly provided herein, the Indenture Trustee, the Trust Collateral Agent and the Class A Noteholders, and nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Trust Property or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 11.3. Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing and shall be deemed given upon receipt personally delivered, delivered by overnight courier or mailed first class mail or certified mail, in each case return receipt requested, and shall be deemed to have been duly given upon receipt, if to the Owner Trustee, addressed to the Corporate Trust Office; if to the Seller, addressed to Credit Acceptance Funding LLC 2003-1: Credit Acceptance Funding LLC 2003-1, Jr., Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan, 48034-8339; Attention: James

D. Murray; phone number: (248) 353-2400 (ext. 884); fax number: (248) 827-8542 ; if to the Class A Insurer, addressed to Radian Asset Assurance Inc., 335 Madison Avenue, New York, New York 10017-4605, Attention: Chief Risk Officer, Chief Legal Officer, "Urgent Material Enclosed", or, as to each party, at such other address as shall be designated by such party in a written notice to each other party; if to the Indenture Trustee, the Trust Collateral Agent, the Servicer, the Backup Servicer or the Rating Agency, addressed to each respective entity as set forth in the notice provisions of the Basic Documents.

(b) Any notice required or permitted to be given to a Certificateholder shall be given by first-class mail, postage prepaid, at the address of such Holder as shown in the Certificate Register. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Certificateholder receives such notice.

SECTION 11.4. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.5. Separate Counterparts.

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 11.6. Assignments; Class A Insurer.

This Agreement shall inure to the benefit of and be binding upon the parties hereto, the Class A Insurer (to the extent set forth herein) and their respective successors and permitted assigns. Without limiting the generality of the foregoing, all covenants and agreements in this Agreement which confer rights upon the Class A Insurer shall be for the benefit of and run directly to the Class A Insurer, and the Class A Insurer shall be entitled to rely on and enforce such covenants, subject, however, to the limitations on such rights provided in this Agreement and the Basic Documents. The Class A Insurer may disclaim any of its respective rights and powers under this Agreement (but not its duties and obligations under the Class A Note Insurance Policy), upon delivery of a written notice to the Owner Trustee.

SECTION 11.7. No Petition.

The Owner Trustee (in its individual capacity and as Owner Trustee), by entering into this Agreement, each Certificateholder, by accepting a Certificate, and the Indenture Trustee and each Class A Noteholder by accepting the benefits of this Agreement, hereby covenants and agrees that they will not at any time institute against the Seller or the Trust, or join in any institution against the Seller or the Trust of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy

or similar law in connection with any obligations relating to the Certificates, the Class A Notes, this Agreement or any of the Basic Documents.

SECTION 11.8. No Recourse.

Each Certificateholder, by accepting a Certificate acknowledges that such Certificateholder's Certificates represent beneficial interests in the Trust only and do not represent interests in or obligations of the Seller, the Servicer, the Backup Servicer, the Owner Trustee, the Indenture Trustee, the Class A Insurer or the Trust Collateral Agent or any Affiliate thereof and no recourse may be had against such parties or their assets, except as may be expressly set forth or contemplated in this Agreement, the Certificates or the Basic Documents.

SECTION 11.9. Headings.

The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 11.10. GOVERNING LAW.

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

SECTION 11.11. Servicer.

The Servicer is authorized to prepare, or cause to be prepared, execute and deliver on behalf of the Trust all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust or Owner Trustee to prepare, file or deliver pursuant to the Basic Documents. Upon written request, the Owner Trustee shall execute and deliver to the Servicer a limited power of attorney appointing the Servicer the Trust's agent and attorney-in-fact to prepare, or cause to be prepared, execute and deliver all such documents, reports, filings, instruments, certificates and opinions.

SECTION 11.12. Class A Insurer Control Rights.

So long as any Class A Note is outstanding, the Class A Insurer shall have the power to exercise the voting rights granted to the Class A Noteholders, except as set forth in Section 11.1 hereof; provided, however, during the continuance of a Class A Insurer Default, all voting, consent or control rights of the Class A Insurer shall be suspended. Upon the cure of a Class A Insurer Default, such voting, consent and control rights shall be reinstated.

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

WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION, not in its
individual capacity but solely as Owner Trustee

By: /S/ Sterling C. Correia

Name: Sterling C. Correia
Title: Vice President

CREDIT ACCEPTANCE FUNDING LLC
2003-1, as
Seller

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: VP Finance & Treasurer

EXHIBIT A

FORM OF CERTIFICATE

SEE ATTACHED PAGES FOR CERTAIN DEFINITIONS

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENTS TO THE CLASS A NOTES AS DESCRIBED IN THE AGREEMENT REFERRED TO HEREIN.

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE HOLDER HEREOF, BY PURCHASING THIS CERTIFICATE, AGREES THAT THIS CERTIFICATE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (3) IN RELIANCE ON ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUBJECT TO THE RECEIPT BY THE OWNER TRUSTEE OF A CERTIFICATION OF THE TRANSFEREE AND AN OPINION OF COUNSEL (SATISFACTORY TO THE INDENTURE TRUSTEE, THE CLASS A INSURER AND THE ISSUER) TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

NO RESALE OR OTHER TRANSFER OF THIS CERTIFICATE MAY BE MADE UNLESS THE CERTIFICATE REGISTRAR SHALL HAVE RECEIVED A REPRESENTATION LETTER IN SUBSTANTIALLY THE FORM REQUIRED BY THE AGREEMENT REFERRED TO BELOW FROM THE TRANSFEREE OF THIS CERTIFICATE OR SUCH OTHER REPRESENTATIONS (OR AN OPINION OF COUNSEL) AS MAY BE APPROVED BY THE SELLER AND THE CLASS A INSURER, TO THE EFFECT THAT SUCH A TRANSFER MAY BE MADE PURSUANT TO AN EXEMPTION FROM THE SECURITIES ACT, INCLUDING RULE 144A THEREUNDER, AND APPLICABLE STATE SECURITIES LAWS AND SUCH TRANSFEREE WILL NOT ACQUIRE THIS CERTIFICATE WITH THE ASSETS OF ANY "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") (WHICH IS SUBJECT TO TITLE I OF ERISA) OR ANY "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

NUMBER R-1

Percentage Interest 100%

SEE REVERSE FOR CERTAIN DEFINITIONS

AMOUNTS IN RESPECT OF THIS CERTIFICATE ARE DISTRIBUTABLE AS SET FORTH IN THE TRUST AGREEMENT.

ASSET BACKED CERTIFICATE

evidencing a beneficial ownership interest in the property of the Trust, as defined below, the property of which includes a pool of dealer loans secured by retail installment sales contracts secured by new or used automobiles, vans or light duty trucks and sold to the Trust by Credit Acceptance Funding LLC 2003-1.

(THIS CERTIFICATE DOES NOT REPRESENT AN INTEREST IN OR OBLIGATION OF CREDIT ACCEPTANCE FUNDING LLC 2003-1 OR ANY OF ITS AFFILIATES, EXCEPT TO THE EXTENT DESCRIBED BELOW.)

THIS CERTIFIES THAT [_____] is the registered owner of the Percentage Interest set forth above of the beneficial ownership interest in certain distributions of Credit Acceptance Auto Dealer Loan Trust 2003-1 (the "Trust") formed by Credit Acceptance Funding LLC 2003-1, a Delaware special purpose limited liability company (the "Seller"). The Certificates do not accrue interest.

OWNER TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Certificates referred to in the within-mentioned Trust Agreement.

WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION,
not in its individual capacity but solely as
Owner Trustee

by: _____
Authenticating Agent

The Trust was created pursuant to a Certificate of Trust and an Interim Trust Agreement dated as of June 9, 2003 (the "Trust Agreement"), between the Seller and Wachovia Bank of Delaware, National Association, as owner trustee, in its capacity as trustee, and not in its individual capacity (the "Owner Trustee"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Trust Agreement.

This Certificate is one of the duly authorized Certificates designated as "Asset Backed Certificates" (herein called the "Certificates"). In addition to the Certificates, there were also issued, under the Indenture dated as of June 27, 2003, between the Trust and JPMorgan Chase Bank, as Indenture Trustee, one class of Notes designated as "2.77% Class A Asset Backed Notes" (the "Class A Notes" or the "Notes"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Trust Agreement, to which Trust Agreement the holder of this Certificate by virtue of the acceptance hereof assents and by which such holder is bound. The property of the Trust includes a pool of dealer loans secured by retail installment sale contracts (which are secured by new and used automobiles, vans or light trucks) (the "Dealer Loans"), all monies due thereunder after the applicable Cutoff Date, security interests in the vehicles financed thereby, certain bank accounts and the proceeds thereof, proceeds from claims on certain insurance policies and certain other rights under the Trust Agreement and the Sale and Servicing Agreement, all right, to and interest of the Seller in and to the Contribution Agreement dated as of June 27, 2003 between the Originator and the Seller and all proceeds of the foregoing.

Under the Sale and Servicing Agreement, there will be distributed on the 15th day of each month or, if such 15th day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on July 15, 2003, to the Person in whose name this Certificate is registered at the close of business on the last day of the month preceding such Distribution Date (the "Record Date") such Certificateholder's fractional undivided interest in the amount to be distributed, if any, to Certificateholders on such Distribution Date.

The holder of this Certificate acknowledges and agrees that its rights to receive distributions in respect of this Certificate are subordinated to the rights of the Class A Noteholders as described in the Sale and Servicing Agreement, the Indenture and the Trust Agreement, as applicable.

It is the intent of the Seller, the Servicer, and the Certificateholders that, for purposes of federal income taxes, the Trust will be treated as a partnership and the Certificateholders will be treated as partners in that partnership. The Seller and the other Certificateholders by acceptance of a Certificate, agree to treat, and to take no action inconsistent with the treatment of, the Certificates for such tax purposes as partnership interests in the Trust. Each Certificateholder, by its acceptance of a Certificate, covenants and agrees that such Certificateholder will not at any time institute against the Trust or the Seller, or join in any institution against the Trust or the Seller of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Certificates, the Class A Notes, the Trust Agreement or any of the Basic Documents.

Distributions on this Certificate will be made as provided in the Sale and Servicing Agreement by the Trust Collateral Agent by wire transfer or check mailed to the Certificateholder of record in the Certificate Register without the presentation or surrender of this Certificate or the making of any notation hereon. Except as otherwise provided in the Trust Agreement and the Sale and Servicing Agreement and, notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Owner Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the Corporate Trust Office.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Owner Trustee, by manual signature, this Certificate shall not entitle the holder hereof to any benefit under the Trust Agreement or the Sale and Servicing Agreement or be valid for any purpose.

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

IN WITNESS WHEREOF, the Owner Trustee, on behalf of the Trust and not in its individual capacity, has caused this Certificate to be duly executed.

CREDIT ACCEPTANCE AUTO DEALER LOAN
TRUST 2003-1

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

By: _____

(Reverse of Certificate)

The Certificates do not represent an obligation of, or an interest in, the Seller, the Servicer, the Backup Servicer, the Owner Trustee or any Affiliates of any of them and no recourse may be had against such parties or their assets, except as may be expressly set forth or contemplated herein or in the Trust Agreement, the Indenture or the Basic Documents. In addition, this Certificate is not guaranteed by any governmental agency or instrumentality and is limited in right of payment to certain collections with respect to the Dealer Loans, all as more specifically set forth herein and in the Sale and Servicing Agreement. A copy of each of the Sale and Servicing Agreement and the Trust Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon written request.

The Trust Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Trust Agreement at any time by the Seller and the Owner Trustee with, prior to the Class A Termination Date, the prior written consent of Radian Asset Assurance Inc. (the "Class A Insurer"), and, in certain circumstances, the consent of the holders of the Class A Notes evidencing not less than 51% of the then-outstanding Class A Note Balance. Any such consent shall be conclusive and binding on such holder and on all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Trust Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the holders of any of the Certificates.

As provided in the Trust Agreement and subject to certain limitations therein set forth and set forth on the front of this Certificate, the transfer of this Certificate is registerable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies of the Certificate Registrar maintained by the Owner Trustee in the Borough of Manhattan, The City of New York, accompanied by a written instrument of transfer in form satisfactory to the Owner Trustee and the Certificate Registrar duly executed by the Holder hereof or such holder's attorney duly authorized in writing, and thereupon one or more new Certificates in authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee; provided, however, that prior to the Class A Termination Date, this Certificate is non-transferable without the prior written consent of the Class A Insurer. The initial Certificate Registrar appointed under the Trust Agreement is Wachovia Bank of Delaware, National Association.

The Certificates are issuable only as registered Certificates. As provided in the Trust Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates in authorized denominations evidencing the same aggregate denomination, as requested by the holder surrendering the same. No service charge will be made for any such registration of transfer or exchange, but the Owner Trustee or the Certificate Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Owner Trustee, the Class A Insurer, the Certificate Registrar and any agent of the Owner Trustee or the Certificate Registrar or the Class A Insurer may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Owner Trustee, the Certificate Registrar, the Class A Insurer nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Trust Agreement and the Trust created thereby shall terminate upon the payment to Certificateholders of all amounts required to be paid to them pursuant to the Trust Agreement and the Sale and Servicing Agreement, upon the payment to the Class A Insurer of all amounts required to be paid to the Class A Insurer under the Basic Documents, and the disposition of all property held as part of the Trust. The Servicer or the Seller, as the case may be may at its option purchase the corpus of the Trust at a price specified in the Sale and Servicing Agreement, and such purchase of the Dealer Loans and other property of the Trust will effect early retirement of the Certificates; however, such right of purchase is exercisable, subject to certain restrictions, only as of the last day of any Collection Period as of which the Class A Note Balance is 15% or less of the initial Class A Note Balance, including any such purchase on such Purchase Date.

The Certificates may not be acquired by (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (b) a plan described in Section 4975(e) (1) of the Code or (c) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (each, a "Benefit Plan"). In connection with any acquisition or transfer of a Certificate, the Holder thereof shall be required to represent and warrant that it is not a Benefit Plan.

The recitals contained herein shall be taken as the statements of the Seller or the Servicer, as the case may be, and the Owner Trustee assumes no responsibility for the correctness thereof. The Owner Trustee makes no representations as to the validity or sufficiency of this Certificate or of any Contracts or related document.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Owner Trustee, by manual or facsimile signature, this Certificate shall not entitle the holder hereof to any benefit under the Trust Agreement or the Sale and Servicing Agreement or be valid for any purpose.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

_____

(Please print or type name and address, including postal zip code, of assignee)

_____

the within Certificate, and all rights thereunder, hereby irrevocably constituting and appointing

_____ Attorney to transfer said Certificate on the books of the Certificate Registrar, with full power of substitution in the premises.

Dated:

_____*

- ----------

* NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT B

FORM OF
CERTIFICATE OF TRUST OF
CREDIT ACCEPTANCE AUTO DEALER LOAN TRUST 2003-1

This Certificate of Trust of Credit Acceptance Auto Dealer Loan Trust 2003-1 (the "Trust"), dated as of June 9, 2003, is being duly executed and filed by Wachovia Bank of Delaware, National Association, a national banking association, as trustee (the "Owner Trustee"), to form a statutory trust under the Delaware Statutory Trust Act (12 Del. Code, Section 3801 et seq.).

1. Name. The name of the statutory trust formed hereby is Credit Acceptance Auto Dealer Loan Trust 2003-1.

2. Delaware Trustee. The name and business address of the Owner Trustee is:

Wachovia Bank of Delaware, National Association
One Rodney Square
920 King Street, 1st Floor
Wilmington, Delaware 19801

IN WITNESS WHEREOF, the undersigned, being the sole trustee of the Trust, has executed this Certificate of Trust as of the date first above written.

WACHOVIA BANK OF DELAWARE,
NATIONAL ASSOCIATION,
not in its individual capacity but solely as
owner trustee of the Trust.

By: _____
Name:
Title:

EXHIBIT 10(d)(9)

CREDIT ACCEPTANCE CORPORATION

DEALER SERVICING AGREEMENT

RECITALS

WHEREAS, Credit Acceptance Corporation ("Credit Acceptance") is a specialized financial services company that accepts assignment of retail installment sales contracts for servicing, administration and collection;

WHEREAS _____(hereinafter "Dealer") is a automobile dealership licensed to sell motor vehicles and/or light trucks to consumers at the sales location stated at the end of this Agreement. As part of the Dealer's business it regularly sells vehicles to consumers on credit. Dealer has expressed a desire to use the Credit Acceptance Program in its dealership.

WHEREAS, Credit Acceptance agrees to service the Dealer's Contracts pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

ARTICLE 1

DEFINITIONS

Whenever used in this Agreement, the following words and phrases, unless otherwise stated, shall have the following meanings:

"ACTUAL CASH VALUE" means the net cash value, with no over allowance, of the vehicle traded in by Obligor as Down Payment towards the purchase of a Financed Vehicle.

"ADMINISTRATIVE EXPENSES" refers to all costs, fees and expenses incurred with respect to any suit, action or proceeding involving or relating to any Dealer bankruptcy, appointment of a conservator, receiver or liquidator for the Dealer, readjustment of debt, marshaling of assets and liabilities, or for the winding up or liquidation of the Dealer's affairs.

"ADVANCE" means an amount advanced to the Dealer pursuant to Section 3.01.

"AGREEMENT" means this Dealer Servicing Agreement, as amended from time to time.

"CAPS" refers to any Internet based credit application processing system that Credit Acceptance may make available to Dealer.

"COLLECTIONS" means all money received or collected by Credit Acceptance with respect to a Contract, less any payments required by law to be remitted to the Obligor, less the amount of any checks returned for insufficient funds.

"COLLECTION COSTS" means all costs, fees and expenses incurred or assessed by Credit Acceptance in the administration, servicing and collection of a Receivable.

"CONFIDENTIAL INFORMATION" means all confidential and/or secret information concerning Credit Acceptance including, but not limited to, this Agreement, the Program, Credit Acceptance Property, Documentation, customer lists, dealer lists, and all information developed by and/or for Credit Acceptance and/or its affiliates, whether now owned or hereafter obtained, concerning plans, marketing and sales methods, information systems and Internet processes (including CAPS), customer relationships, materials, and procedures utilized by Credit Acceptance and/or its affiliates, business forms, costs, prices, suppliers, information concerning past, present or future contractors, representatives and past, present and/or future customers of Credit Acceptance and/or its affiliates, plans for development of new or existing products, services and expansion into new areas or markets, internal operations and any variations, trade secrets, proprietary information and other confidential information of any type together with all written, graphic, video and other materials relating to all or any part of the same. Confidential Information shall not include any information (a) which has been published or became part of the public domain other than by acts or omissions of the Dealer in violation of this Agreement, (b) was in the possession of the Dealer at the time of disclosure to Credit Acceptance, (c) was received by Dealer from a third party who had a lawful right to disclose such information, (d) was independently developed by Dealer, or (e) is required by applicable law, rule, regulation or order to be disclosed to a third party. To the extent that the Dealer is compelled to disclose Confidential Information to a third party, it agrees to provide Credit Acceptance reasonable notice of the pending disclosure so that Credit Acceptance can take any action it deems necessary and appropriate with respect to the disclosure.

"CONTRACT" means a retail installment or conditional sales contract, promissory note and security agreement that evidences an Obligors agreement to purchase a Financed Vehicle over time and that is assigned to Credit Acceptance for servicing, administration and collection.

"CONTRACT FILES" means all writings (including an executed copy of the Contract, credit application, privacy disclosure and discount disclosure) and all other documents required by Credit Acceptance relating to the sale, purchase and financing of a Financed Vehicle.

"CREDIT ACCEPTANCE PROPERTY" means all tangible and intangible property owned by Credit Acceptance, including, but not limited to Company names, trademarks and copyrighted material including names, logos, slogans and service marks, Documentation, signs, brochures, posters or other tangible or intangible property relating to the Program, whether registered or unregistered. CREDIT ACCEPTANCE WE CHANGE LIVES! (and Design), WE CHANGE LIVES! and the Check Box Design are registered service marks of Credit Acceptance Corporation. ASK ABOUT OUR GUARANTEED CREDIT APPROVAL (and Design), ASK OTTO, ASK OTTO (and Design) and OTTO (and Design) marks, are trademarks or service marks owned by Credit Acceptance Corporation.

"DOCUMENTATION" means all operational and procedural literature created and offered by Credit Acceptance to Dealer that relates to or affects the Program, and shall include all updates, new releases, improvements or derivative works provided to Dealer from time to time.

"DOWN PAYMENT" means the amount of "cash" plus the Actual Cash Value of any "trade" paid by an Obligor with respect to the purchase of a Financed Vehicle.

"EFFECTIVE DATE" means the execution date of this Agreement as written on the signature page hereof.

"FINANCED VEHICLE" means an automobile or light truck, together with all accessions thereto, securing an Obligor's indebtedness under a Contract.

"OBLIGOR" means the purchaser or the co-purchaser of a Financed Vehicle or any other Person who owes payments under the Contract.

"PERSON" means an individual, corporation, estate, partnership, joint venture, association, joint stock company, trust, unincorporated organization or governmental agency.

"POOL" means a grouping on the books and records of Credit Acceptance of all the Contracts and the Advances and Receivables associated with said Contracts.

"PORTFOLIO PROFIT" means the amount a Dealer can earn, above and beyond the Down Payment and Advance, as set forth in Section 3.03 of this Agreement.

"PROGRAM" means the administration, servicing and collection services offered by Credit Acceptance to Dealers whereby Dealers can offer financing to consumers with limited access to credit.

"QUALIFYING RECEIVABLE" means a Contract that meets Credit Acceptance's credit standards and the following specifications:

(i) it has not been rescinded; is not in default; is owned by the Dealer free and clear of all liens, claims, options, encumbrances and security interests (other than the security interest in favor of Credit Acceptance) and is in all other respects a valid, binding and enforceable obligation of the Obligor at the time the Contract is assigned to Credit Acceptance;

(ii) it complied at the time it was originated or made, and is currently in compliance in all respects, with all requirements of applicable federal, state and local laws and regulations thereunder, including, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson - Moss Warranty Act, Title V of the Gramm-Leach-Bliley Act, the U.S.A. Patriot Act of 2001, Federal Reserve Board Regulations B, M and Z, state adaptations of the National Consumer Act, the Uniform Commercial Code and the Uniform Consumer Credit Code and any other consumer credit or equal opportunity disclosure;

(iii) at least one Obligor has a current drivers license;

(iv) the Dealer has taken all the steps required by law to enable the Obligor to register and title the Financed Vehicle in his/her name, and has taken all the steps necessary to ensure that Credit Acceptance has a first and prior perfected security interest in the Financed Vehicle securing the performance of the Obligor under the Contract;

(v) at delivery, the Financed Vehicle is adequately insured with a policy or policies covering damages, destruction and theft and such policies name Credit Acceptance as a loss payee;

(vi) the Dealer has delivered the motor vehicle and the motor vehicle satisfied all warranties, express or implied, made to the Obligor;

(vii) All amounts to be paid by the Obligor at the time of closing have in fact been paid and the Down Payment disclosed on the credit application and Contract are consistent and the Down Payment is made in accordance with Section 4.01 (i) of this Agreement;

(viii) Dealer has not made any charge, including documentary or processing charges, which Dealer does not make in a cash transaction, other than amounts included as finance charges or other amounts itemized as amounts financed, such as insurance and filing fees or other costs paid to public officials to perfect Credit Acceptance's lien on the Financed Vehicle.

"RECEIVABLE" means the amount of money due and owing by an Obligor under the terms of a Contract or Contracts that have been assigned to Credit Acceptance for administration, servicing and collection.

ARTICLE II

ADMINISTRATION AND SERVICING OF CONTRACTS

2.01 ASSIGNMENT AND ACCEPTANCE OF CONTRACTS;

(a) The Dealer may submit Contracts to Credit Acceptance for administration, servicing and collection under the terms of this Agreement. Each assignment of a Contract to Credit Acceptance under this Agreement constitutes a new representation and warranty by the Dealer that such Contract meets the criteria set forth in the definition of Qualifying Receivable and the provisions of Article IV of this Agreement.

(b) If Credit Acceptance issues an approval number with respect to a Qualifying Receivable, the Dealer shall deliver the Contract Files to Credit Acceptance and assign such Contract and Dealer's security interest in the Financed Vehicle to Credit Acceptance as nominee for the Dealer, which assignment shall be for purposes of administration, servicing and collection of the Receivable, as well as for security purposes as set forth in Section 2.03(d). Upon the request of Credit Acceptance, the Dealer will furnish Credit Acceptance with any additional powers of attorney and other documents that Credit Acceptance deems necessary or appropriate to enable Credit Acceptance to carry out its administration, servicing and collection duties hereunder. Dealer is not a guarantor or secondary obligor as those terms may be defined under any applicable Uniform Commercial Code (UCC) provision, and as such, the Dealer is not entitled to receive any statutory notices concerning Credit Acceptance's administration, servicing and collection of a Receivable, such as a post repossession notice, sale notice or any other statutory notice.

(c) Credit Acceptance's issuance of an approval number with respect to a Qualifying Receivable shall not be deemed to be acceptance of the assignment of a Contract for administration, servicing and collection hereunder. Acceptance of an assignment a Contract shall occur only at such time as Credit Acceptance receives and approves the related Contract Files.

(d) If Credit Acceptance accepts assignment of a Contract it shall be deemed a Receivable under this Agreement and Credit Acceptance will administer, service and collect said Receivable on behalf of the Dealer in accordance with the terms of this Agreement. Credit Acceptance is hereby authorized and empowered to endorse the Dealer's name on any payments made payable to the Dealer. Credit Acceptance is also authorized to execute and deliver, in Credit Acceptance's own name, and on behalf of the Dealer, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Contracts or to the Financed Vehicles.

(e) Upon early termination of a Contract, Dealer understands that the Obligor may be entitled to a refund of an amount equal to the unused portion of any premium collected by Dealer or otherwise received by the Dealer in connection with the sale of any ancillary product, including GAP insurance, property insurance, credit life and credit life accident and health insurance, and warranty or service

contracts. Any refund will be calculated in accordance with the product policy or as required by applicable law. Dealer will remit payment of the refund in its possession to the Obligor or to Credit Acceptance, as directed by Credit Acceptance.

(f) In furtherance of this Agreement, Dealer is encouraged to communicate information to Credit Acceptance, including location information on Obligors, to the extent that the Dealer believes that the information will assist Credit Acceptance in its duties under this Agreement.

2.02 DUTIES OF CREDIT ACCEPTANCE

(a) If Credit Acceptance accepts assignment of a Contract for administration, servicing and collection, Credit Acceptance's duties shall consist of holding the Contract Files; collecting payments due under the Contracts as set forth in subsection (b) of this Section 2.02 and applying the amounts so collected in the manner set forth in section 3.03; responding to inquiries of Obligors; investigating delinquencies; sending monthly payment books, payment statements and/or receipts to Obligors; and furnishing monthly Dealer statements to Dealer in accordance with Section 3.04.

(b) Credit Acceptance shall use reasonable efforts to collect all payments called for under the terms and conditions of the Contracts as and when the same shall become due. At the discretion of Credit Acceptance, Credit Acceptance shall use reasonable efforts to repossess the Financed Vehicle securing any Receivable, and sell or otherwise liquidate the Financed Vehicle. Credit Acceptance may, at its discretion, negotiate payment arrangements with an Obligor, settle account balances, waive any late payment charge or any other fee, take any other action that it believes is necessary or advisable in the administration, servicing and collection of the Receivables, including selling or assigning delinquent Receivables to third parties for collection, or refrain from taking any action that it believes is not in the best interest of Credit Acceptance or the Dealer.

(c) In administering, servicing and collecting the Receivables, and in otherwise performing its obligations under this Agreement, Credit Acceptance shall comply with all applicable federal, state and local laws and regulations applicable to Credit Acceptance's activities.

(d) In the event that any claim, action, proceeding or lawsuit is brought against Dealer that seeks damages from Dealer based upon allegations that relate solely to the negligence of Credit Acceptance in the collection of Receivable, Credit Acceptance will defend, indemnify, and hold harmless Dealer from and against any and all costs, expenses, losses, damages, claims and liabilities, including reasonable attorney fees, arising out of or resulting from that claim, action, proceeding or lawsuit. Dealer shall promptly notify Credit Acceptance in writing of such claim or threatened claim. Notice should be sent to the address contained in Section 6.02 of this Agreement. Credit Acceptance shall have complete control of the defense of said lawsuit and can, at its sole discretion, negotiate any settlement consistent with the provisions of section 2.02 (b). Dealer shall have the right to be represented by counsel of its choice, at its own expense. Nothing in this provision shall entitle Dealer to seek, and Dealer is specifically prohibited from seeking, recovery from or against Credit Acceptance for any loss of anticipated or expected revenue or profits including Portfolio Profit arising out of the inability of Credit Acceptance to collect Receivables as a result of said lawsuit.

2.03 DUTIES OF DEALER; GRANT OF SECURITY INTEREST

(a) Dealer shall comply will the terms and conditions of this Agreement, including the representations and warranties set forth in Section 4.01.

(b) The Dealer will take such steps as are necessary to perfect the security interest in the Financed Vehicle in the name of Credit Acceptance, including placing Credit Acceptance's name as lien holder on all titles the Financed Vehicles. The Dealer will take all steps as are necessary to permit the Obligor to title and register the Financed Vehicle in his/her name.

(c) If an Obligor makes any payments due under a Contract to Dealer after Contract has been assigned to and accepted by Credit Acceptance, the Dealer will immediately contact Credit Acceptance and inform them that the payment was received and shall promptly forward such payment to Credit Acceptance.

(d) The Dealer hereby grants Credit Acceptance a security interest in all Receivables now or hereafter transferred to Credit Acceptance pursuant to this Agreement and a security interest in the Dealer's interest in the Financed Vehicles connected therewith, together with all proceeds, as security for the payment of all indebtedness of the Dealer to Credit Acceptance, including Advances, Collection Costs, Administrative Expenses and any other amounts due to Credit Acceptance hereunder. This grant of a security interest will survive the termination of this Agreement until the Dealer has paid all its obligations to Credit Acceptance due under this Agreement in full, including Advances, Collection Costs and Administrative Expenses. Dealer agrees to take any action requested by Credit Acceptance from time to time, to further perfect its security interest in the Receivables.

(e) The Dealer agrees to adhere to the operational guidelines of the Program and to take reasonable steps to ensure that it's sales staff is adequately trained and certified through Credit Acceptance University.

ARTICLE III

ADVANCES, DISTRIBUTIONS AND SERVICING FEE

3.01 ADVANCES

Upon the acceptance by Credit Acceptance of a Contract under Section 2.01, Credit Acceptance may, in its discretion, make an Advance. The amount of the Advance will be determined by the applicable advance program or credit score currently in use by Credit Acceptance and made available to the Dealer at the time the Contract is submitted to Credit Acceptance under Section 2.01. Each Advance that is made by Credit Acceptance shall be without recourse to any of the assets of the Dealer, and, absent Dealer consent, or as required as a matter of law, or except as provided in Article V of this Agreement, Credit Acceptance is not entitled to a refund, rebate or return of the Advance from Dealer. Such Advances shall be placed in a Pool with all other advances paid to Dealer and shall be repaid to Credit Acceptance as provided in Section 3.03 of this Agreement. Credit Acceptance reserves the right to modify its advance methodology from time to time, without any prior notice to Dealer.

3.02 SERVICING FEE

As compensation for the services provided by Credit Acceptance to the Dealer, Credit Acceptance will retain 20% of all Collections net of Collection Costs.

3.03 APPLICATION OF FUNDS

Collections received by Credit Acceptance during a calendar month shall be applied on a Pool by Pool basis as follows:

FIRST, to reimburse Credit Acceptance for all Collection Costs;

SECOND, to pay Credit Acceptance its servicing fee set forth in Section 3.02 above;

THIRD, to all outstanding Advances or any other indebtedness or amounts owing from the Dealer to Credit Acceptance, including, without limitation, Administrative Expenses, CAPS user fees, contract termination fees, and any indemnification obligations of Dealer to Credit Acceptance pursuant to Section 4.02 of this Agreement; and

FOURTH, to the Dealer as Portfolio Profit; provided Dealer has placed at least one hundred (100) Contracts in a Pool and the Dealer has not resigned in accordance with Section 5.03 of this Agreement. In the event Dealer does not place at least one hundred (100) Contracts in a Pool and the Dealer has resigned in accordance with Section 5.03 of this Agreement all amounts that would otherwise be paid to Dealer under this Section 3.03 of this Agreement as Portfolio Profit will remain the property of Credit Acceptance.

All amounts due to the Dealer under this Section 3.03 with respect to Collections made during the calendar month shall be paid to the Dealer as soon as possible, but in all circumstances before the last day of the month immediately following the month the Collections were generated.

3.04 STATEMENTS TO DEALER

Credit Acceptance shall provide a monthly Dealer statement, or access to a monthly Dealer statement via the Internet, containing information relating to the amounts set forth in Section 3.03 of this Agreement.

If Dealer believes that any portion of its monthly Dealer statement is not correct or if Dealer needs more information on its monthly Dealer statement, Dealer must notify Credit Acceptance in writing at the address listed in Section 6.02 within 60 days after the statement was first generated or made available on the Internet. A telephone call will not be sufficient to preserve Dealer's rights to question the content of the statement. Dealer's inquiry should provide a complete description of the item in question, including an explanation of why Dealer believes it is not correct or why Dealer needs more information.

Dealer understands and agrees that Credit Acceptance may, at its discretion, terminate the distribution of monthly Dealer statements in the event Dealer is no longer in business or fails to submit any Contracts for the proceeding 12 months and Dealer is not receiving Portfolio Profit pursuant to Section 3.03 and has not specifically requested, in writing, that Credit Acceptance continue to send monthly Dealer statements.

3.05 CAPPING OF POOLS

A Pool may be capped or uncapped. A Pool may be capped by written agreement between Credit Acceptance and Dealer when the number of Contracts placed in a given Pool reaches at least 100. Once a Pool is capped, no further Contracts can be added to that Pool. While Dealer may have multiple capped Pools, it will have only one uncapped Pool.

ARTICLE IV

DEALER PROMISES

4.01 REPRESENTATIONS AND WARRANTIES

The Dealer makes the following representations on which Credit Acceptance is relying in entering into this Agreement with the Dealer in accepting Contracts and the accompanying Receivables, and each request by the Dealer to Credit Acceptance to administer, service and collect a Contract under Section 2.01 will act as a reaffirmation of each of the following representations as of the date of such request:

(i) DOWN PAYMENT. Dealer understands that the amount of Down Payment paid by the Obligor is an integral element of the Credit Acceptance Program and that the Dealer must not misrepresent the amount of the Down Payment paid by the Obligor in connection with the purchase of a Financed Vehicle. To the extent that the Dealer accepts a vehicle in trade towards, in whole or in part, the Obligor's Down Payment, Dealer agrees to apply only the Actual Cash Value of that vehicle to the Down Payment. Dealer agrees to disclose on credit applications any and all rebates and source of Down Payment, if known by the Dealer. Dealer warrants not to purchase any item, transfer funds, include any post dated checks, rebates, side notes or installment notes to Obligor for use as Down Payment or for any other reason related to the purchase of a Financed Vehicle, and that the Down Payment has been collected in full prior to assignment to Credit Acceptance.

(ii) ORGANIZATION IN GOOD STANDING. The Dealer is duly organized and is validly existing as a legal entity (corporation, partnership, sole proprietor, LLC, etc.) in good standing under the laws of the state in which it operates, with full power and authority to own its properties and to conduct its business, and had at all relevant times, and shall have power, authority, and legal right to sell vehicles on credit and the right to acquire and own the Receivables. The Dealer is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification. The individual signing this Agreement on behalf of the Dealer has the power and authority to execute and deliver this Agreement and to carry out its terms and if the Dealer's corporate by-laws require board approval to enter into this Agreement, that said approval has been received.

(iii) BINDING OBLIGATIONS. This Agreement constitutes a legal, valid, and binding obligation of the Dealer enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditor's rights in general.

(iv) BROKERS AND FINDERS. Neither Dealer nor any person acting on its behalf has employed any broker, agent or finder or incurred any liability for any brokerage fees, agent commissions, finders fees, or bird dog fees in connection with the transactions contemplated herein.

(v) NON-RELIANCE. The Dealer has independently and without reliance upon Credit Acceptance, and based on such documents and information, as it has deemed appropriate, made its own appraisal of and investigation into the financial condition and creditworthiness of each Obligor and made its own decision to enter into a Contract with such Obligor.

4.02 INDEMNITIES

The Dealer will defend, indemnify, and hold harmless Credit Acceptance from and against any and all costs, expenses, losses, damages, claims and liabilities arising out of or resulting from:

(i) any claims by the Obligor with respect to the condition or operation of the Financed Vehicle; the purchase of the Financed Vehicle; the preparation of the Contract assigned to Credit Acceptance and, subject to the provisions of Section 2.02 (d), Credit Acceptance's servicing of any Contracts assigned under this Agreement.

(ii) any breach of any of the representations, warranties or agreements made by Dealer in this Agreement; and

(iii) any of the Dealer's taxes that may at any time be asserted against Credit Acceptance with respect to the transactions contemplated herein including, without limitation any sales, gross receipts, general corporation, tangible or intangible personal property, privilege, or license taxes and costs and expenses in defending against same.

Indemnification under this Section shall include reasonable attorneys' fees, and all expenses of litigation. To the extent that Credit Acceptance incurs any costs, fees or expenses pursuant to this Section 4.02, Credit Acceptance may, at its discretion, recover these costs, fees or expenses, through Collections recovered pursuant to Section 3.03 of this Agreement.

4.03 CONFIDENTIALITY

Except as required for Dealer to conduct its regular daily business with Credit Acceptance, Dealer shall not at anytime, either during or for a period of two years after termination of Dealer's relationship with Credit Acceptance, or in any way, disclose, disseminate, transfer and/or use, or permit anyone else to disclose, disseminate, transfer and/or use, any Confidential Information of Credit Acceptance. Dealer acknowledges that the Confidential Information of Credit Acceptance is valuable, special and unique to Credit Acceptance's business and on which such business depends, and is proprietary to Credit Acceptance and its affiliates, and that Credit Acceptance has protected and wishes to continue to protect the Confidential Information by keeping it secret and confidential for the sole use and benefit of Credit Acceptance and its affiliates. Upon termination of this Agreement without the necessity of any request from Credit Acceptance, or at any other time Credit Acceptance may in writing so request, Dealer shall promptly deliver to Credit Acceptance all materials concerning any Confidential Information, copies thereof and any other materials of Credit Acceptance and/or its affiliates which are in Dealer's possession or under Dealer's control, and Dealer shall not make or retain any copy, draft or extract thereof which has been made at any time. The obligations of Dealer under this Section 4.03 shall survive the termination (for any reason) or breach of this Agreement. Dealer agrees that Credit Acceptance shall be entitled, as a matter of law, without the need to prove irreparable injury, to an injunction, restraining order or other equitable relief from any court of competent jurisdiction, restraining any violation or threatened violation of this Section 4.03 by Dealer.

ARTICLE V

TERMINATION AND ASSIGNMENT

5.01 MERGER OR CONSOLIDATION OF CREDIT ACCEPTANCE

Any corporation (i) into which Credit Acceptance may be merged or consolidated, (ii) which may result from any merger, conversion, or consolidation to which Credit Acceptance shall be a party or (iii) which may succeed to the business of Credit Acceptance, shall be the successor to this Agreement without any further act on the part of any of the parties to this Agreement.

5.02 TERM

This Agreement shall remain in effect from the Effective Date until terminated in accordance with the terms set forth below.

5.03 RESIGNATION BY DEALER

Dealer can cease submitting Contracts to Credit Acceptance and resign from the Program at any time. The Dealer will be deemed to have resigned under this Section 5.03 in the event that it falls six (6) months in arrears on the payment of the applicable CAPS license fee as set forth in the applicable CAPS License Agreement as described in Section 6.13 of this Agreement. In the event that Dealer resigns under this Section 5.03, Credit Acceptance will continue to comply with its duties in Section 2.02 of this Agreement with respect to the Contracts accepted prior to resignation in accordance with this Section 5.03.

5.04 TERMINATION BY CREDIT ACCEPTANCE

Credit Acceptance may terminate this Agreement with respect to acceptance of all future Contracts upon written notice to Dealer. Absent an obligation to repurchase a Contract under Section 5.06, or absent an Event of Default under Section 5.08, Credit Acceptance will continue to comply with its duties under Section 2.02 of this Agreement with respect to the Contracts accepted prior to termination in accordance with this Section 5.04.

5.05 TERMINATION BY THE DEALER

In the event that Dealer would like to terminate this Agreement, it must provide Credit Acceptance with written notice along with payment of all amounts due under Section 5.09 of this Agreement.

5.06 CONTRACT REPURCHASE

(a) Dealer understands the importance of assigning only those Contracts to Credit Acceptance that are in compliance with applicable law and are otherwise in compliance with dealer representations contained in this Agreement. To the extent that Credit Acceptance or Dealer discovers that a Contract assigned to Credit Acceptance violates applicable law or violates a dealer representations contained in this Agreement, Dealer, within 30 days of written notice of the violation, agrees to repurchase the subject Contract from Credit Acceptance in accordance with Section 5.07.

(b) Upon receipt of the Repurchase Price as set forth in Section 5.07 of this Agreement, Credit Acceptance will re-assign the Contract to Dealer and will execute the necessary documentation transferring Credit Acceptance's lien in the Financed Vehicle to Dealer. Dealer agrees to defend, indemnify, protect, save, keep, and hold harmless, Credit Acceptance and its affiliates, and their respective shareholders, directors, officers, employees, representatives, agents, servants, successors and assigns from and against any and all, claims, losses, liabilities, damages, injuries, costs, expenses, attorneys' fees, court costs and other amounts arising out of or resulting from any collection or servicing activities on any Contracts that take place by any party other than Credit Acceptance after the Contracts have been re-assigned to Dealer in accordance with this provision.

5.07 REPURCHASE PRICE

If Dealer is required to repurchase a Contract in accordance with Section 5.06 of this Agreement, Dealer shall pay to Credit Acceptance, within 30 days of demand, a $500 termination fee plus the following amounts:

(i) For a pre-computed Contract, the gross balance then owing on the Contract, including any amount advanced to purchase insurance or to otherwise preserve the Financed Vehicle or Credit Acceptance's interest therein because the Obligor has failed to perform all of his, her or its obligations under the Contract, less the amount of any unearned finance charges or, insurance premium, calculated as provided in the Contract through the date of payment by Dealer.

(ii) For a simple interest Contract, the amount then owed by the Obligor under the Contract, which amount shall equal the then unpaid principal balance, including any amount added to the principal balance because Credit Acceptance has purchased insurance or expended funds to preserve the Financed Vehicle or Credit Acceptance's interest therein because the Obligor has failed to perform all of his, her or its obligations under the Contract, plus any accrued but unpaid interest through the date of payment by Dealer, less the amount of any unearned insurance premium.

(iii) If Credit Acceptance has incurred any collection or repossession expenses, including attorneys fees in connection with a Contract to be repurchased by Dealer, the Repurchase Price of the Contract shall include the amount of such expenses.

5.08 EVENT OF DEFAULT

This Agreement shall terminate immediately, without further notice to Dealer, and Credit Acceptance shall be entitled to immediate repayment of all outstanding Advances and the other amounts specified in Section 5.09 upon the occurrence of any one of the following events:

(i) Dealer refuses to grant Credit Acceptance or its designee access to audit its records as provided for in Section 6.10 of this Agreement;

(ii) Dealer admits in writing its inability to pay its debts generally as they become due; files a petition to take advantage of any applicable bankruptcy statute; makes an assignment for the benefit of its creditors or voluntarily suspends payment of its obligations; a

decree or order is entered by a court or agency for the appointment of a conservator, receiver or liquidator for Dealer in any bankruptcy, readjustment of debt, marshaling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its affairs; or Dealer consents to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities, or similar proceedings of or relating to Dealer; or Dealer breaches the CAPS License Agreement as set forth in Section 6.13 of this Agreement; or

(iii) Dealer, without Credit Acceptance's written consent (which consent shall not be unreasonably withheld or delayed), (a) is dissolved; (b) merges or consolidates with a Person other than an affiliated entity of Dealer; (c) leases, sells or otherwise conveys a material part of its assets or business outside the ordinary course of business to a Person other than an affiliated entity of Dealer; (d) ceases to operate its business; or (e) agrees to do any of the foregoing.

5.09 ACCELERATION OF DEALER'S POOLS

In the event that Dealer desires to terminate this Agreement pursuant to Section 5.05 of this Agreement, or the Dealer is in default in accordance with Section 5.08 of this Agreement, the Dealer shall immediately pay to Credit Acceptance the following amounts:

(i) Any unreimbursed Collection Costs and Administrative Expenses;

(ii) Any unpaid Advances and all other amounts owed by the Dealer to Credit Acceptance; and

(iii) A termination fee equal to 15% of the then outstanding amount of the Receivables.

Upon receipt in full of the amounts set forth in (i) through (iii) above, Credit Acceptance shall deliver all Contract Files to the Dealer and shall take such action as may be requested by Dealer, at the Dealer's expense, to terminate or assign to the Dealer, Credit Acceptance's security interest in the Receivables and Financed Vehicles. If the Dealer fails to promptly pay such amounts, Credit Acceptance may exercise any rights it has, including those under the UCC, and may, at its discretion, continue to collect the Receivables and retain Collections in satisfaction of such amounts due from the Dealer. Dealer agrees to defend, indemnify, protect, save, keep, and hold harmless Credit Acceptance and its Affiliates, and their respective shareholders, directors, officers, employees, representatives, agents, servants, successors and assigns from and against any and all, claims, losses, liabilities, damages, injuries, costs, expenses, attorneys' fees, court costs and other amounts arising out of or resulting from any collection or servicing activities on any Contracts that take place by any party other than Credit Acceptance after the Contracts have been re-assigned to Dealer in accordance with this provision.

Dealer acknowledges and agrees that this termination fee is not a penalty provision, but rather just compensation for the work Credit Acceptance performed up to the date of termination in addition to the work that will have to be performed in transferring the Contract Files back to the Dealer or its designee, releasing its lien in the Financed vehicle and in notifying the Obligors that their Contracts are now being serviced by the Dealer or its designee.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.01 GOVERNING LAW

This Agreement shall be construed in accordance with the laws of the State of Michigan and the obligations, rights, and remedies of the parties under this Agreement shall be determined in accordance with such laws.

6.02 NOTICES

All demands, notices, and communications under this Agreement shall be in writing, personally delivered or mailed by first-class mail. Notices to Dealer shall be sent to the corporate address specified on the last page of this Agreement. Notices to Credit Acceptance shall be sent to the following address: Credit Acceptance, Attention Dealer Notices, P.O. Box 5070, Southfield, MI 48086-5070. Either party may change this address upon written notice to the other party. All notices shall be deemed received on the fifth day following deposit with the U.S. Mail, certified or registered, postage pre-paid and addressed as set forth in this Section 6.02.

6.03 SEVERABILITY OF PROVISIONS; UNENFORCEABILITY

If any one or more of the provisions of this Agreement shall be for any reason whatsoever held invalid, then such provisions shall be deemed severable from the remaining provisions of this Agreement or the rights of the Dealer or Credit Acceptance. If for any reason

a court determines that any part of any of the provisions of this Agreement is unreasonable in scope or otherwise unenforceable, such provision(s) will be deemed modified and fully enforceable, as so modified, to the extent determined by the court to be reasonable under the circumstances.

6.04 ARBITRATION AND COSTS

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 in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall take place in Oakland County, Michigan and shall be conducted by three arbitrators, one of whom shall be selected by the Dealer, one selected by Credit Acceptance and the third by the two arbitrators so selected. Each party shall notify the other party of the arbitrators selected by it within 30 days of a written request from one party to the other for arbitration. In the event either party shall fail to select an arbitrator or fail to notify the other party of the arbitrator that it has selected within such time period, the arbitrator so selected by the other party shall select a second arbitrator. The decision and award of the arbitrators shall be in writing, and shall be final and binding upon the parties hereto. Judgment upon the award may be entered in any court having jurisdiction thereof or any application may be made to such court for judicial acceptance of or award in order of enforcement, as the case may be. Notwithstanding the foregoing, Credit Acceptance shall be entitled to seek equitable relief under this Agreement, pursuant to Section 4.03 in any court of competent jurisdiction, including any court in the State of Michigan, County of Oakland, or in the United States District Court of the Eastern District of Michigan, and Dealer consents to the jurisdiction thereof.

6.05 RIGHTS CUMULATIVE / WAIVER/FORCE MAJEURE

All rights and remedies from time to time conferred upon or reserved to Credit Acceptance are cumulative, and none is intended to be exclusive of another. No delay or omission in insisting upon the strict observance or performance of any provision of this Agreement, or in exercising any right or remedy, shall be construed as a waiver or relinquishment of such provision, nor shall it impair such right or remedy. Credit Acceptance shall not be responsible for any failure to perform its obligations under this Agreement due to causes beyond its reasonable control, including but not limited to acts of God, war, riot, terrorism, acts of civil or military authorities, fire, floods or accidents.

6.06 USAGE OF TERMS

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

6.07 ASSIGNMENT

This Agreement shall inure to the benefit of Credit Acceptance and the Dealer and each of their permitted successors and assigns. Notwithstanding anything in this Agreement to the contrary, the Dealer may not assign its rights under this Agreement to any Person without the prior written consent of Credit Acceptance.

6.08 SETOFF

Credit Acceptance may, at any time and from time to time, at its option, set off and apply against any amounts due to Credit Acceptance either hereunder or otherwise any Dealer funds held by Credit Acceptance. This right of setoff extends to any additional or subsequently acquired or opened Dealer Pools.

6.09 DELEGATION OF DUTIES; LIABILITY

Credit Acceptance may execute any of its duties under this Agreement by or through agents, nominees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Credit Acceptance shall not be responsible for the negligence or misconduct of any agents, nominees or attorneys-in-fact selected by it with reasonable care. Neither Credit Acceptance nor any of its officers, directors, employees, nominees, attorneys-in-fact or affiliates shall be liable for any action lawfully taken or

omitted to be taken by it or any such person under or in connection with this Agreement (except for its or such person's own gross negligence or willful misconduct).

6.10 AUDIT

Dealer agrees to allow Credit Acceptance or its designee access, during regular business hours, but no more than twice in any one calendar year, to audit Dealer's internal records relating to Contracts assigned to Credit Acceptance under this Agreement, including individual deal jackets, recap sheets, general ledger, bank statements, cash receipt books and journals, repair order, reconditioning reports and any other documents deemed necessary by Credit Acceptance for use in conducting its audit. Upon completion of the audit, Credit Acceptance will notify Dealer of the audit results. Credit Acceptance and Dealer agree to meet and discuss the audit results in an attempt to resolve any issues that may be discovered through the audit.

6.11 NO FRANCHISE

Nothing in this Agreement is intended to grant or grants to Dealer any right to offer, sell or distribute any products or services in the name of or on behalf of Credit Acceptance. Dealer is free to sell cars on cash or credit and to sell or assign the corresponding Contract to any Person of its choice.

6.12 ANNOUNCEMENTS, TRADE MARKS, SERVICE MARKS, COPYRIGHT AND ADVERTISING

Dealer will not issue any external announcements, press releases or advertising, whether verbal or written, in any way pertaining to the subject matter of this Agreement without first obtaining the prior written consent of Credit Acceptance. Neither Dealer nor Credit Acceptance shall use or refer to any name, mark, symbol or other trade identity of the other in any advertisement, press release or other communication without first obtaining the prior written consent of the other. Credit Acceptance hereby grants Dealer a non-exclusive, non-transferable right to use Credit Acceptance Property in the form and manner approved by Credit Acceptance. Dealer agrees to permit representatives of Credit Acceptance onto Dealer's premises during regular business hours to inspect Dealer's use of Credit Acceptance Property. Dealer agrees to not copy, modify, lease, license, sublicense, sell, assign, distribute, disclose or transfer Credit Acceptance Property, in whole or in part. Dealer shall not create any derivative work from, or adaptations of Credit Acceptance Property. Dealer will not apply to register any name which includes Credit Acceptance Property as an internet domain name without Credit Acceptance's written approval. Dealer agrees to change or discontinue the use of any Credit Acceptance Property upon request by Credit Acceptance. In the event that Credit Acceptance terminates this Agreement in accordance with Section 5.04 of this Agreement, or Dealer resigns or terminates this Agreement in accordance with Sections 5.03 or 5.05 of this Agreement respectfully, or if there is an Event of Default under Section 5.08 of this Agreement, Dealer agrees to immediately cease use of all Credit Acceptance Property in the operation of its business. Furthermore, Dealer agrees not to use, either directly or indirectly, any marks or symbols that are confusingly similar to Credit Acceptance Property in a manner that Credit Acceptance believes will confuse or deceive the public.

6.13 USE OF CAPS

In order to utilize CAPS and the Program, Dealer must execute a separate CAPS License Agreement. The Dealer's use of CAPS and the Program is subject to the terms and conditions of the CAPS License Agreement. In the event that Dealer violates a provision of the CAPS License Agreement, said violation will constitute a breach of this Agreement. In the event that there is a conflict in the terms of the CAPS License Agreement and this Agreement, the terms of this Agreement shall control.

6.14 WAIVER OF JURY TRIAL

In the event that Section 6.04 is found unenforceable, Dealer and Credit Acceptance after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waives any right they may have to a trial by jury in any litigation based upon or arising out of this Agreement or any course of conduct, dealing, statements (whether oral or written), or actions of Dealer or Credit Acceptance. Dealer shall not seek to consolidate, by counterclaim or otherwise any such action in which a jury trial cannot be or has not been waived.

6.15 CONTRACT FORMS AND CALCULATIONS

Credit Acceptance may make available to Dealer state specific blank contract forms for each state in which Dealer operates. Dealer accepts these blank contract forms without warranty of any kind whatsoever from Credit Acceptance, including the implied warranty of merchantability. Dealer should satisfy itself that the blank contract forms and the computational information it places in the blank contract forms is accurate and in compliance with all applicable laws. If Dealer desires to use blank contract forms supplied by a different source, it must first receive written authorization from Credit Acceptance.

6.16 PRIVACY

In performing their respective obligations under this Agreement, Dealer and Credit Acceptance shall comply with all privacy and data protection laws, rules and regulations which are, or which may in the future, be applicable to them or their respective obligations under this Agreement. Without limiting the foregoing, Dealer and Credit Acceptance shall protect and keep confidential all Non-Public Personal Information about or pertaining to any Obligor. For purposes of this Section, "Non-Public Personal Information" shall have the same meaning as that term is defined in Title V of the Gramm-Leach-Bliley Act, and applicable regulations thereto.

6.17 INDEPENDENCE

Notwithstanding any provision to the contrary elsewhere in this Agreement, Credit Acceptance is acting as an independent contractor, and shall have no duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with Dealer, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist with respect to Credit Acceptance. Furthermore, Dealer, including without limitation, its employees and salespersons, have not represented to any Person that it is an agent of Credit Acceptance.

6.18 COMPLETE AGREEMENT

Other than the CAPS License Agreement, as described in Section 6.13 of this Agreement, or the Guaranteed Credit Approval System Investment Guarantee which may be signed by the Dealer contemporaneously with the execution of this Agreement at initial enrollment on the Program, or any agreement related to participation by Dealer in a Credit Acceptance approved ancillary product program, this Agreement contains the complete agreement of the parties hereto, and supersedes any and all prior agreements, including any agreements (whether written or oral), with respect to the subject matter hereof. Any Contracts accepted by Credit Acceptance for administration, servicing and collection pursuant to any agreement dated before the execution of this Agreement, will now be administered, serviced and collected pursuant to the terms and conditions of this Agreement. Unless otherwise stated herein, this Agreement may not be altered or amended without the written consent of both parties.

EFFECTIVE DATE: _____

SECTION 1 (TO BE COMPLETED BY CREDIT ACCEPTANCE)
CREDIT ACCEPTANCE CORPORATION

By: _____

Its: _____
(Title)

SECTION 2 (TO BE COMPLETED BY DEALER)
DEALERSHIP

(Legal Name):_____

(D/B/A or Assumed Name):_____

By:_____
(Signature)

By:_____
(Print)

Its:_____
(Title)

SECTION 3 (TO BE COMPLETED BY DEALER)
DEALERSHIP'S SALES LOCATION

Street Address:_____
_____

City:_____ State:_____ Zip:_____

SECTION 4 (TO BE COMPLETED BY DEALER)
DEALERSHIP'S CORPORATE ADDRESS

[ ] CHECK IF SAME AS SALES LOCATION

Street Address:_____
_____

City:_____ State:_____ Zip:_____

EXHIBIT 31.(a)

I, Brett A. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Credit Acceptance Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 5, 2003
/s/ Brett A. Roberts
- --------------------
Chief Executive Officer

EXHIBIT 31.(b)

I, Douglas W. Busk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Credit Acceptance Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 5, 2003
/s/ Douglas W. Busk
- --------------------
Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Credit Acceptance Corporation (the "Company") on Form 10-Q for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brett A. Roberts, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brett A. Roberts
- --------------------

Brett A. Roberts
Chief Executive Officer
August 5, 2003

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Credit Acceptance Corporation (the "Company") on Form 10-Q for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas W. Busk, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Douglas W. Busk
- ------------------

Douglas W. Busk
Chief Financial Officer
August 5, 2003

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.