UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 September 30, 2011

Commission file number: 1-11416

CONSUMER PORTFOLIO SERVICES, INC.

(Exact name of registrant as specified in its charter)

California	33-0459135
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
19500 Jamboree Road, Irvine, California	92612
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including Area Code: (949) 753-6800

Former name, former address and former fiscal year, if changed since last report: N/A
Indicate by check mark whether the registrant (1) 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [ ] Accelerated Filer [ ]
Non-Accelerated Filer [ ] Smaller Reporting Company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of November 8, 2011 the registrant had 19,678,773 common shares outstanding.

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
INDEX TO FORM 10-Q
For the Quarterly Period Ended September 30, 2011

Item 1. ***Financial Statements***

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	September 30, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents	$ 9,379	$ 16,252
Restricted cash and equivalents	128,920	123,958
Finance receivables	497,115	565,621
Less: Allowance for finance credit losses	(9,769)	(13,168)
Finance receivables, net	487,346	552,453
Finance receivables measured at fair value	192,618	-
Residual interest in securitizations	4,219	3,841
Furniture and equipment, net	975	1,143
Deferred financing costs	7,477	5,685
Deferred tax assets, net	15,000	15,000
Accrued interest receivable	5,259	6,165
Other assets	19,020	17,893
	$ 870,213	$ 742,390
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	$ 23,975	$ 22,033
Warehouse lines of credit	17,637	45,564
Residual interest financing	25,562	39,440
Debt secured by receivables measured at fair value	196,713	-
Securitization trust debt	543,195	567,722
Senior secured debt, related party	53,497	44,873
Subordinated renewable notes	20,880	20,337
	881,459	739,969
COMMITMENTS AND CONTINGENCIES		
Shareholders' Equity		
Preferred stock, $1 par value; authorized 5,000,000 shares; none issued	-	-
Series A preferred stock, $1 par value; authorized 5,000,000 shares; none issued	-	-
Series B convertible preferred stock, $1 par value; authorized 1,870 shares; None and 1,870 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	-	1,601
Common stock, no par value; authorized 75,000,000 shares; 19,774,512 and 18,122,810 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	62,480	59,852
Accumulated deficit	(68,372)	(53,678)
Accumulated other comprehensive loss	(5,354)	(5,354)
	(11,246)	2,421
	$ 870,213	$ 742,390

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	**2010**	**2011**	**2010**
Revenues:				
Interest income	$ 30,236	$ 32,925	$ 86,632	$ 107,072
Servicing fees	986	1,768	3,530	6,119
Other income	2,592	2,105	7,201	6,724
	33,814	36,798	97,363	119,915
Expenses:				
Employee costs	8,257	7,599	23,343	25,075
General and administrative	3,286	3,593	10,697	15,048
Interest	19,011	19,001	57,377	62,242
Provision for credit losses	3,982	7,036	12,034	25,742
Marketing	2,343	1,068	5,777	2,573
Occupancy	811	763	2,334	2,303
Depreciation and amortization	170	180	496	478
	37,860	39,240	112,058	133,461
Loss before income tax expense	(4,046)	(2,442)	(14,695)	(13,546)
Income tax expense	-	1,000	-	4,600
Net loss	$ (4,046)	$ (3,442)	$ (14,695)	$ (18,146)
Loss per share:				
Basic	$ (0.20)	$ (0.20)	$ (0.78)	$ (1.04)
Diluted	(0.20)	(0.20)	(0.78)	(1.04)
Number of shares used in computing loss per share:				
Basic	19,821	17,309	18,794	17,530
Diluted	19,821	17,309	18,794	17,530

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(In thousands)

	Nine Months Ended September 30,	
	2011	**2010**
Cash flows from operating activities:		
Net income (loss)	$ (14,695)	$ (18,146)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of deferred acquisition fees	(6,968)	(4,206)
Amortization of discount on securitization notes	5,772	4,534
Amortization of discount on senior secured debt, related party	2,164	832
Depreciation and amortization	495	478
Amortization of deferred financing costs	2,603	3,489
Provision for credit losses	12,034	25,742
Stock-based compensation expense	1,289	1,200
Interest income on residual assets	(378)	(727)
Changes in assets and liabilities:		
Finance receivables measured at fair value	50	-
Accrued interest receivable	906	2,065
Tax assets	-	4,600
Other assets	(1,440)	18,885
Accounts payable and accrued expenses	1,942	1,888
Debt secured by receivables measured at fair value	435	
Net cash provided by operating activities	4,209	40,634
Cash flows from investing activities:		
Purchases of finance receivables held for investment	(192,016)	(79,390)
Proceeds received on finance receivables held for investment	258,748	294,525
Purchase of finance receivables portfolio	(199,554)	-
Change in repo inventory	314	(4,889)
Decreases (Increases) in restricted cash and equivalents	(4,962)	8,406
Purchase of furniture and equipment	(327)	(283)
Net cash (used in) provided by investing activities	(137,797)	218,369
Cash flows from financing activities:		
Proceeds from issuance of securitization trust debt	220,124	31,739
Proceeds from issuance of subordinated renewable notes	3,191	2,331
Proceeds from issuance of senior secured debt, related party	7,460	-
Proceeds from portfolio acquisition financing	196,473	-
Payments on subordinated renewable notes	(2,648)	(2,996)
Net proceeds from (repayments to) warehouse lines of credit	(27,927)	34,760
Proceeds from (repayments of) residual interest financing debt	(13,878)	(12,678)
Repayment of securitization trust debt	(250,423)	(308,323)
Repayment of senior secured debt, related party	(1,000)	-
Payment of financing costs	(4,395)	(2,782)
Repurchase of common stock	(262)	(2,194)
Net cash provided by (used in) financing activities	126,715	(260,143)
Increase (decrease) in cash and cash equivalents	(6,873)	(1,140)
Cash and cash equivalents at beginning of period	16,252	12,433
Cash and cash equivalents at end of period	$ 9,379	$ 11,293
Supplemental disclosure of cash flow information:		
Cash paid (received) during the period for:		
Interest	$ 46,347	$ 56,867
Income taxes	$ 147	$ (7,691)
Non-cash financing activities:		
Warrants issued in connection with new term funding facility	$ -	$ 770

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

(1) ***Summary of Significant Accounting Policies***

Description of Business

We were formed in California on March 8, 1991. We specialize in purchasing and servicing retail automobile installment sale contracts (“automobile contracts” or “finance receivables”) originated by licensed motor vehicle dealers located throughout the United States (“dealers”) in the sale of new and used automobiles, light trucks and passenger vans. Through our purchases, we provide indirect financing to dealer customers for borrowers with limited credit histories, low incomes or past credit problems (“sub-prime customers”). We serve as an alternative source of financing for dealers, allowing sales to customers who otherwise might not be able to obtain financing. In addition to purchasing installment purchase contracts directly from dealers, we have also (i) acquired installment purchase contracts in four merger and acquisition transactions, (ii) purchased immaterial amounts of vehicle purchase money loans from non-affiliated lenders, and (iii) lent money directly to consumers for an immaterial amount of vehicle purchase money loans. In this report, we refer to all of such contracts and loans as "automobile contracts."

Basis of Presentation

Our Unaudited Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America, with the instructions to Form 10-Q and with Article 8 of Regulation S-X of the Securities and Exchange Commission, and include all adjustments that are, in management’s opinion, necessary for a fair presentation of the results for the interim periods presented. All such adjustments are, in the opinion of management, of a normal recurring nature. In addition, certain items in prior period financial statements may have been reclassified for comparability to current period presentation. Results for the nine-month period ended September 30, 2011 are not necessarily indicative of the operating results to be expected for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted from these Unaudited Condensed Consolidated Financial Statements. These Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, as well as the reported amounts of income and expenses during the reported periods. Specifically, a number of estimates were made in connection with determining an appropriate allowance for finance credit losses, valuing finance receivables measured at fair value and the related debt, valuing residual interest in securitizations, accreting net acquisition fees, amortizing deferred costs, valuing warrants issued, and recording deferred tax assets and reserves for uncertain tax positions. These are material estimates that could be susceptible to changes in the near term and, accordingly, actual results could differ from those estimates.

Other Income

The following table presents the primary components of Other Income:

	September 30, 2011	September 30, 2010
	(In thousands)	
Direct mail revenues	$ 3,903	$ 1,072
Convenience fee revenue	2,068	2,354
Recoveries on previously charged-off contracts	469	982
Sales tax refunds	323	1,621
Other	438	695
Other income for the period	$ 7,201	$ 6,724

Stock-based Compensation

We recognize compensation costs in the financial statements for all share-based payments based on the grant date fair value estimated in accordance with the provisions of ASC 718 “Accounting for Stock Based Compensation”.

For the nine months ended September 30, 2011 and 2010, we recorded stock-based compensation costs in the amount of $1.3 million and $1.2 million, respectively. As of September 30, 2011, unrecognized stock-based compensation costs to be recognized over future periods equaled $1.9 million. This amount will be recognized as expense over a weighted-average period of 2.7 years.

The following represents stock option activity for the nine months ended September 30, 2011:

	Number of Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Options outstanding at the beginning of period	6,990	$ 1.61	N/A
Granted	556	1.03	N/A
Exercised	(9)	0.77	N/A
Forfeited	(466)	1.48	N/A
Options outstanding at the end of period	7,071	$ 1.57	5.54 years
Options exercisable at the end of period	4,859	$ 1.75	4.37 years

At September 30, 2011, the aggregate intrinsic value of options outstanding and exercisable was $271,000 and $131,000, respectively. There were 9,000 shares exercised for the nine months ended September 30, 2011 compared to none for the comparable period in 2010. There were 1.9 million shares available for future stock option grants under existing plans as of September 30, 2011.

Purchases of Company Stock

During the nine-month periods ended September 30, 2011 and 2010, we purchased 227,298 and 784,262 shares, respectively, of our common stock, at average prices of $1.18 and $1.55, respectively.

New Accounting Pronouncements

In April 2011, the FASB amended existing guidance for assisting a creditor in determining whether a restructuring is a troubled debt restructuring (“TDR”). The amendments clarify the guidance for a creditor’s evaluation of whether it has granted a concession and whether a debtor is experiencing financial difficulties. This guidance is effective for interim and annual reporting periods beginning after June 15, 2011, and should be applied retrospectively to the beginning of the annual period of adoption. For purposes of measuring impairment on newly identified troubled debt restructurings, the amendments should be applied prospectively for the first interim or annual period beginning on or after June 15, 2011. This amendment did not have a material effect on our consolidated financial statements.

In May 2011, the FASB issued an amendment to achieve common fair value measurement and disclosure requirements between U.S. and international accounting principles. Overall, the guidance is consistent with existing U.S. accounting principles; however, there are some amendments that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments in this guidance are effective during interim and annual periods beginning after December 15, 2011. We are currently evaluating the effect of this amendment on our consolidated financial statements.

In September 2011, the FASB amended existing guidance and eliminated the option to present the components of other comprehensive income as part of the statement of changes in shareholder's equity. The amendment requires that comprehensive income be presented in either a single continuous statement or as two separate consecutive statements. The adoption of this amendment will change the presentation of the components of comprehensive income for the Company as part of the consolidated statement of shareholder's equity. This amendment is effective for fiscal and interim periods beginning after December 15, 2011.

Reclassifications

Some items in the prior year financial statements were reclassified to conform to the current presentation. Reclassifications had no effect on prior year net income or total shareholders' equity.

Uncertainty of Capital Markets and General Economic Conditions

Historically, we have depended upon the availability of warehouse credit facilities and access to long-term financing through the issuance of asset-backed securities collateralized by our automobile contracts. Since 1994 through September 30, 2011, we have completed 52 term securitizations of approximately $6.9 billion in contracts. We conducted four term securitizations in 2006, four in 2007, two in 2008, one in 2010 and two to date in 2011. From July 2003 through April 2008 all of our securitizations were structured as secured financings. The second of our two securitization transactions in 2008 (completed in September 2008) and our securitization in September 2010 (a re-securitization of the remaining receivables from the September 2008 transaction) were each in substance a sale of the related automobile contracts, and have been treated as sales for financial accounting purposes. On September 28, 2011 we completed our 52nd term securitization.

Since the fourth quarter of 2007 and through the end of 2009, we observed unprecedented adverse changes in the market for securitized pools of automobile contracts. These changes included reduced liquidity, and reduced demand for asset-backed securities, particularly for securities carrying a financial guaranty and for securities backed by sub-prime automobile receivables. Moreover, many of the firms that previously provided financial guarantees, which were an integral part of our securitizations, suspended offering such guarantees. The adverse changes that took place in the market from the fourth quarter of 2007 through the end of 2009 caused us to conserve liquidity by significantly reducing our purchases of automobile contracts. However, since October 2009, we have gradually increased our contract purchases. To do so, we have used a $50 million credit facility that we established in September 2009, another $50 million term funding facility that we established in March 2010, and credit facilities established thereafter. In September 2010 we took advantage of improvement in the market for asset-backed securities by re-securitizing the remaining underlying receivables from our unrated September 2008 securitization. By doing so we were able to pay off the bonds associated with the September 2008 transaction and issue rated bonds with a significantly lower weighted average coupon. The September 2010 transaction was our first rated term securitization since 1993 that did not utilize a financial guaranty. More recently, we increased our short-term funding capacity by $200 million with the establishment of a new $100 million credit facility in December 2010 and an additional $100 million credit facility in February 2011. We have completed two on balance sheet securitizations to date in 2011: (i) one in April 2011 consisting of $104.5 million of receivables purchased primarily in 2010 and 2011; and (ii) one in September 2011 consisting of $111.0 million of newly purchased receivables. In addition, in June 2011 we restructured the March 2010 term funding facility to get the senior notes rated and issued $9.8 million in three tranches of new subordinated notes. Although we have seen improvements in the capital markets in 2010

and 2011 as compared to 2008 and 2009, if the trend of improvement in the markets for asset-backed securities should reverse, or if we should be unable to obtain additional contract financing facilities or to complete a term securitization of our recently originated receivables, we might curtail or cease our purchases of new automobile contracts, which could lead to a material adverse effect on our operations.

Rescission Liability

From May 2005 to July 2010, we conducted a continuous public offering of subordinated notes, pursuant to a registration statement that was declared effective by the SEC in May 2005. In July 2010, we learned that, pursuant to a rule of the SEC, we were no longer permitted to offer and sell our subordinated notes in reliance upon that registration statement. Consequently, certain investors who purchased or renewed such subordinated notes prior to the effectiveness of the new registration statement for such subordinated notes on December 13, 2010 may have a statutory right to rescind their purchase or renewal for a period of up to twelve months from the date of their purchase or renewal. As a result, we may have rescission liability and could be required to repurchase some or all of such subordinated notes at the original sales price plus statutory interest, less the amount of any income received by the purchasers. As of September 30, 2011, there were approximately $885,000 of such subordinated notes (excluding any subordinated notes subsequently repaid) purchased or renewed after September 30, 2010, but before December 13, 2010, for which we may have rescission liability.

Derivative Financial Instruments

We do not use derivative financial instruments to hedge exposures to cash-flow or market risks. However, from 2008 to 2010, we issued warrants to purchase the Company’s common stock in conjunction with various debt financing transactions. Certain of these warrants issued contain "down round" or reset features that are subject to classification as liabilities for financial statement purposes. These liabilities are measured at fair value, with the changes in fair value at the end of each period reflected as current period income or loss. Accordingly, changes to the market price per share of our common stock underlying these warrants with "down round" or price reset features directly affect the fair value computations for these derivative financial instruments. The effect is that any increase in the market price per share of our common stock also increases the related liability, which in turn would result in a current period loss. Conversely, any decrease in the market price per share of our common stock also decreases the related liability, which in turn would result in a current period gain. We use a binomial pricing model to compute the fair value of the liabilities associated with the outstanding warrants. In computing the fair value of the warrant liabilities at the end of each period, we use significant judgments with respect to the risk free interest rate, the volatility of our stock price, and the estimated life of the warrants. The effects of these judgments, if proven incorrect, could have a significant effect on our financial statements. The warrant liabilities are included in Accounts payable and accrued expenses on our consolidated balance sheets.

Financial Covenants

Certain of our securitization transactions and our warehouse credit facility contain various financial covenants requiring minimum financial ratios and results. Such covenants include maintaining minimum levels of liquidity and net worth and not exceeding maximum leverage levels and maximum financial losses. In addition, certain securitization and non-securitization related debt agreements contain cross-default provisions that would allow certain creditors to declare a default if a default occurred under a different facility.

The agreements under which we receive periodic fees for servicing automobile contracts in securitizations are terminable by the respective financial guaranty insurance companies (also referred to as note insurers) upon defined events of default, and, in some cases, at the will of the insurance company. In August 2010, we agreed with the note insurer for four of our 12 currently outstanding securitizations to amend the applicable agreements to remove the financial covenants that were contained in three of the related agreements. In return for such amendments, we agreed to increase the required credit enhancement amounts in those three deals through increased spread account requirements. The remaining transaction insured by this particular note insurer does not contain financial covenants.

For the remaining four securitizations insured by different parties we have been receiving waivers for certain financial and operating covenants on a monthly or quarterly basis as summarized below:

Financial covenant	*Applicable Standard*	*Status Requiring Waiver (as of or for the quarter ended September 30, 2011)*
Adjusted net worth (I)	$87.6 million	$(11.2) million
Leverage	Between 0 and 4.5:1	(11.0):1
Adjusted net worth (II)	$95.3 million	$(11.2) million

The adjusted net worth covenants are covenants to maintain minimum levels of adjusted net worth, defined as our consolidated book value under GAAP with the exclusion of intangible assets such as goodwill. There are two separate adjusted net worth covenants because there are two separate note insurers that have this covenant in their related securitization agreements. The leverage covenant requires that we not exceed the specified ratio of debt over the defined adjusted net worth. Debt is defined in this covenant to mean consolidated liabilities less warehouse lines of credit and securitization trust debt; using this definition at September 30, 2011, we had debt of $123.9 million.

Without the waivers we have received from the related note insurers, we would have been in violation of covenants relating to minimum net worth and maximum leverage levels with respect to four of our 12 currently outstanding securitization transactions. Upon such an event of default, and subject to the right of the related note insurers to waive such terms, the agreements governing the securitizations call for payment of a default insurance premium, ranging from 25 to 100 basis points per annum on the aggregate outstanding balance of the related insured senior notes, and for the diversion of all excess cash generated by the assets of the respective securitization pools into the related spread accounts to increase the credit enhancement associated with those transactions. The cash so diverted into the spread accounts would otherwise be used to make principal payments on the subordinated notes in each related securitization or would be released to us. To the extent that principal payments on the subordinated notes are delayed, we will incur greater interest expense on the subordinated notes than we would have without the required increase to the related spread accounts. As of the date of this report, cash is being diverted to the related spread accounts in four transactions. In addition, upon an event of default, the note insurers have the right to terminate us as servicer. Although our termination as servicer has been waived, we are paying default premiums, or their equivalent, with respect to insured notes representing $192.4 million of the $543.2 million of securitization trust debt outstanding at September 30, 2011. It should be noted that the principal amount of such securitization trust debt is not increased, but that the increased insurance premium is reflected as increased interest expense. Furthermore, such waivers are temporary, and there can be no assurance as to their future extension. It is our opinion, however, that we will obtain such future extensions of our servicing agreements because it is generally not in the interest of any party to the securitization transaction to transfer servicing. We believe that the note insurers recognize that diligent telephonic contact and continuity of the relationship between the servicer and the obligor are critical and that a transfer of servicing to a third party servicer could cause interruptions in the collection effort that would result in substantially greater losses than would have occurred without the transfer. In addition, it is generally acknowledged that third party servicers typically do not have as much incentive to maximize portfolio performance as does the entity that holds the credit risk of the receivables. Nevertheless, there can be no assurance that our opinions and beliefs are correct. Were an insurance company in the future to exercise its option to terminate such agreements or to pursue other remedies, such remedies could have a material adverse effect on our liquidity and results of operations, depending on the number and value of the affected transactions. Our note insurers continue to extend our term as servicer on a monthly or quarterly basis, pursuant to the servicing agreements.

Correction of Immaterial Error

In the first quarter of 2011, we revised our consolidated financial statements for the years ended December 31, 2009 and 2010, including the quarters therein, due to corrections of immaterial prior years' errors identified in

the current year. We understated derivative liabilities and mis-stated interest expense for 2009 and 2010, primarily related to the accounting treatment of derivative liabilities associated with certain warrants we issued in conjunction with various debt financing transactions. The warrants involved are those referenced above as having reset features. The result of the correction included a decrease of previously reported net loss by $649,000 for the year ended December 31, 2010, a decrease in the previously reported net loss by $1.1 million for the nine months ended September 30, 2010 and a decrease of previously reported net loss of $1.1 million for the three months ended September 30, 2010. Basic and diluted loss per common share decreased by $0.04 per share from previously reported amounts as of the December 31, 2010 and decreased by $0.06 per share for the three and nine months ended September 30, 2010, respectively. Net shareholders' equity decreased by $1.6 million and $2.1 million, respectively compared to the amounts previously reported as of September 30, 2010 and December 31, 2010.

Finance Receivables and Related Debt Measured at Fair Value

In September 2011 we purchased approximately $217.8 million of finance receivables from Fireside Bank. These receivables, and debt incurred secured by these receivables, are recorded on our balance sheet at fair value. There are no level 1 or level 2 inputs (as described by ASC 820) available to us for measurement of such receivables, or for the related debt. Our level 3, unobservable inputs reflect our own assumptions about the factors that market participants use in pricing similar receivables and debt, and are based on the best information available in the circumstances. The valuation method used to estimate fair value may produce a fair value measurement that may not be indicative of ultimate realizable value. Furthermore, while we believe our valuation methods are appropriate and consistent with those used by other market participants, the use of different methods or assumptions to estimate the fair value of certain financial instruments could result in different estimates of fair value. Those estimated values may differ significantly from the values that would have been used had a readily available market for such receivables or debt existed, or had such receivables or debt been liquidated, and those differences could be material to the financial statements.

(2) *Finance Receivables*

Our portfolio of finance receivables consists of small-balance homogeneous contracts comprising a single segment and class that is collectively evaluated for impairment on a portfolio basis according to delinquency status. Our contract purchase guidelines are designed to produce a homogenous portfolio. For key terms such as interest rate, length of contract, monthly payment and amount financed, there is relatively little variation from the average for the portfolio. We report delinquency on a contractual basis. Once a Contract becomes greater than 90 days delinquent, we do not recognize additional interest income until the obligor under the Contract makes sufficient payments to be less than 90 days delinquent. Any payments received on a Contract that is greater than 90 days delinquent are first applied to accrued interest and then to principal reduction.

The following table presents the components of Finance Receivables, net of unearned interest:

	September 30, 2011	December 31, 2010
Finance Receivables	(In thousands)	
Automobile finance receivables, net of unearned interest	$ 514,467	$ 576,090
Less: Unearned acquisition fees and originations costs	(17,352)	(10,469)
Finance Receivables	$ 497,115	$ 565,621

We consider an automobile contract delinquent when an obligor fails to make at least 90% of a contractually due payment by the following due date, which date may have been extended within limits specified in the servicing agreements. The period of delinquency is based on the number of days payments are contractually past due. Automobile contracts less than 31 days delinquent are not included. The period of delinquency is based on the number of days a payment is past its due date, as extended where applicable. In certain circumstances we will grant obligors one-month payment extensions to assist them with temporary cash flow problems. We consider such extensions to be insignificant delays in payments rather than troubled debt

restructurings. The only modification of terms is to advance the obligor's next due date by one month and extend the maturity date of the receivable by one month. In some cases, a two-month extension may be granted. There are no other concessions such as a reduction in interest rate, forgiveness of principal or of accrued interest. Accordingly, we consider such extensions to be insignificant delays in payments rather than troubled debt restructurings. The following table summarizes the delinquency status of finance receivables as of September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010
	(In thousands)	
Deliquency Status		
Current	$ 491,823	$ 541,375
31 - 60 days	9,455	16,784
61 - 90 days	6,369	9,453
91 + days	6,820	8,478
	$ 514,467	$ 576,090

Finance receivables totaling $9.7 million and $13.3 million at September 30, 2011 and December 31, 2010, respectively, including all receivables greater than 90 days delinquent have been placed on non-accrual status as a result of their delinquency status.

We use a loss allowance methodology commonly referred to as "static pooling," which stratifies our finance receivable portfolio into separately identified pools based on the period of origination. Using analytical and formula driven techniques, we estimate an allowance for finance credit losses, which we believe is adequate for probable credit losses that can be reasonably estimated in our portfolio of automobile contracts. The estimate for probable credit losses is reduced by our estimate for future recoveries on previously incurred losses. Provision for losses is charged to our consolidated statement of operations. Net losses incurred on finance receivables are charged to the allowance. For finance receivables originated through December 31, 2010 we established the allowance at the time of the acquisition of the receivable. Beginning January 1, 2011, we establish the allowance for new receivables over the twelve-month period following their acquisition. The following table presents a summary of the activity for the allowance for credit losses for the three month and nine-month periods ended September 30, 2011 and 2010:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
		(In thousands)		(In thousands)
Balance at beginning of period	$ 10,284	$ 27,375	$ 13,168	$ 38,274
Provision for credit losses on finance receivables	3,982	7,036	12,034	25,742
Charge-offs	(8,000)	(18,637)	(27,796)	(62,651)
Recoveries	3,503	5,424	12,363	19,833
Balance at end of period	$ 9,769	$ 21,198	$ 9,769	$ 21,198

Excluded from finance receivables are contracts that were previously classified as finance receivables but were reclassified as other assets because we have repossessed the vehicle securing the Contract. The following table presents a summary of such repossessed inventory together with the allowance for losses in repossessed inventory that is not included in the allowance for credit losses:

	September 30, 2011	December 31, 2010
	(In thousands)	
Gross balance of repossessions in inventory	$ 9,409	$ 21,046
Allowance for losses on repossessed inventory	(4,955)	(16,278)
Net repossessed inventory included in other assets	$ 4,454	$ 4,768

(3) *Finance Receivables Measured at Fair Value*

In September 2011 we purchased approximately $217.8 million of finance receivables from Fireside Bank. These receivables are recorded on our balance sheet at fair value.

The following table presents the components of Finance Receivables measured at fair value:

	September 30, 2011	December 31, 2010
Finance Receivables Measured at Fair Value	(In thousands)	
Finance receivables and accrued interest, net of unearned interest	$ 212,847	$ -
Less: Accretable discount	(20,229)	-
Finance receivables measured at fair value	$ 192,618	$ -

The following table summarizes the delinquency status of finance receivables measured at fair value as of September 30, 2011 and December 31, 2010 (we held no such receivables at December 31, 2010):

	September 30, 2011	December 31, 2010
	(In thousands)	
Deliquency Status		
Current	$ 196,275	$ -
31 - 60 days	11,132	-
61 - 90 days	2,460	-
91 + days	1,178	-
	$ 211,045	$ -

(4) ***Securitization Trust Debt***

We have completed a number of securitization transactions that are structured as secured borrowings for financial accounting purposes. The debt issued in these transactions is shown on our Unaudited Condensed Consolidated Balance Sheets as "Securitization trust debt," and the components of such debt are summarized in the following table:

Series	Final Scheduled Payment Date (1)	Receivables Pledged at September 30, 2011	Initial Principal	Outstanding Principal at September 30, 2011	Outstanding Principal at December 31, 2010	Weighted Average Contractual Interest Rate at September 30, 2011
		(Dollars in thousands)				
CPS 2005-C	March 2012	$ -	$ 183,300	$ -	$ 5,481	-
CPS 2005-D	July 2012	-	145,000	-	6,573	-
CPS 2006-A	November 2012	-	245,000	-	16,765	-
CPS 2006-B	January 2013	8,598	257,500	11,965	29,196	7.16%
CPS 2006-C	June 2013	12,111	247,500	20,724	35,499	7.02%
CPS 2006-D	August 2013	16,994	220,000	20,358	38,493	6.11%
CPS 2007-A	November 2013	29,716	290,000	40,356	64,166	6.42%
CPS 2007-TFC	December 2013	7,139	113,293	10,048	17,029	6.59%
CPS 2007-B	January 2014	41,820	314,999	50,621	86,355	6.66%
CPS 2007-C	May 2014	52,612	327,499	63,643	100,107	6.85%
CPS 2008-A	October 2014	65,433	310,359	91,442	125,593	8.24%
Delayed Draw Notes	January 2018	43,075	9,174	40,957	42,465	9.43%
CPS 2011-A	April 2018	91,051	100,364	83,598	-	3.78%
CPS 2011-B	September 2018	109,379	109,936	109,483	-	4.29%
		$ 477,928	$ 2,873,924	$ 543,195	$ 567,722	

(1) *The Final Scheduled Payment Date represents final legal maturity of the securitization trust debt. Securitization trust debt is expected to become due and to be paid prior to those dates, based on amortization of the finance receivables pledged to the Trusts. Expected payments, which will depend on the performance of such receivables, as to which there can be no assurance, are $82.0 million in 2011, $222.3 million in 2012, $121.2 million in 2013, $58.2 million in 2014, $40.4 million in 2015 and $19.1 million in 2016.*

All of the securitization trust debt was sold in private placement transactions to qualified institutional buyers. The debt was issued through our wholly-owned bankruptcy remote subsidiaries and is secured by the assets of such subsidiaries, but not by our other assets. Principal of $208.1 million, and the related interest payments, are guaranteed by financial guaranty insurance policies issued by third party financial institutions.

The terms of the various securitization agreements related to the issuance of the securitization trust debt and the warehouse credit facilities require that we meet certain delinquency and credit loss criteria with respect to the collateral pool, and require that we maintain minimum levels of liquidity and net worth and not exceed maximum leverage levels and maximum financial losses. In addition, certain securitization and non-securitization related debt contain cross-default provisions, which would allow certain creditors to declare a default if a default were declared under a different facility. We have received waivers regarding the potential breach of certain such covenants relating to minimum net worth and maximum leverage levels.

We are responsible for the administration and collection of the automobile contracts. The securitization agreements also require certain funds be held in restricted cash accounts to provide additional collateral for the borrowings or to be applied to make payments on the securitization trust debt. As of September 30, 2011, restricted cash under the various agreements totaled approximately $128.9 million. Interest expense on the

securitization trust debt consists of the stated rate of interest plus amortization of additional costs of borrowing. Additional costs of borrowing include facility fees, insurance and amortization of deferred financing costs and discounts on notes sold. Deferred financing costs and discounts on notes sold related to the securitization trust debt are amortized using a level yield method. Accordingly, the effective cost of the securitization trust debt is greater than the contractual rate of interest disclosed above.

Our wholly-owned bankruptcy remote subsidiaries were formed to facilitate the above asset-backed financing transactions. Similar bankruptcy remote subsidiaries issue the debt outstanding under our warehouse line of credit. Bankruptcy remote refers to a legal structure in which it is expected that the applicable entity would not be included in any bankruptcy filing by its parent or affiliates. All of the assets of these subsidiaries have been pledged as collateral for the related debt. All such transactions, treated as secured financings for accounting and tax purposes, are treated as sales for all other purposes, including legal and bankruptcy purposes. None of the assets of these subsidiaries are available to pay other creditors of ours.

(5) ***Interest Income***

The following table presents the components of interest income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(In thousands)		(In thousands)	
Interest on Finance Receivables	$ 29,805	$ 32,458	$ 85,349	$ 105,410
Residual interest income	205	204	600	877
Other interest income	226	263	683	785
Interest income	$ 30,236	$ 32,925	$ 86,632	$ 107,072

(6) ***Earnings (Loss) Per Share***

Earnings (loss) per share for the three-month and nine-month periods ended September 30, 2011 and 2010 were calculated using the weighted average number of shares outstanding for the related period. The following table reconciles the number of shares used in the computations of basic and diluted earnings (loss) per share for the three-month and nine-month periods ended September 30, 2011 and 2010:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(In thousands)		(In thousands)	
Weighted average number of common shares outstanding during the period used to compute basic earnings (loss) per share	19,821	17,309	18,794	17,530
Incremental common shares attributable to exercise of outstanding options and warrants	-	-	-	-
Weighted average number of common shares used to compute diluted earnings (loss) per share	19,821	17,309	18,794	17,530

If the anti-dilutive effects of common stock equivalents were considered, shares included in the diluted earnings (loss) per share calculation for the three-month and nine-month periods ended September 30, 2011 would have included an additional 2.8 million and 3.0 million shares, respectively, attributable to the exercise of outstanding options and warrants. For the three-month and nine-month periods ended

September 30, 2010, there were 2.8 million and 3.3 million shares, respectively, attributable to the exercise of outstanding options and warrants.

(7) ***Income Taxes***

We file numerous consolidated and separate income tax returns with the United States and with many states. With few exceptions, we are no longer subject to United States federal income tax examinations for years before 2006 and are no longer subject to state and local income tax examinations by tax authorities for years before 2003.

We have subsidiaries in various states that are currently under audit for years ranging from 2003 through 2006. To date, no material adjustments have been proposed as a result of these audits.

We do not anticipate that total unrecognized tax benefits will significantly change due to any settlements of audits or expirations of statutes of limitations over the next twelve months.

The Company and its subsidiaries file a consolidated federal income tax return and combined or stand-alone state franchise tax returns for certain states. We utilize the asset and liability method of accounting for income taxes, under which deferred income taxes are recognized for the future tax consequences attributable to the differences between the financial statement values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. We have estimated a valuation allowance against that portion of the deferred tax asset whose utilization in future periods is not more than likely. Our net deferred tax asset of $15.0 million as of September 30, 2011 is net of a valuation allowance of $61.4 million.

On a quarterly basis, we determine whether a valuation allowance is necessary for our deferred tax asset. In performing this analysis, we consider all evidence currently available, both positive and negative, in determining whether, based on the weight of that evidence, the deferred tax asset will be realized. We establish a valuation allowance when it is more likely than not that a recorded tax benefit will not be realized. The expense to create the valuation allowance is recorded as additional income tax expense in the period the valuation allowance is established. During the first nine months of 2011, we increased our valuation allowance by $4.8 million, which was offset by the increase in our gross deferred tax assets, resulting in no change to the our deferred tax assets and no income tax expense for the period.

In determining the possible future realization of deferred tax assets, we have considered the taxes paid in the current and prior years that may be available to recapture, as well as future taxable income from the following sources: (a) reversal of taxable temporary differences; and (b) tax planning strategies that, if necessary, would be implemented to accelerate taxable income into years in which net operating losses might otherwise expire. Our tax planning strategies include the prospective sale of certain assets such as finance receivables, residual interests in securitized finance receivables, charged off receivables and base servicing rights. The expected proceeds for such asset sales have been estimated based on our expectation of what buyers of the assets would consider to be reasonable assumptions for net cash flows and required rates of return for each of the various asset types. Our estimates for net cash flows and required rates of return are subjective and inherently subject to future events that may significantly affect actual net proceeds we may receive from executing our tax planning strategies.

We believe such asset sales can produce at least $37.5 million in taxable income within the relevant carryforward period. Such strategies could be implemented without significant effect on our core business or our ability to generate future growth. The costs related to the implementation of these tax strategies were considered in evaluating the amount of taxable income that could be generated in order to realize our deferred tax assets.

(8) ***Legal Proceedings***

Stanwich Litigation. We were for some time a defendant in a class action (the "Stanwich Case") brought in the California Superior Court, Los Angeles County. The original plaintiffs in that case were persons entitled to receive regular payments (the "Settlement Payments") under out-of-court settlements reached with third party defendants. Stanwich Financial Services Corp. ("Stanwich"), then an affiliate of our former chairman of the board of directors, is the entity that was obligated to pay the Settlement Payments. Stanwich had defaulted on its payment obligations to the plaintiffs and in September 2001 filed for reorganization under the Bankruptcy Code, in the federal Bankruptcy Court of Connecticut. By February 2005, we had settled all claims brought against us in the Stanwich Case.

In November 2001, one of the defendants in the Stanwich Case, Jonathan Pardee, asserted claims for indemnity against us in a separate action, which is now pending in federal district court in Rhode Island. We have filed counterclaims in the Rhode Island federal court against Mr. Pardee, and have filed a separate action against Mr. Pardee's Rhode Island attorneys, in the same court. As of December 31, 2010, these actions in the court in Rhode Island had been stayed, awaiting resolution of an adversary action brought against Mr. Pardee in the bankruptcy court, which is hearing the bankruptcy of Stanwich.

On April 6, 2011, that adversary action was dismissed, pursuant to an agreement between us and the representative of creditors in the Stanwich bankruptcy. Under that agreement, CPS has paid the bankruptcy estate $800,000 and abandoned its claims against the estate, and the estate has abandoned its adversary action against Mr. Pardee. The entire payment in this matter was included in our legal contingency liability as of December 31, 2010. With the dismissal of the adversary action, all known claims asserted against Mr. Pardee have been resolved, without his incurring any liability. Accordingly, we believe that this resolution of the adversary action will result in limitation of our exposure to Mr. Pardee to no more than some portion of his attorneys fees incurred. The stay in the action against us in Rhode Island has been lifted, and a trial is scheduled for November 2012.

The reader should consider that any adverse judgment against us in this case for indemnification, in an amount materially in excess of any liability already recorded in respect thereof, could have a material adverse effect on our financial position. There can be no assurance as to the ultimate outcome of this matter.

Other Litigation.

We are routinely involved in various legal proceedings resulting from our consumer finance activities and practices, both continuing and discontinued. We believe that there are substantive legal defenses to such claims, and intend to defend them vigorously. There can be no assurance, however, as to the outcome.

We have recorded a liability as of September 30, 2011 that we believe represents an appropriate allowance for legal contingencies, including those described above. Any adverse judgment against us, if in an amount materially in excess of the recorded liability, could have a material adverse effect on our financial position.

(9) *Employee Benefits*

On March 8, 2002 we acquired MFN Financial Corporation and its subsidiaries in a merger. We sponsor the MFN Financial Corporation Benefit Plan (the "Plan"). Plan benefits were frozen June 30, 2001. The table below sets forth the Plan's net periodic benefit cost for the three-month and nine-month periods ended September 30, 2011 and 2010.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(In thousands)		(In thousands)	
Components of net periodic cost (benefit)				
Service cost	$ -	$ -	$ -	$ -
Interest Cost	228	241	684	723
Expected return on assets	(237)	(222)	(711)	(667)
Amortization of transition (asset)/obligation	-	-	-	-
Amortization of net (gain) / loss	112	127	336	382
Net periodic cost (benefit)	$ 103	$ 146	$ 309	$ 438

We contributed $529,000 to the Plan during the nine-month period ended September 30, 2011 and we anticipate making contributions in the amount of $137,000 for the remainder of 2011.

(10) Fair Value Measurements

In September 2006, the FASB issued ASC 820, "Fair Value Measurements" which clarifies the principle that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy.

ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The three levels are defined as follows: level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets; level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Certain warrants issued between 2008 and 2010 in conjunction with various debt financing transactions contain features that make them subject to derivative accounting. We valued these warrants using a binomial valuation model using a weighted average volatility assumption of 41%, weighted average term of 8 years and a risk free rate of 3.3%. We estimated the value of these warrants to be $1.2 million, which is classified as a liability on our consolidated balance sheet as of September 30, 2011.

In September 2008 we sold automobile contracts in a securitization that was structured as a sale for financial accounting purposes. In that sale, we retained both securities and a residual interest in the transaction that are measured at fair value. We describe below the valuation methodologies we use for the securities retained and the residual interest in the cash flows of the transaction, as well as the general classification of such instruments pursuant to the valuation hierarchy. The securities retained were sold in September 2010 in the re-securitization transaction described in Note 1. In the same transaction, the residual interest was reduced by $1.5 million. The residual interest in such securitization is $4.2 million as of September 30, 2011 and is classified as level 3 in the three-level valuation hierarchy. We determine the value of that residual interest using a discounted cash flow model that includes estimates for prepayments and losses. We use a discount rate of 20% per annum and a cumulative net loss rate of 13%. The assumptions we use are based on historical

performance of automobile contracts we have originated and serviced in the past, adjusted for current market conditions. No gain or loss was recorded as a result of the re-securitization transaction described above.

Repossessed vehicle inventory, which is included in Other Assets on our balance sheet, is measured at fair value using Level 2 assumptions based on our actual loss experience on sale of repossessed vehicles. At September 30, 2011, the finance receivables related to the repossessed vehicles in inventory totaled $9.4 million. We have applied a valuation adjustment of $4.9 million, resulting in an estimated fair value and carrying amount of $4.5 million.

We have no Level 3 assets that are measured at fair value on a nonrecurring basis. The table below presents a reconciliation for Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(in thousands)		(in thousands)	
Residual Interest in Securitizations:				
Balance at beginning of period	$ 4,048	$ 4,839	$ 3,841	$ 4,316
Residual interest reduction upon re-securitization	-	(1,497)	-	(1,497)
Included in earnings	171	354	378	877
Balance at end of period	$ 4,219	$ 3,696	$ 4,219	$ 3,696
Warrant Derivative Liability:				
Balance at beginning of period	$ 1,595	$ 2,017	$ 1,639	$ 1,544
Transfers into Level 3	-	-	-	400
Included in earnings	(350)	(960)	(394)	(887)
Balance at end of period	$ 1,245	$ 1,057	$ 1,245	$ 1,057

In September 2011, we acquired $217.8 million of finance receivables from Fireside Bank for a purchase price of $201.3 million. The receivables were acquired by our wholly-owned special purpose subsidiary, CPS Fender Receivables, LLC, which issued a note for $197.3 million, with a fair value of $196.5 million. Since the Fireside receivables were originated by another entity with its own underwriting guidelines and procedures, we have elected to account for the Fireside receivables and the related debt secured by those receivables at their estimated fair values so that changes in fair value will be reflected in our results of operations as they occur. Interest income from the receivables and interest expense on the note are included in interest income and interest expense, respectively. Changes to the fair value of the receivables and debt are also to be included in interest income and interest expense, respectively. Our level 3, unobservable inputs reflect the our own assumptions about the factors that market participants use in pricing similar receivables and debt, and are based on the best information available in the circumstances. They include such inputs as estimated net charge-offs and timing of the amortization of the portfolio of finance receivables. The table below presents a reconciliation of the acquired finance receivables and related debt measured at fair value on a recurring basis using significant unobservable inputs:

	Three and Nine Months Ended September 30,	
	2011	2010
	(in thousands)	
Finance Receivables Measured at Fair Value:		
Balance at beginning of period	$ -	$ -
Acquisitions	199,554	-
Payments on finance receivables at fair value	(6,886)	
Discount accretion	(50)	-
Balance at end of period	$ 192,618	$ -
Debt Secured by Finance Receivables Measured at Fair Value:		
Balance at beginning of period	$ -	$ -
New issuances	196,473	-
Adjustment for level yield expense on debt	240	-
Balance at end of period	196,713	-
Reduction for principal payments collected and payable	(8,313)	
Adjusted balance at end of period	$ 188,400	$ -

The table below compares the fair values of the Fireside receivables and the related secured debt to their contractual balances for the periods shown:

	September 30, 2011		December 31, 2010	
	Contractual Balance	Fair Value	Contractual Balance	Fair Value
	(In thousands)			
Fireside receivables portfolio	$ 210,910	$ 192,618	$ -	$ -
Debt secured by Fireside receivables portfolio	197,262	196,713	-	-

The following summary presents a description of the methodologies and assumptions used to estimate the fair value of our financial instruments. Much of the information used to determine fair value is highly subjective. When applicable, readily available market information has been utilized. However, for a significant portion of our financial instruments, active markets do not exist. Therefore, significant elements of judgment were required in estimating fair value for certain items. The subjective factors include, among other things, the estimated timing and amount of cash flows, risk characteristics, credit quality and interest rates, all of which are subject to change. Since the fair value is estimated as of September 30, 2011 and December 31, 2010, the amounts that will actually be realized or paid at settlement or maturity of the instruments could be significantly different. The estimated fair values of financial assets and liabilities at September 30, 2011 and December 31, 2010, were as follows:

	September 30, 2011		December 31, 2010	
Financial Instrument	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Assets:				
Cash and cash equivalents	$ 9,379	$ 9,379	$ 16,252	$ 16,252
Restricted cash and equivalents	128,920	128,920	123,958	123,958
Finance receivables, net	487,346	505,079	552,453	538,484
Finance receivables measured at fair value	192,422	192,422	-	-
Residual interest in securitizations	4,219	4,219	3,841	3,841
Accrued interest receivable	5,259	5,259	6,165	6,165
Liabilities:				
Warrant derivative liability	$ 1,245	$ 1,245	$ 1,639	$ 1,639
Warehouse lines of credit	17,637	17,637	45,564	45,564
Accrued interest payable	6,508	6,508	3,897	3,897
Residual interest financing	25,562	25,562	39,440	39,440
Securitization trust debt	543,195	550,149	567,722	593,041
Debt secured by receivables measured at fair value	197,262	197,262	-	-
Senior secured debt	53,497	53,497	44,873	44,873
Subordinated renewable notes	20,880	20,880	20,337	20,337

Cash, Cash Equivalents and Restricted Cash

The carrying value equals fair value.

Finance Receivables, net

The fair value of finance receivables is estimated by discounting future cash flows expected to be collected using current rates at which similar receivables could be originated.

Fair Value Receivables and Receivable Financing Debt at Fair Value

The carrying value equals fair value.

Accrued Interest Receivable and Payable

The carrying value approximates fair value because the related interest rates are estimated to reflect current market conditions for similar types of instruments.

Warehouse Lines of Credit, Residual Interest Financing, and Senior Secured Debt and Subordinated Renewable Notes

The carrying value approximates fair value because the related interest rates are estimated to reflect current market conditions for similar types of secured instruments.

Securitization Trust Debt

The fair value is estimated by discounting future cash flows using interest rates that we believe reflects the current market rates.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Overview

We are a specialty finance company focused on consumers who have limited credit histories, low incomes or past credit problems, whom we refer to as sub-prime customers. Our business is to purchase and service retail automobile contracts originated primarily by franchised automobile dealers and, to a lesser extent, by select independent dealers in the United States in the sale of new and used automobiles, light trucks and passenger vans. Through our automobile contract purchases, we provide indirect financing to sub-prime customers of dealers. We serve as an alternative source of financing for dealers, facilitating sales to customers who otherwise might not be able to obtain financing from traditional sources, such as commercial banks, credit unions and the captive finance companies affiliated with major automobile manufacturers. In addition to purchasing installment purchase contracts directly from dealers, we have also (i) acquired installment purchase contracts in four merger and acquisition transactions, (ii) purchased immaterial amounts of vehicle purchase money loans from non-affiliated lenders, and (iii) lent money directly to consumers for an immaterial amount of vehicle purchase money loans. In this report, we refer to all of such contracts and loans as "automobile contracts."

We were incorporated and began our operations in March 1991. From inception through September 30, 2011, we have purchased a total of approximately $9.0 billion of automobile contracts from dealers. In addition, we have purchased a total of approximately $822.8 million of automobile contracts in four acquisitions completed in 2002, 2003, 2004 and 2011. From January 2008 through August 2011, our total managed portfolio decreased as a result of the credit crisis. From January 2008 through September 2009 our strategy was to reduce contract purchases to conserve our liquidity in response to adverse economic conditions as discussed further below. Since October 2009, we have been gradually increasing our new contract purchases with funding from four contract financing facilities established in September 2009, March 2010, December 2010 and February 2011 as further described below. Our total managed portfolio was approximately $827.8 million at September 30, 2011 compared to $843.0 million at September 30, 2010.

We are headquartered in Irvine, California, where most operational and administrative functions are centralized. All credit and underwriting functions are performed in our California headquarters, and we service our automobile contracts from our California headquarters and from three servicing branches in Virginia, Florida and Illinois.

We purchase contracts in our own name (“CPS”) and, until July 2008, also in the name of our wholly-owned subsidiary, TFC. Programs marketed under the CPS name are intended to serve a wide range of sub-prime customers, primarily through franchised new car dealers. Our TFC program served vehicle purchasers enlisted in the U.S. Armed Forces, primarily through independent used car dealers. In July 2008, we suspended contract purchases under our TFC program. We purchase automobile contracts with the intention of financing them on a long-term basis through securitizations. Securitizations are transactions in which we sell a specified pool of contracts to a special purpose entity of ours, which in turn issues asset-backed securities to fund the purchase of the pool of contracts from us.

Securitization and Warehouse Credit Facilities

Throughout the period for which information is presented in this report, we have purchased automobile contracts with the intention of financing them on a long-term basis through securitizations, and on an interim basis through warehouse credit facilities. All such financings have involved identification of specific automobile contracts, sale of those automobile contracts (and associated rights) to one of our special-purpose subsidiaries, and issuance of asset-backed securities to fund the transactions. Depending on the structure, these transactions may properly be accounted for under generally accepted accounting principles as sales of the automobile contracts or as secured financings.

When structured to be treated as a secured financing for accounting purposes, the subsidiary is consolidated with us. Accordingly, the sold automobile contracts and the related debt appear as assets and liabilities, respectively, on our consolidated balance sheet. We then periodically (i) recognize interest and fee income on

the contracts, (ii) recognize interest expense on the securities issued in the transaction and (iii) record as expense a provision for credit losses on the contracts.

Since the third quarter of 2003 through September 30, 2011, we have conducted 27 term securitizations. Of these, 21 were periodic (generally quarterly) securitizations of automobile contracts that we purchased from automobile dealers under our regular programs. Three of the 27 securitizations included contracts from either our acquired portfolios, our subsidiary TFC that served vehicle purchasers enlisted in the U.S. Armed Forces, or contracts that we repurchased from prior securitizations. In addition, in March 2004 and November 2005, we completed securitizations of our retained interests in other securitizations that we and our affiliates previously sponsored. The debt from the March 2004 transaction was repaid in August 2005, and the debt from the November 2005 transaction was repaid in May 2007. In September 2010, we completed a securitization (2010-A) of receivables that were originally securitized in our September 2008 securitization. The 2010-A bonds were issued at a lower weighted average coupon than the original 2008 securitization and the proceeds were used to retire the bonds of the original September 2008 securitization. Since July 2003 all of our securitizations have been structured as secured financings, except our September 2008 and September 2010 securitizations. Each of those two transactions was in substance a sale of the underlying receivables, and is treated as a sale for financial accounting purposes. In September 2011 we completed our second rated term securitization of 2011 and our third since April 2008.

Portfolio Acquisitions

As stated above, we have acquired approximately $822.8 million in finance receivables through four acquisitions. These transactions took place in 2002, 2003, 2004 and, most recently, in September 2011. The September 2011 acquisition consisted of approximately $217.8 million of finance receivables that we purchased from Fireside Bank of Pleasanton, California.

Uncertainty of Capital Markets and General Economic Conditions

Historically, we have depended upon the availability of warehouse credit facilities and access to long-term financing through the issuance of asset-backed securities collateralized by our automobile contracts. From 1994 through September 30, 2011, we have completed 52 term securitizations of approximately $6.9 billion in contracts. We conducted four term securitizations in 2006, four in 2007, two in 2008, one in 2010 and two to date in 2011. From July 2003 through April 2008 all of our securitizations were structured as secured financings. The second of our two securitization transactions in 2008 (completed in September 2008) and our securitization in September 2010 (a re-securitization of the remaining receivables from the September 2008 transaction) were each in substance a sale of the related contracts, and have been treated as sales for financial accounting purposes. On September 28, 2011 we completed our 52nd term securitization.

Since the fourth quarter of 2007 and through the end of 2009, we observed unprecedented adverse changes in the market for securitized pools of automobile contracts. These changes included reduced liquidity, and reduced demand for asset-backed securities, particularly for securities carrying a financial guaranty and for securities backed by sub-prime automobile receivables. Moreover, many of the firms that previously provided financial guarantees, which were an integral part of our securitizations, suspended offering such guarantees. The adverse changes that took place in the market from the fourth quarter of 2007 through the end of 2009 caused us to conserve liquidity by significantly reducing our purchases of automobile contracts. However, since October 2009, we have gradually increased our contract purchases. To do so, we have used a $50 million credit facility that we established in September 2009, another $50 million term funding facility that we established in March 2010, and credit facilities established thereafter. In September 2010 we took advantage of improvement in the market for asset-backed securities by re-securitizing the remaining underlying receivables from our unrated September 2008 securitization. By doing so we were able to pay off the bonds associated with the September 2008 transaction and to issue rated bonds with a significantly lower weighted average coupon. The September 2010 transaction was our first rated term securitization since 1993 that did not utilize a financial guaranty. More recently, we increased our short-term funding capacity by $200 million with the establishment of a new $100 million credit facility in December 2010 and an additional $100 million credit facility in February 2011. We have completed two securitizations to date in 2011: (i) one in April 2011

consisting of $104.5 million of receivables purchased primarily in 2010 and 2011; and (ii) one in September 2011 consisting of $111.0 million of newly purchased receivables. In addition, in June 2011 we restructured the March 2010 term funding facility to get the senior notes rated and issued $9.8 million in three tranches of new subordinated notes. Although we have seen improvements in the capital markets in 2010 and 2011 as compared to 2008 and 2009, if the trend of improvement in the markets for asset-backed securities should reverse, or if we should be unable to obtain additional contract financing facilities or to complete a term securitization of our recently originated receivables, we might curtail or cease our purchases of new automobile contracts, which could lead to a material adverse effect on our operations.

Financial Covenants

Certain of our securitization transactions and our warehouse credit facility contain various financial covenants requiring minimum financial ratios and results. Such covenants include maintaining minimum levels of liquidity and net worth and not exceeding maximum leverage levels and maximum financial losses. In addition, certain securitization and non-securitization related debt contain cross-default provisions that would allow certain creditors to declare a default if a default occurred under a different facility.

The agreements under which we receive periodic fees for servicing automobile contracts in securitizations are terminable by the respective financial guaranty insurance companies (also referred to as note insurers) upon defined events of default, and, in some cases, at the will of the insurance company. In August 2010, we agreed with the note insurer for four of our 12 currently outstanding securitizations to amend the applicable agreements to remove the financial covenants that were contained in three of the related agreements. In return for such amendments, we agreed to increase the required credit enhancement amounts in those three deals through increased spread account requirements. The remaining transaction insured by this particular note insurer does not contain financial covenants.

For the remaining four securitizations insured by different parties we have been receiving waivers for certain financial and operating covenants on a monthly or quarterly basis as summarized below:

Financial covenant	*Applicable Standard*	*Status Requiring Waiver (as of or for the quarter ended September 30, 2011)*
Adjusted net worth (I)	$87.6 million	$(11.2) million
Leverage	Between 0 and 4.5:1	(11.0) : 1
Adjusted net worth (II)	$95.3 million	$(11.2) million

The adjusted net worth covenants are covenants to maintain minimum levels of adjusted net worth, defined as our consolidated book value under GAAP with the exclusion of intangible assets such as goodwill. There are two separate adjusted net worth covenants because there are two separate note insurers that have this covenant in their related securitization agreements. The leverage covenant requires that we not exceed the specified ratio of debt over the defined adjusted net worth. Debt is defined in this covenant to mean consolidated liabilities less warehouse lines of credit and securitization trust debt; using this definition at September 30, 2011, we had debt of $123.9 million.

Without the waivers we have received from the related note insurers, we would have been in violation of covenants relating to minimum net worth and maximum leverage levels with respect to four of our 12 currently outstanding securitization transactions. Upon such an event of default, and subject to the right of the related note insurers to waive such terms, the agreements governing the securitizations call for payment of a default insurance premium, ranging from 25 to 100 basis points per annum on the aggregate outstanding balance of the related insured senior notes, and for the diversion of all excess cash generated by the assets of the respective securitization pools into the related spread accounts to increase the credit enhancement associated with those transactions. The cash so diverted into the spread accounts would otherwise be used to make principal payments on the subordinated notes in each related securitization or would be released to us. To the extent that principal payments on subordinated notes are delayed, we will incur greater interest expense on the subordinated notes than we would have without the required increase to the related spread accounts. As of the date of this report, cash is being diverted to the related spread accounts in six transactions. In addition, upon

an event of default, the note insurers have the right to terminate us as servicer. Although our termination as servicer has been waived, we are paying default premiums, or their equivalent, with respect to insured notes representing $192.4 million of the $543.2 million of securitization trust debt outstanding at September 30, 2011. It should be noted that the principal amount of such securitization trust debt is not increased, but that the increased insurance premium is reflected as increased interest expense. Furthermore, such waivers are temporary, and there can be no assurance as to their future extension. It is our opinion, however, that we will obtain such future extensions of our servicing agreements because it is generally not in the interest of any party to the securitization transaction to transfer servicing. We believe that the note insurers recognize that diligent telephonic contact and continuity of the relationship between the servicer and the obligor are critical and that a transfer of servicing could cause interruptions in the collection effort that would result in substantially greater losses than would have occurred without the transfer. In addition, it is generally acknowledged that third party servicers typically do not have as much incentive to maximize portfolio performance as does the entity that holds the credit risk of the receivables. Nevertheless, there can be no assurances that our opinions and beliefs are correct. Were an insurance company in the future to exercise its option to terminate such agreements or to pursue other remedies, such remedies could have a material adverse effect on our liquidity and results of operations, depending on the number and value of the affected transactions. Our note insurers continue to extend our term as servicer on a monthly or quarterly basis, pursuant to the servicing agreements.

Results of Operations

Comparison of Operating Results for the three months ended September 30, 2011 with the three months ended September 30, 2010

Revenues. During the three months ended September 30, 2011, revenues were $33.8 million, a decrease of $3.0 million, or 8.1%, from the prior year revenue of $36.8 million. The primary reason for the decrease in revenues is a decrease in interest income. Interest income for the three months ended September 30, 2011 decreased $2.7 million, or 8.2%, to $30.2 million from $32.9 million in the prior year. The primary reason for the decrease in interest income is the decrease in finance receivables held by consolidated subsidiaries.

Servicing fees totaling $1.0 million in the three months ended September 30, 2011 decreased $782,000, or 44.3%, from $1.8 million in the prior year. The decrease in servicing fees is due to the amortization and resulting decrease in the principal balance of the two portfolios on which we earn base servicing fees. We earned base servicing fees on our September 2010 term securitization transaction (a re-securitization of the remaining receivables from the September 2008 securitization, treated as a sale for financial accounting purposes) and on a portfolio of sub-prime automobile receivables owned by a bankruptcy remote subsidiary of CompuCredit Corporation. As of September 30, 2011 and 2010, our managed portfolio owned by consolidated vs. non-consolidated subsidiaries and other third parties was as follows:

	September 30, 2011		September 30, 2010	
	Amount	%	Amount	%
Total Managed Portfolio		($ in millions)		
Owned by Consolidated Subsidiaries	$ 734.8	88.8%	$ 657.6	78.0%
Owned by Non-Consolidated Subsidiaries	51.7	6.2%	95.8	11.4%
Third Party Portfolio	41.3	5.0%	89.6	10.6%
Total	$ 827.8	100.0%	$ 843.0	100.0%

At September 30, 2011, we were generating income and fees on a managed portfolio with an outstanding principal balance of $827.8 million (this amount includes $51.7 million of automobile contracts on which we earn servicing fees and a residual interest and also includes another $41.3 million of automobile contracts on which we earn servicing fees and own a note collateralized by such contracts), compared to a managed portfolio with an outstanding principal balance of $843.0 million as of September 30, 2010. At September 30, 2011 and 2010, the managed portfolio composition was as follows:

	September 30, 2011		September 30, 2010	
	Amount	%	Amount	%
Originating Entity	($ in millions)			
CPS	$ 572.5	69.2%	$ 741.6	88.0%
Fireside	210.9	25.5%	-	0.0%
TFC	3.1	0.4%	11.8	1.4%
Third Party Portfolio	41.3	5.0%	89.6	10.6%
Total	$ 827.8	100.0%	$ 843.0	100.0%

Other income increased by $487,000, or 23.1%, to $2.6 million in the three months ended September 30, 2011 from $2.1 million during the prior year. Other income consists primarily of sales tax refunds, convenience fees paid by our customers for certain electronic payments, fees paid to us by dealers for lead generation and certain direct mail products that we offer, and recoveries on portfolios that we previously acquired through acquisitions. For the three months ended September 30, 2011, other income related to our direct mail products increased by $956,000 and offset decreases in the remaining other income categories compared to the prior year period. Our direct mail products consist of highly targeted, single purpose mailings providing prospective automobile purchasers with an offer of vehicle financing.

Expenses. Our operating expenses consist largely of provision for credit losses, interest expense, employee costs and general and administrative expenses. Provision for credit losses and interest expense are significantly affected by the volume of automobile contracts we purchased during a period and by the outstanding balance of finance receivables held by consolidated subsidiaries. Employee costs and general and administrative expenses are incurred as applications and automobile contracts are received, processed and serviced. Factors that affect margins and net income (loss) include changes in the automobile and automobile finance market environments, and macroeconomic factors such as interest rates and the unemployment level.

Employee costs include base salaries, commissions and bonuses paid to employees, and certain expenses related to the accounting treatment of outstanding stock options, and are one of our most significant operating expenses. These costs (other than those relating to stock options) generally fluctuate with the level of applications and automobile contracts processed and serviced.

Other operating expenses consist largely of facilities expenses, telephone and other communication services, credit services, computer services, marketing and advertising expenses, and depreciation and amortization.

Total operating expenses were $37.9 million for the three months ended September 30, 2011, compared to $39.2 million for the prior year, a decrease of $1.3 million, or 3.5%. The decrease is primarily due to the continued decline in the balance of our outstanding managed portfolio and the related costs to service it.

Employee costs increased by $656,000, or 8.6%, to $8.3 million during the three months ended September 30, 2011, representing 21.8% of total operating expenses, from $7.6 million for the prior year, or 18.9% of total operating expenses. Since January 2008, we have reduced staff through attrition and reductions in force as a result of the uncertainty in capital markets and the related limited access to financing for new contract purchases. Since December 2009, however, as we have gradually acquired additional financing resources and increased our contract purchase volumes, we have added employees in our Originations and Marketing departments. These additions have offset reductions in our Servicing department staff that have been necessary as our total managed portfolio has decreased. In addition, we hired approximately 65 new Servicing department employees in September 2011 in connection with our acquisition of the Fireside portfolio. At September 30, 2011 we had 525 employees, compared to 435 employees at September 30, 2010.

General and administrative expenses include costs associated with purchasing and servicing our portfolio of finance receivables, including expenses for facilities, credit services, and telecommunications. General and administrative expenses were $3.3 million, a decrease of 8.5%, compared to the previous year and represented 8.7% of total operating expenses.

Interest expense for the three months ended September 30, 2011 was unchanged at $19.0 million compared to the previous year. Interest on securitization trust debt decreased by $3.0 million in the three months ended

September 30, 2011 compared to the prior year. Interest expense on senior secured and subordinated debt increased by $1.4 million. The increase is due primarily to our issuance since December 2010 of $35.8 million in new senior secured debt. Interest expense on residual interest financing decreased $658,000 in the three months ended September 30, 2011 compared to the prior year as a result of continued principal amortization. Interest expense on warehouse debt increased by $1.6 million for the three months ended September 30, 2011 compared to the prior year as a result of our increased contract purchases in during 2011. The interest expense related to the value of outstanding warrants resulted in a decrease of $350,000 in interest expense for the current period compared to a decrease of $1.1 million in the same period in the prior year (please see Derivative Financial Instruments, above, for further detail on the accounting for these warrants).

Provision for credit losses was $4.0 million for the three months ended September 30, 2011, a decrease of $3.0 million, or 43.4% compared to the prior year and represented 10.5% of total operating expenses. The provision for credit losses maintains the allowance for loan losses at levels that we feel are adequate for probable incurred credit losses that can be reasonably estimated. The decrease in provision expense is the result of the decrease in the size and the increase in the average age of the portfolio owned by our consolidated subsidiaries.

Marketing expenses consist primarily of commission-based compensation paid to our employee marketing representatives. Our marketing representatives earn a salary plus commissions based on our volume of contract purchases and sales of training programs, lead sales, and direct mail products that we offer our dealers. Marketing expenses increased by $1.3 million, or 119.1%, to $2.3 million, compared to $1.0 million in the previous year, and represented 6.2% of total operating expenses. As a result of our additional credit facilities compared to the prior year, we were able to purchase 5,072 contracts representing $81.2 million in principal balances in the current period compared to 2,359 contracts representing $35.3 in principal balances in the prior year.

Occupancy expenses increased by $48,000 or 6.3%, to $811,000 compared to $763,000 in the previous year and represented 2.1% of total operating expenses.

Depreciation and amortization expenses decreased by $10,000 or 5.7%, to $169,000 compared to $180,000 in the previous year and represented 0.4% of total operating expenses.

For the three months ended September 30, 2011, we recorded no net tax benefit and added $1.3 million to the valuation allowance for our deferred tax assets. As of September 30, 2011, our net deferred tax asset of $15.0 million is net of a valuation allowance of $61.4 million. We have considered the circumstances that may affect the ultimate realization of our deferred tax assets and have concluded that the valuation allowance is appropriate at this time. However, if future events change our expected realization of our deferred tax assets, we may be required to increase the valuation allowance against that asset in the future.

Comparison of Operating Results for the nine months ended September 30, 2011 with the nine months ended September 30, 2010

Revenues. During the nine months ended September 30, 2011, revenues were $97.4 million, a decrease of $22.5 million, or 18.8%, from the prior year revenue of $119.9 million. The primary reason for the decrease in revenues is a decrease in interest income. Interest income for the nine months ended September 30, 2011 decreased $20.5 million, or 19.1%, to $86.6 million from $107.1 million in the prior year. The primary reason for the decrease in interest income is the decrease in finance receivables held by consolidated subsidiaries.

Servicing fees totaling $3.5 million in the nine months ended September 30, 2011 decreased $2.6 million, or 42.3%, from $6.1 million in the prior year. The decrease in servicing fees is due to the amortization and resulting decrease in the principal balance of the two portfolios on which we earn base servicing fees. We earned base servicing fees on our September 2010 term securitization transaction (a re-securitization of the remaining receivables from the September 2008 securitization and is treated as a sale for financial accounting purposes) and on a portfolio of sub-prime automobile receivables owned by a bankruptcy remote subsidiary of

CompuCredit Corporation. As of September 30, 2011 and 2010, our managed portfolio owned by consolidated vs. non-consolidated subsidiaries and other third parties was as follows:

	September 30, 2011		September 30, 2010	
	Amount	%	Amount	%
Total Managed Portfolio	($ in millions)			
Owned by Consolidated Subsidiaries	$ 734.8	88.8%	$ 657.6	78.0%
Owned by Non-Consolidated Subsidiaries	51.7	6.2%	95.8	11.4%
Third Party Portfolio	41.3	5.0%	89.6	10.6%
Total	$ 827.8	100.0%	$ 843.0	100.0%

At September 30, 2011, we were generating income and fees on a managed portfolio with an outstanding principal balance of $827.8 million (this amount includes $51.7 million of automobile contracts on which we earn servicing fees and a residual interest and also includes another $41.3 million of automobile contracts on which we earn servicing fees and own a note collateralized by such contracts), compared to a managed portfolio with an outstanding principal balance of $843.0 million as of September 30, 2010. At September 30, 2011 and 2010, the managed portfolio composition was as follows:

	September 30, 2011		September 30, 2010	
	Amount	%	Amount	%
Originating Entity	($ in millions)			
CPS	$ 572.5	69.2%	$ 741.6	88.0%
Fireside	210.9	25.5%	-	0.0%
TFC	3.1	0.4%	11.8	1.4%
Third Party Portfolio	41.3	5.0%	89.6	10.6%
Total	$ 827.8	100.0%	$ 843.0	100.0%

Other income increased by $477,000, or 7.1 %, to $7.2 million in the nine months ended September 30, 2011 from $6.7 million during the prior year. Other income consists primarily of sales tax refunds, convenience fees charged to our borrowers for certain electronic payments, fees paid to us by dealers for lead generation and certain direct mail products that we offer, and recoveries on portfolios that we previously acquired through acquisitions. For the nine months ended September 30, 2011, other income related to our direct mail products increased by $2.8 million and offset decreases in the remaining other income categories compared to the prior year period. Our direct mail products consist of highly targeted, single purpose mailings providing prospective automobile purchasers with an offer of vehicle financing.

Expenses. Our operating expenses consist largely of provision for credit losses, interest expense, employee costs and general and administrative expenses. Provision for credit losses and interest expense are significantly affected by the volume of automobile contracts we purchased during a period and by the outstanding balance of finance receivables held by consolidated subsidiaries. Employee costs and general and administrative expenses are incurred as applications and automobile contracts are received, processed and serviced. Factors that affect margins and net income (loss) include changes in the automobile and automobile finance market environments, and macroeconomic factors such as interest rates and the unemployment level.

Employee costs include base salaries, commissions and bonuses paid to employees, and certain expenses related to the accounting treatment of outstanding stock options, and are one of our most significant operating expenses. These costs (other than those relating to stock options) generally fluctuate with the level of applications and automobile contracts processed and serviced.

Other operating expenses consist largely of facilities expenses, telephone and other communication services, credit services, computer services, marketing and advertising expenses, and depreciation and amortization.

Total operating expenses were $112.1 million for the nine months ended September 30, 2011, compared to $133.5 million for the prior year, a decrease of $21.4 million, or 16.0%. The decrease is primarily due to the continued decline in the balance of our outstanding managed portfolio and the related costs to service it.

Employee costs decreased by $1.7 million, or 6.9%, to $23.3 million during the nine months ended September 30, 2011, representing 20.8% of total operating expenses, from $25.1 million for the prior year, or 18.6% of total operating expenses. Since January 2008, we have reduced staff through attrition and reductions in force as a result of the uncertainty in capital markets and the related limited access to financing for new contract purchases. Since December 2009, however, as we have gradually acquired additional financing resources and increased our contract purchase volumes, we have added employees in our Originations and Marketing departments. These additions have offset reductions in our Servicing department staff that have been necessary as our total managed portfolio has decreased. In addition, we hired approximately 65 new Servicing department employees in September 2011 in connection with the acquisition of the Fireside portfolio. At September 30, 2011 we had 525 employees compared to 435 employees at September 30, 2010.

General and administrative expenses include costs associated with purchasing and servicing our portfolio of finance receivables, including expenses for facilities, credit services, and telecommunications. General and administrative expenses were $10.7 million, a decrease of 28.9%, compared to the previous year and represented 9.5% of total operating expenses.

Interest expense for the nine months ended September 30, 2011 decreased $4.8 million, or 7.8%, to $57.4 million, compared to $62.2 million in the previous year. The decrease is primarily the result of the decline in our securitization trust debt. Interest on securitization trust debt decreased by $13.1 million in the nine months ended September 30, 2011 compared to the prior year. Interest expense on senior secured and subordinated debt increased by $ 4.1 million. The increase is due primarily to our issuance since December 2010 of $35.8 million in new senior secured debt. Interest expense on residual interest financing decreased $394,000 in the nine months ended September 30, 2011 compared to the prior year as a result of continued principal amortization. Interest expense on warehouse debt increased by $4.9 million for the nine months ended September 30, 2011 compared to the prior year as a result of our increased contract purchases in 2011. The interest expense related to the value of outstanding warrants resulted in an decrease of $394,000 to interest expense for the current period compared to a decrease of $1.1 million for the same period in the prior year (please see Derivative Financial Instruments, above, for further detail on the accounting for these warrants).

Provision for credit losses was $12.0 million for the nine months ended September 30, 2011, a decrease of $13.7 million, or 53.3% compared to the prior year and represented 10.7% of total operating expenses. The provision for credit losses maintains the allowance for loan losses at levels that we feel are adequate for probable incurred credit losses that can be reasonably estimated. The decrease in provision expense is the result of the decrease in the size and the increase in the average age of the portfolio owned by our consolidated subsidiaries.

Marketing expenses consist primarily of commission-based compensation paid to our employee marketing representatives. Our marketing representatives earn a salary plus commissions based on our volume of contract purchases and sales of training programs, lead sales, and direct mail products that we offer our dealers. Marketing expenses increased by $3.2 million, or 124.5%, to $5.8 million, compared to $2.6 million in the previous year, and represented 5.2% of total operating expenses. As a result of our additional credit facilities compared to the prior year, we were able to purchase 12,270 contracts representing $192.0 million in principal balances in the current period compared to 5,324 contracts representing $79.4 in principal balances in the prior year.

Occupancy expenses were $2.3 million, unchanged from the previous year, and represented 2.1% of total operating expenses.

Depreciation and amortization expenses increased by $17,000 or 3.6%, to $495,000 compared to $478,000 in the previous year and represented 0.3% of total operating expenses.

For the nine months ended September 30, 2011, we recorded no net tax benefit and added $4.8 million to the valuation allowance for our deferred tax assets. As of September 30, 2011, our net deferred tax asset of $15.0

million is net of a valuation allowance of $61.4 million. We have considered the circumstances that may affect the ultimate realization of our deferred tax assets and have concluded that the valuation allowance is appropriate at this time. However, if future events change our expected realization of our deferred tax assets, we may be required to increase the valuation allowance against that asset in the future.

Credit Experience

Our financial results are dependent on the performance of the automobile contracts in which we retain an ownership interest. Broad economic factors such as recession and significant changes in unemployment levels influence the credit performance of our portfolio, as does the weighted average age of the receivables at any given time. Our internal credit performance data consistently show that new receivables have lower levels of delinquency and losses early in their lives, with delinquencies increasing throughout their lives and losses gradually increasing to a peak between 36 and 42 months, after which they gradually decrease. The weighted average seasoning of our portfolio represented in the tables below was 30 months, 37 months and 37 months as of September 30, 2011, December 31, 2010, and September 30, 2010 respectively. The tables below document the delinquency, repossession and net credit loss experience of all such automobile contracts that we were servicing as of the respective dates shown. The tables do not include the experience of third party servicing portfolios.

Delinquency Experience (1)
Total Owned Portfolio Excluding Fireside

	September 30, 2011		September 30, 2010		December 31, 2010	
	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount
		(Dollars in thousands)				
Delinquency Experience						
Gross servicing portfolio (1)	70,905	$ 575,578	90,181	$ 753,499	84,601	$ 681,157
Period of delinquency (2)						
31-60 days	1,931	10,954	3,113	22,684	2,856	19,168
61-90 days	1,109	7,015	1,647	12,788	1,537	10,872
91+ days	1,109	7,259	1,146	8,988	1,233	9,067
Total delinquencies (2)	4,149	25,228	5,906	44,460	5,626	39,107
Amount in repossession (3)	2,171	10,492	2,627	20,626	3,263	23,290
Total delinquencies and amount in repossession (2)	6,320	$ 35,720	8,533	$ 65,086	8,889	$ 62,397
Delinquencies as a percentage of gross servicing portfolio	5.9%	4.4%	6.5%	5.9%	6.7%	5.7%
Total delinquencies and amount in repossession as a percentage of gross servicing portfolio	8.9%	6.2%	9.5%	8.6%	10.5%	9.2%
Extension Experience						
Contracts with one extension, performing	13,583	$ 88,318	19,748	$ 168,204	16,151	$ 124,066
Contracts with two or more extensions, performing	11,090	76,662	12,156	105,483	11,307	91,310
	24,673	164,980	31,904	273,687	27,458	215,376
Contracts with one extension, non-accrual	1,093	5,835	1,571	12,601	1,598	11,138
Contracts with two or more extensions, non-accrual	1,781	10,375	1,746	14,801	1,919	14,327
	2,874	16,210	3,317	27,402	3,517	25,465
Total contracts with extensions	27,547	$ 181,190	35,221	$ 301,089	30,975	$ 240,841

Delinquency Experience (1)
Fireside Portfolio

	September 30, 2011	
	Number of Contracts	Amount
Delinquency Experience		
Gross servicing portfolio (1)	38,580	$ 211,045
Period of delinquency (2)		
31-60 days	2,188	11,132
61-90 days	538	2,460
91+ days	232	1,178
Total delinquencies (2)	2,958	14,770
Amount in repossession (3)	130	990
Total delinquencies and amount in repossession (2)	3,088	$ 15,760
Delinquencies as a percentage of gross servicing portfolio	7.7%	7.0%
Total delinquencies and amount in repossession as a percentage of gross servicing portfolio	8.0%	7.5%
Extension Experience		
Contracts with one extension, performing	32	$ 227
Contracts with two or more extensions, performing	-	-
	32	227
Contracts with one extension, non-accrual	-	-
Contracts with two or more extensions, non-accrual	-	-
	-	-
Total contracts with extensions	32	$ 227

Delinquency Experience (1)

Total Owned Portfolio

	September 30, 2011		September 30, 2010		December 31, 2010	
	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount
		(Dollars in thousands)				
Delinquency Experience						
Gross servicing portfolio (1)	109,485	$ 786,623	90,181	$ 753,499	84,601	$ 681,157
Period of delinquency (2)						
31-60 days…..…….	4,119	22,086	3,113	22,684	2,856	19,168
61-90 days	1,647	9,475	1,647	12,788	1,537	10,872
91+ days	1,341	8,437	1,146	8,988	1,233	9,067
Total delinquencies (2)	7,107	39,998	5,906	44,460	5,626	39,107
Amount in repossession (3)	2,301	11,482	2,627	20,626	3,263	23,290
Total delinquencies and amount in repossession (2)	9,408	$ 51,480	8,533	$ 65,086	8,889	$ 62,397
Delinquencies as a percentage of gross servicing portfolio	6.5%	5.1%	6.5%	5.9%	6.7%	5.7%
Total delinquencies and amount in repossession as a percentage of gross servicing portfolio	8.6%	6.5%	9.5%	8.6%	10.5%	9.2%
Extension Experience						
Contracts with one extension, performing	13,615	$ 88,545	19,748	$ 168,204	16,151	$ 124,066
Contracts with two or more extensions, performing	11,090	76,662	12,156	105,483	11,307	91,310
	24,705	165,207	31,904	273,687	27,458	215,376
Contracts with one extension, non-accrual	1,093	5,835	1,571	12,601	1,598	11,138
Contracts with two or more extensions, non-accrual	1,781	10,375	1,746	14,801	1,919	14,327
	2,874	16,210	3,317	27,402	3,517	25,465
Total contracts with extensions	27,579	$ 181,417	35,221	$ 301,089	30,975	$ 240,841

(1) All amounts and percentages are based on the amount remaining to be repaid on each automobile contract, including, for pre-computed automobile contracts, any unearned interest. The information in the table represents the gross principal amount of all automobile contracts purchased by us, including automobile contracts subsequently sold by us in securitization transactions that we continue to service.

(2) We consider an automobile contract delinquent when an obligor fails to make at least 90% of a contractually due payment by the following due date, which date may have been extended within limits specified in the Servicing Agreements. The period of delinquency is based on the number of days payments are contractually past due, as extended where applicable. Automobile contracts less than 31 days delinquent are not included.

(3) Amount in repossession represents financed vehicles that have been repossessed but not yet liquidated.

Net Charge-Off Experience (1) (3)
Total Owned Portfolio

	September 30 2011	September 30 2010	December 31, 2010
		(Dollars in thousands)	
Average servicing portfolio outstanding	$ 619,385	$ 868,961	$ 827,176
Annualized net charge-offs as a percentage of average servicing portfolio (2)	6.6%	9.7%	9.0%

(1) All amounts and percentages are based on the principal amount scheduled to be paid on each automobile contract, net of unearned income on pre-computed automobile contracts.

(2) Net charge-offs include the remaining principal balance, after the application of the net proceeds from the liquidation of the vehicle (excluding accrued and unpaid interest) and amounts collected subsequent to the date of charge-off, including some recoveries which have been classified as other income in the accompanying interim financial statements. September 30, 2011

and September 30, 2010 percentage represents nine months ended September 30, 2011 and September 30, 2010 annualized. December 31, 2010 represents 12 months ended December 31, 2010.
(3) The table does not consider the Fireside portfolio. The acquisition was completed on September 15, 2011 and there were no Fireside charge-offs from the acquisition date through September 30, 2011.

Extensions

In certain circumstances we will grant obligors one-month payment extensions to assist them with temporary cash flow problems. In general, an obligor would not be entitled to more than two such extensions in any 12-month period and no more than six over the life of the contract. The only modification of terms is to advance the obligor's next due date by one month and extend the maturity date of the receivable by one month. In some cases, a two-month extension may be granted. There are no other concessions such as a reduction in interest rate, forgiveness of principal or of accrued interest. Accordingly, we consider such extensions to be insignificant delays in payments rather than troubled debt restructurings.

The basic question in deciding to grant an extension is whether or not we will (a) be delaying the inevitable repossession and liquidation or (b) risk losing the vehicle as a result of not being able to locate the obligor and vehicle. In both of those situations, the loss would likely be higher than if the vehicle had been repossessed without the extension. The benefits of granting an extension include minimizing current losses and delinquencies, minimizing lifetime losses, getting the obligor's account current (or close to it) and building goodwill with the obligor so that he might prioritize us over other creditors on future payments. Our servicing staff are trained to identify when a past due obligor is facing a temporary problem that may be resolved with an extension. In most cases, the extension will be granted in conjunction with our receiving a past due payment (and where allowed by law, a nominal fee) from the obligor, thereby indicating an additional monetary and psychological commitment to the contract on the obligor's part.

The credit assessment for granting an extension is initially made by our collector, who bases the recommendation on the collector's discussions with the obligor. In such assessments the collector will consider, among other things, the following factors: (1) the reason the obligor has fallen behind in payment; (2) whether or not the reason for the delinquency is temporary, and if it is, have conditions changed such that the obligor can begin making regular monthly payments again after the extension; (3) the obligor's past payment history, including past extensions if applicable; and (4) the obligor's willingness to communicate and cooperate on resolving the delinquency. If the collector believes the obligor is a good candidate for an extension, he must obtain approval from his supervisor, who will review the same factors stated above prior to offering the extension to the obligor. After receiving an extension, an account remains subject to our normal policies and procedures for interest accrual, reporting delinquency and recognizing charge-offs.

We believe that a prudent extension program is an integral component to mitigating losses in our portfolio of subprime automobile receivables. The table below summarizes the status, as of September 30, 2011, for accounts that received extensions during 2008 and 2009:

Period of Extension	# Extensions Granted	Active or Paid Off at September 30, 2011	% Active or Paid Off at September 30, 2011	Charged Off > 6 Months After Extension	% Charged Off > 6 Months After Extension	Charged Off <= 6 Months After Extension	% Charged Off <= 6 Months After Extension	Avg Months to Charge Off Post Extension
2008	35,588	13,893	39.0%	16,876	47.4%	4,819	13.5%	14
2009	32,004	14,696	45.9%	11,544	36.1%	5,764	18.0%	10

We view these results as a confirmation of the effectiveness of our extension program. For the accounts receiving extensions in 2008 and 2009, 39.0% and 45.9%, respectively, were either paid in full or active and performing at September 30, 2011. Each of these successful accounts represent continued payments of interest and principal (including payment in full in many cases), where without the extension we likely would have incurred a substantial loss and no interest revenue subsequent to the extension.

For the 2008 and 2009 extension accounts that ultimately charged off, we consider any that charged off more than six months after the extension to be at least partially successful. Moreover, for the 2008 and 2009 extensions, of the accounts that charged off, the charge off was incurred, on average, 14 and 10 months, respectively, after the extension, indicating that even in the cases of an ultimate loss, the obligor serviced the account with additional payments of principal and interest.

Additional information about our extensions is provided in the tables below:

	Nine Months Ended September 30,		Year Ended December 31,
	2011	2010	2010
Average number of extensions granted per month	1,800	1,870	1,883
Average number of outstanding accounts	86,822	108,676	105,188
Average monthly extensions as % of average outstandings	2.1%	1.7%	1.8%

	September 30, 2011		September 30, 2010		December 31, 2010	
	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount
		(Dollars in thousands)				
Contracts with one extension	14,676	$ 94,153	21,319	$ 180,805	17,749	$ 135,204
Contracts with two extensions	8,217	55,903	10,017	88,180	9,142	73,945
Contracts with three extensions	3,634	24,547	3,339	28,229	3,420	27,071
Contracts with four extensions	996	6,213	529	3,776	650	4,539
Contracts with five extensions	54	374	15	86	12	74
Contracts with six extensions	-		2	12	2	8
	27,577	$ 181,190	35,221	$ 301,088	30,975	$ 240,841
Gross servicing portfolio	70,905	$ 575,578	90,818	$ $ 753,499	84,601	$ 681,157

Non-Accrual Receivables

It is not uncommon for our obligors to fall behind in their payments. However, with the diligent efforts of our servicing staff and systems for managing our collection efforts, we regularly work with our customers to resolve delinquencies. Our staff is trained to employ a counseling approach to assist our customers with their cash flow management skills and help them to prioritize their payment obligations in order to avoid losing their vehicle to repossession. Through our experience, we have learned that once a contract ages to the point where it becomes greater than 90 days past due, it is more likely than not that the delinquency will not be resolved and will ultimately result in a charge-off. As a result, we do not recognize any interest income or retain on our balance sheet any accrued interest for contracts that are greater than 90 days past due.

If a contract exceeds the 90 days past due threshold at the end of one period, and then makes the necessary payments such that it becomes equal to or below 90 days delinquent at the end of a subsequent period, it would be restored to full accrual status for our financial reporting purposes. At the time a contract is restored to full accrual in this manner, there can be no assurance that full repayment of interest and principal will ultimately be made. However, we monitor each obligor's payment performance and are aware of the severity of his delinquency at any time. The fact that the delinquency has been reduced below the 90-day threshold is a positive indicator. Should the contract again exceed the 90-day delinquency level at the end of any reporting period, it would again be reflected as a non-accrual account.

Our policy for placing a contract on non-accrual status is independent of our policy to grant an extension. In practice, it would be in the rarest of circumstances where an extension was granted and the account remained in a non-accrual status, since the goal of the extension is to bring the contract current (or nearly current).

Liquidity and Capital Resources

Our business requires substantial cash to support our purchases of automobile contracts and other operating activities. Our primary sources of cash have been cash flows from operating activities, including proceeds from term securitization transactions and other sales of automobile contracts, amounts borrowed under various revolving credit facilities (also sometimes known as warehouse credit facilities), servicing fees on portfolios of automobile contracts previously sold in securitization transactions or serviced for third parties, customer payments of principal and interest on finance receivables, fees for origination of automobile contracts, and releases of cash from securitized pools of automobile contracts in which we have retained a residual ownership interest and from the spread account associated with such pools. Our primary uses of cash have been the purchases of automobile contracts, repayment of amounts borrowed under lines of credit and otherwise, operating expenses such as employee, interest, occupancy expenses and other general and administrative expenses, the establishment of spread account and initial overcollateralization, if any, and the increase of credit enhancement to required levels in securitization transactions, and income taxes. There can be no assurance that internally generated cash will be sufficient to meet our cash demands. The sufficiency of internally generated cash will depend on the performance of securitized pools (which determines the level of releases from those pools and their related spread accounts), the rate of expansion or contraction in our managed portfolio, and the terms upon which we are able to acquire, sell, and borrow against automobile contracts.

Net cash provided by operating activities for the nine-month period ended September 30, 2011 was $4.2 million compared to net cash provided by operating activities for the nine-month period ended September 30, 2010 of $40.6 million. Cash provided by operating activities is significantly affected by our net income, or loss, before provisions for credit losses.

Net cash used in investing activities for the nine-month period ended September 30, 2011 was $137.8 million compared to net cash provided by investing activities of $218.4 million in the prior year period. Cash provided by investing activities primarily results from principal payments and other proceeds received on finance receivables held for investment. Cash used in investing activities generally relates to purchases of automobile contracts. Purchases of finance receivables held for investment were $192.0 million and $79.4 million during the first nine months of 2011 and 2010, respectively. In addition, in September 2011 we acquired the Fireside portfolio for $201.3 million. The portfolio acquisition and the significant increase in contract purchases in 2011 compared to 2010 led to the use of cash in investing activities in 2011 compared to cash provided by investment activities in the prior period.

Net cash provided by financing activities for the nine months ended September 30, 2011 was $126.7 million compared to net cash used by financing activities of $260.1 million in the prior year period. Cash provided by financing activities is generally related to the issuance of securitization trust debt, reduced by the amount of all repayment of securitization trust debt. In the first nine months of 2011, we issued $220.1 million in new securitization trust debt compared to $31.7 million in such new issuances in the same period of 2010. In addition, we issued $197.3 million of debt associated with the acquisition of the Fireside portfolio. We repaid

$250.4 million in securitization trust debt in the nine months ended September 30, 2011 compared to $308.3 million in the prior year period.

We purchase automobile contracts from dealers for a cash price approximating their principal amount, adjusted for an acquisition fee which may either increase or decrease the automobile contract purchase price. Those automobile contracts generate cash flow, however, over a period of years. As a result, we have been dependent on warehouse credit facilities to purchase automobile contracts, and on the availability of cash from outside sources in order to finance our continuing operations, as well as to fund the portion of automobile contract purchase prices not financed under revolving warehouse credit facilities.

On September 25, 2009 we established a $50 million secured revolving credit facility with Fortress Credit Corp., which matured on September 25, 2011. The facility was structured to allow us to fund a portion of the purchase price of automobile contracts by drawing against a floating rate variable funding note issued by our consolidated subsidiary Page Four Funding LLC. The facility provided for advances up to 75% of eligible finance receivables and the notes under it accrued interest at a rate of one-month LIBOR plus 12.00% per annum, with a minimum rate of 14.00% per annum. As part of the consideration given to Fortress for committing to make loans under this facility, we issued a 10-year warrant to purchase up to 1,158,087 of our common shares, at an exercise price of $0.879 per share (we refer to this as the Fortress Warrant). Issuance of the Fortress Warrant required an adjustment to the terms of an existing outstanding warrant regarding 1,564,324 shares, reducing the exercise price of such warrant from $1.44 per share to $1.40702 per share and increasing the number of shares available for purchase to 1,600,991. In September 2011 the notes were repaid in full and the facility expired by its terms.

In December 2010 we entered into a $100 million two-year warehouse credit line with affiliates of Goldman, Sachs & Co. and Fortress Investment Group. The facility is structured to allow us to fund a portion of the purchase price of automobile contracts by drawing against a floating rate variable funding note issued by our consolidated subsidiary Page Six Funding, LLC. The facility provided for advances up to 75% of eligible finance receivables and the notes under it accrued interest at a rate of one-month LIBOR plus 5.00% per annum, with a minimum one-month LIBOR rate of 1.5% per annum. In September 2011 this facility was amended to increase the maximum advance rate to 82% of eligible finance receivables and the interest rate to one-month LIBOR plus 5.73%. At September 30, 2011, $17.6 million was outstanding under this facility.

On February 24, 2011, we entered into an additional $100 million two-year warehouse credit line with UBS Real Estate Securities, Inc. The facility revolves during the first year and amortizes during the second year. The facility is structured to allow us to fund a portion of the purchase price of automobile contracts by drawing against a floating rate variable funding note issued by our consolidated subsidiary Page Seven Funding, LLC. The facility provides for advances up to 76.5% of eligible finance receivables and the notes under it accrue interest at one-month LIBOR plus 6.00% per annum. At September 30, 2011, there were no amounts outstanding under this facility.

In March 2010, we entered into a $50 million term funding facility with a syndicate of note purchasers including affiliates of Angelo, Gordon & Co., L.P. and an affiliate of Cohen & Company Securities. Under the term funding facility, the note purchasers agreed to purchase up to $50 million in asset-backed notes through December 31, 2010, subject to collateral eligibility and other terms and conditions, through the end of 2010. The interest rate on notes outstanding was 11.00%, which could be decreased to 9.00% should the notes receive investment grade ratings from at two credit rating agencies . Principal payments on the notes are due as the underlying receivables are paid or charged off, and the final maturity is July 17, 2017. In connection with the establishment of this term funding facility, we paid a closing fee of $750,000 and issued to certain of the note purchasers or their designees warrants to purchase 500,000 shares of our common stock at an exercise price of $1.41 per share (we refer to this as the Page Five Warrant). Issuance of the Page Five Warrant required adjustments to the terms of two existing outstanding warrants. The first warrant related to 1,600,991 shares, on which the exercise price was decreased from $1.407 per share to $1.398 per share and the number of shares available for purchase was increased to 1,611,114. The second affected warrant related to 283,985 shares, which was increased to 285,781 shares. In June 2011, we restructured the facility to get the senior notes rated investment grade and issued an additional $9.8 million in three tranches of new subordinated notes. The interest rate on the senior notes was reduced to 9.25% as a result of getting the investment grade rating.

As of September 30, 2011, there was $40.9 million outstanding under the facility and no additional advances are expected to be made.

In July 2007, we established a combination term and revolving residual credit facility and have used eligible residual interests in securitizations as collateral for floating rate borrowings. The amount that we were able to borrow was computed using an agreed valuation methodology of the residuals, subject to an overall maximum principal amount of $120 million, represented by (i) a $60 million Class A-1 variable funding note (the "revolving note"), and (ii) a $60 million Class A-2 term note (the "term note"). The term note was fully drawn in July 2007 and was originally due in July 2009. As of July 2008, we had drawn $26.8 million on the revolving note. The facility's revolving feature expired in July 2008. On July 10, 2008 we amended the terms of the combination term and revolving residual credit facility, (i) eliminating the revolving feature and increasing the interest rate, (ii) consolidating the amounts then owing on the Class A-1 note with the Class A-2 note, (iii) establishing an amortization schedule for principal reductions on the Class A-2 note, and (iv) providing for an extension, at our option if certain conditions were met, of the Class A-2 note maturity from June 2009 to June 2010. In June 2009 we met all such conditions and extended the maturity. In conjunction with the July 2008 amendment, we reduced the principal amount outstanding to $70 million by delivering to the lender (i) a 10-year warrant to purchase 2,500,000 common shares at a nominal exercise price, valued at $4,071,429, and (ii) cash of $12,765,244. In May 2011, we extended the maturity date of the facility from May 2011 to May 2012. As of September 30, 2011 the aggregate indebtedness under this facility was $25.6 million.

On June 30, 2008, we entered into a series of agreements pursuant to which an affiliate of Levine Leichtman Capital Partners ("LLCP") purchased a $10 million five-year, fixed rate, senior secured note from us. The indebtedness is secured by substantially all of our assets, though not by the assets of our special-purpose financing subsidiaries. In July 2008, in conjunction with the amendment of the combination term and revolving residual credit facility as discussed above, the lender purchased an additional $15 million note with substantially the same terms as the $10 million note. Pursuant to the June 30, 2008 securities purchase agreement, we issued to the lender 1,225,000 shares of common stock. In addition, we issued the lender two warrants: (i) warrants that we refer to as the FMV Warrants, which are exercisable for 1,611,114 shares of our common stock, at an exercise price of $1.39818 per share, and (ii) warrants that we refer to as the N Warrants, which are exercisable for 285,781 shares of our common stock, at a nominal exercise price. Both the FMV Warrants and the N Warrants are exercisable in whole or in part and at any time up to and including June 30, 2018. We valued the warrants using the Black-Scholes valuation model and recorded their value as a liability on our balance sheet because the terms of the warrants also included a provision whereby the lender could require us to purchase the warrants for cash. That provision was eliminated by mutual agreement in September 2008. The FMV Warrants were initially exercisable to purchase 1,500,000 shares for $2.573 per share, were adjusted in connection with the July 2008 issuance of other warrants to become exercisable to purchase 1,564,324 shares at $2.4672 per share, and were further adjusted in connection with a July 2009 amendment of our option plan to become exercisable at $1.44 per share. Upon issuance in September 2009 of the Fortress Warrant, the FMV Warrant was further adjusted to become exercisable to purchase 1,600,991 shares at an exercise price of $1.407 per share. Upon issuance in March 2010 of the Page Five Warrant, the FMV Warrant was further adjusted to become exercisable to purchase 1,611,114 shares at an exercise price of $1.39818 per share. In November 2009 we entered into an additional agreement with LLCP in which it purchased an additional $5 million note. This note accrued interest at 15.0% and was repaid in December 2010 at which time LLCP purchased a new $27.8 million note under substantially the same terms as the $10 million and $15 million notes already outstanding. The $27.8 million note accrues interest at 16.0% and matures in December 2013. Concurrently with the issuance of this note, the maturity dates of the $10 million and $15 million notes were amended to December 2013 and we issued LLCP 880,000 shares of common stock and 1,870 shares of Series B convertible preferred stock. Each share of the Series B convertible preferred stock may become exchangeable for 1,000 shares of our common stock, upon shareholder approval of such exchange, but not without shareholder approval. At the time of issuance, the value of the common stock and Series B preferred stock was $753,000 and $1.6 million, respectively. On March 31, 2011, we sold an additional $5 million note due February 29, 2012 to LLCP. In April 2011 we purchased from LLCP a portion of an outstanding subordinated note issued by our CPS Cayman Residual Trust 2008-A, and financed that purchase by issuing to

LLCP a new $3 million note due June 30, 2012. In addition, LLCP has committed to purchase an incremental $5 million note from us, to be issued no later than November 2011 and due 11 months after issuance. All such notes bear interest at 14% per annum.

The Fortress Warrant, Page Five Warrant, FMV Warrants and the N Warrants all contain features that make them subject to derivative accounting. We valued these warrants using a binomial valuation model as of each quarter-end date. At September 30, 2011 and December 31, 2010 the value of the warrants was $1.2 million and $1.6 million, respectively. During the three-month and nine-month periods ended September 30, 2011, there was a $350,000 decrease and a $1.1 million decrease, respectively, which was included in interest expense related to the change in the fair value of the warrants (please see Derivative Financial Instruments, above, for further detail on the accounting for these warrants).

In August 2011 we entered into a series of agreements with affiliates of Fortress Investment Group and Goldman, Sachs & Co. to finance our acquisition of the Fireside portfolio, which we purchased on September 15, 2011. Under the agreements, our consolidated subsidiary CPS Fender Receivables, LLC issued $197.3 million of notes with a maturity date of March 14, 2014. The notes are secured by all of the finance receivables and related cash flows associated with the Fireside portfolio and accrue interest at a rate of one-month LIBOR plus 7.00% per annum, with a minimum rate of 8.0% per annum. All excess cash flow on the receivables after the payment of servicing fees, interest expense, preferred dividend and other administrative fees shall be used to repay the notes until paid in full and then to return our initial investment. Thereafter all excess cash flow shall be split; the lenders will receive 80% and we will receive 20%. At September 30, 2011, $197.3 million of these notes were outstanding.

The acquisition of automobile contracts for subsequent sale in securitization transactions, and the need to fund spread accounts and initial overcollateralization, if any, and increase credit enhancement levels when those transactions take place, results in a continuing need for capital. The amount of capital required is most heavily dependent on the rate of our automobile contract purchases, the required level of initial credit enhancement in securitizations, and the extent to which the previously established trusts and their related spread accounts either release cash to us or capture cash from collections on securitized automobile contracts. Of those, the factor most subject to our control is the rate at which we purchase automobile contracts.

We are and may in the future be limited in our ability to purchase automobile contracts due to limits on our capital. As of September 30, 2011, we had unrestricted cash of $9.4 million. We had $82.4 million available under the Goldman facility and $100.0 million available under the UBS facility (in all facilities advances are subject to our having purchased available eligible collateral). Our plans to manage our liquidity include maintaining our rate of automobile contract purchases at a level that matches our available capital, and, wherever appropriate, reducing our operating costs. If we are unable to complete such securitizations, we may be unable to increase our rate of automobile contract purchases, in which case our interest income and other portfolio related income would decrease.

Our liquidity will also be affected by releases of cash from the trusts established with our securitizations. While the specific terms and mechanics of each spread account vary among transactions, our securitization agreements generally provide that we will receive excess cash flows, if any, only if the amount of credit enhancement has reached specified levels and/or the delinquency, defaults or net losses related to the automobile contracts in the pool are below certain predetermined levels. In the event delinquencies, defaults or net losses on the automobile contracts exceed such levels, the terms of the securitization: (i) may require increased credit enhancement to be accumulated for the particular pool; (ii) may restrict the distribution to us of excess cash flows associated with other pools; or (iii) in certain circumstances, may permit the insurers to require the transfer of servicing on some or all of the automobile contracts to another servicer. There can be no assurance that collections from the related trusts will continue to generate sufficient cash. Moreover, most of our spread account balances are pledged as collateral to our residual interest financing. As such, most of the current releases of cash from our securitization trusts are directed to pay the obligations of our residual interest financing.

Certain of our securitization transactions, our warehouse credit facilities and our residual interest financing contain various financial covenants requiring certain minimum financial ratios and results. Such covenants

include maintaining minimum levels of liquidity and net worth and not exceeding maximum leverage levels and maximum financial losses. In addition, certain securitization and non-securitization related debt contain cross-default provisions that would allow certain creditors to declare a default if a default occurred under a different facility.

The agreements under which we receive periodic fees for servicing automobile contracts in securitizations are terminable by the respective insurance companies upon defined events of default, and, in some cases, at the will of the insurance company. We have received waivers regarding the potential breach of certain such covenants relating to minimum net worth, and maximum leverage. Without such waivers, certain credit enhancement providers would have had the right to terminate us as servicer with respect to certain of our outstanding securitization pools. Although such rights have been waived, such waivers are temporary, and there can be no assurance as to their future extension. It is our opinion, however, that we will obtain such future extensions because it is generally not in the interest of any party to the securitization transaction to transfer servicing. Nevertheless, there can be no assurance as to our belief being correct. Were an insurance company in the future to exercise its option to terminate such agreements, such a termination could have a material adverse effect on our liquidity and results of operations, depending on the number and value of the terminated agreements. Our note insurers continue to extend our term as servicer on a monthly and/or quarterly basis, pursuant to the servicing agreements.

The agreements for our residual interest financing, revolving credit facility and term funding facility include financial covenants which, if breached, would be an event of default. We have entered into an amendment that avoided the potential breach of a minimum net worth covenant on the residual interest financing. Without such amendment, the lender could have, among other things, sold the pledged residual interests to satisfy the debt.

Our plan for future operations and meeting the obligations of our financing arrangements includes returning to profitability by gradually increasing the amount of our contract purchases with the goal of increasing the balance of our outstanding managed portfolio. The amount of cash required to increase our contract purchases will be affected by the acquisition fees we charge for contract purchases, the advance rates available under our revolving credit facilities and the advance rates of our term securitizations. We may seek additional financing in the form of additional subordinated debt, additional residual interest debt or sale of equity, but there is no assurance that we will be able to do so. Our plans also include financing future contract purchases with credit facilities and term securitizations that offer a lower overall cost of funds compared to the facilities we used in 2009 and 2010. To illustrate, in the last six months of 2009 we purchased $6.1 million in contracts and our sole credit facility had a minimum interest rate of 14.00% per annum. By comparison, in 2010, we purchased $113.0 million in contracts and, in March 2010, entered into the $50 million term funding facility which has an interest rate of 11.00% per annum. In December 2010 we entered into a $100 million credit facility with an interest rate of one-month LIBOR plus 5.00% per annum, with a minimum rate of 6.5% per annum, and in February 2011 we added another $100 million credit facility with an interest rate of one-month LIBOR plus 6.00% per annum.

Moreover, the weighted average effective coupons of our September 2010, April 2011 and September 2011 term securitization transactions were 3.21%, 3.61% and 4.51%, respectively, and did not include financial guaranty policies. These transactions demonstrate our ability to access the lower cost of funds available in the current market environment without the financial guaranties we historically incorporated into our term securitization structures. We expect to complete one additional term securitization in 2011. In addition, less competition in the auto financing marketplace has resulted in better terms for our recent contract purchases compared to prior years. For the nine months ended September 30, 2011 and the years ended December 31, 2010 ,2009 and 2008, the average acquisition fee we charged per automobile contract purchased under our CPS programs was $1,208, $1,382 $1,508and $592, respectively, or 7.7%, 9.2%, 11.7%, and 3.9%, respectively, of the amount financed. Similarly, the weighted average annual percentage rate of interest payable by our customers on newly purchased contracts has increased significantly: to 20.0% for 2011 and 2010 from 19.9%, and 18.5% in 2009 and 2008, respectively. There can be no assurance that such favorable competitive conditions will continue.

We have and will continue to have a substantial amount of indebtedness. At September 30, 2011, we had approximately $858.0 million of debt outstanding. Such debt consisted primarily of $543.2 million of securitization trust debt, $197.3 in portfolio acquisition debt, $17.6 million of warehouse line of credit debt, $25.6 million of residual interest financing, $53.5 million of senior secured related party debt and $20.9 million in subordinated notes. We are also currently offering the subordinated notes to the public on a continuous basis, and such notes have maturities that range from three months to 10 years. .

Our recent operating results include net losses of $33.8 million and $57.2 million in 2010 and 2009, respectively. We believe that our results have been materially and adversely affected by the disruption in the capital markets that began in the fourth quarter of 2007, by the recession that began in December 2007, and by related high levels of unemployment. Our ability to repay or refinance maturing debt may be adversely affected by prospective lenders' consideration of our recent operating losses.

Although we believe we are able to service and repay our debt, there is no assurance that we will be able to do so. If our plans for future operations do not generate sufficient cash flows and operating profits, our ability to make required payments on our debt would be impaired. Failure to pay our indebtedness when due could have a material adverse effect and may require us to issue additional debt or equity securities.

Critical Accounting Policies

We believe that our accounting policies related to (a) Allowance for Finance Credit Losses, (b) Amortization of Deferred Originations Costs and Acquisition Fees, and (c) Income Taxes are the most critical to understanding and evaluating our reported financial results. Such policies are described below.

Allowance for Finance Credit Losses

In order to estimate an appropriate allowance for losses to be incurred on finance receivables, we use a loss allowance methodology commonly referred to as "static pooling," which stratifies our finance receivable portfolio into separately identified pools based on the period of origination. Using analytical and formula driven techniques, we estimate an allowance for finance credit losses, which we believe is adequate for probable credit losses that can be reasonably estimated in our portfolio of automobile contracts. The estimate for probable credit losses is reduced by our estimate for future recoveries on previously incurred losses. Provision for losses is charged to our consolidated statement of operations. Net losses incurred on finance receivables are charged to the allowance. We evaluate the adequacy of the allowance by examining current delinquencies, the characteristics of the portfolio, prospective liquidation values of the underlying collateral and general economic and market conditions. As circumstances change, our level of provisioning and/or allowance may change as well. Our allowance as a percentage of finance receivables has decreased in recent years due primarily to the continued seasoning of our portfolio. Our historical static loss data shows that, in general, incremental monthly losses increase to a peak between months 36 and 42 of the life of a static portfolio, after which such monthly incremental losses tend to decrease. As of September 30, 2011 the weighted average age of our portfolio of finance receivables was 29 months. In addition, for receivables originated beginning with the third quarter of 2008 we have found the early credit performance of those static portfolios to be significantly better than earlier portfolios at similar vintage time frames.

Amortization of Deferred Originations Costs and Acquisition Fees

Upon purchase of a contract from a dealer, we generally either charge or advance the dealer an acquisition fee. In addition, we incur certain direct costs associated with originations of our contracts. All such acquisition fees and direct costs are applied to the carrying value of finance receivables and are accreted into earnings as an adjustment to the yield over the estimated life of the contract using the interest method.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on

deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. Although realization is not assured, we believe that the realization of the recognized net deferred tax asset of $15.0 million is more likely than not based on available tax planning strategies that could be implemented if necessary to prevent a carryforward from expiring. Our net deferred tax asset of $15.0 million is net of a valuation allowance of $61.4 million and consists of approximately $11.5 million of net U.S. federal deferred tax assets and $3.5 million of net state deferred tax assets. The major components of the deferred tax asset are $67.0 million in net operating loss carryforwards and built in losses and $11.5 million in net deductions which have not yet been taken on a tax return. We estimate that we would need to generate approximately $37.5 million of taxable income during the applicable carryforward periods to realize fully our federal and state net deferred tax assets.

As a result of recent net losses, we are in a three-year cumulative pretax loss position at December 31, 2010. A cumulative loss position is considered significant negative evidence in assessing the realizability of a deferred tax asset. In determining the possible future realization of deferred tax assets, we have considered future taxable income from the following sources: (a) reversal of taxable temporary differences; and (b) tax planning strategies available to us in accordance with ASC 740, "Income Taxes" that, if necessary, would be implemented to accelerate taxable income into years in which net operating losses might otherwise expire. Our tax planning strategies include the prospective sale of certain assets such as finance receivables, residual interests in securitized finance receivables, charged off receivables and base servicing rights. The expected proceeds for such asset sales have been estimated based on our expectation of what buyers of the assets would consider to be reasonable assumptions for net cash flows and required rates of return for each of the various asset types. Our estimates for net cash flows and required rates of return are subjective and inherently subject to future events which may significantly affect actual net proceeds we may receive from executing our tax planning strategies. Nevertheless, we believe such asset sales can produce significant taxable income within the relevant carryforward period. Such strategies could be implemented without significant effect on our core business or our ability to generate future growth. The costs related to the implementation of these tax strategies were considered in evaluating the amount of taxable income that could be generated in order to realize our deferred tax assets.

Based upon the tax planning opportunities and other factors discussed below, we have concluded that the U.S. and state net operating loss carryforward periods provide enough time to utilize the deferred tax assets pertaining to the existing net operating loss carryforwards and any net operating loss that would be created by the reversal of the future net deductions which have not yet been taken on a tax return. Although our core business has produced strong earnings in the past, even with intermittent loss periods resulting from economic cycles not unlike, although not as severe as, the current economic downturn we have not used expected future taxable income in our evaluation of the value of our net deferred tax asset. We have already taken steps to reduce our cost structure and have adjusted the contract interest rates and purchase prices applicable to our purchases of automobile contracts from dealers. We have been able to increase our acquisition fees and reduce our purchase prices because of lessened competition for our services. Our estimates of taxable income that may be derived from the implementation of our tax planning strategies is a forward-looking statement, and there can be no assurance that our estimates of such taxable income will be correct. Factors discussed under "Risk Factors," and in particular under the subheading "Risk Factors -- Forward-Looking Statements" may affect whether such projections prove to be correct.

We recognize interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated statement of operations. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheet.

Forward Looking Statements

This report on Form 10-Q includes certain "forward-looking statements." Forward-looking statements may be identified by the use of words such as "anticipates," "expects," "plans," "estimates," or words of like meaning. Our provision for credit losses is a forward-looking statement, as it is dependent on our estimates as to future chargeoffs and recovery rates. Factors that could affect charge-offs and recovery rates include changes in the

general economic climate, which could affect the willingness or ability of obligors to pay pursuant to the terms of automobile contracts, changes in laws respecting consumer finance, which could affect our ability to enforce rights under automobile contracts, and changes in the market for used vehicles, which could affect the levels of recoveries upon sale of repossessed vehicles. Factors that could affect our revenues in the current year include the levels of cash releases from existing pools of automobile contracts, which would affect our ability to purchase automobile contracts, the terms on which we are able to finance such purchases, the willingness of dealers to sell automobile contracts to us on the terms that we offer, and the terms on which and whether we are able to complete term securitizations once automobile contracts are acquired. Factors that could affect our expenses in the current year include competitive conditions in the market for qualified personnel and interest rates (which affect the rates that we pay on notes issued in our securitizations).

Item 4. ***Controls and Procedures***

We maintain a system of internal controls and procedures designed to provide reasonable assurance as to the reliability of our published financial statements and other disclosures included in this report. As of the end of the period covered by this report, we evaluated the effectiveness of the design and operation of such disclosure controls and procedures. Based upon that evaluation, the principal executive officer (Charles E. Bradley, Jr.) and the principal financial officer (Jeffrey P. Fritz) concluded that the disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, material information relating to us that is required to be included in our reports filed under the Securities Exchange Act of 1934. We have made certain changes in our internal controls over financial reporting during our most recently completed fiscal quarter pertaining to the estimate of our valuation allowance for deferred tax assets. No other changes were made that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. ***Legal Proceedings***

The information provided under the caption “Legal Proceedings,” Note 8 to the Unaudited Condensed Consolidated Financial Statements, included in Part I of this report, is incorporated herein by reference.

Item 1A. ***Risk Factors***

We remind the reader that risk factors are set forth in Item 1A of our report on Form 10-K, filed with the U.S. Securities and Exchange Commission on April 1, 2010. Where we are aware of material changes to such risk factors as previously disclosed, we set forth below an updated discussion of such risks. The reader should note that the other risks identified in our report on Form 10-K remain applicable to us.

We have substantial indebtedness.

We have and will continue to have a substantial amount of indebtedness. At September 30, 2011 and December 31, 2010, we had approximately $858.0 million and $717.9 million, respectively, of debt outstanding. Such debt consisted, as of December 31, 2010, primarily of $567.7 million of securitization trust debt, and also included $45.6 million of warehouse indebtedness, $39.4 million of residual interest financing, $44.9 million of senior secured debt and $20.3 million owed under a subordinated notes program. At September 30, 2011, such debt consisted primarily of $543.2 million of securitization trust debt, and also included $197.3 million in receivable financing debt at fair value, $17.6 million of warehouse indebtedness, $25.6 million of residual interest financing, $53.4 million of senior secured debt, and $20.9 million owed under a subordinated notes program. Such subordinated notes may be offered to the public on a continuous basis, and such notes have maturities that range from three months to 10 years.

Our substantial indebtedness could adversely affect our financial condition by, among other things:

- increasing our vulnerability to general adverse economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing amounts available for working capital, capital expenditures and other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- placing us at a competitive disadvantage compared tour competitors that have less debt; and
- limiting our ability to borrow additional funds.

Although we believe we are able to service and repay such debt, there is no assurance that we will be able to do so. If we do not generate sufficient operating profits, our ability to make required payments on our debt would be impaired. Failure to pay our indebtedness when due could have a material adverse effect.

If an increase in interest rates results in a decrease in our cash flow from excess spread, our results of operations may be impaired.

Our profitability is largely determined by the difference, or "spread," between (i) the interest rates payable under our warehouse credit facilities and on the asset-backed securities issued in our securitizations, or payable in any alternate permanent financing transactions, and (ii) the effective interest rate received by us on the automobile contracts that we acquire. Disruptions in the market for asset-backed securities in the years 2008, 2009 and 2010 resulted in our paying higher interest rates than had historically been required of us. While such disruptions appear to have eased, there can be no assurance that the interest rates that we will be required to pay in the future will not increase.

In addition to the interest rates payable in our financing transactions, there are other factors that affect our ability to manage interest rate risk. Specifically, we are subject to interest rate risk during the period between when automobile contracts are purchased from dealers and when such contracts are sold and financed in a securitization or any alternate permanent financing transaction. Interest rates on our warehouse credit facilities are adjustable while the interest rates on the automobile contracts are fixed. Therefore, if interest rates increase, the interest we must pay to the lenders under our warehouse credit facilities is likely to increase while the interest realized by us from those warehoused automobile contracts remains the same, and thus, during the warehousing period, the excess spread cash flow received by us would likely decrease. Additionally, contracts warehoused and then securitized during a rising interest rate environment may result in less excess spread cash flow realized by us under those securitizations as, historically, our securitization facilities pay interest to security holders on a fixed rate basis set at prevailing interest rates at the time of the closing of the securitization, which may be several months after the securitized contracts were originated and entered the warehouse, while our customers pay fixed rates of interest on the contracts, set at the time they purchase the underlying vehicles. A decrease in excess spread cash flow could adversely affect our earnings and cash flow.

To mitigate, but not eliminate, the short-term risk relating to interest rates payable by us under the warehouse facilities, we have generally held automobile contracts in the warehouse credit facilities for less than four months. The disruptions in the market for asset-backed securities issued in securitizations have caused us to lengthen that period, which has reduced the effectiveness of this mitigation strategy. To mitigate, but not eliminate, the long-term risk relating to interest rates payable by us in securitizations, we have in the past, and we may in the future, structure some of our securitization transactions to include pre-funding structures, whereby the amount of securities issued exceeds the amount of contracts initially sold into the securitization. In pre-funding, the proceeds from the pre-funded portion are held in an escrow account until we sell the additional contracts into the securitization in amounts up to the balance of the pre-funded escrow account. In pre-funded securitizations, we effectively lock in our borrowing costs with respect to the contracts we subsequently sell into the securitization. However, we incur an expense in pre-funded securitizations equal to the difference between the money market yields earned on the proceeds held in escrow prior to subsequent delivery of contracts and the interest rate paid on the securities issued in the securitization. The amount of such expense may vary. Despite these mitigation strategies, an increase in prevailing interest rates would cause us to receive less excess spread cash flows on automobile contracts, and thus could adversely affect our earnings and cash flows.

We May Have Rescission Liability in Connection with Offers and Sales of Our Renewable Unsecured Subordinated Notes to Certain Purchasers

From May 2005 to July 2010, we conducted a continuous public offering of subordinated notes, pursuant to a registration statement that was declared effective by the SEC in May 2005. In July 2010, we learned that, pursuant to a rule of the SEC, we were no longer permitted to offer and sell our subordinated notes in reliance upon that registration statement. Consequently, certain investors who purchased or renewed such subordinated notes prior to the effectiveness of the new registration statement for such subordinated notes on December 13, 2010 may have a statutory right to rescind their purchase or renewal for a period of up to twelve months from the date of their purchase or renewal. As a result, we may have rescission liability and could be required to repurchase some or all of such subordinated notes at the original sales price plus statutory interest, less the amount of any income received by the purchasers. As of September 30, 2011, there were approximately $885,000 of such subordinated notes (excluding any subordinated notes subsequently repaid) purchased or renewed after September 30, 2010, but before December 13, 2010, for which we may have rescission liability.

Forward-Looking Statements

Discussions of certain matters contained in this report may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Exchange Act, and as such, may involve risks and uncertainties. These forward-looking statements relate to, among other things, expectations of the business environment in which we operate, projections of future performance, perceived opportunities in the market and statements regarding our mission and vision. You can generally identify forward-looking statements as statements containing the words "will," "would," "believe,"

"may," "could," "expect," "anticipate," "intend," "estimate," "assume" or other similar expressions. Our actual results, performance and achievements may differ materially from the results, performance and achievements expressed or implied in such forward-looking statements. The discussion under "Risk Factors" identifies some of the factors that might cause such a difference, including the following:

- changes in general economic conditions;
- our ability or inability to obtain necessary financing
- changes in interest rates;
- our ability to generate sufficient operating and financing cash flows;
- competition;
- level of future provisioning for receivables losses; and
- regulatory requirements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Actual results may differ from expectations due to many factors beyond our ability to control or predict, including those described herein, and in documents incorporated by reference in this report. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

We undertake no obligation to publicly update any forward-looking information. You are advised to consult any additional disclosure we make in our periodic reports filed with the SEC. See "Where You Can Find More Information" and "Documents Incorporated by Reference."

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

During the three months ended September 30, 2011, we purchased a total of 153,006 shares of our common stock, as described in the following table:

Issuer Purchases of Equity Securities

Period(1)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (2)
July 2011	88,635	$ 1.27	88,635	$ 1,866,007
August 2011	58,871	1.10	58,871	1,801,419
September 2011	5,500	1.09	5,500	1,795,440
Total	153,006	$ 1.20	153,006	

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(1) Each monthly period is the calendar month.

(2) Through September 30, 2010, our board of directors had authorized the purchase of up to $34.5 million of our outstanding securities, which program was first announced in our annual report for the year 2002, filed on March 26, 2003. All purchases described in the table above were under the plan announced in March 2003, which has no fixed expiration date.

Item 6. ***Exhibits***

The Exhibits listed below are filed with this report.

2 Purchase Agreement dated as of August 6, 2011, regarding receivables purchased from Fireside Bank.

4.14	Instruments defining the rights of holders of long-term debt of certain consolidated subsidiaries of the registrant are omitted pursuant to the exclusion set forth in subdivisions (b)(iv)(iii)(A) and (b)(v) of Item 601 of Regulation S-K (17 CFR 229.601). The registrant agrees to provide copies of such instruments to the United States Securities and Exchange Commission upon request.
4.30	Indenture dated April 1, 2011 re Notes issued by CPS Auto Receivables Trust 2011-A.
4.31	Sale and Servicing Agreement dated as of April 1, 2011.
4.32	Indenture dated September 1, 2011 re Notes issued by CPS Auto Receivables Trust 2011-B. Incorporated by reference to Exh 4.32 to current report of the registrant dated September 27, 2011
4.33	Sale and Servicing Agreement dated as of September 1, 2011. Incorporated by reference to Exh 4.33 to current report of the registrant dated September 27, 2011
4.34	Credit Agreement dated as of August 6, 2011, including an amendment thereto dated September 14, 2011.
31.1	Rule 13a-14(a) Certification of the Chief Executive Officer of the registrant.
31.2	Rule 13a-14(a) Certification of the Chief Financial Officer of the registrant.
32	Section 1350 Certifications.*

* These Certifications shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. These Certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the registration statement specifically states that such Certifications are incorporated therein.

SIGNATURES

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

CONSUMER PORTFOLIO SERVICES, INC.
(Registrant)

Date: November 14, 2011

By: /s/ CHARLES E. BRADLEY, JR.
Charles E. Bradley, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 14, 2011

By: /s/ JEFFREY P. FRITZ
Jeffrey P. Fritz
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

PURCHASE AGREEMENT

by and between

FIRESIDE BANK,

as Seller,

and

CPS FENDER RECEIVABLES LLC,

as Purchaser

Dated as of August 6, 2011

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PURCHASE AGREEMENT, dated as of August 6, 2011, by and between Fireside Bank, a California corporation ("Seller") and CPS Fender Receivables LLC, a Delaware limited liability company ("Purchaser").

WHEREAS, Purchaser desires to purchase automobile loan receivables originated by Dealers and acquired by Seller upon the terms and conditions hereinafter set forth; and

WHEREAS, Seller desires to sell and assign automobile loan receivables to Purchaser upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and among Seller and Purchaser as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Whenever used in this Agreement, the following words and phrases (x) are subject to the further provisions of Section 1.2 and (y) shall have the following meanings, and the definitions of such terms 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.

"Agreement" means this Purchase Agreement, as may be modified, supplemented, restated or amended from time to time in accordance with the terms hereof.

"Allocation" shall have the meaning specified in Section 3.1(c).

"APR" means, with respect to a Receivable, the annual rate of finance charges stated in such Receivable; provided that if the annual rate with respect to such Receivable is reduced as a result of (i) an insolvency proceeding involving the related Obligor or (ii) pursuant to the Servicemembers Civil Relief Act, the APR shall refer to such reduced rate.

"Banking Regulators" means the California Department of Financial Institutions and the Federal Deposit Insurance Corporation.

"Bill of Sale" shall have the meaning specified in Section 6.1(e).

"Business Day" means any day other than a Saturday or a Sunday on which commercial banking institutions are not required or authorized to be closed in New York, New York, Chicago, Illinois and Los Angeles, California.

"Charge-Off Receivable" means a Receivable with respect to which any of the following shall have occurred as of the Cut-Off Date: (i) the Receivable has been liquidated in whole or in part by the Interim Servicer or Seller through the sale of the Financed Automobile, (ii) the related Obligor has failed to make a Scheduled Receivable Payment by its due date and such failure has continued for one hundred and twenty (120) days or more, (iii) to Seller's knowledge,

the related Obligor is deceased, (iv) proceeds have been received which, in the Interim Servicer's or Seller's good faith judgment, constitute the final amounts recoverable in respect of such Receivable or (v) the Interim Servicer or Seller has otherwise determined, in accordance with its collection policies, that the related Receivable should be charged-off.

"Closing Date" means the date on which the conditions in Section 6.1 are fulfilled.

"Collection Period" means, with respect to any date of determination, the immediately preceding calendar month.

"Collections" means all collections on the Receivables, including, without limitation, all Scheduled Receivable Payments, all non-scheduled payments, all prepayments, all late fees, all other fees, all Insurance Proceeds, all Liquidation Proceeds, all proceeds from Dealer recourse under each Dealer Agreement, all other recoveries, investment earnings, rental payments, residual proceeds, payments under any personal guaranty, rebates on insurance premiums, and all other payments, in each case received after the Cut-Off Date with respect to the Receivables.

"Collections Estimate" shall have the meaning specified in Section 3.1(a).

"CPS Guaranty" means the Guaranty in the form of Exhibit L, as amended, restated, supplemented or otherwise modified from time to time.

"Custodian" means, initially, Wells Fargo Bank, National Association or any other Person designated by Purchaser in its sole discretion as the Custodian, subject to removal pursuant to the terms of the Servicing Agreement, and thereafter shall mean any successor servicer appointed by Purchaser.

"Cut-Off Date" means July 31, 2011.

"Damages" means any and all losses, claims, damages, liabilities, obligations, judgments, equitable relief granted, settlements, awards, demands, fines, penalties, deficiencies, offsets, defenses, counterclaims, actions or proceedings, costs, expenses, reasonable attorneys' fees (including any such costs, expenses and attorneys' fees incurred in enforcing any rights of indemnification), interest and penalties. Damages shall not include consequential damages.

"Dealer" means, with respect to a Receivable, the seller of the related Financed Automobile, who originated and assigned such Receivable to Seller pursuant to a Dealer Agreement.

"Dealer Agreement" means each agreement between a Dealer and a Seller pursuant to which such Dealer assigned, sold or otherwise conveyed a Receivable to Seller.

"Debtor Relief Laws" means the Bankruptcy Code, and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshalling of assets, assignment for the benefit of creditors or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect, affecting the rights of creditors generally or the rights of creditors of banks.

"Defaulted Receivable" means a Receivable with respect to which any of the following shall be occurring as of the Cut-Off Date: (i) the related Obligor has failed to make any Scheduled Receivable Payment by its due date and such failure is continuing for sixty (60) days or more, (ii) (x) the Interim Servicer or Seller has repossessed the related Financed Automobile and (y) the related Obligor has not reinstated the Receivable or (iii) such Receivable is in default and the Interim Servicer or Seller has determined in good faith that payments thereunder are not likely to be resumed.

"Eligible Obligor" means an Obligor that at the time of origination of the related Receivable (a) was a natural person, (b) to Seller's knowledge, was not currently in bankruptcy, (c) was not a party to more than one (1) installment loan contract or promissory note with Seller, (d) was not an employee, or affiliated with any employee of, Seller, and (e) was domiciled in the United States of America.

"Excluded Liabilities" means:

(i) any obligations or liabilities of Seller under any Dealer Agreement;

(ii) any obligations of Seller to advance additional funds to any Obligor;

(iii) any obligations or liabilities of Seller arising from actions or events taken or occurring prior to the Closing Date; and

(iv) any other obligations of Seller, including but not limited to obligations with respect to Taxes, employees or real property.

"Financed Automobile" means a new or used automobile, together with all accessions thereto, that secure an Obligor's obligations pursuant to a Receivable.

"GAAP" shall mean United States generally accepted accounting principles in effect as of the date of determination thereof.

"Governmental Authority" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"HSR Act" means the Hart-Scott-Rodino Act.

"Insurance Policy" means, with respect to a Financed Automobile, (i) any comprehensive, collision, fire, theft or other insurance policy maintained by an Obligor with respect to the related Financed Automobile or (ii) any credit life, involuntary unemployment, or accident and health insurance maintained by an Obligor in connection with any Receivable.

"Insurance Proceeds" means proceeds paid pursuant to any Insurance Policy and amounts (exclusive of rebated premiums) paid by any insurer under any other insurance policy related to a Financed Automobile, a Receivable or an Obligor.

"Interim Servicer" means, initially, Seller, subject to removal pursuant to the terms of the Interim Servicing Agreement, and thereafter shall mean any successor servicer appointed by Purchaser.

"Interim Servicing Agreement" means that certain Interim Servicing Agreement dated as of the date hereof, by and between Purchaser and Interim Servicer and being executed simultaneously with this Agreement in the Form of Exhibit J, as amended, restated, modified or supplemented from time to time in accordance with the terms thereof.

"Internal Revenue Code" means the Internal Revenue Code of 1986.

"Lien" means any lien, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing.

"Liquidation Expenses" means reasonable out-of-pocket expenses, other than any overhead expenses, incurred by Interim Servicer or Servicer in connection with the realization of the amounts due under any Receivable (including the attempted liquidation of a Receivable which is brought current and is no longer in default during such attempted liquidation) and the sale of any property acquired in respect thereof which are not recoverable under any Insurance Policy.

"Liquidation Proceeds" means amounts received by Interim Servicer or Servicer (after reimbursement to the Interim Servicer or Servicer for Liquidation Expenses) in connection with the realization of the amounts due and to become due under any Charge-Off Receivable, including, without limitation, proceeds of the sale of any property acquired in respect thereof.

"Material Adverse Effect" means a material adverse effect on (a) the business operations, assets, condition (financial or otherwise) or liabilities (actual or contingent) of Seller or Parent, (b) the ability of Seller to fully and timely perform its obligations under this Agreement or the ability of Parent to fully and timely perform its obligations under the Parent Guaranty; (c) the legality, validity, binding effect, or enforceability against Seller of this Agreement or against Parent of the Parent Guaranty; or (d) the rights, remedies and benefits available to, or conferred upon Purchaser hereunder or under the Parent Guaranty; provided that in determining whether a Material Adverse Effect has occurred, there shall be excluded any effect to the extent resulting from the following, either alone or in combination: (i) any event, change, development, effect or occurrence generally affecting the business or industries in which Seller operates, (ii) changes in general economic or business conditions, including changes in the financial, securities or credit markets or (iii) changes as a direct result of actions taken by Purchaser or any of Purchaser's agents or affiliates (provided, however, that with respect to clauses (i) and (ii), such effect does not disproportionately adversely affect Seller or Parent or their respective business as compared to other companies operating in the same industry in which Seller or Parent operate).

"Notices" shall have the meaning specified in Section 8.6.

"Obligor" means, with respect to a Receivable, the purchaser or co-purchasers of the related Financed Automobile or any other Person who owes or may be liable for payments under such Receivable.

"Parent" means Unitrin, Inc., a Delaware corporation.

"Parent Guaranty" means the Guaranty in the form of Exhibit H, as amended, restated, supplemented or otherwise modified from time to time.

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"Purchase Price" shall have the meaning specified in Section 3.1(a).

"Purchased Assets" shall have the meaning specified in Section 2.1(a).

"Purchaser" shall have the meaning specified in the preamble hereto.

"Purchaser Indemnified Parties" means Purchaser, and its members, managers, officers, employees, agents, affiliates, successors and permitted assigns.

"Receivable" means each installment sale contract or promissory note that is listed in the electronic data file described in Exhibit A.

"Receivable File" means, with respect to each Receivable, a file containing: (a) the fully executed original of the Receivable with the fully executed assignment from the related Dealer (or other originator) to Seller (together with any agreements modifying the Receivable, including, without limitation, any extension agreements); (b) a fully executed assignment in blank from Seller; (c) the original or electronic copy of the title certificate of the Financed Automobile noting the lien of Seller on the Financed Automobile and, if any, such other documents that Seller shall keep on file, in accordance with its customary practices and procedures, evidencing the security interest of Seller in such Financed Automobile; (d) the fully executed original of any form legally required to be executed by a co-signer; (e) documents evidencing the commitment of the related Obligor to maintain physical damage insurance covering the related Financed Automobile; (f) the original or a copy of the credit application fully executed by the related Obligor in respect of the Receivable and (g) any and all other documents (including any computer file or disc or microfiche) that Seller shall keep on file, in accordance with its customary practices and procedures, related to such Receivable, the related Obligor or the related Financed Automobile.

"Repurchase Event" shall have the meaning specified in Section 4.2(c).

"Repurchase Price" means, with respect to any Receivable, 94% of the unpaid principal balance of such Receivable as of the Cut-Off Date minus the amount of Collections, if any, received on behalf of such Receivable by Purchaser after the Cut-Off Date.

"Repurchase Threshold" shall have the meaning specified in Section 4.2(c).

"Sale Papers" shall have the meaning specified in Section 4.1(c).

"Schedule of Modified Receivables" means the schedule in the electronic data file described in Exhibit B, which identifies each Receivable purchased hereunder on the Closing Date that has been modified in any way since such Receivable was originated and describes all such modifications.

"Schedule of Receivables" means the schedule of Receivables purchased hereunder on the Closing Date, which schedule is in the electronic data file described in Exhibit A.

"Scheduled Receivable Payment" means, for any Collection Period and for any Receivable, the amount indicated in such Receivable as required to be paid by the Obligor in such Collection Period, including amounts as modified pursuant to the Servicemembers Civil Relief Act or otherwise and in each case shown in the electronic data file described in Exhibit B.

"Secured Obligations" shall have the meaning specified in Section 2.1(c).

"Seller" shall have the meaning specified in the preamble hereto.

"Seller Indemnified Parties" means Seller, and its members, managers, officers, employees, agents, affiliates, successors and permitted assigns.

"Servicer" means, initially, Consumer Portfolio Services, Inc., subject to removal pursuant to the terms of the Servicing Agreement, and thereafter shall mean any successor servicer appointed by Purchaser.

"Servicing Agreement" means, initially, that certain Servicing Agreement to be dated as of the Closing Date, by and between Purchaser and Servicer, or any other servicing agreement entered into between Purchaser and Servicer from time to time, in each case as amended, restated, modified or supplemented from time to time in accordance with the terms thereof.

"Solvent" means, with respect to any Person, that as of the date of determination, both (a) (i) the fair value of such entity's debt (including contingent liabilities) does not exceed the present fair value of such entity's present assets; (ii) such entity's capital is not unreasonably small in relation to its business as contemplated on the Closing Date; and (iii) such entity has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such entity is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether

such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Taxes" means all federal, state, local or foreign sales, use or transfer taxes, assessments, duties, fees, levies or other governmental charges of any nature whatsoever, whether disputed or not, together with any interest, penalties, additions to tax or additional amounts with respect thereto.

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

Section 1.2 Other Definitional Provisions.

(a) 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.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 1.1, and accounting terms partially defined in Section 1.1 to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under generally accepted accounting principles in the United States, the definitions contained herein shall control. In the event that the UCC, as in effect on the date hereof, is revised any reference herein to specific sections of the UCC shall be deemed to be references to such successor sections.

(c) Unless otherwise specified, references to any amount as on deposit or outstanding on any particular date shall mean such amount at the close of business on such day.

(d) The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement or any certificate or other document made or delivered pursuant hereto shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, Schedule and Exhibit references contained in this Agreement are references to Sections, subsections, clauses, Schedules and Exhibits in or to this Agreement unless otherwise specified. The term "including" means "including without limitation." References to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation. References to any Person include that Person's successors and assigns. References to any agreement refer to such agreement, as amended, supplemented or otherwise modified from time to time in accordance with its respective terms.

(e) In the event that any reports are not available to any Person on the date on which such Person is required to make a determination of whether a computational test has been satisfied pursuant hereto, such determination shall be made using the most current available information.

ARTICLE II
SALE AND PURCHASE OF RECEIVABLES

Section 2.1 Sale and Purchase of Receivables.

(a) Upon the terms and subject to the conditions set forth herein, Seller does hereby sell, transfer, assign, set over and otherwise convey to Purchaser on the Closing Date, without recourse (other than as set forth herein), all its right, title and interest, whether now owned or hereafter acquired in, to and under all of the following assets (the "Purchased Assets"):

(i) the Receivables;

(ii) all Collections;

(iii) the security interests in the related Financed Automobiles and other security granted by the related Obligors pursuant to such Receivables;

(iv) the Receivable File related to each Receivable;

(v) all servicing rights with respect to the Receivables;

(vi) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing (including, without limitation, any rights arising out of Dealer Agreements, or arising out of Insurance Policies or extended service contracts relating to the Financed Automobiles); and

(vii) all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all cash and non-cash proceeds, and other property consisting of, arising from or relating to all or any part of any of the foregoing.

Notwithstanding anything herein to the contrary, in no event shall any Excluded Liabilities be sold, transferred, assigned, set over or otherwise conveyed to Purchaser hereunder. Seller relinquishes all title and control over the Purchased Assets upon transfer thereof to Purchaser.

(b) Seller and Purchaser will treat, and the books and records of each shall reflect, the sale of the Purchased Assets from Seller to Purchaser as a sale of property in exchange for the Purchase Price of the Purchased Assets being sold on the Closing Date. Seller agrees to record and file, at its own expense, financing statements (and continuation statements or other amendments with respect to such financing statements when applicable) with respect to the Purchased Assets sold by Seller hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the transfer and assignment of its interest in the Purchased Assets to Purchaser, and to deliver a file-stamped copy of each such financing statement and continuation statement (or other amendment) or other evidence of such filing to Purchaser as soon as practicable after the Closing Date. Notwithstanding the foregoing, Seller agrees to record Purchaser as lienholder with respect to all electronic title

certificates for Financed Automobiles but shall be under no obligation to record Purchaser as lienholder with respect to non-electronic title certificates for Financed Automobiles. Purchaser may but shall be under no obligation whatsoever to file such financing or continuation statements or to make any other filing under the UCC in connection with such transfer and assignment.

(c) It is the intention of the parties hereto that the conveyance of the Receivables and other Purchased Assets by Seller to Purchaser as provided in Section 2.1(a) be, and be construed as, an absolute and irrevocable sale and provide Purchaser with the full benefits of ownership of the Purchased Assets, conveying good title free and clear of any Liens, such that any interest in and title to the Purchased Assets would not be property of Seller's estate in the event Seller becomes a debtor in a case under any Debtor Relief Law. If and to the extent the transfer of any Receivable or other Purchased Asset is for any purpose characterized as a collateral transfer for security or the transaction is characterized as a financing transaction or a loan then this Agreement shall be deemed to constitute a security agreement under the UCC. In furtherance of the foregoing, Seller hereby grants, and Purchaser shall be deemed to have, a first priority, perfected valid and continuing security interest in, and lien on, all of Seller's right, title and interest whether now owned or hereafter acquired in the Purchased Assets and all proceeds thereof to secure a loan in an amount equal to all obligations owed to Purchaser by Seller under this Agreement, (together the "Secured Obligations").

(d) If and to the extent that the interest of Purchaser is characterized as a secured loan, Seller agrees to pay to Purchaser an amount equal to the Secured Obligations. Purchaser shall have all of the rights and remedies of a secured party under the UCC, including, but not limited to, the rights of a secured party obtaining a lien under Section 9-608 of the UCC and Seller shall have all the rights of a debtor granting a lien under the UCC (including rights under Section 9-623 of the UCC).

(e) Seller hereby authorizes the filing of any financing statement or continuation statements, and amendments to financing statements, in any jurisdictions and with any filing office as Purchaser may determine, in its sole discretion, are necessary or advisable to perfect (or maintain) the security interest granted to Purchaser in connection with Section 2.1(c) above. Such financing statements may describe the collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as Purchaser may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the collateral granted to Purchaser in connection herewith. Purchaser (or its designee) on Seller's behalf may record and file any financing statement or continuation statements, and amendments to financing statements, Purchaser determines, in its sole discretion, are necessary and advisable pursuant to this Section 2.1(e) and Section 8.2.

(f) Except for the conveyances hereunder, Seller will not hereafter sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien on the Purchased Assets or any interest therein, arising through or under Seller, and Seller shall defend, at Seller's expense, the absolute right, title and interest of Purchaser in and to the Purchased Assets against all such claims of third parties claiming through or under Seller.

Section 2.2 Acceptance by Purchaser. Purchaser hereby acknowledges its acceptance of all right, title and interest in and to the Purchased Assets, now existing and hereafter created and sold to Purchaser pursuant to Section 2.1.

ARTICLE III
CONSIDERATION AND PAYMENT

Section 3.1 Purchase Price; Purchase Price Allocation.

(a) The "Purchase Price" for the Purchased Assets conveyed on the Closing Date shall be an amount equal to: (i) 94% of the unpaid principal balance of the Receivables as of the Cut-Off Date, as shown in the electronic data file described in Exhibit A, minus (ii) all Collections received by or on behalf of Seller after the Cut-Off Date as calculated pursuant to the format provided in Exhibit I. One (1) Business Day prior to the Closing Date, Seller shall deliver a statement setting forth the calculation of the Purchase Price, including the aggregate amount of Collections received by or on behalf of Seller after the Cut-Off Date through the date that is two (2) Business Days prior to the Closing Date (the "Collections Estimate"). Thirty (30) days after the Closing Date, Seller shall again determine the aggregate amount of Collections received by or on behalf of Seller after the Cut-Off Date through the Closing Date and (i) Seller shall remit to Purchaser on such day by wire transfer in immediately available funds the amount by which such actual Collections exceeded the Collections Estimate or (ii) Purchaser shall remit to Seller on such day by wire transfer in immediately available funds the amount by which the Collections Estimate exceeded such actual Collections.

(b) The Purchase Price for the Purchased Assets conveyed on the Closing Date shall be paid on the Closing Date by wire in immediately available funds to the account of Seller specified by Seller to Purchaser in writing no later than one (1) Business Day prior to the Closing Date. Notwithstanding any other provision of this Agreement or any other document, Seller shall not be obligated to sell the Purchased Assets to Purchaser to the extent that Seller is not paid the Purchase Price therefor as provided herein.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of Seller Relating to Seller. Seller hereby represents and warrants to Purchaser as of the date hereof and on the Closing Date that:

(a) Organization and Good Standing. Seller is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation and has full power and authority to own its properties and conduct its business as such properties are at present owned and such business is at present conducted, and to execute, deliver and perform its obligations under this Agreement.

(b) Due Qualification. Seller is duly qualified to do business and is in good standing as a foreign corporation (or is exempt from such requirements) in any jurisdiction where such qualification is required to conduct its business and has obtained all necessary

licenses and approvals in each jurisdiction in which failure to so qualify or to obtain such licenses and approvals could reasonably be expected to have a Material Adverse Effect.

(c) Due Authorization and Binding Obligation. The execution, delivery and performance by Seller of this Agreement, the Bill of Sale and any other document or instrument delivered pursuant hereto or in connection herewith, (such other documents or instruments, collectively, the "Sale Papers"), and the consummation by Seller of the transactions provided for in this Agreement and the Sale Papers have been duly authorized by Seller by all necessary corporate or other appropriate action on the part of Seller. This Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable Debtor Relief Laws now or hereafter in effect or general principles of equity (whether considered in a suit at law or in equity).

(d) No Conflict. The execution and delivery of this Agreement and the Sale Papers by Seller, the performance by Seller of the transactions contemplated by this Agreement and the Sale Papers, and the fulfillment by Seller of the terms of this Agreement and the Sale Papers applicable to Seller will not conflict with, violate, or result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any material indenture, contract, agreement, mortgage, deed of trust, or other instrument to which Seller is a party or by which it or any of its properties are bound.

(e) No Violation. The execution, delivery and performance of this Agreement and the Sale Papers by Seller and the fulfillment by Seller of the terms and transactions contemplated herein and therein applicable to Seller will not conflict with or violate (i) any requirements of applicable federal, state and local laws, and regulations thereunder applicable to Seller, (ii) any order, judgment or decree of any court or other agency of government binding on Seller or (iii) the articles of incorporation, by-laws or other organizational document of Seller, except in the case of (i) and (ii) for violations which would not cause a Material Adverse Effect.

(f) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of Seller, threatened, against Seller before any Governmental Authority (i) asserting the invalidity of this Agreement or the Sale Papers, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Sale Papers, (iii) seeking any determination or ruling that, in the reasonable judgment of Seller, would materially and adversely affect the performance by Seller of its obligations under this Agreement or the Sale Papers or (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or the Sale Papers.

(g) All Consents. All authorizations, consents, licenses, orders or approvals of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by Seller in connection with the execution and delivery by Seller of this Agreement and the Sale Papers and the performance of the transactions contemplated by this Agreement or the Sale Papers by Seller have been duly obtained, effected or given and are in full force and effect; provided, however, that such representation and warranty is given only

as of the Closing Date with respect to those consents and approvals required from Banking Regulators or pursuant to the HSR Act.

(h) Insolvency. Immediately prior to and after the sale of the Purchased Assets by Seller to Purchaser hereunder, Seller is Solvent and will not be made insolvent by the sale of the Purchased Assets. Seller is not subject to any proceeding with respect to any Debtor Relief Laws. The sale of the Purchased Assets by Seller to Purchaser has a legitimate business purpose and has not been made with the intent to hinder, delay or defraud Purchaser or the creditors of Seller or impair any of their rights or interests. Seller received reasonably equivalent value and fair consideration for its sale of the Receivables to Purchaser under this Agreement.

(i) Legal Name. The exact legal name of Seller is the name set forth for it on the signature page hereto.

(j) No Other Security Agreements. Seller is not bound as debtor under Section 9-203(d) of the UCC by a security agreement previously entered into by another Person covering any of the property sold by Seller hereunder.

(k) Compliance With Law; Licensing; Permits. Seller is in compliance in all material respects with all requirements of applicable federal, state and local laws, and regulations thereunder in connection with its obligations hereunder, the Receivables and the Financed Automobiles, including without limitation applicable orders of Banking Regulators, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Servicemembers Civil Relief Act, state adaptations of the National Consumer Act and of the Uniform Consumer Credit Code and any other applicable federal or state consumer credit, equal credit opportunity, privacy and disclosure laws and regulations. All licenses, permits, orders, or approvals of any governmental or regulatory body which are required in connection with Seller's automobile finance business ("Permits") are and were at all relevant times in full force and effect and no material violations are or have been recorded with respect to any Permits. There are no proceedings pending or, to Seller's knowledge, threatened that may terminate, revoke, or limit any Permits.

(l) Investment Company Act. Seller is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(m) Bulk Sales. The execution, delivery and performance of this Agreement do not require compliance with any "bulk sales" act or similar law by Seller.

(n) Taxes. Seller has filed or caused to be filed all tax returns that are required to be filed by it. Seller has paid or made adequate provisions for the payment of all Taxes and all assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books

of Seller), and no Tax lien has been filed and, to Seller's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(o) No Material Adverse Effect. From March 31, 2011, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(p) Audits. None of Seller, the Receivables or any other loans or receivables originated or owned by Seller have been the subject of any audit or review by a Governmental Authority, the results of which indicated (i) materially inaccurate or incomplete files, information or data held or produced by Seller or (ii) any material violations of any requirements of applicable federal, state and local laws, and regulations thereunder in connection with Seller's operations, the origination, servicing or enforcement of the Receivables or any other loans or receivables originated or owned by Seller, or the Financed Automobiles, including without limitation applicable orders of Banking Regulators, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Servicemembers Civil Relief Act, state adaptations of the National Consumer Act and of the Uniform Consumer Credit Code and any other applicable federal or state consumer credit, equal credit opportunity, privacy and disclosure laws and regulations.

(q) Brokers Fees. Any broker acting on behalf of Seller or any of its affiliates or under authority of any of them has been or will be paid in full all brokerage fees and other commissions and fees due to it in connection with the transactions contemplated by this Agreement.

Section 4.2 Representations and Warranties of Seller Relating to the Receivables.

(a) Representations and Warranties. Seller represents and warrants to Purchaser as of the Closing Date with respect to this Agreement and the Purchased Assets that:

(i) immediately prior to its conveyance to Purchaser, Seller owned and had good and marketable title to the related Receivables free and clear of any Lien, claim or encumbrance of any Person and, upon conveyance, such Receivables have been sold to Purchaser free and clear of any Lien;

(ii) other than the security interest granted to Purchaser pursuant to this Agreement, Seller has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Purchased Assets, except for any pledge, assignment or grant of a security interest that has been terminated;

(iii) Seller has not authorized the filing of nor is Seller aware of any financing statements against Seller that include a description of collateral covering the Purchased Assets other than any financing statement relating to the security interest granted to Purchaser hereunder or that has been terminated;

(iv) the information (a) on the Schedule of Receivables described in Exhibit A, (b) on the Schedule of Modified Receivables described in Exhibit B, and (c) contained in the electronic files listed on the List of Data Files attached hereto as Exhibit C are true, correct and complete in all material respects;

(v) other than the servicing agreement with Penncro Associates, Inc. and except as permitted pursuant to the Interim Servicing Agreement, any agreement or arrangement Seller has entered into with any sub-servicer or collection agent with respect to any of the Purchased Assets has been terminated, and as of the Closing Date, there will be no obligations owing to any such Person by Seller or any other Person in connection with such agreement or arrangement and the Seller will have no liabilities to any Person in connection with such agreement or arrangement;

(vi) Seller has not sold any installment sale contract for a vehicle or promissory note secured by a vehicle that would satisfy each of the representations and warranties set forth on Schedule I hereto to any Person since March 31, 2011;

(vii) each Receivable identified on the Schedule of Receivables satisfies each of the representations and warranties set forth on Schedule I hereto; and

(viii) the Receivables identified on the Schedule of Receivables constitute substantially all of the Receivables owned by Seller that satisfy, as of the Closing Date, each of the representations and warranties set forth on Schedule I hereto.

(b) Notice of Breach. The representations and warranties set forth in Section 4.1 and this Section 4.2 shall survive the sale, transfer, assignments or other conveyance of the Purchased Assets by Seller to Purchaser. Upon discovery by Seller or Purchaser of a breach of any of the representations and warranties set forth in Section 4.1 or this Section 4.2, the party discovering such breach shall give prompt written notice to the other party. Seller hereby acknowledges that Purchaser is relying on the representations hereunder in connection with its purchase of the Receivables hereunder.

(c) Repurchase Upon Breach. In the event any representation or warranty contained within Sections 4.2(a)(iii), (iv) (with respect to all information set forth in the data files described on Exhibit C), (v), (vi) and (vii) is not true and correct in any material respect as of the date specified therein with respect to any Receivable (any such event, a "Repurchase Event"), unless any such breach is cured in all material respects by the last day of the second Collection Period following the discovery thereof, Seller shall be obligated to repurchase, as of such last day (or, at Purchaser's option, the last day of the first Collection Period following such discovery) or, if later, the date that the Repurchase Threshold is reached, any Receivable conveyed by it to Purchaser if (in the reasonable opinion of Purchaser) the interest of Purchaser in such Receivable is materially and adversely affected by such breach; provided, however, that no repurchase will be made by Seller with respect to any Receivable until the aggregate Repurchase Price of all Receivables that Purchaser determines to be subject to repurchase hereunder exceeds $1,000,000 (the "Repurchase Threshold") and once such Repurchase Threshold has been reached, Seller shall pay the entire Repurchase Price to Purchaser; provided, further, that Seller's obligations under this Section 4.2(c) shall survive for

only nine (9) months from the Closing Date. In consideration of the repurchase of any such Receivable, Seller shall remit the Repurchase Price to or upon the order of Purchaser. Purchaser shall execute such documents and instruments of transfer or assignment and take such other action as shall reasonably be requested by Seller to effect the conveyance of Receivables to Seller or its designee pursuant to this Section.

Section 4.3 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller on the Closing Date that:

(a) Organization and Good Standing. Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has, in all material respects, full power and authority to own its properties and conduct its business as such properties are at present owned and such business is at present conducted, and to execute, deliver and perform its obligations under this Agreement.

(b) Due Authorization and Binding Obligation. The execution and delivery of this Agreement and the Sale Papers and the consummation of the transactions provided for in this Agreement and the Sale Papers have been duly authorized by Purchaser by all necessary limited liability company or other appropriate action on the part of Purchaser. This Agreement constitutes a legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by applicable Debtor Relief laws now or hereafter in effect or general principles of equity (whether considered in a suit at law or in equity).

(c) No Conflict. The execution, delivery and performance of this Agreement and the Sale Papers by Purchaser, the performance by Purchaser of the transactions contemplated by this Agreement and the Sale Papers, and the fulfillment by Purchaser of the terms of this Agreement and the Sale Papers applicable to Purchaser, will not conflict with, result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any material indenture, contract, agreement, mortgage, deed of trust or other instrument to which Purchaser is a party or by which it or any of its properties are bound.

(d) No Violation. The execution, delivery and performance of this Agreement and the Sale Papers by Purchaser and the fulfillment by Purchaser of the terms and transactions contemplated herein and therein applicable to Purchaser will not conflict with or violate (i) any requirements of applicable federal, state and local laws, and regulations thereunder applicable to Purchaser, (ii) any order, judgment or decree of any court or other agency of government binding on Purchaser or (iii) the articles of incorporation, by-laws or other organizational document of Purchaser.

(e) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of Purchaser, threatened against Purchaser, before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement or the Sale Papers, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Sale Papers, (iii) seeking any determination or ruling that, in the reasonable judgment of Purchaser, would

materially and adversely affect the performance by Purchaser of its obligations under this Agreement or the Sale Papers or (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement or the Sale Papers.

(f) All Consents. All authorizations, consents, licenses, orders or approvals of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by Purchaser in connection with the execution and delivery by Purchaser of this Agreement and the Sale Papers and the performance of the transactions contemplated by this Agreement and the Sale Papers have been duly obtained, effected or given and are in full force and effect; provided, however, that such representation and warranty is given as of the Closing Date with respect to those consents and approvals required from Banking Regulators or pursuant to the HSR Act.

(g) No Brokers. No Person acting on behalf of Purchaser or any of its affiliates or under authority of any of them is or will be entitled to a brokerage fee or other commission or fee in connection with the transactions contemplated by this Agreement.

The representations and warranties set forth in this Section 4.3 shall survive the sale, transfer, assignment or other conveyance of the Purchased Assets by Seller to Purchaser.

ARTICLE V
COVENANTS

Section 5.1 Covenants of Seller. Seller hereby covenants to Purchaser that:

(a) Security Interests. Except for the conveyance hereunder, Seller will not sell, pledge, assign or transfer to any other Person, or take any other action inconsistent with Purchaser's ownership of the Purchased Assets, or grant, create, incur, assume or suffer to exist any Lien arising through or under Seller, any Purchased Assets conveyed to Purchaser, whether now existing or hereafter created, or any interest therein, and Seller shall not claim any ownership interest in the Purchased Assets conveyed to Purchaser and shall defend the right, title and interest of Purchaser and its assignees in, to and under the Purchased Assets conveyed to Purchaser, whether now existing or hereafter created, against all claims of third parties claiming through or under Seller.

(b) Delivery of Collections. Seller agrees, from and after the termination of the Interim Servicing Agreement, to pay to, or at the direction of, Purchaser all Collections received by Seller or its respective designees in respect of the Purchased Assets not previously paid or credited to Purchaser as soon as practicable after receipt thereof by Seller or its designee but in no event later than two (2) Business Days after receipt thereof.

(c) Notice of Liens. Seller shall notify Purchaser promptly after becoming aware of any Lien arising through or under Seller on any Purchased Asset conveyed to Purchaser other than the conveyances hereunder.

(d) Documentation of Sale. Seller shall timely file in all appropriate filing offices the documents which are necessary or advisable to transfer the Purchased Assets to Purchaser.

(e) Protection of Rights. Seller shall not take any action which would impair any rights of Purchaser or any assignee(s) of Purchaser in any Receivable.

(f) Name and Type and Jurisdiction of Organization. Seller shall not change its name or its type or jurisdiction of organization without previously having delivered to Purchaser written notice of such change.

(g) Servicing Transition. Seller shall cooperate with Purchaser, the Servicer and any successor service provider designated by Purchaser in effecting the transition of servicing responsibilities, including, without limitation, providing the Servicer and any other successor service provider with all records, in electronic or other form, reasonably requested by it to enable the Servicer and any successor service provider to assume service of the Receivables and use commercially reasonable efforts, at Purchaser's expense, to assist Purchaser, Servicer, and any successor service provider in obtaining licenses to operate any software currently used by Seller which is necessary or desirable to perform the servicing of the Receivables.

(h) Power of Attorney. Seller shall execute and deliver to Purchaser and its assigns one or more powers of attorney authorizing Purchaser and its assigns to execute and file, on its behalf, all requisite documents in order to transfer title in the Financed Automobiles to Purchaser or its assignee, in each case, in the form attached as Exhibit E hereto.

(i) Delivery of Notices Relating to Receivables. Following termination of the Interim Servicing Agreement, Seller shall use commercially reasonable efforts, at Seller's cost, to forward, or cause to be forwarded, to Purchaser within five (5) Business Days after receipt by Seller, all correspondence from Obligors or any other Person received with respect to the Receivables, including without limitation impound notices and notices of cancellation of insurance received with respect to the Receivables. All such correspondence shall be sent by Seller to Purchaser by regular mail or, at Purchaser's request and cost, overnight mail.

(j) Notice to Oregon Obligors. Within 10 days after the date hereof, Seller will deliver to each Obligor located in the State of Oregon a written notice addressed to such Obligor which notice will include the following:

"FIRESIDE BANK INTENDS TO SELL THIS CONTRACT TO CPS FENDER RECEIVABLES LLC, PO BOX 98747, PHOENIX, AZ 85038-0747 WHICH IF IT BUYS THE CONTRACT, WILL BECOME THE OWNER OF THE CONTRACT AND YOUR CREDITOR. AFTER THE SALE OF THIS CONTRACT, ALL QUESTIONS CONCERNING EITHER TERMS OF THIS CONTRACT OR PAYMENTS SHOULD BE DIRECTED TO THE BUYER OF THE CONTRACT AT THE ADDRESS INDICATED ABOVE. **IF THE CONTRACT IS TRANSFERRED TO A HOLDER OTHER THAN THE ONE IDENTIFIED IN THIS NOTICE, OR RETAINED BY THE FIRESIDE BANK, FIRESIDE BANK SHALL CAUSE NOTICE IN**

WRITING OF THE NAME AND ADDRESS OF THE ACTUAL HOLDER TO BE DELIVERED TO YOU WITHIN 10 DAYS OF THE DECISION."

ARTICLE VI
CONDITIONS PRECEDENT

Section 6.1 Conditions Precedent to Purchaser's Obligations. The obligations of Purchaser to purchase Receivables under this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions:

(a) all representations and warranties of Seller contained in this Agreement shall be true and correct as of the Closing Date;

(b) Seller shall have delivered:

(i) to the Custodian, (A) the fully executed original of each Receivable together with the related fully executed assignment from the related Dealer (or other originator) to Seller (together with any agreements modifying such Receivable, including, without limitation, any extension agreements), and (B) if not electronic, the original title certificate of the Financed Automobile noting the lien of Seller on the Financed Automobile for each Receivable, and

(ii) to the Servicer, (A) an electronic file identifying each Receivable by account number and Obligor name with link to an electronic copy (in portable document format or similar electronic imaging format) of each of the documents described in Section 6.1(b)(i) for each Receivable and (B) if the original title certificate of the Financed Automobile for any Receivable is electronic, all documentation necessary to provide Purchaser and its designees access to such electronic title certificate;

(c) Seller shall have delivered to Purchaser copies of all security interest releases and UCC-3 termination statements with respect to the Receivables, in each case, in form and substance reasonably satisfactory to Purchaser;

(d) Seller shall have delivered to Purchaser opinions of counsel in the form of Exhibit K;

(e) Seller shall have executed and delivered to Purchaser a bill of sale in the form of Exhibit D hereto (the "Bill of Sale");

(f) Seller shall have executed and delivered to Purchaser a power of attorney in the form of Exhibit E hereto;

(g) Parent shall have delivered a guaranty of Seller's obligations hereunder and under the Sale Papers in the form of Exhibit H;

(h) Seller and Parent shall have each delivered to Purchaser a secretary's certificate certifying as to the due formation and good standing of Seller and Parent, as applicable, and resolutions authorizing the transactions contemplated hereunder and the guaranty of the Parent;

(i) Seller shall have delivered to Purchaser an officer's certificate certifying that the notices required to be delivered pursuant to Section 5.1(j) have been delivered;

(j) Seller shall have delivered evidence satisfactory to Purchaser that it has obtained approval of the transactions contemplated by this Agreement from the California Department of Financial Institutions and the Federal Deposit Insurance Corporation and that all required waiting periods under the HSR Act have expired;

(k) no material adverse change in the Receivables, in the aggregate, has occurred since March 31, 2011; and

(l) the transactions contemplated by this Agreement are in compliance in all material respects with all applicable laws and regulations.

Section 6.2 Conditions Precedent to Seller's Obligations. The obligations of Seller to sell Receivables under this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions:

(a) all representations and warranties of Purchaser contained in this Agreement shall be true and correct as of the Closing Date;

(b) payment or provision for payment of the Purchase Price in accordance with the provisions of Section 3.1 hereof shall have been made; and

(c) Consumer Portfolio Services, Inc. shall have delivered a guaranty of Purchaser's obligations hereunder and under the Sale Papers in the form of Exhibit L;

ARTICLE VII
COMPLIANCE AND INDEMNIFICATION

Section 7.1 Taxes. Seller shall bear the liability for all Taxes incurred, if any, in connection with the transfer of the Purchased Assets contemplated hereby

Section 7.2 Further Assurances. In order to protect and secure Purchaser's rights hereunder, Seller upon the reasonable request of Purchaser or its assignees, shall perform every reasonable act necessary or advisable to carry out the transactions contemplated by this Agreement, including the execution of such limited powers of attorney as Purchaser may reasonably request, execution of other documents such as applications for certificates of title, documents or instruments reasonably required to reflect on any certificate of title that Purchaser or its assignees is the secured party and UCC financing statements assigning Seller's interests in

the Purchased Assets, and the execution of, and if necessary, the recordation of, additional documents, including separate endorsements and assignments, upon the reasonable request of Purchaser.

Section 7.3 Books and Records. After the Closing Date, and for a period of seven (7) years thereafter, each party shall afford to the other and their respective representatives (including the Servicer), upon reasonable notice and during normal business hours, reasonable access to the books and records and similar materials relating to the Purchased Assets (including the Receivable Files), and the right to make copies thereof, to the extent that such access may be reasonably required by a party or any of its affiliates, including in connection with (i) the preparation of financial statements and all tax returns or in connection with any audit or proceeding with respect thereto and (ii) the investigation, litigation and final disposition of any action which may have been, or may hereafter be made, against a party hereto or any of its affiliates or may otherwise affect a party or any of its affiliates and, in each case, solely to the extent that the information sought relates to periods prior to the Closing Date.

Section 7.4 Seller Indemnification. Seller will defend, indemnify and hold harmless the Purchaser Indemnified Parties from and against any and all Damages arising out of or resulting from:

(a) any breach of the representations and warranties of Seller contained in Section 4.1 and Sections 4.2(a)(i), (ii), (iv) (with respect to the information set forth on Exhibits A and B), (vii) (with respect to Schedule I, items 1, 2, 8, 11, 18, 19 and 21) and (viii);

(b) any breach of any covenant or agreement to be performed by Seller from and after the Closing Date;

(c) any investigative, administrative or judicial proceeding commenced or threatened by any Person, including, without limitation, Fireside Bank v. Gonzales, Case No. 10C01602, in the Superior Court of the State of California, County of Los Angeles – Southeast District, whether or not Purchaser shall be designated as a party or a potential party thereto and whether based on any federal, state or foreign laws, statutes, rules or regulations, on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against Purchaser in any manner relating to or arising out of this Agreement or the Purchased Assets arising from events or alleged events occurring prior to the Closing Date, excluding Damages arising as a result of Purchaser's actions; and

(d) any Excluded Liabilities;

provided, however, that Seller's indemnification obligations under this Section 7.4 with respect to the representations and warranties contained in Sections 4.1(d), (e), (f), (h), (i), (j), (l), (m), (n), (o), (p) and (q) shall only apply to breaches thereof that are identified in the one (1) year period following the Closing Date and, provided, further, in no event shall Seller be responsible for Damages under Section 7.4(a) in excess of the amount equal to the Purchase Price; provided, further, that no indemnity demand will be made by Purchaser until the aggregate amount of

demands made by Purchaser under this Section 7.4 exceeds $100,000, and once such amount shall have been reached, Seller shall pay Purchaser the entire amount of such demands.

Section 7.5 Purchaser Indemnification. Purchaser will defend, indemnify and hold harmless the Seller Indemnified Parties from and against any and all Damages arising out of or resulting from:

(a) any breach of the representations and warranties of Purchaser contained in Section 4.3; and

(b) any breach of any covenant or agreement to be performed by Purchaser from and after the Closing Date;

provided, however, that Purchaser's indemnification obligations under this Section 7.5 with respect to the representations and warranties contained in Sections 4.3(c), (d), (e), (f) and (g) shall only apply to breaches thereof that are identified in the one (1) year period following the Closing Date and, provided, further, in no event shall Purchaser be responsible for Damages in excess of the amount of five (5) percent of the Purchase Price; provided, further, that no indemnity demand will be made by Seller until the aggregate amount of demands made by Seller under this Section 7.5 exceeds $100,000, and once such amount shall have been reached, Purchaser shall pay Seller the entire amount of such demands.

Section 7.6 Indemnification Procedures. Promptly after receipt by any indemnified party under Section 7.4 or Section 7.5, as applicable, of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under Section 7.4 or Section 7.5, as applicable, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party under Section 7.4 or Section 7.5, as applicable, except to the extent that it has been prejudiced in any material respect, or from any liability which it may have, otherwise than under Section 7.4 or Section 7.5, as applicable. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party or parties shall have reasonably concluded that there may be legal defenses available to it or them and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party for expenses incurred by the indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood,

however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with one local counsel, if applicable)), (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

Section 7.7 HSR Act Filing. The parties hereto shall (i) promptly make their respective HSR Act filings or applications, (ii) thereafter, as quickly as reasonable practicable, shall promptly make any other required submissions, including responses to requests for additional information, under the HSR Act, (iii) request early termination of the initial waiting period under the HSR Act, and (iv) work cooperatively and as quickly as reasonably practicable to do that which is necessary to receive all approvals required pursuant to the HSR Act. Seller shall reimburse Purchaser by wire transfer of immediately available funds the amount equal to one-half of the filing fees paid by Purchaser in respect of the filings referred to in clause (i) of the previous sentence within two (2) Business Days after the payment thereof by Purchaser.

ARTICLE VIII
TERMINATION

Section 8.1 Termination. This Agreement may be terminated by either Seller or Purchaser if the Closing Date shall not have occurred by October 31, 2011, provided, however, that the right to terminate this Agreement pursuant to this Section 8.1 shall not be available to any party whose failure to perform any of its obligations under this Agreement results in the failure of the Closing Date to occur by such time.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 9.1 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 Purchaser and Seller.

Section 9.2 Protection of Right, Title and Interest of Purchaser.

(a) Seller shall cause this Agreement, all amendments hereto and all financing statements and continuation statements and any other necessary documents covering Purchaser's right, title and interest in and to the Purchased Assets to be promptly recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of Purchaser hereunder in and to all property comprising the Purchased Assets. Seller shall deliver to Purchaser file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. Purchaser shall cooperate fully with

Seller in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 8.2(a).

(b) Within thirty days after Seller makes any change in its name, identity or corporate structure which would make any financing statement or continuation statement filed in connection herewith seriously misleading within the meaning of the UCC as in effect in the applicable jurisdiction, Seller shall give Purchaser notice of any such change and Purchaser may file such financing statements or amendments as may be necessary to continue Purchaser's security interest in the Purchased Assets.

(c) Seller will give Purchaser prompt written notice of any change in the jurisdiction in which it is located (as such location is determined pursuant to Section 9-307 of the UCC) and if Purchaser shall reasonably determine that, as a result of such relocation, 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, then Purchaser may file such financing statements or amendments as may be necessary to continue Purchaser's ownership or security interest in the Purchased Assets and Purchaser will execute any documents necessary to preserve such ownership or security interest.

Section 9.3 Governing Law. THIS AGREEMENT AND THE SALE PAPERS SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 9.4 Submission to Jurisdiction. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE SALE PAPERS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN, OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, OR ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ANY OF ITS PROPERTY, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

Section 9.5 Waiver of Trial by Jury. THE PARTIES HERETO EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE

OTHER PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE PARTIES HERETO EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

Section 9.6 Notices.

All demands, notices, instructions, directions and communications (collectively, "Notices") under this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, mailed by certified mail, return receipt requested, or sent by facsimile transmission with oral telephonic confirmation of receipt, to:

(a) in the case of Seller, Fireside Bank, P.O. Box 9080, Pleasanton, California 94566, Attn: Tal Kaufmann; Fax: (925) 460-9024, Confirmation: (866) 612-1881; Email: Tal.Kaufmann@firesidebank.com; Copies to: Unitrin, Inc., One East Wacker Drive, Chicago, Illinois 60601, Attn: Chief Financial Officer; Fax: (312) 661-4690, Confirmation: (312) 661-4600;

(b) in the case of Purchaser, 19500 Jamboree Road, Irvine, California 92612, Attention: General Counsel, Facsimile Number: (949)753-6897, Confirmation: (888) 785-6891; or

(c) in the case of Seller or Purchaser, at such other address or facsimile number as shall be designated by such party in a written notice to the other parties from time to time.

Section 9.7 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement or any Sale Paper 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 or any Sale Paper and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of any Sale Paper.

Section 9.8 Assignment. This Agreement and the Sale Papers shall be binding upon Seller and Purchaser and their respective successors and permitted assigns, and shall inure to the benefit of and be enforceable by Seller and Purchaser and their respective successors and assigns. Notwithstanding anything to the contrary contained herein, this Agreement and the Sale Papers may not be assigned by Seller without the prior written consent of Purchaser or by Purchaser without the prior written consent of Seller. Seller acknowledges that Purchaser will assign as collateral to its lenders and any agent of such lenders (such lenders, agents and their respective successors and assigns being referred to collectively as the "Lenders"), all of Purchaser's rights, remedies, powers and privileges under this Agreement and the Sale Papers. Seller consents to such collateral assignment to the Lenders and agrees that the Lenders, as the assignees of

Purchaser, shall have the right to enforce this Agreement and the Sale Papers in accordance with their terms and to exercise directly all of Purchaser's rights and remedies under this Agreement and the Sale Papers, in each case without regard to whether specific reference is made to Purchaser's assigns in the provisions of this Agreement or the Sale Papers which set forth such rights and remedies, and Seller agrees to cooperate fully with the Lenders in the exercise of such rights and remedies.

Section 9.9 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Purchaser (or its assignees and designees) or Seller, 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 under this Agreement 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 privileges provided by law.

Section 9.10 Counterparts. This Agreement and all Sale Papers may be executed in two or more counterparts (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 9.11 Third-Party Beneficiaries. This Agreement and the Sale Papers will inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Except as otherwise expressly provided in this Agreement, no other Person will have any right or obligation hereunder.

Section 9.12 Merger and Integration. Except as specifically stated otherwise herein, this Agreement and the Sale Papers set 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 and the Sale Papers. This Agreement and the Sale Papers may not be modified, amended, waived or supplemented except with the prior written consent of Seller and Purchaser as provided herein.

Section 9.13 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 9.14 Schedules and Exhibits. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 9.15 Survival of Representations and Warranties. All representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect and shall survive conveyance of the Purchased Assets to Purchaser except for those representations and warranties contained within Sections 4.1, (d), (e), (f), (h), (i), (j), (l), (m), (n), (o), (p) and (q) and Sections 4.3(c), (d), (e), (f) and (g) which shall survive for one (1) year from the Closing Date and those representations and warranties contained within Section 4.2(a)(iii), (iv) (with respect to all information set forth in the data files described on Exhibit C), (v), (vi) and (vii) (with respect to Schedule I, items 3, 4, 5, 6, 7, 9, 12, 13, 14, 15, 16, 17, 20, 22, 23, 24, 25 and 26) which shall survive for nine (9) months from the Closing Date.

Section 9.16 Confidentiality. Each party hereto agrees that the terms included in this Agreement and the other Sale Papers and disclosed in connection with the consummation of the transactions contemplated hereby shall be kept strictly confidential, shall not be reproduced or disclosed (except as required by applicable law, including, without limitation, the filing requirements of the Securities Exchange Act of 1934, as amended), and shall not be used by any party other than in connection with the transaction described herein except with the prior written consent of the other parties. Each party agrees that in the event of any breach or threatened breach of this Section 8.16, the other parties may seek, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect such party against any such breach or threatened breach. In furtherance of the foregoing, neither of Seller or Purchaser may (i) disclose a general description of the transactions arising under this Agreement and the other Sale Papers for advertising, marketing or other similar purposes nor (ii) use any parties' name, logo or other indicia germane to such party in connection with such advertising, marketing or other similar purposes, unless Seller or Purchaser has obtained the prior written consent of the other, as the case may be.

Section 9.17 Purchaser Assignment of Rights under Credit Agreement. Purchaser has entered into a Credit Agreement dated the date hereof with CPS, Fortress Credit Corp. ("Fortress"), as a Lender, Administrative Agent, Collateral Agent, and as a Lead Agent, and Goldman Sachs Bank USA ("Goldman"), as a Lender and as a Lead Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Purchaser hereby agrees to enforce the obligations of Fortress and Goldman to make a "Term Loan" (as such term is defined in the Credit Agreement) to Purchaser on the Closing Date to the extent that the conditions set forth in Section 3.1 of the Credit Agreement have been satisfied and subject to the terms set forth in the Credit Agreement. To the extent that all conditions set forth in Section 3.1 of the Credit Agreement are satisfied on the Closing Date and Fortress or Goldman does not perform its obligation to make a Term Loan to Purchaser on the Closing Date, Purchaser hereby assigns to Seller the Purchaser's rights against such Lender, including the right to specific performance and claims for the direct or actual damages suffered by Seller as a result of such failure to make a Term Loan (it being understood that Purchaser reserves its right to also claim against such Lender the direct or actual damages suffered by Purchaser as a result of such failure to make a Term Loan). Seller acknowledges Section 9.3(b) of the Credit Agreement and agrees that it shall have no greater rights against a Lender than Purchaser would have against such Lender directly pursuant to the terms of the Credit Agreement. Purchaser agrees that it will not amend or modify Section 3.1 of the Credit Agreement prior to the Closing Date without the prior written consent of Seller.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective officers as of the day and year first above written,

FIRESIDE BANK,
as Seller

By: _____
Name:
Title:

CPS FENDER RECEIVABLES LLC,
as Purchaser

By: _____
Name:
Title:

Signature Page to Purchase Agreement

REPRESENTATIONS AND WARRANTIES REGARDING RECEIVABLES

1. Such Receivable is secured by a first priority lien on an automobile, with an automotive title listing Seller as the secured party of record holding such first priority lien or otherwise a valid assignment(s) exists validly conveying such lien from the holder of record to Seller;

2. Such Receivable is in full force and effect and represents a legal, valid and binding obligation of the related Obligor to Seller and is not subject to any right of rescission, set off, counterclaim or other defense of the related Obligor;

3. There are no further advances required to be made to the related Obligor by any Dealer, Seller or any other Person in connection with such Receivable;

4. Such Receivable is denominated in U.S. Dollars;

5. The related Obligor is an Eligible Obligor;

6. The original term to maturity of such Receivable is not greater than seventy-four (74) months;

7. Such Receivable is not subject to, nor has there been asserted, any litigation except for Fireside Bank v. Gonzales, Case No. 10C01602, in the Superior Court of the State of California, County of Los Angeles – Southeast District;

8. Such Receivable complied in all material respects at the time of origination with all applicable requirements of law and pursuant to a contract which complies in all material respects with all applicable requirements of law, and the Seller complied in all material respects at the time of such with all applicable requirements of law in connection with the origination and purchase of such Receivable; provided, that, for the purposes of this Item 8, any non-compliance with applicable requirements of law that results in (i) any Damages suffered by any Purchaser Indemnified Party or (ii) the unenforceability of such Receivable (in whole or in part) shall in any case be deemed material;

9. To Seller's knowledge, Seller's underwriting policies attached to the Agreement as Exhibit F except as noted on Exhibit F are the underwriting policies in effect at the time Seller ceased to originate Receivables;

10. Such Receivable was serviced in all material respects in accordance with Seller's servicing policies attached to the Agreement as Exhibit G;

11. Such Receivable has been serviced in material compliance with all applicable requirements of law at all times since its origination; provided, that, for the purposes of this Item 11, any non-compliance with applicable requirements of law that results in (i) any Damages suffered by any Purchaser Indemnified Party or (ii) the unenforceability of such Receivable (in whole or in part) shall in any case be deemed material;

12. Each document required to be included in the Receivable File has been delivered to Purchaser or its designee;

13. If such Receivable is evidenced by a promissory note, there is only one original promissory note;

14. Such Receivable, other than pre-computed loans, provides for level monthly payments that fully amortize over its term and provides for a fixed rate of interest (simple interest);

15. Seller, in accordance with its customary procedures, determined at the origination of such Receivable that the Obligor obtained physical damage insurance covering the Financed Automobile and, under the terms of the Receivable the Obligor is required to maintain such insurance;

16. To the Seller's knowledge, the related Financed Automobile is not and has never been salvaged;

17. Such Receivable does not provide for the substitution, exchange or addition of any Financed Automobile to such Receivable;

18. The terms, conditions and provisions of such Receivable have not been amended, modified, extended, restructured or waived, except as set forth on the Schedule of Modified Receivables;

19. Such Receivable has not been rescinded or satisfied or subordinated in whole or in part, and the related Financed Automobile (together with any other property securing the Receivable) has not been released from the lien of the Receivable in whole or in part;

20. With respect to each Receivable, (i) the related Dealer entered into a Dealer Agreement and such Dealer Agreement constitutes the entire agreement between Seller and such Dealer with respect to the conveyance of such Receivable to Seller, (ii) the Dealer Agreement relating to such Receivable was in full force and effect at the time of Receivable's origination and was the legal, valid and binding obligation of such Dealer, (iii) Seller has fully performed all of its obligations under such Dealer Agreement and has not made any statements or representations to such Dealer (whether written or oral) inconsistent with any term of such Dealer Agreement, (iv) the purchase price (as specified in such Dealer Agreement, if any) for such Receivable has been paid in full by Seller and Seller has no obligation under such Dealer Agreement to pay any discounts, participations or similar amounts to the Dealer, (v) there is no prior course of dealing between Seller and such Dealer that will affect the terms of such Dealer Agreement; and (vi) such Receivable was originated by the related Dealer in connection with the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business and purchased by, and validly assigned to, Seller from such Dealer in a bona fide, legal, valid and binding transaction in the ordinary course of business of Seller and Dealer;

21. Such Receivable and the related Purchased Assets are freely assignable without the consent of any Person;

22. Such Receivable had a minimum APR of 5.5% at origination;

23. Such Receivable is not a Charge-Off Receivable or a Defaulted Receivable;

24. Such Receivable constitutes “tangible chattel paper” and not “electronic chattel paper” under and as defined in Article 9 of the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction;

25. Such Receivable provides Seller with a clear right of repossession on the related Financed Automobile securing such Receivable and contains customary and enforceable provisions such that the rights and remedies of the holder thereof shall be adequate for realization against the collateral of the benefits of the security; and

26. Such Receivable has not been selected for conveyance to Purchaser in a manner adverse to Purchaser.

INDENTURE

Dated as of April 1, 2011

between

CPS AUTO RECEIVABLES TRUST 2011-A, as Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

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INDENTURE dated as of April 1, 2011, between CPS AUTO RECEIVABLES TRUST 2011-A, a Delaware statutory trust (the "Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Issuer's Class A 2.82% Asset-Backed Notes (the "Class A Notes"), Class B 4.94% Asset-Backed Notes (the "Class B Notes"), Class C 7.50% Asset-Backed Notes (the "Class C Notes"), and Class D 10.00% Asset-Backed Notes (the "Class D Notes" and, together with the Class A Notes, the Class B Notes and the Class C Notes, the "Notes"):

As security for the payment and performance by the Issuer of its obligations under this Indenture and the Notes, the Issuer has agreed to assign the Collateral (as defined below) as collateral to the Trustee for the benefit of the Noteholders.

GRANTING CLAUSE

The Issuer hereby Grants to the Trustee at the Closing Date, for the benefit of the Noteholders, all right, title and interest of the Issuer, whether now existing or hereafter arising, in, to and under the following:

(i) the Receivables listed in Schedule A to the Sale and Servicing Agreement and all monies received thereunder after the Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Receivables after the Cutoff Date;

(ii) the security interests in the Financed Vehicles granted by the related Obligors pursuant to the Receivables and any other interest of the Issuer in such Financed Vehicles, including the certificates of title or, with respect to such Financed Vehicles in the Non-Certificated Title States, all other evidence of ownership with respect to Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

(iii) any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Receivables or the Obligors thereunder;

(iv) all proceeds from recourse against Dealers or Consumer Lenders with respect to the Receivables;

(v) all of its and the Seller's right, title and interest in its rights and benefits, but none of its obligations or burdens, under the Receivables Purchase Agreement (which has been assigned to the Issuer under the Sale and Servicing Agreement), including a direct right to cause CPS to purchase Receivables from the Issuer and to indemnify the Issuer pursuant to the Receivables Purchase Agreement under the circumstances specified therein;

(vi) rights and benefits, but none of its obligations or burdens, under the Sale and Servicing Agreement (including all rights of the Seller under the Receivables Purchase Agreement);

(vii) refunds for the costs of extended service contracts with respect to Financed Vehicles securing Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle or an Obligor's obligations with respect to a Receivable or a Financed Vehicle and any recourse to Dealers or Consumer Lenders for any of the foregoing;

(viii) the Receivable File related to each Receivable;

(ix) all amounts and property from time to time held in or credited to the Collection Account, the Principal Distribution Account, the Series 2011-A Spread Account and the Lockbox Account;

(x) all property (including the right to receive future Net Liquidation Proceeds) that secures a Receivable that has been acquired by or on behalf of CPS, the Seller or the Issuer pursuant to a liquidation of such Receivable; and

(xi) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the property described in this Granting Clause the "Collateral").

The foregoing Grant is made in trust to the Trustee, for the benefit of the Noteholders, as their interests may appear, to secure the payment and performance of the Issuer Secured Obligations and to secure compliance with this Indenture. The Trustee hereby acknowledges such Grant, accepts the trusts under this Indenture in accordance with the provisions of this Indenture and agrees to perform its duties as required in this Indenture to the end that the interests of such parties, recognizing the priorities of their respective interests, may be adequately and effectively protected.

ARTICLE I

Definitions and Incorporation by Reference

SECTION 1.1 Definitions. Except as otherwise specified herein, the following terms have the respective meanings set forth below for all purposes of this Indenture and the definitions of such terms are equally applicable to both the singular and plural forms of such terms and to each gender.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Sale and Servicing Agreement or, if not defined therein, in the Trust Agreement.

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

"Affiliate" of any Person means any Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with such Person. For purposes of this definition of "Affiliate", the term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause a direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Amount Financed" with respect to a Receivable shall have the meaning specified in the Sale and Servicing Agreement.

"Annual Percentage Rate" or "APR" of a Receivable means the annual percentage rate of finance charges or service charges, as stated in the related Contract.

"Authorized Officer" means, with respect to the Issuer and the Servicer, any officer or agent acting pursuant to a power of attorney of the Owner Trustee or the Servicer, as applicable, who is authorized to act for the Owner Trustee or the Servicer, as applicable, in matters relating to the Issuer and who is identified on the list of Authorized Officers delivered by each of the Owner Trustee and the Servicer to the Trustee on the Closing Date (as such list may be modified or supplemented in writing from time to time thereafter) and, with respect to the Servicer, any officer or agent of the Servicer who is authorized to act for the Servicer and who is identified on the list of Authorized Officers delivered by the Servicer on the Closing Date (as modified or supplemented from time to time).

"Basic Documents" means this Indenture, the Certificate of Trust, the Trust Agreement, the Sale and Servicing Agreement, the Lockbox Agreement, the Receivables Purchase Agreement, the Assignment, the Placement Agency Agreement, the Notes, the Residual Pass-through Certificates and all other documents and certificates delivered in connection with the foregoing.

"Book-Entry Notes" means a beneficial interest in the Notes, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 2.10.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Wilmington, Delaware, New York, New York, Minneapolis, Minnesota, or the State in which the executive offices of the Servicer are located, shall be authorized or obligated by law, executive order, or governmental decree to be closed.

"Certificate Distribution Account" has the meaning assigned to such term in the Trust Agreement.

"Certificate of Trust" means the certificate of trust of the Issuer substantially in the form of Exhibit B to the Trust Agreement.

“Class A Interest Rate” means 2.82% per annum.

“Class A Notes” means the Class A 2.82% Asset-Backed Notes, substantially in the form of Exhibit A-1.

“Class B Interest Rate” means 4.94% per annum.

“Class B Notes” means the Class B 4.94% Asset-Backed Notes, substantially in the form of Exhibit A-2.

“Class C Interest Rate” means 7.50% per annum.

“Class C Notes” means the Class C 7.50% Asset-Backed Notes, substantially in the form of Exhibit A-3.

“Class D Interest Rate” means 10.00% per annum.

“Class D Notes” means the Class D 10.00% Asset-Backed Notes, substantially in the form of Exhibit A-4.

“Clearing Agency” means an organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act, or any successor provision thereto. The initial Clearing Agency shall be The Depository Trust Company.

“Clearing Agency Participant” means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

“Closing Date” means April 27, 2011.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and Treasury Regulations promulgated thereunder.

“Collateral” has the meaning specified in the Granting Clause of this Indenture.

“Commission” means the United States Securities and Exchange Commission.

“Controlling Class” means (i) so long as any Class A Notes are Outstanding, the Class A Notes, (ii) after payment in full of the Class A Notes, so long as any Class B Notes are Outstanding, the Class B Notes, (iii) after payment in full of the Class A Notes and the Class B Notes, so long as any Class C Notes are Outstanding, the Class C Notes, and (iv) after payment in full of the Class A Notes, the Class B Notes and the Class C Notes, so long as any Class D Notes are Outstanding, the Class D Notes.

“Controlling Party” means, as of any date of determination, Holders constituting a majority (by Outstanding Amount) of the then Controlling Class.

“Corporate Trust Office” means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered which office at date of the

execution of this Agreement is located at Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, Minnesota 55479, Attention: Corporate Trust Services/Asset Backed Administration - CPS 2011-A, or at such other address as the Trustee may designate from time to time by notice to the Noteholders, the Servicer and the Issuer, or the principal corporate trust office of any successor Trustee (the address of which the successor Trustee will notify the Noteholders and the Issuer).

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

"Definitive Notes" has the meaning specified in Section 2.10.

"Depositor" means the Seller, in its capacity as such under the Trust Agreement.

"Event of Default" has the meaning specified in Section 5.1.

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

"Executive Officer" means, with respect to any corporation, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Investment Officer, President, Senior Vice President, any Vice President, the Secretary or the Treasurer of such corporation; with respect to any limited liability company, the manager; and with respect to any partnership, any general partner thereof.

"Grant" means to mortgage, pledge, bargain, sell, warrant, alienate, remise, release, convey, assign, transfer, create, grant a lien upon and a security interest in and right of set-off against, deposit, set over and confirm pursuant to this Indenture. A Grant of the Collateral or of any other agreement or instrument shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for principal and interest payments in respect of the Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring proceedings in the name of the granting party or otherwise and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Holder" or "Noteholder" means the Person in whose name a Note is registered on the Note Register.

"Indebtedness" means, with respect to any Person at any time, (a) indebtedness or liability of such Person for borrowed money whether or not evidenced by bonds, debentures, notes or other instruments, or for the deferred purchase price of property or services (including trade obligations); (b) obligations of such Person as lessee under leases which should be, in accordance with generally accepted accounting principles, recorded as capital leases; (c) current liabilities of such Person in respect of unfunded vested benefits under plans covered by Title IV of ERISA; (d) obligations issued for or liabilities incurred on the account of such Person; (e) obligations or liabilities of such Person arising under acceptance facilities; (f) obligations of such Person under any guarantees, endorsements (other than for collection or deposit in the ordinary

course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; (g) obligations of such Person secured by any lien on property or assets of such Person, whether or not the obligations have been assumed by such Person; or (h) obligations of such Person under any interest rate or currency exchange agreement.

"Indenture" means this Indenture as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Independent" means, when used with respect to any specified Person, that the person (a) is in fact independent of the Issuer, any other obligor upon the Notes, the Seller and any Affiliate of any of the foregoing persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other 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.

"Insolvency Event" means, with respect to a specified Person, (a) the institution of a proceeding or the filing of a petition against such Person seeking the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation or such Person's affairs, and such petition, decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by, a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Institutional Accredited Investor" means an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D of the Securities Act.

"Interest Rate" means, with respect to (i) the Class A Notes, the Class A Interest Rate, (ii) the Class B Notes, the Class B Interest Rate, (iii) the Class C Notes, the Class C Interest Rate, and (iv) the Class D Notes, the Class D Interest Rate.

"Issuer" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein, each other obligor on the Notes.

"Issuer Order" and "Issuer Request" means a written order or request signed in the name of the Issuer by any one of its Authorized Officers and delivered to the Trustee.

"Issuer Secured Obligations" means any and all amounts and obligations that the Issuer may at any time owe to the Noteholders or the Trustee for the benefit of the Noteholders under this Indenture, the Notes or any other Basic Document.

"Non-U.S. Person" means a Person other than a U.S. Person.

"Note" means a Class A Note, a Class B Note, a Class C Note, or a Class D Note.

"Note Owner" means, with respect to a Book Entry Note, the person who is the owner of such Book-Entry Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Note Paying Agent" means the Trustee or any other Person that meets the eligibility standards for the Trustee specified in Section 6.11 and is authorized by the Issuer to make the payments to and distributions from the Collection Account and the Principal Distribution Account, including payment of principal of or interest on the Notes on behalf of the Issuer.

"Note Register" and "Note Registrar" have the respective meanings specified in Section 2.4.

"Officer's Certificate" means a certificate signed by any Authorized Officer of the Owner Trustee, under the circumstances described in, and otherwise complying with, the applicable requirements of Section 11.1, and delivered to the Trustee. Unless otherwise specified, any reference in this Indenture to an Officer's Certificate shall be to an Officer's Certificate of any Authorized Officer of the Issuer.

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

"Other Assets" means any assets or interests in any assets (other than Trust Property) conveyed or purported to be conveyed by Depositor to any Person other than the Issuer, whether by way of a sale, capital contribution, the Grant of a Lien or otherwise.

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

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

(ii) Notes or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Trustee or any Note

Paying Agent in trust for the Holders of such Notes (provided, however, that if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture, satisfactory to the Trustee); and

(iii) Notes in exchange for or in lieu of other Notes which have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Trustee is presented that any such Notes are held by a bona fide purchaser; provided, further, that in determining whether the Holders of the requisite Outstanding Amount of the Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Notes owned by the Issuer, any other obligor upon the Notes, the Seller or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a Responsible Officer of the Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded.

"Outstanding Amount" means, with respect to any date of determination, the aggregate principal amount of all Notes, or Class of Notes, as applicable, Outstanding at such date of determination.

"Ownership Interest" means, as to any Note, any ownership or security interest in such Note, including any interest in such Note as the Holder thereof and any other interest therein, whether direct or indirect, legal or beneficial, as owner or as pledgee.

"Owner Trustee" means Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee under the Trust Agreement, and its successors.

"Payment Date" has the meaning specified in the Notes.

"Permanent Regulation S Global Note" shall have the meaning specified in Section 2.1(d).

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

"Predecessor Note" means, with respect to any particular Note, every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purpose of this definition, any Note authenticated and delivered under Section 2.5 in lieu of a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

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

"QIB" means a "Qualified Institutional Buyer" as such term is defined under Rule 144A of the Securities Act.

"Rating Agency" means Standard & Poor's, so long as such Persons maintain a rating on the Notes; and if Standard & Poor's no longer maintains a rating on the Notes, such other nationally recognized statistical rating organization selected by the Seller.

"Record Date" means, with respect to the Notes and the first Payment Date, the Closing Date, and with respect to any subsequent Payment Date or Redemption Date, the last calendar day of the month preceding the month in which such Payment Date or Redemption Date occurs.

"Redemption Date" means, in the case of a redemption of the Notes pursuant to Section 10.1, the Payment Date specified by the Servicer or the Issuer pursuant to Section 10.1.

"Redemption Price" means, in the case of a redemption of the Notes pursuant to Section 10.1, an amount equal to the unpaid principal amount of each class of Notes (other than the Class D Notes) being redeemed plus accrued and unpaid interest thereon to but excluding the Redemption Date.

"Regulations S" shall have the meaning specified in Section 2.1(d).

"Regulation S Global Note" means a Temporary Regulation S Global Note or a Permanent Regulation S Global Note.

"Responsible Officer" means, with respect to the Trustee, any officer within the Corporate Trust Office of the Trustee, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Rule 144A Global Note" shall have the meaning specified in Section 2.1(e).

"Sale and Servicing Agreement" means the Sale and Servicing Agreement dated as of April 1, 2011, among the Issuer, the Seller, the Servicer, and the Trustee, as Backup Servicer and Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

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

"Seller" means CPS Receivables Five LLC, a Delaware limited liability company, and its successors.

"State" means any one of the 50 states of the United States of America or the District of Columbia.

"Temporary Regulation S Global Note" shall have the meaning specified in Section 2.1(d).

"Termination Date" means the date on which the Trustee and the Noteholders shall have received payment and performance of all Issuer Secured Obligations and disbursed such payments in accordance with the Basic Documents.

"Trust Agreement" means the Trust Agreement dated as of February 25, 2011, between the Seller, as depositor, and the Owner Trustee, as amended and restated by the Amended and Restated Trust Agreement dated as of April 1, 2011, by and between the Seller, as depositor, and the Owner Trustee, as the same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Trust Paying Agent" has the same meaning as "Paying Agent" as defined in the Trust Agreement.

"Trust Estate" means all money, instruments, rights and other property that are subject or intended to be subject to the lien and security interest of this Indenture for the benefit of the Noteholder (including the Collateral Granted to the Trustee hereunder), including all proceeds thereof.

"Trustee" means Wells Fargo Bank, National Association, a national banking association, not in its individual capacity but as trustee under this Indenture, or any successor trustee under this Indenture.

"UCC" means, unless the context otherwise requires, the Uniform Commercial Code, as in effect in the relevant jurisdiction, as amended from time to time.

"U.S. Person" has the meaning specified in Regulation S of the Securities Act.

SECTION 1.2 Other Definitional Provisions. Unless the context otherwise requires:

(a) All references in this instrument to designated "Articles," "Sections," "Subsections" and other subdivisions are to the designated Articles, Sections, Subsections and other subdivisions of this instrument as originally executed.

(b) The words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, Subsection or other subdivision.

(c) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with generally accepted accounting principles as in effect from time to time;

(d) "or" is not exclusive;

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

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

ARTICLE II

The Notes

SECTION 2.1 Form.

(a) The Class A Notes, the Class B Notes, Class C Notes and the Class D Notes, in each case together with the Trustee's certificate of authentication, shall be in substantially the form set forth in Exhibits A-1, A-2, A-3 and A-4, respectively, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

(b) The Definitive Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the officers executing such Notes, as evidenced by their execution of such Notes.

(c) Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibits A-1, A-2, A-3 and A-4 are part of the terms of this Indenture.

(d) Any Class A Note, Class B Note or Class C Note offered and sold outside of the United States to Non-U.S. Persons will be offered and sold in reliance on Regulation S under the Securities Act ("Regulation S") and shall initially be issued in the form of one or more temporary global Notes (each, a "Temporary Regulation S Global Note") in fully registered form without interest coupons substantially in the form set forth in Exhibits A-1, A-2 and A-3, as applicable, with such legends as may be applicable thereto, registered in the name of the Depository Trust Company ("DTC") or a nominee of DTC, duly executed by the Issuer and authenticated by the Trustee as provided in Section 2.2, for credit to the subscribers' accounts at Morgan Guaranty Trust Company of New York, Brussels Office, or its successor, as operator of the Euroclear System ("Euroclear"), or at Clearstream Luxembourg ("Clearstream"). Class D Notes may not be held by or transferred to a Non-U.S. Person. Until the date that is on or after the 40th day after the completion of the distribution of the Notes (the "Exchange Date"), interests in a Temporary Regulation S Global Note may only be held by the agent members of Euroclear and Clearstream. On and after the Exchange Date, interests in a Temporary Regulation S Global Note will be exchangeable, in whole or in part, for equivalent interests in a permanent global note (a "Permanent Regulation S Global Note") in fully registered form without interest coupons, representing Notes of the same aggregate principal amount, substantially in the form set forth in Exhibits A-1, A-2 and A-3, as applicable, with such legends as may be applicable thereto, in accordance with the provisions of the Temporary Regulation S Global Note and this Indenture. Each transferee of a Regulation S Global Note shall be deemed to have represented and agreed as follows:

(i) The transferee is a Non-U.S. Person and is purchasing such Notes outside the United States pursuant to Regulation S under the Securities Act;

(ii) The transferee understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act;

(iii) The transferee agrees that (A) if in the future it decides to offer, resell, pledge or otherwise transfer the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) to the Seller or an Affiliate of the Seller, (ii) inside the United States to a QIB in accordance with Rule 144A, (iii) outside the United States to Non-U.S. Persons in transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act or (iv) with respect to the Class C Notes, to an Institutional Accredited Investor in a transaction exempt from the registration requirements of the Securities Act taking its interest in the form of a Definitive Note, and, in each case, in accordance with any applicable securities laws of any State and other applicable jurisdictions and (B) the transferee will, and each subsequent holder is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred to in clause (A) above; and

(iv) The transferee understands that the Notes will bear a legend substantially as set forth in Section 2.13(b).

Interests in the Regulation S Global Notes will be exchangeable for (A) Definitive Notes only in accordance with the provisions of Section 2.12 herein and (B) Rule 144A Global Notes only in accordance with the provisions of Section 2.4 herein.

(e) Each Class A Note and Class B Note offered and sold in the United States will be issued in book-entry form and represented by a permanent global Note in fully registered form without interest coupons (the "Rule 144A Global Note"), substantially in the form set forth in Exhibits A-1 or A-2, as applicable, with such legends as may be applicable thereto, and will be sold only in the United States to QIBs in reliance on Rule 144A and shall be deposited with a custodian for, and registered in the name of a nominee of DTC, duly executed by the Issuer and authenticated by the Trustee as provided in Section 2.2 for credit to the accounts of DTC participants; provided, however, upon initial issuance, Institutional Accredited Investors delivering a completed Transferee Certificate in the form of Exhibit B hereto to the Issuer on or prior to the Closing Date may purchase interests in the Class A Note and Class B Note on the Closing Date provided that such Holders hold their interests in a Rule 144A Global Note through a DTC participant. In addition, each Class C Note and Class D Note offered and sold in the United States to QIBs in reliance on Rule 144A will be represented by a Rule 144A Global Note substantially in the form set forth in Exhibits A-3 and A-4, with such legends as may be applicable thereto, and will be sold only in the United States to QIBs in reliance on Rule 144A and shall be deposited with a custodian for, and registered in the name of a nominee of DTC, duly executed by the Issuer and authenticated by the Trustee as provided in Section 2.2 for credit to the accounts of DTC participants. The initial principal amount of each Rule 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the custodian for DTC, DTC or its nominee, as the case may be, as hereinafter provided. Interests in a Rule 144A Global Note will be exchangeable for (A) Definitive Notes only in accordance with

the provisions of Section 2.12 and (B) Regulation S Global Notes only in accordance with the provisions of Section 2.4.

(f) Notwithstanding the foregoing, one Note of each Class may be issued to the Seller or an Affiliate thereof in the form of a Definitive Note and, subject to Section 11.3(e), the Trustee shall recognize the Holder of such Definitive Note as a Noteholder for all purposes hereunder. The Class C Notes (other than those sold to QIBs in reliance on Rule 144A or to Non-U.S. Persons pursuant to Regulation S) will be issued in the form of Definitive Notes substantially in the form set forth in Exhibit A-3, with such legends as may be applicable thereto, and sold only in the United States to Institutional Accredited Investors in accordance with Regulation D of the Securities Act. The Class D Notes will be issued in the form of Definitive Notes substantially in the form set forth in Exhibit A-4, with such legends as may be applicable thereto, and sold only in the United States to (i) Institutional Accredited Investors in accordance with Regulation D of the Securities Act or (ii) to QIBs in reliance on Rule 144A.

SECTION 2.2 Execution, Authentication and Delivery.

(a) The Notes shall be executed on behalf of the Issuer by any of its Authorized Officers. The signature of any such Authorized Officer on the Notes may be manual or facsimile.

(b) Notes bearing the manual or facsimile signature of individuals who were at any time Authorized Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(c) The Trustee shall upon receipt of the Issuer Order authenticate and deliver Class A Notes for original issue in an aggregate principal amount of $82,592,000, Class B Notes for original issue in an aggregate principal amount of $6,534,000, Class C Notes for original issue in an aggregate principal amount of $5,488,000, and Class D Notes for original issue in an aggregate principal amount of $5,750,000. Class A Notes, Class B Notes, Class C Notes and Class D Notes outstanding at any time may not exceed such amounts.

(d) Each Note shall be dated the date of its authentication. The Notes shall be issuable as registered Notes in the minimum denomination of (i) in the case of the Class A Notes, Class B Notes and Class C Notes, $100,000 (except for one Note of each such Class that may be issued in a lesser denomination), and (ii) in the case of the Class D Notes, $250,000 (except for one Note of such Class that may be issued in a lesser denomination), and in integral multiples of $1,000 (except for one Note of each Class of each type (that is, Rule 144A Global Note, Regulation S Global Note and Definitive Note) that may be issued in other than an $1,000 integral multiples in excess of the minimum denominations).

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

SECTION 2.3 Temporary Notes.

(a) Pending the preparation of Definitive Notes, the Issuer may execute, and, upon receipt of an Issuer Order, the Trustee shall authenticate and deliver, temporary Notes which are printed, lithographed, typewritten, mimeographed or otherwise produced, of the tenor of the Definitive Notes in lieu of which they are issued and with such variations not inconsistent with the terms of this Indenture as the officers executing such Notes may determine, as evidenced by their execution of such Notes.

(b) If temporary Notes are issued, the Issuer will cause Definitive Notes to be prepared without unreasonable delay. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable without charge to the Holder for Definitive Notes upon surrender of the temporary Notes at the office or agency of the Issuer to be maintained as provided in Section 3.2. Upon surrender for cancellation of any one or more temporary Notes, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

SECTION 2.4 Registration; Registration of Transfer and Exchange.

(a) The Issuer shall cause to be kept a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes (and, prior to a Holder's exchange of interests in the Temporary Regulation S Global Note for Definitive Notes or an interest in a Permanent Regulation S Global Note, registration of the beneficial owners of interests in such Temporary Regulation S Global Note) and the registration of transfers of Notes. The Trustee is hereby initially appointed "Note Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. Upon any resignation or removal of any Note Registrar, the Issuer shall promptly appoint a successor or, in the absence of such an appointment, assume the duties of Note Registrar.

(b) If a Person other than the Trustee is appointed by the Issuer as Note Registrar, the Issuer will give the Trustee prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location, of the Note Register, and the Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof, and the Trustee shall have the right to rely upon a certificate executed on behalf of the Note Registrar by an Executive Officer thereof as to the names and addresses of the Holders of the Notes and the principal amounts and number of such Notes.

(c) Subject to Section 2.13 hereof, upon surrender for registration of transfer of any Note at the office or agency of the Issuer to be maintained as provided in Section 3.2, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute, and upon request by the Issuer the Trustee shall authenticate, and the Noteholder shall obtain from the Trustee, in the name of the designated transferee or transferees, one or more new Notes in any authorized denominations of the same class and a like aggregate principal amount. Notwithstanding anything to the contrary in this Indenture or any other Basic Document, (i) the transfer of a Note, including the right to receive principal and any stated interest thereon, may be effected only by surrender of the old Note (or satisfactory evidence of the destruction, loss or theft of such Note) to the Note Registrar, and the issuance by the Issuer (through the Note Registrar) of a new Note

to the new Holder, and (ii) each Note must be registered in the name of the Holder thereof as to both principal and any stated interest with the Note Registrar.

(d) At the option of the Holder, Notes may be exchanged for other Notes in any authorized denominations, of the same class and a like aggregate principal amount, upon surrender of the Notes to be exchanged at the office or agency of the Issuer to be maintained as provided in Section 3.2. Whenever any Notes are so surrendered for exchange, subject to Section 2.13, if the requirements of Section 8-401(a) of the UCC are met the Issuer shall execute, and upon request by the Issuer, the Trustee shall authenticate, and the Noteholder shall obtain from the Trustee, the Notes which the Noteholder making the exchange is entitled to receive; provided, however, that the Notes presented or surrendered for registration of transfer or exchange (a) shall be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing and (b) shall be transferred or exchanged in compliance with the following provisions:

(i) Temporary Regulation S Global Note to Permanent Regulation S Global Note. Interests in a Temporary Regulation S Global Note as to which the Trustee has received from Euroclear or Clearstream, as the case may be, a certificate substantially in the form of Exhibit C-1 to the effect that Euroclear or Clearstream, as applicable, has received a certificate substantially in the form of Exhibit C-2 from the holder of a beneficial interest in such Note, will be exchanged, on or after the Exchange Date, for interests in a Permanent Regulation S Global Note. To effect such exchange the Issuer shall execute and the Trustee shall authenticate and deliver to the Clearing Agency or its custodian, for credit to the respective accounts of the holders of Notes, a duly executed and authenticated Permanent Regulation S Global Note, representing the principal amount of interests in the Temporary Regulation S Global Note initially exchanged for interests in the Permanent Regulation S Global Note. The delivery of the certificate or certificates referred to above to the Trustee by Euroclear or Clearstream may be relied upon by the Issuer and the Trustee as conclusive evidence that the certificate or certificates referred to therein has or have been delivered to Euroclear or Clearstream pursuant to the terms of this Indenture and the Temporary Regulation S Global Note. Upon any exchange of interests in a Temporary Regulation S Global Note for interests in a Permanent Regulation S Global Note, the Trustee shall endorse the Temporary Regulation S Global Note to reflect the reduction in the principal amount represented thereby by the amount so exchanged and shall endorse the Permanent Regulation S Global Note to reflect the corresponding increase in the amount represented thereby. The Temporary Regulation S Global Note or the Permanent Regulation S Global Note shall also be endorsed upon any cancellation of principal amounts upon surrender of Notes purchased by the Issuer or upon any repayment of the principal amount represented thereby or any payment of interest in respect of such Notes.

(ii) Rule 144A Global Note to Temporary Regulation S Global Note During the Restricted Period. If, prior to the Exchange Date, a holder of a beneficial interest in the Rule 144A Global Note registered in the name of the Clearing Agency or its nominee wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the Temporary Regulation S Global Note, or to transfer its interest in such Rule 144A Global Note to a Person who wishes to take delivery thereof in the form of an interest in the Temporary Regulation S Global Note, such holder may, subject to the rules and procedures of Clearing Agency, exchange or cause the exchange or transfer of such interest for an equivalent beneficial interest in the Temporary Regulation S Global Note. Upon receipt by the Note Registrar of (l) instructions given in accordance with Clearing Agency's procedures from an agent member directing the Note Registrar to credit or cause to be credited a beneficial interest in the Temporary Regulation S Global Note in an amount equal to the beneficial interest in the Rule 144A Global Note to be exchanged or transferred, (2) a written order given in accordance with the Clearing Agency's procedures containing information regarding the Euroclear or Clearstream account to be credited with such increase and the name of such account, and (3) a certificate in the form of Exhibit C-3 attached hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Notes and pursuant to and in accordance with Regulation S, the Note Registrar shall instruct the Clearing Agency to reduce the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Temporary Regulation S Global Note to be so exchanged or transferred and the Note Registrar shall instruct the Clearing Agency, concurrently with such reduction, to increase the principal amount of the Temporary Regulation S Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions (who shall be the agent member of Euroclear or Clearstream, or both, as the case may be) a beneficial interest in the Temporary Regulation S Global Note equal to the reduction in the principal amount of the Rule 144A Global Note.

(iii) Rule 144A Global Note to Permanent Regulation S Global Note After the Exchange Date. If, after the Exchange Date, a holder of a beneficial interest in the Rule 144A Global Note registered in the name of the Clearing Agency or its nominee wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the Permanent Regulation S Global Note, or to transfer its interest in such Rule 144A Global Note to a Person who wishes to take delivery thereof in the form of an interest in the Permanent Regulation S Global Note, such holder may, subject to the rules and procedures of the Clearing Agency, exchange or cause the exchange or transfer of such interest for an equivalent beneficial interest in the Permanent Regulation S Global Note. Upon receipt by the Note Registrar of (1) instructions given in accordance with the Clearing Agency's procedures from an agent member directing the Note Registrar to credit or cause to be credited

a beneficial interest in the Permanent Regulation S Global Note in an amount equal to the beneficial interest in the Rule 144A Global Note to be exchanged or transferred, (2) a written order given in accordance with the Clearing Agency's procedures containing information regarding the participant account of Clearing Agency and, in the case of a transfer pursuant to and in accordance with Regulation S, the Euroclear or Clearstream account to be credited with such increase and (3) a certificate in the form of Exhibit C-4 attached hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Notes and pursuant to and in accordance with Regulation S or Rule 144A, the Note Registrar shall instruct the Clearing Agency to reduce the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be so exchanged or transferred and the Note Registrar shall instruct the Clearing Agency, concurrently with such reduction, to increase the principal amount of the Permanent Regulation S Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions a beneficial interest in the Permanent Regulation S Global Note equal to the reduction in the principal amount of the Rule 144A Global Note.

(iv) Temporary Regulation S Global Note to Rule 144A Global Note. If a holder of a beneficial interest in the Temporary Regulation S Global Note registered in the name of the Clearing Agency or its nominee wishes at any time to exchange its interest in such Temporary Regulation S Global Note for an interest in the Rule 144A Global Note, or to transfer its interest in such Temporary Regulation S Global Note to a Person who wishes to take delivery thereof in the form of an interest in the Rule 144A Global Note, such holder may, subject to the rules and procedures of Euroclear or Clearstream and the Clearing Agency, as the case may be, exchange or cause the exchange or transfer of such interest for an equivalent beneficial interest in the Rule 144A Global Note. Upon receipt by the Note Registrar of (1) instructions from Euroclear or Clearstream or the Clearing Agency, as the case may be, directing the Note Registrar to credit or cause to be credited a beneficial interest in the Rule 144A Global Note equal to the beneficial interest in the Temporary Regulation S Global Note to be exchanged or transferred, such instructions to contain information regarding the agent member's account with the Clearing Agency to be credited with such increase, and, with respect to an exchange or transfer of an interest in the Temporary Regulation S Global Note after the Exchange Date, information regarding the agent member's account with the Clearing Agency to be debited with such decrease, and (2) with respect to an exchange or transfer of an interest in the Temporary Regulation S Global Note for an interest in the Rule 144A Global Note prior to the Exchange Date, a certificate in the form of Exhibit C-5 attached hereto given by the holder of such beneficial interest and stating that the Person transferring such interest in the Temporary Regulation S Global

Note reasonably believes that the Person acquiring such interest in the Rule 144A Global Note is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, Euroclear or Clearstream or the Note Registrar, as the case may be, shall instruct the Clearing Agency to reduce the Temporary Regulation S Global Note by the aggregate principal amount of the beneficial interest in the Temporary Regulation S Global Note to be exchanged or transferred, and the Note Registrar shall instruct the Clearing Agency, concurrently with such reduction, to increase the principal amount of the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Temporary Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Rule 144A Global Note equal to the reduction in the principal amount of the Temporary Regulation S Global Note.

(v) Permanent Regulation S Global Note to Rule 144A Global Note. If a holder of a beneficial interest in the Permanent Regulation S Global Note registered in the name of the Clearing Agency or its nominee wishes at any time to exchange its interest in such Permanent Regulation S Global Note for an interest in the Rule 144A Global Note, or to transfer its interest in such Permanent Regulation S Global Note to a Person who wishes to take delivery thereof in the form of an interest in the Rule 144A Global Note, such holder may, subject to the rules and procedures of Euroclear or Clearstream and the Clearing Agency, as the case may be, exchange or cause the exchange or transfer of such interest for an equivalent beneficial interest in the Rule 144A Global Note. Upon receipt by the Note Registrar of (1) instructions from Euroclear or Clearstream or the Clearing Agency, as the case may be, directing the Note Registrar to credit or cause to be credited a beneficial interest in the Rule 144A Global Note equal to the beneficial interest in the Permanent Regulation S Global Note to be exchanged or transferred, such instructions to contain information regarding the agent member's account with the Clearing Agency to be credited with such increase, and (2) a certificate in the form of Exhibit C-5 attached hereto given by the holder of such beneficial interest and stating that the Person transferring such interest in the Permanent Regulation S Global Note reasonably believes that the Person acquiring such interest in the Rule 144A Global Note is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, Euroclear or Clearstream or the Note Registrar, as the case may be, shall instruct the Clearing Agency to reduce the Permanent Regulation S Global Note by the aggregate principal amount of the beneficial interest in the Permanent Regulation S Global Note to be exchanged or transferred, and the Note Registrar shall instruct the Clearing Agency, concurrently with such reduction, to increase the principal amount of the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Permanent Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions

a beneficial interest in the Rule 144A Global Note equal to the reduction in the principal amount of the Permanent Regulation S Global Note.

(vi) Definitive Note to Rule 144A Global Note or Regulation S Global Note. If a Holder of a Definitive Note (other than a Class D Note) wishes at any time to exchange such Definitive Note for an interest in a Rule 144A Global Note or a Regulation S Global Note of the same Class, or to transfer a Definitive Note to a Person who wishes to take delivery thereof in the form of an interest in a Rule 144A Global Note or Regulation S Global Note of the same Class, such holder may, subject to the rules and procedures of the Clearing Agency, and any requirements of the Trustee, exchange or cause the exchange or transfer of such Definitive Note for an equivalent beneficial interest in a Rule 144A Global Note or Regulation S Global Note; provided, however, that any Noteholder wishing to make such exchange in a Rule 144A Global Note or Regulation S Global Note or such transferee of a Rule 144A Global Note or a Regulation S Global Note shall execute and deliver to the Note Registrar a letter in substantially the form of Exhibit B hereto. Any Noteholder requesting such an exchange shall pay the reasonable fees and expenses relating to such exchange, including registration of such Rule 144A Global Note or Regulation S Global Note with the Clearing Agency, if applicable, and the reasonable expenses of the Note Registrar and Trustee and the Clearing Agency. In addition, any Noteholder requesting such an exchange shall deliver to the Trustee such security or indemnity as may be reasonably required by it to hold the Issuer and the Trustee harmless with respect to such exchange.

(e) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

(f) Every Note presented or surrendered for registration of transfer or exchange shall be (i) duly endorsed by, or accompanied by a written instrument of transfer in the form attached to Exhibits A-1, A-2, A-3 and A-4 and duly executed by, the Holder thereof or such Holder's attorney, duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act and (ii) accompanied by such other documents as the Trustee may require.

(g) Unless the acquisition and holding of Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption, no Noteholder may acquire any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code (each, a "Benefit Plan"); provided, however, that no Holder

of a Class C Note or a Class D Note may acquire a Class C Note or Class D Note with the assets of a Benefit Plan regardless of the availability of a PTCE.

(h) No service charge shall be made to a Holder for any registration of transfer or exchange of Notes, but the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges or issuances pursuant to Section 2.3 or Section 9.6 not involving any transfer.

(i) The preceding provisions of this Section 2.4 notwithstanding, the Issuer shall not be required to make and the Note Registrar shall not register transfers or exchanges of Notes selected for redemption or of any Note for a period of 15 days preceding the due date for any payment with respect to the Notes.

(j) Transfers between participants of Euroclear and Clearstream, and between participants in the Clearing Agency, will be effected in the ordinary manner in accordance with their respective rules and operating procedures.

(k) The Issuer shall provide to any Noteholder and any prospective transferee designated by any such Noteholder, information regarding the Notes, the Trust Estate and such other information as shall be necessary to satisfy the condition to eligibility set forth in Rule 144A(d)(4) for transfer of any such Note without registration thereof under the Securities Act pursuant to the registration exemption provided by Rule 144A. The Trustee and the Servicer shall cooperate with the Issuer in providing the Rule 144A information referenced in the preceding sentence, including providing to the Issuer such information regarding the Notes, the Trust Estate and other matters as the Issuer shall reasonably request to meet its obligation under the preceding sentence. Each Noteholder desiring to effect such transfer shall, and does hereby agree to, indemnify the Issuer, the Trustee and the Servicer against any liability that may result if the transfer is not so exempt or is not made in accordance with such Federal and State securities laws.

SECTION 2.5 Mutilated, Destroyed, Lost or Stolen Notes.

(a) If (i) any mutilated Note is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Trustee such security or indemnity as may be required by it to hold the Issuer and the Trustee harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Trustee that such Note has been acquired by a bona fide purchaser, and, provided that the requirements of Section 8-405 and 8-406 of the UCC are met, the Issuer shall execute, and upon request by the Issuer, the Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become, or within seven days shall be, due and payable or shall have been called for redemption, instead of issuing a replacement Note, the Issuer may direct the Trustee, in writing, to pay such destroyed, lost or stolen Note when so due or payable or upon the Redemption Date without surrender thereof. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a bona fide purchaser of the original Note in

lieu of which such replacement Note was issued, presents for payment such original Note, the Issuer and the Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee in connection therewith.

(b) Upon the issuance of any replacement Note under this Section, the Issuer may require the payment by the Holder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) connected therewith.

(c) Every replacement Note issued pursuant to this Section in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(d) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

SECTION 2.6 Persons Deemed Owner. Prior to due presentment for registration of transfer of any Note, the Issuer, the Trustee and any agent of the Issuer and the Trustee may treat the Person in whose name any Note is registered (as of the applicable Record Date) as the owner of such Note for the purpose of receiving payments of principal of and interest, if any, on such Note, for all other purposes whatsoever subject to Section 11.3(e) and whether or not such Note be overdue, and none of the Issuer, the Trustee nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary.

SECTION 2.7 Payment of Principal and Interest; Defaulted Interest.

(a) The Notes shall accrue interest as provided in the forms of the Class A Note, the Class B Note, the Class C Note and the Class D Note attached hereto as Exhibits A-1, A-2, A-3 and A-4, respectively, and such interest shall be payable on each Payment Date as specified therein. Any installment of interest or principal, if any, or any other amount payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note (or one or more Predecessor Notes) is registered on the related Record Date, by check mailed first-class, postage prepaid, to such Person's address as it appears on the Note Register on such Record Date, or by wire transfer in immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that, unless Definitive Notes have been issued pursuant to Section 2.12, with respect to Notes registered on the related Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment will be made by wire transfer in immediately available funds to the account designated by such nominee, except for the final installment of principal payable with respect to

such Note on a Payment Date or on the Final Scheduled Payment Date (and except for the Redemption Price for any Note called for redemption pursuant to Section 10.1), which shall be payable as provided below. The funds represented by any such checks returned undelivered shall be held in accordance with Section 3.3.

(b) The principal of each Note shall be payable in installments on each Payment Date as provided in the forms of the Class A Note, the Class B Note, the Class C Note and the Class D Note attached hereto as Exhibits A-1, A-2, A-3 and A-4, respectively. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable, if not previously paid, on the date on which an Event of Default shall have occurred and be continuing in the manner and under the circumstances provided in Section 5.2. All principal payments on a Class of Notes shall be made pro rata to the Noteholders of such Class entitled thereto. Upon written notice from the Issuer, the Trustee shall notify the Person in whose name a Note is registered at the close of business on the Record Date preceding the Payment Date on which the Issuer expects that the final installment of principal of and interest on (or any other amount in respect of) such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment. Notices in connection with redemptions of Notes shall be mailed to Noteholders as provided in Section 10.2.

(c) If the Issuer defaults in a payment of interest on any Class of Notes entitled thereto, the Issuer shall pay defaulted interest (plus interest on such defaulted interest to the extent lawful) at the applicable Interest Rate in any lawful manner. The Issuer may pay such defaulted interest to the Persons who are Noteholders on a subsequent special record date, which date shall be at least five Business Days prior to the Payment Date. The Issuer shall fix or cause to be fixed any such special record date and Payment Date, and, at least 15 days before any such special record date, the Issuer shall mail to each Noteholder of each affected Class and the Trustee a notice that states the special record date, the Payment Date and the amount of defaulted interest to be paid.

(d) All distributions in respect of Notes represented by a Temporary Regulation S Global Note will be made only with respect to that portion of the Temporary Regulation S Global Note in respect of which Euroclear or Clearstream shall have delivered to the Trustee a certificate or certificates substantially in the form of Exhibit C-1. The delivery to the Trustee by Euroclear or Clearstream of the certificate or certificates referred to above may be relied upon by the Issuer and the Trustee as conclusive evidence that the certificate or certificates referred to therein has or have been delivered to Euroclear or Clearstream pursuant to the terms of this Indenture and the Temporary Regulation S Global Note.

SECTION 2.8 Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by the Trustee. The Issuer may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder that the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section, except as expressly permitted by this Indenture.

All canceled Notes may be held or disposed of by the Trustee in accordance with its standard retention or disposal policy as in effect at the time unless the Issuer shall direct by an Issuer Order that they be destroyed or returned to it; provided that such Issuer Order is timely and the Notes have not been previously disposed of by the Trustee.

SECTION 2.9 Release of Collateral. The Trustee shall, on or after the later of (i) the Termination Date and (ii) the date upon which all Issuer Secured Obligations have been satisfied, release any remaining portion of the Trust Estate from the lien created by this Indenture and deposit in the Collection Account any funds then on deposit in any other Trust Account. The Trustee shall release property from the lien created by this Indenture pursuant to this Section 2.9 only upon receipt of an Issuer Request accompanied by an Officer's Certificate and an Opinion of Counsel meeting the applicable requirements of Section 11.1.

SECTION 2.10 Book-Entry Notes.

(a) The Class A Notes, the Class B Notes and, to the extent sold to QIBs pursuant to Rule 144A, the Class C Notes, upon original issuance, will be issued in the form of typewritten Notes representing the Book-Entry Notes, to be delivered to DTC or to the Trustee as custodian for the initial Clearing Agency, by, or on behalf of, the Issuer. Such Notes shall initially be registered on the Note Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and no Note Owner of such Notes will receive a Definitive Note representing such Note Owner's interest in such Note, except as provided in Section 2.12. Unless and until definitive, fully registered Notes (the "Definitive Notes") have been issued to Note Owners of the Class A Notes, Class B Notes and Class C Notes pursuant to Section 2.12:

(i) the provisions of this Section shall be in full force and effect;

(ii) the Note Registrar and the Trustee shall be entitled to deal with the Clearing Agency for all purposes of this Indenture (including the payment of principal of and interest on the Notes and the giving of instructions or directions hereunder) as the sole Holder of the Notes, and shall have no obligation to the Note Owners;

(iii) to the extent that the provisions of this Section conflict with any other provisions of this Indenture, the provisions of this Section shall control;

(iv) the rights of Note Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Note Owners and the Clearing Agency and/or the Clearing Agency Participants. Unless and until Definitive Notes are issued to Note Owners of Class A Notes, Class B Notes or Class C Notes pursuant to Section 2.12, the Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit payments of principal of and interest on the Class A Notes, Class B Notes and Class C Notes to such Clearing Agency Participants;

(v) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders of Notes evidencing a specified percentage of the Outstanding Amount of the Notes or any Class thereof, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Note Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in the Notes of such Class and has delivered such instructions to the Trustee; and

(vi) Note Owners may receive copies of any reports sent to Noteholders pursuant to this Indenture, upon written request, together with a certification that they are Note Owners and payment of reproduction and postage expenses associated with the distribution of such reports, from the Trustee at the Corporate Trust Office.

(b) Subject to Section 2.4(i), the provisions of the "Operating Procedures of the Euroclear System" and the "Terms and Conditions Governing Use of Euroclear" and the "Management Regulations" and "Instructions to Participants" of Clearstream, respectively, shall be applicable to a Global Note insofar as interests in such Global Note are held by the agent members of Euroclear or Clearstream (which shall only occur in the case of the Temporary Regulation S Global Note and the Permanent Regulation S Global Note). Account holders or participants in Euroclear and Clearstream shall have no rights under this Indenture with respect to such Global Note and the registered holder may be treated by the Issuer, the Indenture, any Agent and any agent of the Issuer or the Trustee as the owner of such Global Note for all purposes whatsoever.

SECTION 2.11 Notices to Clearing Agency. Whenever a notice or other communication to the Noteholders is required under this Indenture, unless and until Definitive Notes shall have been issued to Note Owners of Class A Notes, Class B Notes or Class C Notes pursuant to Section 2.12, the Trustee shall give all such notices and communications specified herein to be given to Holders of the Book-Entry Notes to the Clearing Agency and shall have no obligation to deliver such notices or communications to the Note Owners.

SECTION 2.12 Definitive Notes.

(a) The Class C Notes, other than those issued to QIBs in a transaction pursuant to Rule 144A and those issued to Non-U.S. Person in a transaction outside the United States pursuant to Regulation S, and the Class D Notes will be issued only as Definitive Notes. If a holder of a Class C Note in the form of a Rule 144A Global Note or Regulation S Global Note wishes at any time to exchange its interest in such Rule 144A Global Note or Regulation S Global Note for an equivalent interest in a Definitive Note, or to transfer its interest in such Rule 144A Global Note or Regulation S Global Note to a Person who wishes to take delivery thereof in the form of a Definitive Note, such holder may, subject to the rules and procedures of the Clearing Agency, and any requirements of the Trustee, exchange or cause the exchange or transfer of such 144A Global Note or Regulation S Global Note for an equivalent interest in a Definitive Note; provided that, the holder wishing to make such exchange or the transferee taking delivery of a Definitive Note is an Institutional Accredited Investor and shall execute and deliver to the Note Registrar a letter substantially in the form of Exhibit B hereto.

(b) If (i) the Servicer advises the Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Book-Entry Notes, and the Servicer is unable to locate a qualified successor, (ii) the Servicer at its option advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (iii) after the occurrence of an Event of Default, Note Owners representing beneficial interests aggregating at least a majority of the Outstanding Amount of such Book-Entry Notes advise the Trustee through the Clearing Agency in writing that the continuation of a book entry system through the Clearing Agency is no longer in the best interests of such Note Owners, then the Clearing Agency shall notify all such Note Owners and the Trustee of the occurrence of any such event and of the availability of Definitive Notes to Note Owners requesting the same. Upon surrender to the Trustee of the typewritten Note or Notes representing the Book-Entry Notes by the Clearing Agency, accompanied by registration instructions, the Issuer shall execute and the Trustee shall authenticate the Definitive Notes in accordance with the instructions of the Clearing Agency. None of the Issuer, the Note Registrar or the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes, the Trustee shall recognize the Holders of the Definitive Notes as Noteholders.

(c) Interests in a Temporary Regulation S Note may only be exchanged for Definitive Notes upon the receipt by the Trustee from Euroclear or Clearstream, as the case may be, of a certificate substantially in the form of Exhibit C-1 to the effect that Euroclear or Clearstream, as applicable, has received a certificate substantially in the form of Exhibit C-2 from the holder of a beneficial interest in such Note. Notwithstanding the foregoing, Definitive Notes shall not be issued in exchange for Temporary Regulation S Notes until on or after the Exchange Date.

SECTION 2.13 Restrictions on Transfer of Notes

(a) The Notes have not been registered or qualified under the Securities Act, or any State securities laws or "Blue Sky" laws, and the Notes are being offered and sold in reliance upon exemptions from the registration requirements of the Securities Act and such Blue Sky or State securities laws. No transfer, sale, pledge or other disposition of any Note shall be made unless such disposition is made (1) to the Seller or an Affiliate of the Seller, (2) to a QIB in a transaction pursuant to Rule 144A, (3) with respect to the Class A Notes, Class B Notes and Class C Notes, to a Non-U.S. Person in a transaction pursuant to Regulation S or (4) with respect to the Class C Notes or Class D Notes, to an Institutional Accredited Investor in a transaction exempt from the registration requirements of the Securities Act. In the event that a transfer of an Ownership Interest in a Book-Entry Note is to be made in reliance upon (2) or (3) in the preceding sentence, the transferee will be deemed to have made the same representations and warranties as required of an initial purchaser of such Ownership Interest as set forth in Section 2.13(b) below. The Trustee or the Note Registrar shall require, in order to assure compliance with the Securities Act and the other terms of the Basic Documents, that the prospective transferee of a Holder of a Definitive Note desiring to effect a transfer certify to the Trustee or the Note Registrar in writing the facts surrounding such disposition pursuant to a letter, substantially in the form of Exhibit B hereto. None of the Seller, the Administrator, the Issuer or the Trustee is obligated under this Indenture to register the Notes under the Securities Act or any other securities law or to take any action not otherwise required under this Indenture to permit the transfer of such Notes without such registration or qualification.

(b) Each Person who has or who acquires an Ownership Interest in the Notes shall be deemed by the acceptance or acquisition of such Ownership Interest to have represented and agreed, as follows:

(i) Such Person either (A)(I) is a QIB purchasing for its own account or for the account of another QIB and (II) is aware that the sale of the Notes to such Person is being made in reliance on Rule 144A under the Securities Act, (B) with respect to Holders of Class C Notes evidenced by Definitive Notes or Holders of Class D Notes, is an Institutional Accredited Investor or (C) with respect to Holders of any class of Notes other than the Class D Notes, is a Non-U.S. Person and is acquiring such Notes pursuant to an offer and sale that occur outside of the United States in compliance with Regulation S under the Securities Act.

(ii) Such Person understands that the Notes have not been and will not be registered under the Securities Act, and are being sold to it in a transaction that is exempt from the registration requirements of the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer the Notes, the Notes may be offered, sold, pledged or otherwise transferred only (A) to the Seller or an Affiliate of the Seller, (B) to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (C) with respect to Holders of any class of Notes other than Class D Notes, to a Non-U.S. Person pursuant to offers and sales that occur outside of the United States in compliance with Regulation S under the Securities Act or (D) with respect to Holders of Class C Notes (the transferees of which take delivery thereof in the form of Definitive Notes) or Class D Notes, to an Institutional Accredited Investor, in each case in a transaction otherwise exempt from the registration requirements of the Securities Act and applicable securities laws of any state of the United States or any other territory or jurisdiction, and in compliance with the Indenture and all applicable securities laws of any state of the United States or any other territory or jurisdiction. Such Person further understands that no representation is made as to the availability of the exemption provided by Rule 144A for resales of the Notes.

(iii) Such Person further understands that a Rule 144A Global Note and a Regulation S Global Note for each class of Notes (other than the Class D Notes) has been registered in the name of the nominee of the Clearing Agency, or, in the case of Definitive Notes, such Definitive Notes have been registered in the name of such Person or its nominee, and each Note bears a legend to as to the transfer restrictions therefor as reflected on the face of such Note, forms of which are attached hereto as Exhibits A-1, A-2, A-3 and A-4.

ARTICLE III

Covenants

SECTION 3.1 Payment of Principal and Interest. The Issuer will duly and punctually pay the principal of and interest on the Notes in accordance with the terms of the Notes, the Sale and Servicing Agreement and this Indenture. Without limiting the foregoing, the Issuer will cause to be distributed on each Payment Date all amounts deposited in the Collection Account and the Principal Distribution Account pursuant to the Sale and Servicing Agreement (i) for the benefit of the Class A Notes, to the Class A Noteholders, (ii) for the benefit of the Class B Notes, to the Class B Noteholders, (iii) for the benefit of the Class C Notes, the Class C Noteholders and (iv) for the benefit of the Class D Notes, to the Class D Noteholders. Amounts properly withheld under the Code or any applicable State law by any Person from a payment to any Noteholder of interest and/or principal shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

SECTION 3.2 Maintenance of Office or Agency. The Issuer will maintain in Minneapolis, Minnesota, an office or agency where Notes may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer hereby initially appoints the Trustee to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Trustee with the address thereof, such surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Issuer hereby appoints the Trustee as its agent to receive all such surrenders, notices and demands.

SECTION 3.3 Money for Payments to be Held in Trust.

(a) On or before each Payment Date and Redemption Date, the Issuer shall deposit or cause to be deposited in the Principal Distribution Account from the Collection Account an aggregate sum sufficient to pay principal then becoming due under the Notes, such sum to be held in trust for the benefit of the Persons entitled thereto and (unless the Note Paying Agent is the Trustee) shall promptly notify the Trustee of its action or failure so to act.

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

(i) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Trustee notice of any default by the Issuer (or any other obligor upon the Notes) of which it has actual knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Note Paying Agent;

(iv) immediately resign as a Note Paying Agent and forthwith pay to the Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Note Paying Agent at the time of its appointment; and

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

(c) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order direct any Note Paying Agent to pay to the Trustee all sums held in trust by such Note Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which the sums were held by such Note Paying Agent; and upon such a payment by any Note Paying Agent to the Trustee, such Note Paying Agent shall be released from all further liability with respect to such money.

(d) Subject to applicable laws with respect to the escheat of funds, any money held by the Trustee or any Note Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Request and shall be deposited by the Trustee in the Collection Account; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Trustee or such Note Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Trustee or such Note Paying Agent, before being required to make any such repayment, shall at the expense of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Trustee shall also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment (including mailing notice of such repayment to Holders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Trustee or of any Note Paying Agent, at the last address of record for each such Holder).

SECTION 3.4 Existence. Except as otherwise permitted by the provisions of Section 3.10, the Issuer will keep in full effect its existence, rights and franchises as a statutory trust under the laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the laws of any other State or of the United States of America, in which case the Issuer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and will obtain and preserve its qualification to do business in each

jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes, the Collateral, the Sale and Servicing Agreement and each other instrument or agreement included in the Trust Estate.

SECTION 3.5 Protection of Trust Estate. The Issuer intends the security interest Granted pursuant to this Indenture in favor of the Trustee for the benefit of the Noteholders to be prior to all other liens in respect of the Trust Estate, and the Issuer shall take all actions necessary to obtain and maintain, in favor of the Trustee, for the benefit of the Noteholders, a first lien on and a first priority, perfected security interest in the Trust Estate. The Issuer will from time to time prepare (or shall cause to be prepared), execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

(i) Grant more effectively all or any portion of the Trust Estate;

(ii) maintain or preserve the lien and security interest (and the priority thereof) in favor of the Trustee for the benefit of the Noteholders created by this Indenture or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(iv) enforce any of the Collateral;

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

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

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

SECTION 3.6 Opinions as to Trust Estate.

(a) On the Closing Date, and on the date of execution of each indenture supplemental hereto, the Issuer shall furnish to the Trustee an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto, and any other requisite documents, and with respect to the filing of any financing statements and continuation statements, as are necessary to perfect and make effective the first priority lien and security interest in favor of the Trustee in the Receivables, for the benefit of the Noteholders, 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, commencing in 2012, the Issuer shall furnish to the Trustee 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 re-filing 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 first priority lien and security interest created by this Indenture in the Receivables and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain such lien and security interest. Such Opinion of Counsel shall also describe any action necessary (as of the date of such opinion) to be taken in the following year to maintain the lien and security interest of this Indenture.

SECTION 3.7 Performance of Obligations; Servicing of Receivables.

(a) The Issuer will not take any action and will use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or obligations under any instrument or agreement included in the Trust Estate or that would result in the amendment, hypothecation, subordination, termination or discharge of or impair the validity or effectiveness of, any such instrument or agreement, except as ordered by any bankruptcy or other court or as expressly provided in this Indenture, the Basic Documents or such other instrument or agreement.

(b) The Issuer may contract with other Persons to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Trustee in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicer to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the Basic Documents and in the instruments and agreements included in the Trust Estate, including 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) If a responsible officer of the Owner Trustee shall have written notice or actual knowledge of the occurrence of a Servicer Termination Event under the Sale and Servicing Agreement, the Issuer shall promptly notify the Trustee and the Rating Agencies thereof in accordance with Section 11.4, and shall specify in such notice the action, if any, the Issuer is taking in respect of such default. If a Servicer Termination Event shall arise from the failure of the Servicer to perform any of its duties or obligations under the Sale and Servicing Agreement with respect to the Receivables, the Issuer shall take all reasonable steps available to it to remedy such failure.

(e) The Issuer agrees that it will not waive timely performance or observance by the Servicer or the Seller of their respective duties under the Basic Documents if the effect thereof would adversely affect the Holders of the Notes.

SECTION 3.8 Negative Covenants. So long as any Notes are Outstanding, the Issuer shall not:

(i) except as expressly permitted by this Indenture or the Basic Documents, sell, transfer, exchange or otherwise dispose of any of the properties or assets of the Issuer, including those included in the Trust Estate, without satisfaction of the Rating Agency Condition, unless directed to do so in writing by the Trustee;

(ii) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under the Code) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Trust Estate; or

(iii) (A) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien in favor of the Trustee created by this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Notes under this Indenture or any other Basic Document except as may be expressly permitted hereby or thereby, (B) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or extend to or otherwise arise upon or burden the Trust Estate, any Collateral or any part thereof or any interest therein or the proceeds thereof (other than tax liens, mechanics' liens and other liens that arise by operation of law, in each case on a Financed Vehicle and arising solely as a result of an action or omission of the related Obligor), (C) permit the lien of this Indenture not to constitute a valid first priority (other than with respect to any such tax, mechanics' or other lien) perfected security interest in the Trust Estate or any Collateral, (D) except as otherwise provided in the Basic Documents, amend, modify or fail to comply with the provisions of the Basic Documents without the prior written consent of the Controlling Party, and if such amendments or modifications would adversely affect the interests of any Noteholder in any material respect, the consent of such Noteholder or the satisfaction of the Rating Agency Condition with respect to the applicable Class of Notes; or

(iv) engage in any business or activity other than as permitted by the Trust Agreement; or

(v) incur or assume any indebtedness or guarantee any indebtedness of any Person, except for such indebtedness incurred pursuant to Section 3.15; or

(vi) dissolve or liquidate in whole or in part or merge or consolidate with any other Person, other than in compliance with Section 3.10; or

(vii) take any action that would result in the Issuer becoming taxable as a corporation for federal income tax purposes or for the purposes of any applicable State tax.

SECTION 3.9 Annual Statement as to Compliance. The Issuer will deliver to the Trustee on or before March 31 of each year, beginning March 31, 2012, an Officer's Certificate, dated as of December 31 of the preceding calendar year, stating, as to the Authorized Officer signing such Officer's Certificate, that

(i) a review of the activities of the Issuer during such preceding year (or, in the case of the first such Officer's Certificate, since the Closing Date) and of its 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, in the case of the first such Officer's Certificate, since the Closing Date), or, if there has been a default in the compliance of any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

SECTION 3.10 Issuer May Consolidate, Etc. Only on Certain Terms.

(a) The Issuer shall not consolidate or merge with or into any other Person, unless:

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall be a Delaware Statutory Trust or a similar trust organized and existing under the laws of any other State and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee) to the effect that such transaction will not have any material adverse tax consequence to the Trust, any Noteholder or any Certificateholder;

(v) the Trustee shall have received an Opinion of Counsel to the effect that any action as is necessary to maintain the lien and security interest created by this Indenture shall have been taken;

(vi) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation or merger and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(vii) the Issuer or the Person (if other than the Issuer) formed by or surviving such consolidation or merger has a net worth, immediately after such consolidation or merger, that is (a) greater than zero and (b) not less than the net worth of the Issuer immediately prior to giving effect to such consolidation or merger.

(b) The Issuer shall not convey or transfer all or substantially all of its properties or assets, including those included in the Trust Estate, to any Person, unless

(i) the Person that acquires by conveyance or transfer the properties and assets of the Issuer the conveyance or transfer of which is hereby restricted shall (A) be a Delaware Statutory Trust or a similar trust organized and existing under the laws of any other State, (B) expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture and each of the Basic Documents on the part of the Issuer to be performed or observed, all as provided herein, (C) expressly agree by means of such supplemental indenture that all right, title and interest so conveyed or transferred shall be subject and subordinate to the rights of Holders of the Notes, (D) unless otherwise provided in such supplemental indenture, expressly agree to indemnify, defend and hold harmless the Issuer against and from any loss, liability or expense arising under or related to this Indenture and the Notes and (E) expressly agree by means of such supplemental indenture that such Person (or if a group of persons, then one specified Person) shall prepare (or cause to be prepared) and make all filings with the Commission (and any other appropriate Person) required by the Exchange Act in connection with the Notes;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee) to the effect that such transaction will not have any material adverse tax consequence to the Trust, any Noteholder or any Certificateholder;

(v) the Trustee shall have received an Opinion of Counsel to the effect that any action as is necessary to maintain the lien and security interest created by this Indenture shall have been taken;

(vi) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such conveyance or transfer and such supplemental indenture comply with this Article III and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(vii) the Issuer or the Person (if other than the Issuer) formed by or surviving such conveyance or transfer has a net worth, immediately after such conveyance or transfer, that is (a) greater than zero and (b) not less than the net worth of the Issuer immediately prior to giving effect to such conveyance or transfer.

SECTION 3.11 Successor or Transferee.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.10(a) and upon satisfaction of each of the conditions specified in 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) and upon satisfaction of each of the conditions specified in Section 3.10(b), CPS Auto Receivables Trust 2011-A will be released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with respect to the Notes immediately upon the delivery of written notice to the Trustee stating that CPS Auto Receivables Trust 2011-A is to be so released.

SECTION 3.12 No Other Business. The Issuer shall not engage in any business other than financing, purchasing, owning, selling and managing the Receivables in the manner contemplated by this Indenture and the Basic Documents and activities incidental thereto.

SECTION 3.13 No Borrowing. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any Indebtedness except for (i) the Notes and (ii) any other Indebtedness permitted by or arising under the Basic Documents. The proceeds of the Notes shall be used exclusively to fund the Issuer's purchase of the Receivables and the other assets specified in the Sale and Servicing Agreement, to fund (on behalf of the Seller) the Series 2011-A Spread Account and to pay the Issuer's organizational, transactional and start-up expenses.

SECTION 3.14 Servicer's Obligations. The Issuer shall cause the Servicer to comply with Sections 4.9, 4.10, 4.11, 5.11 and 12.1 of the Sale and Servicing Agreement.

SECTION 3.15 Guarantees, Loans, Advances and Other Liabilities. Except as contemplated by the Basic Documents, the Issuer shall not make any loan or advance or credit to,

or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

SECTION 3.16 Capital Expenditures. The Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

SECTION 3.17 Compliance with Laws. The Issuer shall comply with the requirements of all applicable laws, the non-compliance with which would, individually or in the aggregate, materially and adversely affect the ability of the Issuer to perform its obligations under the Notes, this Indenture or any other Basic Document.

SECTION 3.18 Restricted Payments. The Issuer shall not, directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to the Owner Trustee or any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest or security in or of the Issuer or to the Servicer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (iii) set aside or otherwise segregate any amounts for any such purpose; provided, however, that the Issuer may make, or cause to be made, distributions to the Servicer, the Owner Trustee, the Trustee, the Backup Servicer, the Noteholders and the Certificateholders as permitted by, and to the extent funds are available for such purpose under, the Sale and Servicing Agreement, the Trust Agreement or any other Basic Document. The Issuer will not, directly or indirectly, make payments to or distributions from the Collection Account except in accordance with this Indenture and the Basic Documents.

SECTION 3.19 Notice of Events of Default. Upon a responsible officer of the Owner Trustee having notice or actual knowledge thereof, the Issuer agrees to give the Trustee and the Rating Agency prompt written notice of each Event of Default hereunder and each default on the part of the Servicer or the Seller of its obligations under any of the Basic Documents.

SECTION 3.20 Further Instruments and Acts. Upon request of the Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 3.21 Amendments of Sale and Servicing Agreement and Trust Agreement. The Issuer shall not agree to any amendment to Section 13.1 of the Sale and Servicing Agreement or Section 11.1 of the Trust Agreement to eliminate the requirements thereunder that the Trustee or the Holders of the Notes consent to amendments thereto as provided therein.

SECTION 3.22 Income Tax Characterization. For purposes of federal income tax, State and local income tax, franchise tax and any other income taxes, the Issuer and each

Noteholder, by its acceptance of its Note or in the case of a Note Owner, by its acceptance of a beneficial interest in a Note, will treat such Note as indebtedness of the Issuer and hereby instructs the Trustee to treat the Notes as indebtedness of the Issuer for federal and State tax reporting purposes.

SECTION 3.23 Separate Existence of the Issuer. During the term of this Indenture, the Issuer shall observe the applicable legal requirements for the recognition of the Issuer as a legal entity separate and apart from its Affiliates, including as follows:

(a) The Issuer shall maintain business records and books of account separate from those of its Affiliates;

(b) Except as otherwise provided in the Basic Documents, the Issuer shall not commingle its assets and funds with those of its Affiliates;

(c) The Issuer shall at all times hold itself out to the public under the Issuer's own name as a legal entity separate and distinct from its Affiliates; and

(d) All transactions and dealings between the Issuer and its Affiliates will be conducted on an arm's-length basis.

SECTION 3.24 Representations and Warranties of the Issuer.

The Issuer hereby makes the following representations and warranties as to the Trust Estate to the Trustee for the benefit of the Noteholders:

(i) Creation of Security Interest. This Indenture creates a valid and continuing security interest (as defined in the UCC) in the Trust Estate in favor of the Trustee for the benefit of the Noteholders, which security interest is prior to all other Liens (except, as to priority, for any tax liens or mechanics' lien which may arise after the Closing Date or as a result of an Obligor's failure to pay its obligations, as applicable) and is enforceable as such as against creditors of and purchasers from the Issuer.

(ii) Perfection of Security Interest in Trust Property. The Issuer has caused, on or prior to the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Trust Estate Granted to the Trustee for the benefit of the Noteholders hereunder.

(iii) No other Security Interests. Other than the security interest Granted to the Trustee for the benefit of the Noteholders hereunder, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Estate. The Issuer has not authorized the filing of and is not aware of any financing statements filed against the Issuer that include a description of collateral covering the Trust Estate other than any

financing statement relating to the security interest Granted to the Trustee for the benefit of the Noteholders hereunder or that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

(iv) Notations on Contracts; Financing Statement Disclosure. The Servicer has in its possession copies of all the original Contracts that constitute or evidence the Receivables. The Contracts that constitute or evidence the Receivables do not and will not have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Issuer and/or the Trustee for the benefit of the Noteholders. All financing statements filed or to be filed against the Issuer in favor of the Trustee in connection herewith describing the Trust Estate contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of Wells Fargo Bank, National Association, as Trustee and secured party."

(v) Title. Immediately prior to the Grant herein contemplated, the Issuer had good and marketable title to each Receivable and the other property Granted hereunder and was the sole owner thereof, free and clear of all liens, claims, encumbrances, security interests, and rights of others, and, immediately upon the transfer thereof, the Trustee for the benefit of the Noteholders shall have good and marketable title to each such Receivable and other property and will be the sole owner thereof, free and clear of all liens, encumbrances, security interests, and rights of others, and the transfer has been perfected under the UCC.

The representations and warranties of the Issuer in this Section 3.24 may not be waived, modified or amended in any material respect without the prior written consent of the Trustee and satisfaction of the Rating Agency Condition with respect to each Class of Notes then rated, and shall survive the satisfaction and discharge of this Indenture.

ARTICLE IV

Satisfaction and Discharge

SECTION 4.1 Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to the Notes except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Sections 2.9, 3.3, 3.4, 3.5, 3.8, 3.10, 3.12, 3.13, 3.20, 3.21, 3.22 and 11.17, (v) the rights, obligations and immunities of the Trustee hereunder (including the rights of the Trustee under Section 6.7 and the obligations of the Trustee under Section 4.2) and (vi) the rights of Noteholders as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them, and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes, when

(a) all Notes theretofore authenticated and delivered (other than (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.5 and (ii)

Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.3) have been delivered to the Trustee for cancellation;

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

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each meeting the applicable requirements of Section 11.1(a) and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

SECTION 4.2 Application of Trust Money. All moneys deposited with the Trustee pursuant to Section 4.1 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Note Paying Agent, as the Trustee may determine, to the Holders of the particular Notes for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such moneys need not be segregated from other funds except to the extent required herein or in the Sale and Servicing Agreement or required by law.

SECTION 4.3 Repayment of Moneys Held by Note Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Note Paying Agent other than the Trustee under the provisions of this Indenture with respect to such Notes shall, upon demand of the Issuer, be paid to the Trustee to be held and applied according to Section 3.3 and thereupon such Note Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE V

Remedies

SECTION 5.1 Events of Default.

(a) "Event of Default", wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) default in the payment of any interest on (A) any Class A Note, or (B) if no Class A Note remains Outstanding, any Class B Note, or (C) if no Class A Note or Class B Note remains Outstanding, any Class C Note, or (D) if no Class A Note or Class B Note or Class C Note remains Outstanding, any Class D Note, in each case when the same becomes due and payable, and such default shall continue for a period of five days (solely for purposes of this clause, a payment on the Notes funded from the Series 2011-A Spread Account shall be deemed to be a payment made by the Issuer); or

(ii) default in the payment of the principal of any Note on the Final Scheduled Payment Date and such default shall continue for a period of five days (solely for purposes of this clause, a payment on the Notes funded from the Series 2011-A Spread Account shall be deemed to be a payment made by the Issuer); or

(iii) a default in the observance or performance in any material respect of any covenant or agreement of the Issuer made in this Indenture (other than a covenant or agreement, a default in the observance or performance of which is elsewhere in this Section specifically dealt with), or any representation or warranty of the Issuer made in this Indenture or in any certificate or other writing delivered in connection with the Basic Documents proving to have been incorrect in any material respect as of the time when the same shall have been made, which default materially and adversely affects the rights of the Noteholders, and such default shall continue or not be cured, or the circumstance or condition in respect of which such misrepresentation or warranty was incorrect shall not have been eliminated or otherwise cured, for a period of 30 days (or for such longer period, not in excess of 90 days, as may be reasonably necessary to remedy such default; provided that such default is capable of remedy within 90 days or less and the Servicer on behalf of the Owner Trustee delivers an Officer's Certificate to the Trustee to the effect that the Issuer has commenced, or will promptly commence and diligently pursue, all reasonable efforts to remedy such default) after there shall have been given, by registered or certified mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% of the Outstanding Amount of each class of Notes, a written notice specifying such default or incorrect representation or warranty and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(iv) the occurrence of an Insolvency Event with respect to the Issuer.

(b) The Issuer shall deliver to the Trustee, within five days after the occurrence thereof, written notice in the form of an Officer's Certificate of any event which with the giving of notice or the lapse of time or both would become an Event of Default under clause (iii), its status and what action the Issuer is taking or proposes to take with respect thereto.

SECTION 5.2 Rights Upon Event of Default.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and at the direction of the Controlling Party shall, declare by written notice to the Issuer that the Notes have become immediately due and payable, and upon any such declaration the unpaid principal amount of the Notes, together with accrued and unpaid interest thereon, shall become immediately due and payable; provided, however, the occurrence of an Event of Default of the type described in clause (iv) of Section 5.1 shall, without any further action by any Person, automatically result in the Notes becoming immediately due and payable as of the occurrence of such Event of Default.

(b) At any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided in this Article V, the Controlling Party, in their sole discretion, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

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

(A) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

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

(a) The Issuer covenants that if (i) default is made in the payment of any interest on any Note when the same becomes due and payable, and such default continues for a period of five days, or (ii) default is made in the payment of the principal of or any installment of the principal of any Note when the same becomes due and payable and such default continues for a period of five days, the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Notes, the whole amount then due and payable on such Notes for principal and interest, with interest upon the overdue principal, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the applicable Interest Rate and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel.

(b) Each Noteholder by its acceptance of a Note irrevocably and unconditionally appoints the Controlling Party, to the extent the Controlling Party is granted rights under this Indenture or any other Basic Document to direct the Trustee or consent to or take any action hereunder or under the other Basic Documents, as the true and lawful attorney-in-fact of such Noteholder with respect to such consent or action and for so long as such Noteholder is not the Controlling Party, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, pleading or instrument and to do in the name of the Controlling Party as well as in the name, place and stead of such Noteholder such acts, things and deeds for or on behalf of and in the name of such Noteholder under this Indenture (including specifically under Section 5.4) and under the Basic Documents which such Noteholder could or might do or that may be

necessary, desirable or convenient in such Controlling Party's sole discretion to effect the purposes contemplated hereunder and under the Basic Documents and, without limitation, following the occurrence of an Event of Default, exercise full right, power and authority to take, or defer from taking, any and all acts with respect to the administration, maintenance or disposition of the Trust Estate.

(c) If an Event of Default occurs and is continuing, the Trustee may in its discretion, and at the direction of the Controlling Party shall, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate Proceedings as the Trustee, in its discretion or as directed by the Controlling Party, shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Indenture or by law.

(d) In case there shall be pending, relative to the Issuer or any other obligor upon the Notes or any Person having or claiming an ownership interest in the Trust Estate, proceedings under Title 11 of the United States Code or any other applicable Federal or State bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Notes, or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, subject to the direction of the Controlling Party, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence, bad faith or willful misconduct) and of the Noteholders allowed in such proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of Notes in any election of a trustee, a standby trustee or person performing similar functions in any such Proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders and of the Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee or the

Holders of Notes allowed in any judicial proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such proceeding is hereby authorized by each of such Noteholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to such Noteholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith.

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

(f) All rights of action and of asserting claims under this Indenture, any other Basic Document or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Notes.

(g) In any Proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture or any other Basic Document), the Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any Noteholder a party to any such proceedings.

SECTION 5.4 Remedies. If an Event of Default shall have occurred and be continuing, the Trustee may, in its discretion, or at the direction of the Controlling Party shall, do one or more of the following (subject to Section 5.5):

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under this Indenture with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Notes moneys adjudged due;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Trust Estate;

(iii) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Trustee and Holders of the Notes; and

(iv) sell the Trust Estate or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law; provided that, the Trustee may not sell or otherwise liquidate the Trust Estate following an Event of Default unless (A) such Event of Default is of the type described in Section 5.1(i) or (ii) or (B) either (x) the Holders of 100% of the Outstanding Amount of the Notes consent thereto, or (y) the proceeds of such sale or liquidation distributable to the Noteholders are sufficient to discharge in full all amounts then due and unpaid upon such Notes for principal and interest.

In determining such sufficiency or insufficiency with respect to clause (y) of subsection (iv), the Trustee may, but need not, obtain and rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose.

SECTION 5.5 Optional Preservation of the Receivables. If the Notes have been declared to be due and payable under Section 5.2 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Trustee may, but need not, elect to maintain possession of the Trust Estate. It is the desire of the parties hereto and the Noteholders that there be at all times sufficient funds for the payment of principal of and interest and any other amounts on the Notes and the Trustee shall take such desire into account when determining whether or not to maintain possession of the Trust Estate. In determining whether to maintain possession of the Trust Estate, the Trustee may, but need not, obtain and rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose.

SECTION 5.6 Priorities.

(a) Following the acceleration of principal of and interest on the Notes upon or after the occurrence of an Event of Default pursuant to Section 5.2, the Total Distribution Amount, including any money or property collected pursuant to Section 5.4 shall be applied by the Trustee on the related Payment Date in the following order of priority:

FIRST: amounts due and owing and required to be distributed pursuant to priorities (i) through (iv) of Section 5.7(a) of the Sale and Servicing Agreement and not previously distributed to the Persons set forth therein, in the order of such priorities and without preference or priority of any kind within such priorities, and, if applicable, subject to the monetary limitations set forth therein;

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

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

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

FIFTH: to the Holders of the Class B Notes for amounts due and unpaid on the Class B Notes for principal, ratably and without preference or priority of any kind, according to the amounts due and payable on the Class B Notes in respect of principal, until the Class B Note Balance has been reduced to zero;

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

SEVENTH: to the Holders of the Class C Notes for amounts due and unpaid on the Class C Notes for principal, ratably and without preference or priority of any kind, according to the amounts due and payable on the Class C Notes in respect of principal, until the Class C Note Balance has been reduced to zero;

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

NINTH: to the Holders of the Class D Notes for amounts due and unpaid on the Class D Notes for principal, ratably and without preference or priority of any kind, according to the amounts due and payable on the Class D Notes in respect of principal, until the Class D Note Balance has been reduced to zero;

TENTH: any remaining amounts due and owing and required to be distributed to pursuant to priorities (i) through (iv) of Section 5.7(a) of the Sale and Servicing Agreement and not previously distributed to the Persons set forth therein, in the order of such priorities and without preference or priority of any kind within such priorities without regard to the monetary limitations therein; and

ELVENTH: to the Certificate Distribution Account, for distribution by the Trust Paying Agent in accordance with the provisions of the Trust Agreement, any remaining amount.

(b) The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section. At least 15 days before such record date the Issuer shall mail to each Noteholder and the Trustee a notice that states such record date, the payment date and the amount to be paid.

SECTION 5.7 Limitation of Suits. No Residual Certificateholder 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 while any Issuer Secured Obligations remain outstanding. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(ii) the Holders of not less than 25% of the Outstanding Amount of each class of Notes have made written request to the Trustee to institute such proceeding in respect of such Event of Default in its own name as Trustee hereunder;

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

(iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute such proceedings; and

(v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Controlling Party;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

SECTION 5.8 Unconditional Rights of Noteholders To Receive Principal and Interest. Notwithstanding any other provisions of this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Note on or after the respective due dates thereof expressed in such Note or in this Indenture (or, in the case of redemption, on or after the Redemption Date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.9 Restoration of Rights and Remedies. If the Controlling Party or any Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Issuer, the Trustee and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Noteholders shall continue as though no such proceeding had been instituted.

SECTION 5.10 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Controlling Party or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11 Delay or Omission Not a Waiver. No delay or omission of the Trustee, the Controlling Party or any Holder of any Note to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee, the Controlling Party or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee, the Controlling Party or by the Noteholders, as the case may be.

SECTION 5.12 Control by Noteholders. The Controlling Party shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or the Noteholders with respect to the Notes or exercising any trust or power conferred on the Trustee or the Controlling Party; provided that

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) subject to the express terms of Section 5.4, any direction to the Trustee to sell or liquidate the Trust Estate shall be by the Holders of Notes representing not less than 100% of the Outstanding Amount of the Notes;

(iii) if the conditions set forth in Section 5.5 have been satisfied and the Trustee elects to retain the Trust Estate pursuant to such Section, then any direction to the Trustee by Holders of Notes representing less than 100% of the Outstanding Amount of each class of Notes to sell or liquidate the Trust Estate shall be of no force and effect; and

(iv) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction;

provided, however, that, subject to Section 6.1, the Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Noteholders not consenting to such action.

SECTION 5.13 Waiver of Past Defaults. Prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 5.4, the Controlling Party may waive any past Default or Event of Default and its consequences except a Default or Event of Default (i) in payment of principal of or interest on any of the Notes or (ii) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Note. In the case of any such waiver, the Issuer, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

Upon any such waiver, such Default or Event of Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 5.14 Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to (a) any suit instituted by the Trustee, (b) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 10% of the Outstanding Amount of each class of Notes or (c) any suit instituted by any Noteholder for the enforcement of the payment of principal of or interest on any Note on or after the respective due dates expressed in such Note and in this Indenture (or, in the case of redemption, on or after the Redemption Date).

SECTION 5.15 Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power granted to the Trustee herein and any right of the Issuer to take such action shall be suspended.

ARTICLE VI

The Trustee

SECTION 6.1 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and the Basic Documents and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

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

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; however, the Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture.

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

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

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

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.12.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

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

(f) No provision of this Indenture shall require the Trustee in any of its capacities to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

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

(h) The Trustee shall permit any representative of the Issuer, during the Trustee's normal business hours, to examine all books of account, records, reports and other papers of the Trustee relating to the Notes, to make copies and extracts therefrom and to discuss the Trustee's affairs and actions, as such affairs and actions relate to the Trustee's duties with respect to the Notes, with the Trustee's officers and employees responsible for carrying out the Trustee's duties with respect to the Notes.

(i) The Trustee shall, and hereby agrees that it will, perform all of the obligations and duties required of it under the Basic Documents.

(j) In no event shall Wells Fargo Bank, National Association, in any of its capacities hereunder, be deemed to have assumed any duties of the Owner Trustee under the Delaware Statutory Trust Statute, common law, or the Trust Agreement.

(k) Except for actions expressly authorized by this Indenture, the Trustee shall take no action reasonably likely to impair the security interests created or existing under any Receivable or Financed Vehicle or to impair the value of any Receivable or Financed Vehicle.

(l) All information obtained by the Trustee regarding the Obligors and the Receivables, whether upon the exercise of its rights under this Indenture or otherwise, shall be maintained by the Trustee in confidence and shall not be disclosed to any other Person, other than the Trustee's attorneys, accountants and agents unless such disclosure is required by this Indenture or any applicable law or regulation.

SECTION 6.2 Rights of Trustee.

(a) Subject to Section 6.1 and other provisions of this Section 6.2, the Trustee shall be protected and shall incur no liability to the Issuer or any Issuer Secured Party in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness of any notice, demand, certificate, signature, instrument or other document reasonably believed by the Trustee to be genuine and to have been duly executed by the appropriate signatory, and, except to the extent the Trustee has actual knowledge to the contrary or as required pursuant to Section 6.1 or Section 6.2(g) the Trustee shall not be required to make any independent investigation with respect thereto.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate. Subject to Section 6.1(c), the Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officer's Certificate.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of Consumer Portfolio Services, Inc., or any other such agent, attorney, custodian or nominee appointed with due care by it hereunder.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(e) The Trustee may consult with counsel, and the advice of such counsel or any opinion of counsel with respect to legal matters relating to the Basic Documents and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall be under no obligation to institute, conduct or defend any litigation under this Indenture or in relation to this Indenture or any of the Basic Documents, at the request, order or direction of any of the Holders of Notes, pursuant to the provisions of this Indenture, unless such Holders of Notes shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby; provided, however, that the Trustee shall, upon the occurrence of an Event of Default (that has not been cured or waived), exercise the rights and powers vested in it by this Indenture in accordance with Section 6.1.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by the Controlling Party or Holders of Notes evidencing not less than 25% of the Outstanding Amount of each Class; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture or the Sale and Servicing Agreement, the Trustee may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the Person making such request, or, if paid by the Trustee, shall be reimbursed by the Person making such request upon demand.

SECTION 6.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not the Trustee. Any Note Paying Agent, Note Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Section 6.11.

SECTION 6.4 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, any Basic Documents, the Trust Estate, the Collateral or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

SECTION 6.5 Notice of Defaults. If an Event of Default occurs and is continuing and if it is either known by, or written notice of the existence thereof has been delivered to, a

Responsible Officer of the Trustee, the Trustee shall mail to each Noteholder notice of the Default within 30 days after such knowledge or notice occurs. Except in the case of a Default in payment of principal of or interest on any Note (including payments pursuant to the mandatory redemption provisions of such Note, if any), the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of Noteholders.

SECTION 6.6 Reports by Trustee to Holders. The Trustee shall on behalf of the Issuer deliver to each Noteholder such information as may be reasonably required to enable such Holder to prepare its Federal and State income tax returns.

SECTION 6.7 Compensation and Indemnity.

(a) Pursuant to Section 5.7(a) of the Sale and Servicing Agreement and Section 5.6 hereof, the Issuer shall pay to the Trustee from time to time compensation for its services, as separately agreed. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee, pursuant to Section 5.7(a) of the Sale and Servicing Agreement and Section 5.6 hereof, for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuer shall or shall cause the Servicer to indemnify the Trustee against any and all loss, liability or expense incurred by the Trustee without willful misfeasance, negligence or bad faith on the Trustee's part arising out of or in connection with the acceptance or the administration of this trust and the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection therewith and including any loss, liability or expense directly or indirectly incurred (regardless of negligence on the part of the Trustee or the Issuer) by the Trustee as a result of any penalty or other cost imposed by the Internal Revenue Service or other taxing authority (except any penalties arising out of fees paid to the Trustee or as a result of any action taken contrary to the Indenture) related to the tax status of the Issuer or the Notes. The Trustee shall notify the Issuer and the Servicer promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer and the Servicer shall not relieve the Issuer of its obligations hereunder or the Servicer of its obligations under Article XII of the Sale and Servicing Agreement. The Trustee may have separate counsel and the Issuer shall or shall cause the Servicer to pay the fees and expenses of such counsel. Neither the Issuer nor the Servicer need reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

(b) The Issuer's payment obligations to the Trustee pursuant to this Section shall survive the discharge of this Indenture. When the Trustee incurs expenses after the occurrence of a Default specified in Section 5.1(a)(iv) with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable Federal or State bankruptcy, insolvency or similar law. Notwithstanding anything else set forth in this Indenture or the Basic Documents, the recourse of the Trustee hereunder and under the Basic Documents shall be to the Trust Estate only and specifically shall not be recourse to the assets of the Seller, the Depositor, any Noteholder or any Residual Certificateholder. In addition, the Trustee agrees that its recourse to the Trust Estate shall be limited to the right to

receive the distributions referred to in Section 5.7(a) of the Sale and Servicing Agreement and Section 5.6 hereof.

SECTION 6.8 Replacement of Trustee. The Trustee may resign at any time by so notifying the Issuer. The Issuer may remove the Trustee if:

(i) the Trustee fails to comply with Section 6.11;

(ii) an Insolvency Event with respect to the Trustee occurs; or

(iii) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

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

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Controlling Party may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Trustee pursuant to Section 6.8.

Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuer's and the Servicer's obligations under Section 6.7 shall continue for the benefit of the retiring Trustee.

SECTION 6.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee. The Trustee shall provide the Rating Agency with written notice of any such transaction.

(b) In case at the time such successor or successors to the Trustee by merger, conversion or consolidation shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the

successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 6.10 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Trust Estate may at the time be located, the Trustee 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 Estate, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to the Trust Estate, or any part hereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.11 and no notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 6.8.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, including acts or omissions of predecessor or successor trustees; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of

this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, dissolve, become insolvent, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

SECTION 6.11 Eligibility: Disqualification. The Trustee, and any successor thereto, shall at all times have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition and subject to supervision or examination by federal or State authorities; and having a rating, both with respect to long-term and short-term unsecured obligations, of not less than investment grade by the Rating Agency.

SECTION 6.12 Reserved.

SECTION 6.13 Appointment and Powers. Subject to the terms and conditions hereof, Wells Fargo Bank, National Association is hereby appointed as the Trustee with respect to the Collateral, and Wells Fargo Bank, National Association hereby accepts such appointment and agrees to act as Trustee with respect to the Collateral for the Noteholders, to maintain custody and possession of such Collateral (except as otherwise provided hereunder) and to perform the other duties of the Trustee in accordance with the provisions of this Indenture and the other Basic Documents. Each Issuer Secured Party hereby authorizes the Trustee to take such action on its behalf, and to exercise such rights, remedies, powers and privileges hereunder, as the Controlling Party may direct and as are specifically authorized to be exercised by the Trustee by the terms hereof, together with such actions, rights, remedies, powers and privileges as are reasonably incidental thereto. The Trustee shall act upon and in compliance with the written instructions of the Controlling Party delivered pursuant to this Indenture promptly following receipt of such written instructions; provided that the Trustee shall not act in accordance with any instructions (i) which are not authorized by, or in violation of the provisions of, this Indenture, (ii) which are in violation of any applicable law, rule or regulation or (iii) for which the Trustee has not received reasonable indemnity. Receipt of such instructions shall not be a condition to the exercise by the Trustee of its express duties hereunder, except where this Indenture provides that the Trustee is permitted to act only following and in accordance with such instructions.

SECTION 6.14 Performance of Duties. The Trustee shall have no duties or responsibilities except those expressly set forth in this Indenture and the other Basic Documents to which the Trustee is a party or as directed by the Controlling Party in accordance with this Indenture. The Trustee shall not be required to take any discretionary actions hereunder except at the written direction and with the indemnification of the Controlling Party and as provided in Section 5.12. The Trustee shall, and hereby agrees that it will, perform all of the duties and obligations required of it under the Sale and Servicing Agreement.

SECTION 6.15 Limitation on Liability. Neither the Trustee nor any of its directors, officers or employees shall be liable for any action taken or omitted to be taken by it or them in good faith hereunder, or in connection herewith, except that the Trustee shall be liable for its negligence, bad faith or willful misconduct. Notwithstanding any term or provision of this Indenture, the Trustee shall incur no liability to the Issuer or the Noteholders for any action taken or omitted by the Trustee in connection with the Collateral, except for the negligence, bad faith or willful misconduct on the part of the Trustee, and, further, shall incur no liability to the Noteholder except for negligence, bad faith or willful misconduct in carrying out its duties to the Noteholders. The Trustee shall at all times be free independently to establish to its reasonable satisfaction, but shall have no duty to independently verify, the existence or nonexistence of facts that are a condition to the exercise or enforcement of any right or remedy hereunder or under any of the Basic Documents. The Trustee may consult with counsel, and shall not be liable for any action taken or omitted to be taken by it hereunder in good faith and in accordance with the written advice of such counsel. The Trustee shall not be under any obligation to exercise any of the remedial rights or powers vested in it by this Indenture or to follow any direction from the Controlling Party unless it shall have received reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it.

SECTION 6.16 Reserved.

SECTION 6.17 Successor Trustee.

(a) Merger. Any Person into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, merger, consolidation, sale or transfer to which the Trustee is a party, shall (provided it is otherwise qualified to serve as the Trustee hereunder) be and become a successor Trustee hereunder and be vested with all of the title to and interest in the Collateral and all of the trusts, powers, discretions, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, except to the extent, if any, that any such action is necessary to perfect, or continue the perfection of, the security interest of the Noteholders in the Collateral; provided that any such successor shall also be the successor Trustee under Section 6.9.

(b) [Reserved].

(c) Acceptance by Successor. The Issuer shall have the sole right to appoint each successor Trustee subject to satisfaction of the Rating Agency Condition. Every temporary or permanent successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Trustee and the Issuer an instrument in writing accepting such appointment hereunder and the relevant predecessor shall execute, acknowledge and deliver such other documents and instruments as will effectuate the delivery of all Collateral to the successor Trustee, whereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of 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 Trustee to more fully and certainly vest in such successor the estates, properties, rights, powers, duties and obligations vested or intended to be vested hereunder in the Trustee, any and all such written instruments shall at the request of the temporary or permanent successor Trustee, be forthwith executed, acknowledged and delivered by the Trustee or the Issuer, as the case may be. The designation of any successor Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for herein, shall be maintained with the records relating to the Collateral and, to the extent required by applicable law, filed or recorded by the successor Trustee in each place where such filing or recording is necessary to effect the transfer of the Collateral to the successor Trustee or to protect or continue the perfection of the security interests granted hereunder.

SECTION 6.18 Reserved.

SECTION 6.19 Representations and Warranties of the Trustee. The Trustee represents and warrants to the Issuer and to each Issuer Secured Party as follows:

(a) Due Organization. The Trustee is a national banking association, duly organized, validly existing and in good standing under the laws of the United States and is duly authorized and licensed under applicable law to conduct its business as presently conducted.

(b) Corporate Power. The Trustee has all requisite right, power and authority to execute and deliver this Indenture and to perform all of its duties as Trustee hereunder.

(c) Due Authorization. The execution and delivery by the Trustee of this Indenture and the other Basic Documents to which it is a party, and the performance by the Trustee of its duties hereunder and thereunder, have been duly authorized by all necessary corporate proceedings and no further approvals or filings, including any governmental approvals, are required for the valid execution and delivery by the Trustee, or the performance by the Trustee, of this Indenture and such other Basic Documents.

(d) Valid and Binding Indenture. The Trustee has duly executed and delivered this Indenture and each other Basic Document to which it is a party, and each of this Indenture and each such other Basic Document constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as (i) such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws relating to or affecting the enforcement of creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

SECTION 6.20 Waiver of Setoffs. The Trustee hereby expressly waives any and all rights of setoff that the Trustee may otherwise at any time have under applicable law with respect to any Trust Account and agrees that amounts in the Trust Accounts shall at all times be held and applied solely in accordance with the provisions hereof.

ARTICLE VII

Noteholders' Lists and Reports

SECTION 7.1 Issuer To Furnish To Trustee Names and Addresses of Noteholders. The Issuer will furnish or cause to be furnished to the Trustee (a) not more than five days after the earlier of (i) each Record Date and (ii) three months after the last Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, (b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; provided, however, that so long as the Trustee is the Note Registrar, no such list shall be required to be furnished.

SECTION 7.2 Preservation of Information; Communications to Noteholders. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Trustee in its capacity as Note Registrar. The Trustee may destroy any list furnished to it as provided in such Section 7.1 upon receipt of a new list so furnished.

ARTICLE VIII

Collection of Money and Releases of Trust Estate

SECTION 8.1 Collection of Money. Except as otherwise expressly provided herein, the Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Trustee pursuant to this Indenture and the Sale and Servicing Agreement. The Trustee shall apply all such money received by it as provided in this Indenture and the Sale and Servicing Agreement. Except as otherwise expressly provided in this Indenture or in the Sale and Servicing Agreement, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Trust Estate, the Trustee may take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

SECTION 8.2 Release of Trust Estate.

(a) Subject to the payment of its fees and expenses pursuant to Section 6.7, the Trustee may, and when required by the provisions of this Indenture shall, execute instruments to release property from the lien of this Indenture, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Trustee as provided in this Article VIII shall be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

(b) The Trustee shall, at such time as there are no Notes outstanding, all Issuer Secured Obligations have been paid in full and all sums due the Trustee pursuant to Section 6.7 have been paid, release any remaining portion of the Trust Estate that secured the Notes from the lien of

this Indenture and release to the Issuer or any other Person entitled thereto any funds then on deposit in the Trust Accounts. The Trustee shall release property from the lien of this Indenture pursuant to this Section 8.2(b) only upon receipt of an Issuer Request accompanied by an Officer's Certificate and an Opinion of Counsel meeting the applicable requirements of Section 11.1.

SECTION 8.3 Opinion of Counsel. The Trustee shall receive at least seven days' notice when requested by the Issuer to take any action pursuant to Section 8.2(a), accompanied by copies of any instruments involved, and the Trustee shall also require as a condition to such action, an Opinion of Counsel in form and substance satisfactory to the Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely affect the security for the Notes or the rights of the Noteholders in contravention of the provisions of this Indenture; provided, however, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the Trust Estate. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Trustee in connection with any such action.

ARTICLE IX

Supplemental Indentures

SECTION 9.1 Supplemental Indentures Without Consent of Noteholders.

(a) Without the consent of the Holders of any Notes and with prior notice to the Rating Agency by the Issuer, the Issuer and the Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof), in form satisfactory to the Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(v) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture which may be inconsistent with any other provision herein or in any supplemental indenture or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided that such action shall not adversely affect the interests of the Holders of the Notes or the rating of any Class of Notes; or

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained not inconsistent with the foregoing.

(b) The Issuer and the Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Notes but with prior notice to the Rating Agency by the Issuer, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that such action shall not, as evidenced by an Opinion of Counsel, adversely affect the interests of any Noteholder in any material respect. Any such action shall be deemed to not adversely affect in any material respect the interests of any Noteholder if the Rating Agency Condition with respect to the related Class of Notes has been satisfied.

SECTION 9.2 Supplemental Indentures with Consent of Noteholders. The Issuer and the Trustee, when authorized by an Issuer Order, also may, with prior notice to the Rating Agency and with the consent of the Controlling Party, by Act of such Holders delivered to the Issuer and the Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that, no such supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby:

(i) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal amount thereof, the interest rate thereon or the Redemption Price with respect thereto, change the provision of this Indenture relating to the application of collections on, or the proceeds of the sale of, the Trust Estate to payment of principal of or interest on the Notes, or change any place of payment where, or the coin or currency in which, any Note or the interest thereon is payable;

(ii) impair the right to institute suit for the enforcement of the provisions of this Indenture requiring the application of funds available

therefor, as provided in Article V, to the payment of any such amount due on the Notes on or after the respective due dates thereof (or, in the case of redemption, on or after the Redemption Date);

(iii) reduce the percentage of the Outstanding Amount of the Notes, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iv) modify or alter the provisions of the proviso to the definition of the term "Outstanding", "Controlling Party" or "Controlling Class";

(v) reduce the percentage of the Outstanding Amount of the Notes required to direct the Trustee to direct the Issuer to sell or liquidate the Trust Estate pursuant to Section 5.4;

(vi) modify any provision of this Section except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the Basic Documents cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

(vii) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest or principal due on, or other amount distributable in respect of, any Note on any Payment Date (including the calculation of any of the individual components of such calculation) or as to affect the rights of the Holders of Notes to the benefit of any provisions for the mandatory redemption of the Notes contained herein; or

(viii) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Trust Estate or, except as otherwise permitted or contemplated herein or in any of the Basic Documents, terminate the lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security provided by the lien of this Indenture.

It shall not be necessary for any Act of Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to this Section, the Trustee shall mail to the Holders of the Notes to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.3 Execution of Supplemental Indentures. In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and subject to Sections 6.1 and 6.2, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 9.4 Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Trustee, the Issuer and the Holders of the Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.5 Reserved.

SECTION 9.6 Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Issuer shall, bear a notation in form approved by the Issuer as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE X

Redemption of Notes

SECTION 10.1 Redemption.

The Notes shall be redeemed in whole, but not in part, on any Payment Date upon which the Servicer exercises its option to purchase the Trust Estate (other than the Trust Accounts) pursuant to Section 11.1(a) of the Sale and Servicing Agreement, for a purchase price at least equal to the Redemption Price; provided, however, that no such redemption may be effected unless the Issuer has available funds sufficient to pay the Redemption Price on such Payment Date. The Servicer or the Issuer shall furnish the Rating Agency notice of such redemption. If the Notes are to be redeemed pursuant to this Section 10.1, the Servicer shall furnish notice of such election to the Issuer and Trustee not later than 35 days prior to the Redemption Date and deposit the proceeds from the sale of the Receivables into the Collection Account. If the proceeds of such sale are not so deposited into Collection Account with the Trustee at least one Business Day prior to the Redemption Date, such redemption shall be deemed to be automatically rescinded and the Noteholders shall receive the payments of interest and principal that would be due to the Noteholders on such Payment Date as if such option to redeem the

Notes had never been exercised. For the avoidance of any doubt, no Event of Default shall occur solely as a result of such rescission.

SECTION 10.2 Form of Redemption Notice.

Notice of redemption under Section 10.1 shall be given by the Trustee by facsimile or by first-class mail, postage prepaid, transmitted or mailed prior to the applicable Redemption Date to each Holder of Notes, as of the close of business on the Record Date preceding the applicable Redemption Date, at such Holder's address appearing in the Note Register.

All notices of redemption shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) that the Record Date otherwise applicable to such Redemption Date is not applicable and that payments shall be made only upon presentation and surrender of such Notes and the place where such Notes are to be surrendered for payment of the Redemption Price (which shall be the office or agency of the Issuer to be maintained as provided in Section 3.2); and

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

Notice of redemption of the Notes shall be given by the Trustee in the name and at the expense of the Issuer. Failure to give notice of redemption, or any defect therein, to any Holder of any Note shall not impair or affect the validity of the redemption of any other Note.

SECTION 10.3 Notes Payable on Redemption Date. The Notes to be redeemed shall, following notice of redemption as required by Section 10.2 (in the case of redemption pursuant to Section 10.1), on the Redemption Date become due and payable at the Redemption Price and (unless the Issuer shall default in the payment of the Redemption Price) no interest shall accrue on the Redemption Price for any period after the date to which accrued interest is calculated for purposes of calculating the Redemption Price.

ARTICLE XI

Miscellaneous

SECTION 11.1 Compliance Certificates and Opinions, etc.

(a) Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and (ii) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with except that, in the case of any such application or request as to which the furnishing of such documents

is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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

(b) (i) Prior to the deposit of any Collateral or other property or securities with the Trustee that is to be made the basis for the release of any property or securities subject to the lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 11.1(a) or elsewhere in this Indenture, furnish to the Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (on the date of such deposit) to the Issuer of the Collateral or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Trustee an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii) is 10% or more of the Outstanding Amount of the Notes, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than $25,000 or less than 1% of the Outstanding Amount of the Notes.

(iii) Other than with respect to the release of any Purchased Receivables, Defaulted Texas Receivables or Liquidated Receivables, whenever any property or securities are to be released from the lien of this Indenture, the Issuer shall also furnish to the Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and

stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the Trustee an Independent Certificate as to the same matters if the fair value of the property or securities and of all other property other than Purchased Receivables, Defaulted Texas Receivables and Liquidated Receivables, or securities released from the lien of this Indenture since the commencement of the then current calendar year, as set forth in the certificates required by clause (iii) above and this clause (iv), equals 10% or more of the Outstanding Amount of the Notes, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than $25,000 or less than 1% of the then Outstanding Amount of the Notes.

(v) Notwithstanding Section 2.9 or any provision of this Section, the Issuer may (A) collect, liquidate, sell or otherwise dispose of Receivables as and to the extent permitted or required by the Basic Documents and (B) make cash payments out of the Trust Accounts as and to the extent permitted or required by the Basic Documents.

SECTION 11.2 Form of Documents Delivered to Trustee.

(a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(b) Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicer, the Seller or the Issuer, stating that the information with respect to such factual matters is in the possession of the Servicer, the Seller or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(c) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

(d) Whenever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

SECTION 11.3 Acts of Noteholders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved in any customary manner of the Trustee.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Notes shall bind the Holder of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(e) The Seller and any Affiliate thereof may in its individual or any other capacity become the owner or pledgee of the Notes with the same rights as it would have if it were not the Seller or an Affiliate thereof, except as expressly provided herein or in any Basic Document. Notes so owned by the Seller or such Affiliate shall have an equal and proportionate benefit under the provisions of the Basic Documents, without preference, priority or distinction as among all of the Notes; provided, however, that any Notes owned by the Seller or any Affiliate thereof, during the time such Notes are so owned by them, shall be without voting or consent rights for any purpose set forth in the Basic Documents and such Notes. The Seller shall notify the Trustee promptly after it or any of its Affiliates become the owner of a Note.

SECTION 11.4 Notices, etc., to Trustee, Issuer, and Rating Agency.

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

(i) the Trustee by any Noteholder or by the Issuer shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall be deemed to have been duly given upon receipt to the Trustee at its Corporate Trust Office; or

(ii) the Issuer by the Trustee or by any Noteholder shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall be deemed to have been duly given upon receipt to the Issuer addressed to: CPS Auto Receivables Trust 2011-A, in care of Wilmington Trust Company, Rodney Square North, 1100 N. Market Street, Wilmington, Delaware 19890-0001, or at such other address previously furnished in writing to the Trustee by the Issuer. The Issuer shall promptly transmit any notice received by it from the Noteholders to the Trustee.

(b) Notices required to be given to the Rating Agency by the Issuer, the Trustee or the Owner Trustee shall be in writing, personally delivered, electronically delivered, delivered by overnight courier or mailed certified mail, return receipt requested to Standard & Poor's via electronic delivery to Servicer_reports@sandp.com; for any information not available in electronic format, send hard copies to: Standard & Poor's Ratings Services, 55 Water Street, 41st Floor, New York, New York 10041-0003, Attention: ABS Surveillance Group; or as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

SECTION 11.5 Notices to Noteholders; Waiver.

(a) Where this Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given (unless otherwise expressly provided herein) if in writing and mailed, first-class, postage prepaid to each Noteholder affected by such event, at his address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

(b) Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

(c) In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

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

SECTION 11.6 Alternate Payment and Notice Provisions. Notwithstanding any provision of this Indenture or any of the Notes to the contrary, the Issuer may enter into any agreement with any Holder of a Note providing for a method of payment, or notice by the Trustee or any Note Paying Agent to such Holder, that is different from the methods provided for in this Indenture for such payments or notices, provided that such methods are reasonable and consented to by the Trustee (which consent shall not be unreasonably withheld). The Issuer will furnish to the Trustee a copy of each such agreement and the Trustee will cause payments to be made and notices to be given in accordance with such agreements.

SECTION 11.7 Reserved.

SECTION 11.8 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 11.9 Successors and Assigns. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 11.10 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.11 Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Noteholders, and any other party secured hereunder, and any other person with an ownership interest in any part of the Trust Estate, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 11.12 Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 11.13 Governing Law. THIS INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THIS INDENTURE AND ALL MATTERS ARISING OUT

OF OR RELATING IN ANY WAY TO THIS INDENTURE SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

SECTION 11.14 Counterparts. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 11.15 Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel to the Trustee or any other counsel reasonably acceptable to the Trustee) to the effect that such recording is necessary either for the protection of the Noteholders or any other person secured hereunder or for the enforcement of any right or remedy granted to the Trustee under this Indenture.

SECTION 11.16 Trust Obligation. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent of the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity. For all purposes of this Indenture, in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Articles VI, VII and VIII of the Trust Agreement.

SECTION 11.17 No Petition. The Trustee, by entering into this Indenture, and each Noteholder and Note Owner, by accepting a Note or a beneficial interest therein, hereby covenant and agree that they will not at any time institute against the Seller, the Depositor, or the Issuer, or join in, or collude or cooperate with, any institution against the Seller, the Depositor, or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, this Indenture or any of the Basic Documents.

SECTION 11.18 Inspection. The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Trustee, during the Issuer's normal business hours, to examine all the books of account, records, reports, and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited by independent certified public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers,

employees, and independent certified public accountants, all at such reasonable times and as often as may be reasonably requested. The Trustee shall and shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Trustee may reasonably determine that such disclosure is consistent with its Obligations hereunder.

SECTION 11.19 Limitation on Recourse to Seller. The obligations of the Issuer under this Indenture are solely the obligations of the Issuer and do not represent any obligation or interest in any assets of the Depositor. The Trustee, by entering into this Indenture, and each Noteholder and Note Owner, by accepting a Note or a beneficial interest in a Note, acknowledge and agree that they have no right, title or interest in or to any Other Assets of the Depositor. Notwithstanding the preceding sentence, if such Trustee, Noteholder or Note Owner either (i) asserts an interest or claim to, or benefit from, the Other Assets, or (ii) is deemed to have any such interest, claim to, or benefit in or from the Other Assets, whether by operation of law, legal process, pursuant to insolvency laws or otherwise (including by virtue of Section 1111(b) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended ("Bankruptcy Code")), then such Indenture Trustee, Noteholder or Note Owner further acknowledges and agrees that any such interest, claim or benefit in or from the Other Assets is expressly subordinated to the indefeasible payment in full of the other obligations and liabilities, which, under the relevant documents relating to the securitization or conveyance of such Other Assets, are entitled to be paid from, entitled to the benefits of, or otherwise secured by such Other Assets (whether or not any such entitlement or security interest is legally perfected or otherwise entitled to a priority of distributions or application under applicable law, including insolvency laws, and whether or not asserted against the Depositor), including the payment of post-petition interest on such other obligations and liabilities. This subordination agreement is deemed a subordination agreement within the meaning of Section 510(a) of the Bankruptcy Code. The Trustee, each Noteholder and each Note Owner further acknowledges and agrees that no adequate remedy at law exists for a breach of this Section 11.19 and this Section 11.19 may be enforced by an action for specific performance. This Section 11.19 is for the third party benefit of those entitled to rely on this Section 11.19 and will survive the termination of this Indenture.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be duly executed by their respective officers, hereunto duly authorized, all as of the day and year first above written.

CPS AUTO RECEIVABLES TRUST 2011-A,

By: WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Owner Trustee

By:
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By:
Name:
Title:

EXHIBIT A-1

Form of Class A Note

[Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

[THIS NOTE IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS TEMPORARY REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.]

[THIS NOTE IS A PERMANENT GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS PERMANENT REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES ("BLUE SKY LAWS"), AND THIS NOTE MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE 1933 ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) TO A NON-U.S. PERSON PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS S OF THE 1933 ACT, OR (C) TO CPS RECEIVABLES FIVE LLC OR AN AFFILIATE THEREOF, IN EACH CASE IN ACCORDANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A OF THE 1933 ACT FOR RESALES OF THIS NOTE.

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

SEE REVERSE FOR CERTAIN DEFINITIONS

REGISTERED **$_____[1]**

[No. A-R144A-[__] **CUSIP NO. 126186 AA3]**
[No. A-REGS-[__] **CUSIP NO. U1264G AA8]**

CPS AUTO RECEIVABLES TRUST 2011-A

CLASS A 2.82% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2011-A, 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 _____ AND NO/100 DOLLARS payable on each Payment Date in an amount equal to the aggregate amount, if any, payable from the Principal Distribution Account in respect of principal on the Class A Notes pursuant to Section 3.1 of the Indenture and Section 5.8 of the Sale and Servicing Agreement; provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Payment Date occurring in April 2018 (the "Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from and including the immediately preceding Payment Date to but excluding such current Payment Date; provided that for the May 2011 Payment Date interest will accrue for the number of days from and including the Closing Date to and including May 15, 2011. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof. Capitalized terms used in this Note and not defined herein have the meaning assigned to such terms in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

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[1] Minimum denominations of $100,000 and integral multiples of $1,000 thereof

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2011-A

By: WILMINGTON TRUST COMPANY,
not in its individual capacity,
but solely as Owner Trustee

By:
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By:
Authorized Signatory

Date: April ___, 2011

[REVERSE OF NOTE]

This note is one of a duly authorized issue of Notes of the Issuer, designated as its Class A 2.82% Asset-Backed Notes (herein called the "Class A Notes"), all issued under an Indenture dated as of April 1, 2011 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture.

The Class A Notes, the Class B Notes, Class C Notes, and the Class D Notes (collectively, the "Notes") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture.

Principal of the Class A Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing May 16, 2011.

As described above, the entire unpaid principal amount of this Class A Note shall be due and payable on the earlier of the Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Class A Notes shall be due and payable on the date on which an Event of Default shall have occurred and be continuing and the Notes have been declared immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class A Notes shall be made pro rata to the Class A Noteholders entitled thereto.

Payments of interest on this Class A Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class A Note, shall be made by check mailed to the Person whose name appears as the Holder of this Class A Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Class A Note be submitted for notation of payment. Any reduction in the principal amount of this Class A Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Class A Note and of any Class A Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class A Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date

preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class A Note at the Trustee's principal Corporate Trust Office.

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

As provided in the Indenture, the Notes may be redeemed pursuant to Section 10.1 of the Indenture, in whole, but not in part, at the option of the Servicer, on any Payment Date on or after the date on which the Pool Balance is less than or equal to 10% of the Original Pool 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) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new 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 transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the Indenture or any other Basic Document, (i) the transfer of a Class A Note, including the right to receive principal and any stated interest thereon, may be effected only by surrender of the old Class A Note (or satisfactory evidence of the destruction, loss or theft of such Note) to the Note Registrar, and the issuance by the Issuer (through the Note Registrar) of a new Class A Note to the new Holder, and (ii) each Class A Note must be registered in the name of the Holder thereof as to both principal and any stated interest with the Note Registrar.

Each Noteholder or Note Owner, by acceptance of a Class A Note or, in the case of a Note Owner, a beneficial interest in a Class A Note agrees to treat the Class A Notes as indebtedness of the Issuer for Federal and State income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no

such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Class A Note or, in the case of a Note Owner, a beneficial interest in a Class A Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of a Class A Note (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring such Class A Note with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of such Class A Note will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption.

Prior to the due presentment for registration of transfer of this Class A Note, the Issuer and the Trustee and any agent of the Issuer or the Trustee 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 Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, subject to certain limitations and exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer without the consent of Noteholders. The Indenture also contains provisions permitting the Holders of Notes representing a majority (by Outstanding Amount) of the Controlling Class, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon such Holder and upon all future Holders of this Class A Note and of any Class A Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Class A Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this 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 Trustee and the Holders of 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 the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this 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 Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Class A Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed:_____

1/ NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT A-2

Form of Class B Note

[Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

[THIS NOTE IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS TEMPORARY REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.]

[THIS NOTE IS A PERMANENT GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS PERMANENT REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES ("BLUE SKY LAWS"), AND THIS NOTE MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE 1933 ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) TO A NON-U.S. PERSON PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS S OF THE 1933 ACT, OR (C) TO CPS RECEIVABLES FIVE LLC OR AN AFFILIATE THEREOF, IN EACH CASE IN ACCORDANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A OF THE 1933 ACT FOR RESALES OF THIS NOTE.

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

THIS NOTE IS SUBORDINATE IN RIGHT OF PAYMENT TO THE CLASS A NOTES ISSUED UNDER THE INDENTURE.

SEE REVERSE FOR CERTAIN DEFINITIONS

REGISTERED **$_____[1]**

[[No. B-R144A-[__] **CUSIP NO. 126186 AB1]**
[No. B-REGS-[__] **CUSIP NO. U1264G AA8]**

CPS AUTO RECEIVABLES TRUST 2011-A

CLASS B 4.94% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2011-A, 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 _____ AND NO/100 DOLLARS payable on each Payment Date in an amount equal to the aggregate amount, if any, payable from the Principal Distribution Account in respect of principal on the Class B Notes pursuant to Section 3.1 of the Indenture and Section 5.8 of the Sale and Servicing Agreement, provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Payment Date occurring in April 2018 (the "Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from and including the immediately preceding Payment Date to but excluding such current Payment Date; provided that for the May 2011 Payment Date interest will accrue for the number of days from and including the Closing Date to and including May 15, 2011. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof. Capitalized terms used in this Note and not defined herein have the meaning assigned to such terms in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

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[1] Minimum denominations of $100,000 and integral multiples of $1,000 thereof

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2011-A

By: WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Owner Trustee

By:
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Trustee

By:
Authorized
Signatory

Date: _____, 20__

[REVERSE OF NOTE]

This note is one of a duly authorized issue of Notes of the Issuer, designated as its Class B 4.94% Asset-Backed Notes (herein called the "Class B Notes"), all issued under an Indenture dated as of April 1, 2011 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (collectively, the "Notes") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture, however, the Class B Notes are subordinate in priority of payment to the Class A Notes on each Payment Date and upon a liquidation of the Trust Estate as described in the Indenture and the Sale and Servicing Agreement.

Principal of the Class B Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing May 16, 2011.

As described above, the entire unpaid principal amount of this Class B Note shall be due and payable on the earlier of the Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Class B Notes shall be due and payable on the date on which an Event of Default shall have occurred and be continuing and the Notes have been declared immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class B Notes shall be made pro rata to the Class B Noteholders entitled thereto.

Payments of interest on this Class B Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class B Note, shall be made by check mailed to the Person whose name appears as the Holder of this Class B Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Class B Note be submitted for notation of payment. Any reduction in the principal amount of this Class B Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Class B Note and of any Class B Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining

unpaid principal amount of this Class B Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class B Note at the Trustee's principal Corporate Trust Office.

The Issuer shall pay interest on overdue installments of interest at the Class B Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed pursuant to Section 10.1 of the Indenture, in whole, but not in part, at the option of the Servicer, on any Payment Date on or after the date on which the Pool Balance is less than or equal to 10% of the Original Pool Balance.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Class B Note may be registered on the Note Register upon surrender of this Class B Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Class B 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 B Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the Indenture or any other Basic Document, (i) the transfer of a Class B Note, including the right to receive principal and any stated interest thereon, may be effected only by surrender of the old Class B Note (or satisfactory evidence of the destruction, loss or theft of such Note) to the Note Registrar, and the issuance by the Issuer (through the Note Registrar) of a new Class B Note to the new Holder, and (ii) each Class B Note must be registered in the name of the Holder thereof as to both principal and any stated interest with the Note Registrar.

Each Noteholder or Note Owner, by acceptance of a Class B Note or, in the case of a Note Owner, a beneficial interest in a Class B Note agrees to treat the Class B Notes as indebtedness of the Issuer for federal and State income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the

Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Class B Note or, in the case of a Note Owner, a beneficial interest in a Class B Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of a Class B Note (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring any such Class B Note with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of such Class B Note will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption.

Prior to the due presentment for registration of transfer of this Class B Note, the Issuer and the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class B 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 B Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, subject to certain limitations and exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer without the consent of Noteholders. The Indenture also contains provisions permitting the Holders of Notes representing a majority (by Outstanding Amount) of the Controlling Class, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon such Holder and upon all future Holders of this Class B Note and of any Class B Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Class B Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Class B Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

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

This Class B 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 B 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 B Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Class B 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 B Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Class B Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed:_____

1/ NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT A-3

[Form of Class C Note]

[Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

[THIS NOTE IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS TEMPORARY REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.]

[THIS NOTE IS A PERMANENT GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. NEITHER THIS PERMANENT REGULATION S GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES ("BLUE SKY LAWS"), AND THIS NOTE MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE 1933 ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) TO A NON-U.S. PERSON PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS S OF THE 1933 ACT, (C) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) or (7) OF REGULATION D UNDER THE 1933 ACT THAT HOLDS ITS INTEREST IN THIS NOTE IN DEFINITIVE FORM, OR (D) TO CPS RECEIVABLES FIVE LLC OR AN AFFILIATE THEREOF, IN EACH CASE IN ACCORDANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A OF THE 1933 ACT FOR RESALES OF THIS NOTE.

IN NO EVENT SHALL THIS NOTE BE TRANSFERRED TO OR ACQUIRED ON BEHALF OF (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 OR OTHERWISE (EACH, A "BENEFIT PLAN"). BY ACCEPTING AND HOLDING THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS NOT A BENEFIT PLAN.

IN NO EVENT SHALL THIS NOTE BE TRANSFERRED TO OR ACQUIRED BY CONSUMER PORTFOLIO SERVICES, INC., A CALIFORNIA CORPORATION.

THE HOLDER OF THIS NOTE REPRESENTS, BY VIRTUE OF ITS ACCEPTANCE HEREOF, THAT IT HAS NEITHER ACQUIRED NOR WILL IT TRANSFER ANY NOTE IT PURCHASES (OR ANY INTEREST THEREIN) OR CAUSE ANY SUCH NOTE (OR ANY INTEREST THEREIN) TO BE MARKETED ON OR THROUGH AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(B)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, INCLUDING, WITHOUT LIMITATION, AN OVER-THE-COUNTER MARKET OR AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS.

THE HOLDER OF THIS NOTE REPRESENTS, BY VIRTUE OF ITS ACCEPTANCE HEREOF, THAT EITHER (A) IT IS NOT, AND WILL NOT BECOME, A PARTNERSHIP, SUBCHAPTER S CORPORATION, OR GRANTOR TRUST FOR U.S. FEDERAL INCOME TAX PURPOSES OR (B) IT IS SUCH AN ENTITY, BUT NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY OF THE INTERESTS IN SUCH TRANSFEREE HAVE ALLOWED OR CAUSED, OR WILL ALLOW OR CAUSE, 50% OR MORE OF THE VALUE OF SUCH INTERESTS TO BE ATTRIBUTABLE TO SUCH TRANSFEREE'S OWNERSHIP OF THE NOTES

IT IS THE INTENTION OF THE PARTIES TO THE INDENTURE THAT THE ISSUER WILL NOT BE CLASSIFIED FOR FEDERAL INCOME TAX PURPOSES AS AN ASSOCIATION (OR PUBLICLY TRADED PARTNERSHIP) TAXABLE AS A CORPORATION.

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

THIS NOTE IS SUBORDINATE IN RIGHT OF PAYMENT TO THE CLASS A NOTES AND CLASS B NOTES ISSUED UNDER THE INDENTURE.

[IN CONNECTION WITH ANY TRANSFER OF THIS NOTE, IN ORDER TO ASSURE COMPLIANCE WITH THE 1933 ACT, THE TRANSFEREE OF SUCH NOTE MUST DELIVER A CERTIFICATION REGARDING THE FACTS SURROUNDING SUCH TRANSFER IN THE FORM OF EXHIBIT B TO THE INDENTURE.]

SEE REVERSE FOR CERTAIN DEFINITIONS

REGISTERED **$_____[1]**

[No. C-R144A-[__] **CUSIP NO. 126186 AC9]**
[No. C-REGS-[__] **CUSIP NO. U1264G AC4]**

CPS AUTO RECEIVABLES TRUST 2011-A

CLASS C 7.50% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2011-A, 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 _____, or registered assigns, the principal sum of _____ AND NO/100 DOLLARS payable on each Payment Date in an amount equal to the aggregate amount, if any, payable from the Principal Distribution Account in respect of principal on the Class C Notes pursuant to Section 3.1 of the Indenture and Section 5.8 of the Sale and Servicing Agreement, provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Payment Date occurring in April 16, 2018 (the "Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from and including the immediately preceding Payment Date to but excluding such current Payment Date; provided that for the May 2011 Payment Date interest will accrue for the number of days from and including the Closing Date to and including May 15, 2011. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof. Capitalized terms used in this Note and not defined herein have the meaning assigned to such terms in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

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[1] Minimum denominations of $100,000 and integral multiples of $1,000 thereof

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2011-A

By: WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Owner Trustee

By:
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Trustee

By:
Authorized Signatory

Date: _____, 20__

[REVERSE OF NOTE]

This note is one of a duly authorized issue of Notes of the Issuer, designated as its Class C 7.50% Asset-Backed Notes (herein called the "Class C Notes"), all issued under an Indenture dated as of April 1, 2011 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (collectively, the "Notes") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture, however, the Class C Notes are subordinate in priority of payment to the Class A Notes and the Class B Notes on each Payment Date and upon a liquidation of the Trust Estate as described in the Indenture and the Sale and Servicing Agreement.

Principal of the Class C Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing May 16, 2011.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Class C Notes shall be due and payable on the date on which an Event of Default shall have occurred and be continuing and the Notes have been declared immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class C Notes shall be made pro rata to the Class C Noteholders entitled thereto.

Payments of interest on this Class C Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class C Note, shall be made by check mailed to the Person whose name appears as the Holder of this Class C Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Class C Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Class C Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class C Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable

shall be payable only upon presentation and surrender of this Class C Note at the Trustee's principal Corporate Trust Office.

The Issuer shall pay interest on overdue installments of interest at the Class C Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed pursuant to Section 10.1 of the Indenture, in whole, but not in part, at the option of the Servicer, on any Payment Date on or after the date on which the Pool Balance is less than or equal to 10% of the Original Pool Balance.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Class C Note may be registered on the Note Register upon surrender of this Class C Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by a certificate of the transferee in the form of Exhibit B to the Indenture and such other documents as the Trustee may require, and thereupon one or more new Class C 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 C Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the Indenture or any other Basic Document, (i) the transfer of a Class C Note, including the right to receive principal and any stated interest thereon, may be effected only by surrender of the old Class C Note (or satisfactory evidence of the destruction, loss or theft of such Note) to the Note Registrar, and the issuance by the Issuer (through the Note Registrar) of a new Class C Note to the new Holder, and (ii) each Class C Note must be registered in the name of the Holder thereof as to both principal and any stated interest with the Note Registrar.

Each Noteholder or Note Owner, by acceptance of a Class C Note or, in the case of a Note Owner, a beneficial interest in a Class C Note, agrees to treat the Class C Notes as indebtedness of the Issuer for federal and State income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall

be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Class C Note or, in the case of a Note Owner, a beneficial interest in a Class C Note, covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder or Note Owner, by acceptance of a Class C Note or, in the case of a Note Owner, a beneficial interest in a Class C Note, shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that it is not acquiring any such Class C Note with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code.

Prior to the due presentment for registration of transfer of this Class C Note, the Issuer and the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class C 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 C Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, subject to certain limitations and exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer without the consent of Noteholders. The Indenture also contains provisions permitting the Holders of Notes representing a majority (by Outstanding Amount) of the Controlling Class, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon such Holder and upon all future Holders of this Class C Note and of any Class C Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Class C Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Class C Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

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

This Class C 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 C 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 C Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Class C 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 C Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Class C Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed:_____

1/ NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT A-4

[Form of Class D Note]

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES ("BLUE SKY LAWS"), AND THIS NOTE MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE 1933 ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) or (7) OF REGULATION D UNDER THE 1933 ACT, OR (C) TO CPS RECEIVABLES FIVE LLC OR AN AFFILIATE THEREOF, IN EACH CASE IN ACCORDANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR RESALES OF THIS NOTE.

IN EACH CASE IN ACCORDANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A OF THE 1933 ACT FOR RESALES OF THIS NOTE.

IN NO EVENT SHALL THIS NOTE BE TRANSFERRED TO OR ACQUIRED ON BEHALF OF (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 OR OTHERWISE (EACH, A "BENEFIT PLAN"). BY ACCEPTING AND HOLDING THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS NOT A BENEFIT PLAN.

IN NO EVENT SHALL THIS NOTE BE TRANSFERRED TO OR ACQUIRED BY CONSUMER PORTFOLIO SERVICES, INC., A CALIFORNIA CORPORATION.

THE HOLDER OF THIS NOTE REPRESENTS, BY VIRTUE OF ITS ACCEPTANCE HEREOF, THAT IT HAS NEITHER ACQUIRED NOR WILL IT TRANSFER ANY NOTE IT PURCHASES (OR ANY INTEREST THEREIN) OR CAUSE ANY SUCH NOTE (OR ANY INTEREST THEREIN) TO BE MARKETED ON OR THROUGH AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(B)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, INCLUDING, WITHOUT LIMITATION, AN OVER-THE-COUNTER MARKET OR AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS.

THE HOLDER OF THIS NOTE REPRESENTS, BY VIRTUE OF ITS ACCEPTANCE HEREOF, THAT EITHER (A) IT IS NOT, AND WILL NOT BECOME, A PARTNERSHIP, SUBCHAPTER S CORPORATION, OR GRANTOR TRUST FOR U.S. FEDERAL INCOME TAX PURPOSES OR (B) IT IS SUCH AN ENTITY, BUT NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY OF THE INTERESTS IN SUCH TRANSFEREE HAVE ALLOWED OR CAUSED, OR WILL ALLOW OR CAUSE, 50% OR MORE OF THE VALUE OF SUCH INTERESTS TO BE ATTRIBUTABLE TO SUCH TRANSFEREE'S OWNERSHIP OF THE NOTES

IT IS THE INTENTION OF THE PARTIES TO THE INDENTURE THAT THE ISSUER WILL NOT BE CLASSIFIED FOR FEDERAL INCOME TAX PURPOSES AS AN ASSOCIATION (OR PUBLICLY TRADED PARTNERSHIP) TAXABLE AS A CORPORATION.

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

THIS NOTE IS SUBORDINATE IN RIGHT OF PAYMENT TO THE CLASS A NOTES, CLASS B NOTES AND CLASS C NOTES ISSUED UNDER THE INDENTURE.

THE HOLDER OF THIS NOTE, BY VIRTUE OF ITS ACCEPTANCE HEREOF, REPRESENTS THAT IT IS A "UNITED STATES PERSON" AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

IN CONNECTION WITH ANY TRANSFER OF THIS NOTE, IN ORDER TO ASSURE COMPLIANCE WITH THE 1933 ACT, THE TRANSFEREE OF SUCH NOTE MUST DELIVER A CERTIFICATION REGARDING THE FACTS SURROUNDING SUCH TRANSFER IN THE FORM OF EXHIBIT B TO THE INDENTURE.

SEE REVERSE FOR CERTAIN DEFINITIONS

REGISTERED **$_____[1]**

No. D-[__] **CUSIP NO. 126186 AD7**

CPS AUTO RECEIVABLES TRUST 2011-A

CLASS D 10.00% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2011-A, 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 _____, or registered assigns, the principal sum of _____ AND NO/100 DOLLARS payable on each Payment Date in an amount equal to the aggregate amount, if any, payable from the Principal Distribution Account in respect of principal on the Class D Notes pursuant to Section 3.1 of the Indenture and Section 5.8 of the Sale and Servicing Agreement, provided, however, that the entire unpaid principal amount of this Note shall be due and payable on the Payment Date occurring in April 2018 (the "Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from and including the immediately preceding Payment Date to but excluding such current Payment Date; provided that for the May 2011 Payment Date interest will accrue for the number of days from and including the Closing Date to and including May 15, 2011. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof. Capitalized terms used in this Note and not defined herein have the meaning assigned to such terms in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

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[1] Minimum denominations of $250,000 and integral multiples of $1,000 thereof

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2011-A

By: WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Owner Trustee

By:
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Trustee

By:
Authorized Signatory

Date: _____, 20__

[REVERSE OF NOTE]

This note is one of a duly authorized issue of Notes of the Issuer, designated as its Class D 10.00% Asset-Backed Notes (herein called the "Class D Notes"), all issued under an Indenture dated as of April 1, 2011 (such indenture, as supplemented or amended, is herein called the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Holders of the Notes. The Notes are subject to all terms of the Indenture.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (collectively, the "Notes") are and will be equally and ratably secured by the collateral pledged as security therefor as provided in the Indenture, however, the Class D Notes are subordinate in priority of payment to the Class A Notes, the Class B Notes and the Class C Notes on each Payment Date and upon a liquidation of the Trust Estate as described in the Indenture and the Sale and Servicing Agreement.

Principal of the Class D Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing May 16, 2011.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Class D Notes shall be due and payable on the date on which an Event of Default shall have occurred and be continuing and the Notes have been declared immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class D Notes shall be made pro rata to the Class D Noteholders entitled thereto.

Payments of interest on this Class D Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Class D Note, shall be made by check mailed to the Person whose name appears as the Holder of this Class D Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Class D Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Class D Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Class D Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such

Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Class D Note at the Trustee's principal Corporate Trust Office.

The Issuer shall pay interest on overdue installments of interest at the Class D Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed pursuant to Section 10.1 of the Indenture, in whole, but not in part, at the option of the Servicer, on any Payment Date on or after the date on which the Pool Balance is less than or equal to 10% of the Original Pool Balance.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Class D Note may be registered on the Note Register upon surrender of this Class D Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by a certificate of the transferee in the form of Exhibit B to the Indenture and such other documents as the Trustee may require, and thereupon one or more new Class D 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 D Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the Indenture or any other Basic Document, (i) the transfer of a Class D Note, including the right to receive principal and any stated interest thereon, may be effected only by surrender of the old Class D Note (or satisfactory evidence of the destruction, loss or theft of such Note) to the Note Registrar, and the issuance by the Issuer (through the Note Registrar) of a new Class D Note to the new Holder, and (ii) each Class D Note must be registered in the name of the Holder thereof as to both principal and any stated interest with the Note Registrar.

Each Noteholder, by acceptance of a Class D Note, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall

be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder, by acceptance of a Class D Note, covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of a Class D Note (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that it is not acquiring any such Class D Note with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code.

Prior to the due presentment for registration of transfer of this Class D Note, the Issuer and the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Class D 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 D Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, subject to certain limitations and exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Notes under the Indenture at any time by the Issuer without the consent of Noteholders. The Indenture also contains provisions permitting the Holders of Notes representing a majority (by Outstanding Amount) of the Controlling Class, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver shall be conclusive and binding upon such Holder and upon all future Holders of this Class D Note and of any Class D Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Class D Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Class D Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

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

This Class D 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 D 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 D Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Class D 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 D Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Class D Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed:_____

1/ NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT B

Form of Transferee Representation Letter

_____, 20___

Wells Fargo Bank, National Association, as Note Registrar
MAC N9311-161, Sixth Street & Marquette Avenue
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services/Asset-Backed Administration, CPS 2011-A

Re: CPS Auto Receivables Trust 2011-A
Asset-Backed Notes, [Class A][Class B][Class C][Class D] (the "Notes")

Dear Sirs:

This letter is delivered to you in connection with the transfer by _____ (the "Transferor") to _____ (the "Transferee") of the captioned Notes (the "Notes"), pursuant to Section 2.13 of the Indenture (the "Indenture"), dated as of April 1, 2011, between CPS Auto Receivables Trust 2011-A, as Issuer, and Wells Fargo Bank, National Association, as Trustee. All terms used herein and not otherwise defined shall have the respective meanings set forth in the Indenture. The Transferee hereby certifies, represents and warrants to you, as Note Registrar, that:

1. The Transferee either (A)(I) is a "qualified institutional buyer" as defined in Rule 144A of the Securities Act purchasing for its own account or for the account of another "qualified institutional buyer" and has completed one of the forms of certification to that effect attached hereto as Annex 1 and Annex 2 and (II) is aware that the sale of the Notes to such Person is being made in reliance on Rule 144A under the Securities Act, (B) with respect to the Class A Notes, Class B Notes and Class C Notes only, is a Non-U.S. Person and is acquiring the Notes pursuant to an offer and sale that occurs outside of the United States in compliance with Regulation S under the Securities Act, (C) with respect to Transferees taking delivery of Class C Notes or Class D Notes in the form of Definitive Notes, is an Institutional "Accredited Investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D of the Securities Act and is acquiring the Class C Notes or the Class D Notes in a transaction exempt from the registration requirements of the Securities Act or (D) is an Institutional "Accredited Investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D of the Securities Act acquiring Notes on the Closing Date in a transaction exempt from the registration requirements of the Securities Act.

2. The Transferee understands that the Notes have not been and will not be registered under the Securities Act, and are being sold to it in a transaction that is exempt from the registration requirements of the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer the Notes, the Notes may be offered, sold, pledged or otherwise transferred only (A) to CPS Receivables Five LLC or an Affiliate thereof, (B) to a person whom the seller reasonably believes is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A, (C) with respect to the Class A Notes, Class B Notes and Class C Notes only, to a Non-U.S. Person pursuant to offers and

sales that occur outside of the United States in compliance with Regulation S under the Securities Act or (D) with respect to the Class C Notes or the Class D Notes in definitive form only, to an Institutional "Accredited Investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D of the Securities Act, in each case in a transaction otherwise exempt from the registration requirements of the Securities Act and applicable securities laws of any State or any other territory or jurisdiction, and in compliance with the Indenture and all applicable securities laws of any State or any other territory or jurisdiction. The Transferee further understands that no representation is made as to the availability of the exemption provided by Rule 144A for resales of the Notes.

3. The Transferee is not a pension, profit-sharing or other employee benefit plan within the meaning of Section 3(3) of ERISA or an individual retirement account, a Keogh plan or any other plan within the meaning of Section 4975 of the Internal Revenue Code of 1986, as amended (each, a "Benefit Plan") and is not acquiring any Notes with the assets of a Benefit Plan [CLASS A NOTES AND B NOTES ISSUED TO IAIs AT CLOSING SHALL INCLUDE THE FOLLOWING: [or its acquisition of and continued holding of such Note will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption]].

4. The Transferee has received a copy of the Confidential Private Placement Memorandum dated April [__], 2011 relating to the Notes, including all exhibits and schedules thereto, and has been furnished with all information that it has requested regarding (a) the Notes and payments thereon, (b) the Trust Estate, and (c) the Basic Documents. The Transferee understands that substantial risks are involved in an investment in the Notes and the Transferee represents that in making its investment decision to acquire the Notes, it has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any person, including UBS Securities LLC, as Placement Agent, except as expressly set forth in the Confidential Private Placement Memorandum. The Transferee has had an opportunity, within a reasonable period of time prior to purchasing the Notes, to ask questions concerning the Notes and the Trust Estate and has received satisfactory answers to such questions.

5. The Transferee will comply with all applicable United States federal and State securities laws, rules and regulations in connection with any subsequent resale of the Notes by the Transferee.

6. The Transferee understands that the Notes may not be presented or surrendered to the Note Registrar or any Transfer Agent for registration of transfer or for exchange unless they are accompanied by (i) a written instrument of transfer in form satisfactory to the Note Registrar, duly executed by the holder thereof or his attorney duly authorized in writing, with guaranty of signature and (ii) either (A) a Transferee Letter from the person transferring such Note in the form of this letter, or (B) an opinion of counsel satisfactory to the Note Registrar to the effect that such transfer is exempt from registration under the Securities Act and applicable State securities laws.

7. The Transferee further understands that the Notes bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THIS NOTE MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO CPS RECEIVABLES FIVE LLC OR AN AFFILIATE THEREOF, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, [(C) WITH RESPECT TO THE CLASS A NOTES, CLASS B NOTES AND THE CLASS C NOTES ONLY, TO A NON-U.S. PERSON PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE OF THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT] [OR (D) WITH RESPECT TO THE CLASS C NOTES AND THE CLASS D NOTES IN DEFINITIVE FORM ONLY, TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D OF THE SECURITIES ACT], IN EACH CASE IN ACCORDANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A OF THE SECURITIES ACT FOR RESALES OF THIS NOTE.

[CLASS C AND CLASS D NOTES ONLY][IN NO EVENT SHALL THIS NOTE BE TRANSFERRED TO OR ACQUIRED ON BEHALF OF (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 OR OTHERWISE (EACH, A "BENEFIT PLAN"). BY ACCEPTING AND HOLDING THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS NOT A BENEFIT PLAN.

IN NO EVENT SHALL THIS NOTE BE TRANSFERRED TO OR ACQUIRED BY CONSUMER PORTFOLIO SERVICES, INC., A CALIFORNIA CORPORATION.

THE HOLDER OF THIS NOTE REPRESENTS, BY VIRTUE OF ITS ACCEPTANCE HEREOF, THAT IT HAS NEITHER ACQUIRED NOR WILL IT TRANSFER ANY NOTE IT PURCHASES (OR ANY INTEREST THEREIN) OR CAUSE ANY SUCH NOTE (OR ANY INTEREST THEREIN) TO BE MARKETED ON OR THROUGH AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(B)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, INCLUDING, WITHOUT LIMITATION, AN OVER-THE-COUNTER MARKET OR AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS.

THE HOLDER OF THIS NOTE REPRESENTS, BY VIRTUE OF ITS ACCEPTANCE HEREOF, THAT EITHER (A) IT IS NOT, AND WILL NOT BECOME, A PARTNERSHIP, SUBCHAPTER S CORPORATION, OR GRANTOR TRUST FOR U.S. FEDERAL INCOME TAX PURPOSES OR (B) IT IS SUCH AN ENTITY, BUT NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY OF THE INTERESTS IN SUCH TRANSFEREE HAVE ALLOWED OR CAUSED, OR WILL ALLOW OR CAUSE, 50% OR MORE OF THE VALUE OF SUCH INTERESTS TO BE ATTRIBUTABLE TO SUCH TRANSFEREE'S OWNERSHIP OF THE NOTES.

]"

8. [CLASS C AND CLASS D NOTES ONLY] [It has neither acquired nor will it transfer any Note it purchases (or any interest therein) or cause any such Note (or any interest therein) to be marketed on or through an "established securities market" within the meaning of Section 7704(b)(1) of the Code, including without limitation an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations.]

9. [CLASS C AND CLASS D NOTES ONLY] [It either (a) is not, and will not become a partnership, Subchapter S corporation or grantor trust for U.S. Federal income tax purposes or (b) is such an entity, but none of the direct or indirect beneficial owners of any of the interests in such transferee have allowed or caused, or will allow or cause, 50% or more of the value of such interests to be attributable to such transferee's ownership of the Notes.]

20. [CLASS D NOTES ONLY][It is a "United States Person" as defined in the Internal Revenue Code of 1986, as amended.]

Very truly yours,
(Transferee)
By:
Name:
Title:

ANNEX I TO EXHIBIT B

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Transferees Other Than Registered Investment Companies]

The undersigned hereby certifies as follows to [name of Transferor] (the "Transferor") and Wells Fargo Bank, National Association, as Trustee, with respect to the Notes (the "Notes") described in the Transferee Letter to which this certification relates and to which this certification is an Annex:

(i) As indicated below, the undersigned is the chief financial officer, a person fulfilling an equivalent function, or other executive officer of the entity purchasing the Notes (the "Transferee").

(ii) The Transferee is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because (i) the Transferee owned and/or invested on a discretionary basis $_____[1] in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and (ii) the Transferee satisfies the criteria in the category marked below.

___ Corporation, etc. The Transferee is a corporation (other than a bank, savings and loan association or similar institution), Massachusetts or similar business trust, partnership, or any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

___ Bank. The Transferee (a) is a national bank or a banking institution organized under the laws of any State, U.S. territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official or is a foreign bank or equivalent institution, and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto, as of a date not more than 16 months preceding the date of sale of the Notes in the case of a U.S. bank, and not more than 18 months preceding such date of sale for a foreign bank or equivalent institution.

___ Savings and Loan. The Transferee (a) is a savings and loan association, building and loan association, cooperative bank, homestead association or similar institution, which is supervised and examined by a United States State or federal authority having supervision over any such institutions or is a foreign savings and loan association or equivalent institution and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto, as of a date not more than 16 months preceding the date of sale of the Notes in the case of a U.S. savings and loan association, and not more than 18 months preceding such date of sale for a foreign savings and loan association or equivalent institution.

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[1] Transferee must own and/or invest on a discretionary basis at least $100,000,000 in securities unless Transferee is a dealer, and, in that case, Transferee must own and/or invest on a discretionary basis at least $10,000,000 in securities.

___ Broker-dealer. The Transferee is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

___ Insurance Company. The Transferee is an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a State, U.S. territory or the District of Columbia.

___ State or Local Plan. The Transferee is a plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees.

___ ERISA Plan. The Transferee is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

___ Investment Advisor. The Transferee is an investment advisor registered under the Investment Advisers Act of 1940.

___ Other. (Please supply a brief description of the entity and a cross-reference to the paragraph and subparagraph under subsection (a)(1) of Rule 144A pursuant to which it qualifies. Note that registered investment companies should complete Annex 2 rather than this Annex 1.)

(iii) The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Transferee, (ii) securities that are part of an unsold allotment to or subscription by the Transferee, if the Transferee is a dealer, (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Transferee, the Transferee did not include any of the securities referred to in this paragraph.

(iv) For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Transferee, the Transferee used the cost of such securities to the Transferee, unless the Transferee reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published, in which case the securities were valued at market. Further, in determining such aggregate amount, the Transferee may have included securities owned by subsidiaries of the Transferee, but only if such subsidiaries are consolidated with the Transferee in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Transferee's direction. However, such securities were not included if the Transferee is a majority-owned, consolidated subsidiary of another enterprise and the Transferee is not itself a reporting company under the Securities Exchange Act of 1934.

(v) The Transferee acknowledges that it is familiar with Rule 144A and understands that the Transferor and other parties related to the Notes are relying and will continue to rely on the statements made herein because one or more sales to the Transferee may be in reliance on Rule 144A.

___ ___ Will the Transferee be purchasing the Notes

Yes No only for the Transferee's own account?

(vi) If the answer to the foregoing question is "no", then in each case where the Transferee is purchasing for an account other than its own, such account belongs to a third party that is itself a "qualified institutional buyer" within the meaning of Rule 144A, and the "qualified institutional buyer" status of such third party has been established by the Transferee through one or more of the appropriate methods contemplated by Rule 144A.

(vii) The Transferee will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice is given, the Transferee's purchase of the Notes will constitute a reaffirmation of this certification as of the date of such purchase. In addition, if the Transferee is a bank or savings and loan as provided above, the Transferee agrees that it will furnish to such parties any updated annual financial statements that become available on or before the date of such purchase, promptly after they become available.

Print Name of Transferee:
By:
Name:
Title:

Date:

ANNEX 2 TO EXHIBIT B

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Transferees That Are Registered Investment Companies]

The undersigned hereby certifies as follows to [name of Transferor] (the "Transferor") and Wells Fargo Bank, National Association, as Trustee, with respect to the Notes (the "Notes") described in the Transferee Letter to which this certification relates and to which this certification is an Annex:

1. As indicated below, the undersigned is the chief financial officer, a person fulfilling an equivalent function, or other executive officer of the entity purchasing the Notes (the "Transferee") or, if the Transferee is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because the Transferee is part of a Family of Investment Companies (as defined below), is an executive officer of the investment adviser (the "Adviser").

2. The Transferee is a "qualified institutional buyer" as defined in Rule 144A because (i) the Transferee is an investment company registered under the Investment Company Act of 1940, and (ii) as marked below, the Transferee alone owned and/or invested on a discretionary basis, or the Transferee's Family of Investment Companies owned, at least $100,000,000 in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year. For purposes of determining the amount of securities owned by the Transferee or the Transferee's Family of Investment Companies, the cost of such securities was used, unless the Transferee or any member of the Transferee's Family of Investment Companies, as the case may be, reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published, in which case the securities of such entity were valued at market.

___ The Transferee owned and/or invested on a discretionary basis $_____ in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

___ The Transferee is part of a Family of Investment Companies which owned in the aggregate $_____ in securities (other than the excluded securities referred to below) as of the end of the Transferee's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

3. The term "Family of Investment Companies" as used herein means two or more registered investment companies (or series thereof) that have the same investment adviser or investment advisers that are affiliated (by virtue of being majority-owned subsidiaries of the same parent or because one investment adviser is a majority-owned subsidiary of the other).

4. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Transferee or are part of the Transferee's Family of Investment Companies, (ii) bank deposit notes and certificates of deposit, (iii) loan participations, (iv) repurchase agreements,

(v) securities owned but subject to a repurchase agreement and (vi) currency, interest rate and commodity swaps. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Transferee, or owned by the Transferee's Family of Investment Companies, the securities referred to in this paragraph were excluded.

5. The Transferee is familiar with Rule 144A and understands that the parties to which this certification is being made are relying and will continue to rely on the statements made herein because one or more sales to the Transferee will be in reliance on Rule 144A.

___ ___ Will the Transferee be purchasing the Notes

Yes No only for the Transferee's own account?

6. If the answer to the foregoing question is "no", then in each case where the Transferee is purchasing for an account other than its own, such account belongs to a third party that is itself a "qualified institutional buyer" within the meaning of Rule 144A, and the "qualified institutional buyer" status of such third party has been established by the Transferee through one or more of the appropriate methods contemplated by Rule 144A.

7. The undersigned will notify the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice, the Transferee's purchase of the Notes will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

Print Name of Transferee or Adviser:

By
Name
Title:
IF AN ADVISER:
Print Name of Transferee:

EXHIBIT C-1

FORM OF CLEARING SYSTEM CERTIFICATE

Wells Fargo Bank, National Association, as Trustee
Sixth Street and Marquette Avenue
MAC N9311-161
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services/Asset-Backed Administration - CPS 2011-A

Reference is hereby made to the Indenture dated as of April 1, 2011 (the "Indenture") between CPS Auto Receivables Trust 2011-A, as Issuer, and Wells Fargo Bank, National Association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This is to certify that, based solely on certificates we have received in writing, by tested telex or by electronic transmissions from noteholders (our "Noteholders") appearing in our records as persons being entitled to a portion of the original principal amount of the Issuer's Asset-Backed Notes, [Class A] [Class B] [Class C] (the "Notes") substantially to the effect set forth in Exhibit C-2 to the Indenture, U.S. $_____ principal balance of Notes held by us or on our behalf are beneficially owned by non-U.S. Persons. As used in this paragraph the terms "U.S. Person" has the meaning given to it by Regulation S under the Act.

We further certify (i) that we are not making available herewith for exchange any portion of the Temporary Regulation S Global Note excepted in such certificates and (ii) that as of the date hereof we have not received any notification from any of our Noteholders to the effect that the statements made by such Noteholder with respect to any portion of the part submitted herewith for exchange are no longer true and cannot be relied upon as at the date hereof. We understand that this certification is required in connection with certain securities laws of the United States.

In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certification to any interested party in such proceedings.

Dated: _____, 20__[2]

Yours faithfully,

MORGAN GUARANTY TRUST
COMPANY OF NEW YORK,
Brussels office, as operator of the
Euroclear System

or

CLEARSTREAM LUXEMBOURG

By:_____
Name:
Title:

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[2] To be dated no earlier than the earliest of the Exchange Date or the relevant Payment Date or Redemption Date (as the case may be).

FORM OF CERTIFICATE OF BENEFICIAL OWNERSHIP

Re: CPS Auto Receivables Trust 2011-A
Asset-Backed Notes, [Class A][Class B][Class C] (the "Notes")

The Notes are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended (the "Act"), and therefore this is to certify that, except as set forth below, the Notes are beneficially owned by non-U.S. Persons. As used in this paragraph the terms "U.S. Person" has the meaning given to it by Regulation S under the Act.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Notes held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to U.S. $_____ of such interest in the above Notes in respect of which we are not able to certify and as to which we understand exchange and delivery of an interest in a Permanent Regulation S Global Note or definitive Notes (or, if relevant, exercise of any rights or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification to any interested party in such proceedings.

Date: _____, 20__

By: _____

As, or as agent for, the beneficial owner(s) of the Securities to which this certificate relates.

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[1] Not earlier than 15 days prior to the certification event to which the certification relates.

2 To be dated no earlier than the earliest of the Exchange Date or the relevant Payment Date or Redemption Date (as the case may be).

FORM OF TRANSFER CERTIFICATE
FOR EXCHANGE OR TRANSFER FROM RULE 144A GLOBAL
NOTE TO TEMPORARY REGULATION S GLOBAL NOTE
(exchanges or transfers pursuant to
Section 2.4 of the Indenture)

Wells Fargo Bank, National Association, as Indenture Trustee
Sixth Street and Marquette Avenue
MAC N9311-161
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services/Asset-Backed Administration - CPS 2011-A

Re: CPS Auto Receivables Trust 2011-A

Reference is hereby made to the Indenture, dated as of April 1, 2011 (the "Indenture"), between CPS Auto Receivables Trust 2011-A (the "Trust") and Wells Fargo Bank, National Association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to $_____ principal amount of Asset-Backed Notes, [Class A][Class B][Class C] (the "Notes") represented by a beneficial interest in the Rule 144A Global Note (CUSIP No.___) held with DTC by or on behalf of [transferor] as beneficial owner (the "Transferor"). The Transferor has requested an exchange or transfer of its beneficial interest for an interest in the Temporary Regulation S Global Note (CUSIP (CINS) No. _____) to be held with [Euroclear] [Clearstream] (ISIN Code _____ (Common Code _____)) through DTC.

In connection with such request and in respect of such Note, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Notes and pursuant to and in accordance with Regulation S under the Securities Act, and accordingly the Transferor does hereby certify that:

(1) the offer of the Notes was not made to a person in the United States;

(2) (A) at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

(B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

(3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(5) upon completion of the transaction, the beneficial interest being transferred as described above was held with DTC through Euroclear or Clearstream or both (Common Code ___ (ISIN Code _____)).

This certificate and the statements contained herein are made for your benefit and the benefit of the Trust.

[Insert Name of Transferor]

By:_____
Name:
Title:

Dated: _____, 20__

FORM OF TRANSFER CERTIFICATE FOR EXCHANGE OR TRANSFER
FROM RULE 144A GLOBAL
NOTE TO PERMANENT REGULATION S GLOBAL NOTE
(exchanges or transfers pursuant to
Section 2.4 of the Indenture)

Wells Fargo Bank, National Association, as Indenture Trustee
Sixth Street and Marquette Avenue
MAC N9311-161
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services/Asset-Backed Administration - CPS 2011-A

Re: CPS Auto Receivables Trust 2011-A

Reference is hereby made to the Indenture, dated as of April 1, 2011 (the "Indenture"), between CPS Auto Receivables Trust 2011-A (the "Trust") and Wells Fargo Bank, National Association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to $_____ principal amount of Asset-Backed Notes, [Class A][Class B][Class C] (the "Notes") represented by, a beneficial interest in the Rule 144A Global Note (CUSIP No. held with DTC by or on behalf of [transferor] as beneficial owner (the "Transferor"). The Transferor has requested an exchange or transfer of its beneficial interest for an interest in the Permanent Regulation S Global Note (CUSIP (CINS) No. ____).

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Notes and (i) that, with respect to transfers made in reliance on Regulation S under the Securities Act:

(1) the offer of the Notes was not made to a person in the United States;

(2) (A) at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

(B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

(3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable, and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act;

or (ii) that, with respect to transfers made in reliance on Rule 144A under the Securities Act, the Notes are being transferred in a transaction permitted by Rule 144A under the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Trust.

[Insert Name of Transferor]

By:_____
Name:
Title:

Dated: _____, 20__

FORM OF TRANSFER CERTIFICATE FOR TRANSFER OR
EXCHANGE FROM [TEMPORARY][PERMANENT] REGULATION S GLOBAL NOTE TO RULE 144A GLOBAL NOTE
(exchanges or transfers pursuant to
Section 2.4 of the Indenture)

Wells Fargo Bank, National Association, as Indenture Trustee
Sixth Street and Marquette Avenue
MAC N9311-161
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services/Asset-Backed Administration - CPS 2011-A

Re: CPS Auto Receivables Trust 2011-A

Reference is hereby made to the Indenture, dated as of April 1, 2011 (the "Indenture"), between CPS Auto Receivables Trust 2011-A (the "Trust") and Wells Fargo Bank, National Association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to _____ principal amount of Asset-Backed Notes, [Class A][Class B][Class C] (the "Notes") which are held in the form of the [Temporary][Permanent] Global Regulation S Global Note (CUSIP (CINS) No. with Euroclear/Clearstream[5] (ISIN Code _____) (Common Code _____) through DTC by or on behalf of [transferor] as beneficial owner (the "Transferor"). The Transferor has requested an exchange or transfer of its beneficial interest in the Notes for an interest in the Rule 144A Global Note (CUSIP No. ____).

In connection with such request, and in respect of such Notes, the Transferor does hereby certify that such Notes are being transferred in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), to a transferee that the Transferor reasonably believes is purchasing the Notes for its own account or an account with respect to which the transferee exercises sole investment discretion and the transferee and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

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5 Select appropriate depositary.

This certificate and the statements contained herein are made for your benefit and the benefit of the Trust.

[Insert Name of Transferor]

By:_____
Name:
Title:

SALE AND SERVICING

AGREEMENT

among

CPS AUTO RECEIVABLES TRUST 2011-A, as

Issuer,

CPS RECEIVABLES FIVE LLC, as

Seller,

CONSUMER PORTFOLIO SERVICES, INC.,

Individually and as Servicer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as

Backup Servicer and Trustee

Dated as of April 1, 2011

SALE AND SERVICING AGREEMENT dated as of April 1, 2011, among CPS AUTO RECEIVABLES TRUST 2011-A, a Delaware statutory trust, as Issuer, CPS RECEIVABLES FIVE LLC, a Delaware limited liability company, as Seller, CONSUMER PORTFOLIO SERVICES, INC., a California corporation, individually and as Servicer, WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Backup Servicer and Trustee.

WHEREAS the Issuer desires to purchase a portfolio of receivables arising in connection with motor vehicle retail installment sale contracts and promissory notes and security agreements initially acquired by Consumer Portfolio Services, Inc. through motor vehicle dealers and independent finance companies;

WHEREAS the Seller has purchased such receivables from Consumer Portfolio Services, Inc. and is willing to sell such receivables to the Issuer; and

WHEREAS the Servicer is willing to service all such receivables.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions. (a) Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Accountants' Report" means the report of a firm of nationally recognized independent accountants described in Section 4.11.

"Additional Servicing Compensation" shall mean, with respect to a Receivable, any late fees, prepayment charges and other administrative fees or similar charges allowed by applicable law with respect to the Receivables collected (from whatever source) on the Receivables.

"Affiliate" of any Person means any Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with such Person. For purposes of this definition, the term "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling," "controlled by" and "under common control with" have meanings correlative to the foregoing.

"Aggregate Extension Limitation" has the meaning assigned to such term in Section 4.2.

"Aggregate Note Balance" means, as of any date of determination, the sum of the Class A Note Balance, the Class B Note Balance, the Class C Note Balance and the Class D Note Balance.

"Aggregate Noteholders' Principal Distributable Amount" means, with respect to any Payment Date, the sum of the Class A Noteholders' Principal Distributable Amount, the Class B Noteholders' Principal Distributable Amount, the Class C Noteholders' Principal Distributable Amount and the Class D Noteholders' Principal Distributable Amount.

"Agreement" means this Sale and Servicing Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

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

"Annual Percentage Rate" or "APR" of a Receivable means the annual percentage rate of finance charges or service charges, as stated in the related Contract.

"Assignment" has the meaning assigned to such term in the Receivables Purchase Agreement.

"Assumption Date" has the meaning specified in Section 10.3(a).

"Backup Servicer" means Wells Fargo Bank, National Association, in its capacity as Backup Servicer under this Agreement.

"Backup Servicing Fee" means, so long as the Backup Servicer is not then acting as Servicer, the "Monthly Backup Servicing Fee," as reflected on Exhibit H, due and payable on each Payment Date in respect of the immediately preceding Collection Period; provided, however, that on the first Payment Date the Backup Servicer will be entitled to receive an amount equal to Backup Servicing Fee multiplied by a fraction, the numerator of which is the number of days from and including the Closing Date to and including April 30, 2011, and the denominator of which is 360.

"Basic Documents" means this Agreement, the Certificate of Trust, the Trust Agreement, the Indenture, the Receivables Purchase Agreement, the Assignment, the Lockbox Agreement, the Placement Agency Agreement, the Notes, the Residual Pass-through Certificates and any and all other documents and certificates delivered in connection with the foregoing.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the City of New York, the State of Minnesota, the State of

Delaware or the State in which the executive offices of the Servicer are located shall be authorized or obligated by law, executive order, or governmental decree to be closed.

"Casualty" means, with respect to a Financed Vehicle, the total loss or destruction of such Financed Vehicle.

"Certificate Distribution Account" has the meaning assigned to such term in the Trust Agreement.

"Certificate Register" has the meaning assigned to such term in the Trust Agreement.

"Certificate Registrar" has the meaning assigned to such term in the Trust Agreement.

"Class" means the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes as the context requires.

"Class A Interest Rate" means 2.82% per annum.

"Class A Note Balance" on the Closing Date will equal the Original Class A Note Balance and on any date thereafter will equal the Original Class A Note Balance reduced by all distributions of principal previously made in respect of the Class A Notes.

"Class A Notes" has the meaning assigned to such term in the Indenture.

"Class A Noteholders' Principal Distributable Amount" means, with respect to any Payment Date (other than the Final Scheduled Payment Date and any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture), the sum of (a) any Class A Parity Deficit Amount and (b) the amount by which (i) the Class A Note Balance (after giving effect to any required payment of any Class A Parity Deficit Amount on such Payment Date) exceeds (ii) the Class A Target Balance. On the Final Scheduled Payment Date and on any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the Class A Noteholders' Principal Distributable Amount shall be the Class A Note Balance.

"Class A Parity Deficit Amount" means, with respect to any Payment Date, the excess, if any, of (x) the Class A Note Balance on such Payment Date over (y) the Pool Balance at the end of the related Collection Period.

"Class A Target Balance" means the positive difference, if any, of the Pool Balance over the Class A Target Overcollateralization Amount.

"Class A Target Overcollateralization Amount" means (a) as of any Payment Date prior to the occurrence of a Trigger Event, the greater of (i) 32.00% of the Pool Balance as of the end of the related Collection Period and (ii) 5.00% of the Original Pool Balance; (b) as of any Payment Date on or after the occurrence of a Level 1 Trigger Event, the greater of (i) 37.00% of the Pool Balance as of the end of the related

Collection Period and (ii) 10.00% of the Original Pool Balance; (c) as of any Payment Date on or after the occurrence of a Level 2 Trigger Event, the greater of (i) 42.00% of the Pool Balance as of the end of the related Collection Period and (ii) 15.00% of the Original Pool Balance; and (d) as of any Payment Date on or after the occurrence of a Level 3 Trigger Event, the greater of (i) 47.00% of the Pool Balance as of the end of the related Collection Period and (ii) 20.00% of the Original Pool Balance.

"Class B Interest Rate" means 4.94% per annum.

"Class B Note Balance" on the Closing Date will equal the Original Class B Note Balance and on any date thereafter will equal the Original Class B Note Balance reduced by all distributions of principal previously made in respect of the Class B Notes.

"Class B Noteholders' Principal Distributable Amount" means, with respect to any Payment Date (other than the Final Scheduled Payment Date and any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture), the sum of (a) any Class B Parity Deficit Amount and (b) the amount by which (i) the sum of (A) the Class A Note Balance (after giving effect to any payment of the Class A Noteholders' Principal Distributable Amount on such Payment Date) and (B) the Class B Note Balance (after giving effect to any required payment of any Class B Parity Deficit Amount on such Payment Date) exceeds (ii) the Class B Target Balance. On the Final Scheduled Payment Date and on any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the Class B Noteholders' Principal Distributable Amount shall be the Class B Note Balance.

"Class B Notes" has the meaning assigned to such term in the Indenture.

"Class B Parity Deficit Amount" means, with respect to any Payment Date, the excess, if any, of (x) the sum of the Class A Note Balance (after giving effect to any payments of Class A Parity Deficit Amounts on such Payment Date) and the Class B Note Balance on such Payment Date over (y) the Pool Balance at the end of the related Collection Period.

"Class B Target Balance" means the positive difference, if any, of the Pool Balance over the Class B Target Overcollateralization Amount.

"Class B Target Overcollateralization Amount" means (a) as of any Payment Date prior to the occurrence of a Trigger Event, the greater of (i) 25.00% of the Pool Balance as of the end of the related Collection Period and (ii) 5.00% of the Original Pool Balance; (b) as of any Payment Date on or after the occurrence of a Level 1 Trigger Event, the greater of (i) 30.00% of the Pool Balance as of the end of the related Collection Period and (ii) 10.00% of the Original Pool Balance; (c) as of any Payment Date on or after the occurrence of a Level 2 Trigger Event, the greater of (i) 35.00% of the Pool Balance as of the end of the related Collection Period and (ii) 15.00% of the Original Pool Balance; and (d) as of any Payment Date on or after the occurrence of a Level 3 Trigger Event, the greater of (i) 40.00% of the Pool Balance as of the end of the related Collection Period and (ii) 20.00% of the Original Pool Balance.

"Class C Interest Rate" means 7.50% per annum.

"Class C Note Balance" on the Closing Date will equal the Original Class C Note Balance and on any date thereafter will equal the Original Class C Note Balance reduced by all distributions of principal previously made in respect of the Class C Notes.

"Class C Noteholders' Principal Distributable Amount" means, with respect to any Payment Date (other than the Final Scheduled Payment Date and any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture), the sum of (a) any Class C Parity Deficit Amount and (b) the amount by which (i) the sum of (A) the Class A Note Balance (after giving effect to any payment of the Class A Noteholders' Principal Distributable Amount on such Payment Date) plus (B) the Class B Note Balance (after giving effect to any payment of the Class B Noteholders' Principal Distributable Amount on such Payment Date) plus (C) the Class C Note Balance (after giving effect to any required payment of any Class C Parity Deficit Amount on such Payment Date) exceeds (ii) the Class C Target Balance. On the Final Scheduled Payment Date and on any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the Class C Noteholders' Principal Distributable Amount shall be the Class C Note Balance.

"Class C Notes" has the meaning assigned to such term in the Indenture.

"Class C Parity Deficit Amount" means, with respect to any Payment Date, the excess, if any, of (x) the sum of the Class A Note Balance, the Class B Note Balance (after giving effect to any payments of Class A Parity Deficit Amounts and Class B Parity Deficit Amounts on such Payment Date) and the Class C Note Balance on such Payment Date over (y) the Pool Balance at the end of the related Collection Period.

"Class C Target Balance" means the positive difference, if any, of the Pool Balance over the Class C Target Overcollateralization Amount."

"Class C Target Overcollateralization Amount" means (a) as of any Payment Date prior to the occurrence of a Trigger Event, the greater of (i) 15.00% of the Pool Balance as of the end of the related Collection Period and (ii) 5.00% of the Original Pool Balance; (b) as of any Payment Date on or after the occurrence of a Level 1 Trigger Event, the greater of (i) 20.00% of the Pool Balance as of the end of the related Collection Period and (ii) 10.00% of the Original Pool Balance; (c) as of any Payment Date on or after the occurrence of a Level 2 Trigger Event, the greater of (i) 25.00% of the Pool Balance as of the end of the related Collection Period and (ii) 15.00% of the Original Pool Balance; and (d) as of any Payment Date on or after the occurrence of a Level 3 Trigger Event, the greater of (i) 30.00% of the Pool Balance as of the end of the related Collection Period and (ii) 20.00% of the Original Pool Balance.

"Class D Interest Rate" means 10.00% per annum.

"Class D Noteholders' Principal Distributable Amount" means, with respect to any Payment Date (other than the Final Scheduled Payment Date and any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture), the sum of

(a) any Class D Parity Deficit Amount and (b) the amount by which (i) the sum of (A) the Class A Note Balance (after giving effect to any payment of the Class A Noteholders' Principal Distributable Amount on such Payment Date) plus (B) the Class B Note Balance (after giving effect to any payment of the Class B Noteholders' Principal Distributable Amount on such Payment Date) plus (C) the Class C Note Balance (after giving effect to any payment of the Class C Noteholders' Principal Distributable Amount on such Payment Date) plus (D) the Class D Note Balance (after giving effect to any required payment of any Class D Parity Deficit Amount on such Payment Date) exceeds (ii) the Class D Target Balance. On the Final Scheduled Payment Date and on any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the Class D Noteholders' Principal Distributable Amount shall be the Class D Note Balance.

"Class D Notes" has the meaning assigned to such term in the Indenture.

"Class D Parity Deficit Amount" means, with respect to any Payment Date, the excess, if any, of (x) the sum of the Class A Note Balance, the Class B Note Balance and the Class C Note Balance (after giving effect to any payments of Class A Parity Deficit Amounts, Class B Parity Deficit Amounts and Class C Parity Deficit Amounts on such Payment Date) and the Class D Note Balance on such Payment Date over (y) the Pool Balance at the end of the related Collection Period.

"Class D Target Balance" means the positive difference, if any, of the Pool Balance over the Class D Target Overcollateralization Amount.

"Class D Target Overcollateralization Amount" means (a) as of any Payment Date prior to the occurrence of a Trigger Event, the greater of (i) 6.00% of the Pool Balance as of the end of the related Collection Period and (ii) 5.00% of the Original Pool Balance; (b) as of any Payment Date on or after the occurrence of a Level 1 Trigger Event, the greater of (i) 11.00% of the Pool Balance as of the end of the related Collection Period and (ii) 10.00% of the Original Pool Balance; (c) as of any Payment Date on or after the occurrence of a Level 2 Trigger Event, the greater of (i) 16.00% of the Pool Balance as of the end of the related Collection Period and (ii) 15.00% of the Original Pool Balance; and (d) as of any Payment Date on or after the occurrence of a Level 3 Trigger Event, the greater of (i) 21.00% of the Pool Balance as of the end of the related Collection Period and (ii) 20.00% of the Original Pool Balance.

"Closing Date" means April 27, 2011.

"Code" has the meaning specified in Section 3.2(b).

"Collateral" has the meaning assigned to such term in the Indenture.

"Collection Account" means the account designated as such, established and maintained pursuant to Section 5.1(a).

"Collection Period" means, with respect to each Payment Date, the calendar month preceding the calendar month in which such Payment Date occurs. Any amount

stated “as of the close of business on the last day of a Collection Period” shall give effect to the following calculations as determined as of the end of the day on such last day: (i) all applications of collections, and (ii) all distributions.

“Collection Policy” means the collection policies of the Seller/Servicer, which are the practices and procedures employed in the servicing of Receivables as of the Closing Date, as described in Exhibit A hereto.

“Consumer Lender” means a Person that is licensed under applicable law to originate loans to natural persons resident in one or more of the United States of America and authorized by CPS to participate in its direct lending program, but shall not include CPS or any of its Affiliates.

“Contract” means a motor vehicle retail installment sale contract or an installment promissory note and security agreement, in each case relating to the sale or refinancing of new or used automobiles, light duty trucks, vans or minivans, and any other documents related thereto from time to time.

“Controlling Class” means (i) so long as any Class A Notes are Outstanding, the Class A Notes, (ii) after payment in full of the Class A Notes, so long as any Class B Notes are Outstanding, the Class B Notes, (iii) after payment in full of the Class A Notes and the Class B Notes, so long as any Class C Notes are Outstanding, the Class C Notes, and (iv) after payment in full of the Class A Notes, the Class B Notes and the Class C Notes, so long as any Class D Notes are Outstanding, the Class D Notes.

“Corporate Trust Office” means (i) with respect to the Owner Trustee, the principal corporate trust office of the Owner Trustee, which at the time of execution of this agreement is Rodney Square North, 1100 N. Market Street, Wilmington, Delaware 19890-0001, and (ii) with respect to the Trustee, the principal corporate trust office of the Trustee, which at the time of execution of this agreement is Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, Minnesota, 55479, Attention: Corporate Trust Services/Asset Backed Administration – CPS 2011-A.

“CPS” means Consumer Portfolio Services, Inc., a California corporation and its successors.

“Cram Down Loss” means, with respect to a Receivable (other than a Liquidated Receivable), if a court of appropriate jurisdiction in an insolvency proceeding issues a ruling that reduces the amount owed on a Receivable or otherwise modifies or restructures the Scheduled Receivable Payments to be made thereon, an amount equal to the sum of (a) the Principal Balance of the Receivable immediately prior to such order minus the Principal Balance of such Receivable as so reduced, modified or restructured, plus (b) if such court shall have issued an order reducing the effective rate of interest on such Receivable, an amount equal to the excess of (i) the net present value (using as a discount rate a rate equal to the adjusted APR on such Receivable) of the Scheduled Receivable Payments as so modified or restructured over (ii) the net present value (using as a discount rate a rate equal to the original APR on such Receivable) of the Scheduled

Receivable Payments as so modified or restructured. A Cram Down Loss will be deemed to have occurred on the date of issuance of such order.

"Cumulative Net Losses" means, as of any date of determination, the aggregate cumulative principal amount of all Receivables that have become Liquidated Receivables since the Cutoff Date, net of all Net Liquidation Proceeds and Recoveries with respect to such Receivables as of last day of the most recently ended Collection Period.

"Cumulative Net Loss Rate" means, as of any date of determination, a rate expressed as a percentage equal to a fraction (I) the numerator of which is the Cumulative Net Losses with respect to all Receivables and (II) the denominator of which is the Original Pool Balance.

"Cutoff Date" means the close of business on March 31, 2011.

"Dealer" means, with respect to a Receivable, the seller of the related Financed Vehicle, who originated and assigned such Receivable to CPS.

"Defaulted Texas Receivables" means Receivables the related Obligors of which reside in the State of Texas or the related Financed Vehicles of which are located in the State of Texas and as to which more than 10% of a Scheduled Receivable Payment of more than ten dollars shall have become 90 or more days delinquent as of the end of a Collection Period, and which are subject to repurchase pursuant to Section 4.16.

"Deficiency Claim Amount" has the meaning set forth in Section 5.5(a).

"Deficiency Notice" has the meaning set forth in Section 5.5(a).

"Delinquency Ratio" means, as of any date of determination, a rate expressed as a percentage equal to a fraction (I) the numerator of which is the aggregate Principal Balance of all Receivables that are Delinquent Receivables as of the last day of the most recently ended Collection Period and (II) the denominator of which is the aggregate Principal Balance of all Receivables as of the last day of the most recently ended Collection Period.

"Delinquent Receivable" means any Contract as to which more than ten percent (10%) of the Scheduled Receivable Payment is more than 30 days contractually delinquent as of the last day of the most recently ended Collection Period, including any Contract for which the related Financed Vehicle has been repossessed and the proceeds thereof have not yet been realized by the Servicer.

"Delivery" means, when used with respect to Trust Account Property (terms used in the following provisions that are not otherwise defined are used as defined in Articles 8 and 9 of the UCC):

(i) in the case of such Trust Account Property consisting of security entitlements not covered by the following paragraphs in this definition of Delivery, by (1) causing the Trustee or related securities intermediary to indicate

by book-entry that a financial asset related to such securities entitlement has been credited to the related Trust Account and (2) causing the Trustee or related securities intermediary to indicate that the Trustee is the sole entitlement holder of each such securities entitlement and causing the Trustee or related securities intermediary to agree that it will comply with entitlement orders originated by the Trustee with respect to each such security entitlement without further consent by the Issuer;

(ii) in the case of each certificated security (other than a clearing corporation security (as defined below)) or instrument by: (1) the delivery of such certificated security or instrument to the Trustee or related securities intermediary registered in the name of the Trustee or related securities intermediary or its respective affiliated nominee or endorsed to the Trustee or related securities intermediary in blank; (2) causing the Trustee or related securities intermediary to continuously indicate by book-entry that such certificated security or instrument is credited to the related Trust Account; and (3) the Trustee or related securities intermediary maintaining continuous possession of such certificated security or instrument;

(iii) in the case of each uncertificated security (other than a clearing corporation security (as defined below)), by causing: (1) such uncertificated security to be continuously registered in the books of the issuer thereof to the Trustee or related securities intermediary; and (2) the Trustee or related securities intermediary to continuously indicate by book-entry that such uncertificated security is credited to the related Trust Account;

(iv) in the case of each security in the custody of or maintained on the books of a clearing corporation (a "clearing corporation security"), by causing: (1) the relevant clearing corporation to credit such clearing corporation security to the securities account of the Trustee or related securities intermediary at such clearing corporation; and (2) the Trustee or related securities intermediary to continuously indicate by book-entry that such clearing corporation security is credited to the related Trust Account;

(v) in the case of each security issued or guaranteed by the United States of America or agency or instrumentality thereof (other than a security issued by the Government National Mortgage Association) representing a full faith and credit obligation of the United States of America and that is maintained in book-entry records of the Federal Reserve Bank of New York ("FRBNY") (each such security, a "government security"), by causing: (1) the creation of a security entitlement to such government security by the credit of such government security to the securities account of the Trustee or related securities intermediary at the FRBNY; and (2) the Trustee or related securities intermediary to continuously indicate by book-entry that such government security is credited to the related Trust Account.

(vi) in each case of delivery contemplated pursuant to clauses (ii) through (v) hereof, the Trustee shall make appropriate notations on its records, and shall cause the same to be made on the records of its nominees, indicating that such Trust Property which constitutes a security is held in trust pursuant to and as provided in this Agreement.

"Determination Date" means the earlier of (i) the seventh Business Day of each calendar month and (ii) the fifth Business Day preceding the related Payment Date.

"Eligible Account" means a segregated trust or demand deposit account maintained with a depository institution or trust company organized under the laws of the United States of America, or any of the States thereof, or the District of Columbia (or any domestic branch of a foreign bank), having corporate trust powers and acting as trustee for funds deposited in such account, whose deposits are insured by the FDIC, and having a certificate of deposit, short-term deposit or commercial paper rating of at least "A-1+" by Standard & Poor's and "Prime-1" by Moody's.

"Eligible Investments" mean book-entry securities, negotiable instruments or securities represented by instruments in registered form which evidence:

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

(ii) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the laws of the United States of America or any State thereof (or any domestic branch of a foreign bank) and subject to supervision and examination by Federal or State banking or depository institution authorities; provided, however, that at the time of the investment or contractual commitment to invest therein, the commercial paper or other short-term unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) thereof shall be rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's;

(iii) commercial paper that, at the time of the investment or contractual commitment to invest therein, is rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's;

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

(v) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed as to the full and timely payment by, the United States of America or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States of America, in either case entered into with (a) a depository institution or trust company (acting as principal) described in clause (ii) or (b) a depository institution or trust company whose commercial paper or other short term unsecured debt obligations are rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's and long term unsecured debt obligations are rated "AAA" by Standard & Poor's and "Aaa" by Moody's;

(vi) money market mutual funds registered under the Investment Company Act of 1940, as amended, having a rating, at the time of such investment, from each of Standard & Poor's and Moody's in the highest investment category granted thereby; and

(vii) any other investment as to which the Rating Agency Condition is satisfied;

provided that, an Eligible Investment must have a fixed principal amount due at maturity and, if rated by S&P, must not have an "r" suffix attached to the rating.

Any of the foregoing Eligible Investments may be purchased by or through the Owner Trustee or the Trustee or any of their respective Affiliates.

"Eligible Servicer" means a Person that, at the time of its appointment as Servicer, (i) has a net worth of not less than $50,000,000, (ii) is servicing a portfolio of motor vehicle retail installment sale contracts and/or motor vehicle loans, (iii) is legally qualified, and has the capacity, to service the Receivables, (iv) has demonstrated the ability to service a portfolio of motor vehicle retail installment sale contracts and/or motor vehicle loans similar to the Receivables professionally and competently in accordance with standards of skill and care that are consistent with prudent industry standards and (v) is qualified and entitled to use pursuant to a license or other written agreement, and agrees to maintain the confidentiality of, the software which the Servicer uses in connection with performing its duties and responsibilities under this Agreement or obtains rights to use, or develops at its own expense, software which is adequate to perform its duties and responsibilities under this Agreement.

"ERISA" has the meaning specified in Section 3.2(b).

"Event of Default" has the meaning specified in the Indenture.

"FDIC" means the Federal Deposit Insurance Corporation.

"Final Scheduled Payment Date" means the Payment Date occurring in April 2018.

"Financed Vehicle" means a new or used automobile, light truck, van or minivan, together with all accessions thereto, securing an Obligor's indebtedness under a Receivable.

"Indenture" means the Indenture dated as of April 1, 2011, between the Issuer and Wells Fargo Bank, National Association, as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Initial Spread Account Deposit" means $2,090,926.16.

"Insolvency Event" means, with respect to a specified Person, (a) the institution of a proceeding or the filing of a petition against such Person seeking the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such petition, decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or

taking possession by, a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Insurance Policy" means, with respect to a Receivable, any insurance policy (including the insurance policies described in Section 4.4 hereof) benefiting the holder of the Receivable providing loss or physical damage, credit life, credit disability, theft, mechanical breakdown or similar coverage with respect to the Financed Vehicle or the Obligor.

"Interest Rate" means the Class A Interest Rate, the Class B Interest Rate, the Class C Interest Rate or the Class D Interest Rate, as applicable.

"Investment Earnings" means, with respect to any Payment Date and any Trust Account, the investment earnings on amounts on deposit in such Trust Account during the related Collection Period and deposited into the Collection Account on such Payment Date pursuant to Section 5.1(b).

"Issuer" means CPS Auto Receivables Trust 2011-A.

"Level 1 Trigger Event" means, for each Payment Date, the Cumulative Net Loss Rate calculated as of the end of the related Collection Period exceeds the percentage set forth on Exhibit D hereto under the heading "Level 1" for such Payment Date.

"Level 2 Trigger Event" means, for each Payment Date, the Cumulative Net Loss Rate calculated as of the end of the related Collection Period exceeds the percentage set forth on Exhibit D hereto under the heading "Level 2" for such Payment Date.

"Level 3 Trigger Event" means, for each Payment Date, the Cumulative Net Loss Rate calculated as of the end of the related Collection Period exceeds the percentage set forth on Exhibit D hereto under the heading "Level 3" for such Payment Date.

"Lien" means a security interest, lien, charge, pledge, equity, or encumbrance of any kind, other than tax liens, storage liens, mechanics' liens and any liens that attach to the respective Receivable by operation of law.

"Lien Certificate" means, with respect to a Financed Vehicle, an original certificate of title, certificate of lien or other notification issued by the Registrar of Titles of the applicable state to a secured party which indicates that the lien of the secured party on the Financed Vehicle is recorded on the original certificate of title. In any jurisdiction in which the original certificate of title is required to be given to the obligor, the term "Lien Certificate" shall mean only a certificate or notification issued to a secured party.

"Liquidated Receivable" means, as of any date of determination, any Receivable as to which any of the following first occurs: (i) the related Financed Vehicle has been sold by the Servicer; (ii) the related Financed Vehicle has been repossessed and 90 days have elapsed since the date of such repossession, (iii) more than 10% of a Scheduled Receivable Payment of more than ten dollars shall have become 120 (or, if the related Financed Vehicle has been repossessed, 180) or more days delinquent as of the end of a Collection Period, (iv) with respect to which proceeds have been received which, in the Servicer's judgment, constitute the final amounts recoverable in respect of such Receivable; (v) the related Obligor has filed for bankruptcy under Federal or state law and the Servicer has determined that its loss is known; or (vi) such Receivable becomes a Sold Receivable.

"Lockbox Account" means a direct deposit account maintained on behalf of the Trustee by the Lockbox Bank pursuant to Section 4.2(b).

"Lockbox Agreement" means the Deposit Account Agreement, dated as of April 27, 2011, by and among the Lockbox Processor, the Lockbox Bank, the Servicer, the Issuer and the Trustee, as such agreement may be amended, supplemented or otherwise modified from time to time, unless the Trustee shall cease to be a party thereunder, or such agreement shall be terminated in accordance with its terms, in which event "Lockbox Agreement" shall mean such other replacement agreement therefor among the Servicer, the Trustee, the Lockbox Bank and the Lockbox Processor.

"Lockbox Bank" means, as of any date, Wells Fargo Bank, National Association or another depository institution named by the Servicer and acceptable to the Trustee at which the Lockbox Account is established and maintained as of such date.

"Lockbox Processor" means Wells Fargo Bank, National Association and its successors and assigns.

"Majority Certificateholders" has the meaning assigned to such term in the Trust Agreement.

"MFN" means MFN Financial Corporation, a Delaware Corporation.

"Minimum Sale Price" means (i) with respect to a Receivable (x) that has become 120 to 210 days delinquent or (y) that has become greater than 210 days delinquent and with respect to which the related Financed Vehicle has been repossessed by the Servicer and has not yet been sold at auction, the greater of (A) 55% multiplied by the Principal Balance of such Receivable and (B) the product of the three month rolling average recovery rate (expressed as a percentage) for the Servicer in its liquidation of all receivables for which it acts as servicer, either pursuant to this Agreement or otherwise, multiplied by the Principal Balance of such Receivable or (ii) with respect to a Receivable (x) the related Financed Vehicle of which has been repossessed by the Servicer and has been sold at auction and the Net Liquidation Proceeds for which have been deposited in the Collection Account, or (y) that has become greater than 210 days delinquent and the related Financed Vehicle of which has not been repossessed by the Servicer despite the Servicer's diligent efforts, consistent with its servicing obligations, to repossess the Financed Vehicle, $1.

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

"Net Liquidation Proceeds" means, with respect to a Liquidated Receivable, all amounts realized with respect to such Receivable during the Collection Period in which such Receivable became a Liquidated Receivable, including any Sale Amounts, net of (i) reasonable expenses incurred by the Servicer in connection with the collection of such Receivable and any repossession and disposition of the Financed Vehicle and (ii) amounts that are required to be refunded to the Obligor on such Receivable; provided, however, that the Net Liquidation Proceeds with respect to any Receivable shall in no event be less than zero.

"Non-Certificated Title States" means the States of Arizona, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Montana, New York, Oklahoma, Wisconsin and such other States in which the applicable Department of Motor Vehicles or similar authority issues evidence of title to a Financed Vehicle in a non-certificated form.

"Non-United States Investor" has the meaning assigned to such term in the Trust Agreement.

"Note Balance" means, with respect to the Class A Notes, the Class A Note Balance, with respect to the Class B Notes, the Class B Note Balance, with respect to the Class C Notes, the Class C Note Balance, and with respect to the Class D Notes, the Class D Note Balance.

"Note Majority" means the Holders collectively evidencing more than 50% of the aggregate outstanding Note Balance for each Class of Notes.

"Note Paying Agent" has the meaning assigned to such term in the Indenture.

"Note Register" has the meaning assigned to such term in the Indenture.

"Note Registrar" has the meaning assigned to such term in the Indenture.

"Noteholder" or "Holder" has the meaning assigned to such term in the Indenture.

"Noteholders' Interest Carryover Shortfall" means, with respect to any Payment Date, for each Class of Notes, the excess of the Noteholders' Interest Distributable Amount for such Class of Notes for the preceding Payment Date over the amount that was actually deposited in the Collection Account on such preceding Payment Date on account of the Noteholders' Interest Distributable Amount for such Class of Notes.

"Noteholders' Interest Distributable Amount" means, with respect to any Payment Date and any Class of Notes, the sum of (i) the Noteholders' Monthly Interest Distributable Amount for such Class of Notes for such Payment Date, (ii) the Noteholders' Interest Carryover Shortfall for such Classes of Notes for such Payment Date and (iii) interest on such Noteholders' Interest Carryover Shortfall for such Class of Notes, to the extent permitted by law, at the applicable Interest Rate from and including the preceding Payment Date to but excluding the current Payment Date.

"Noteholders' Monthly Interest Distributable Amount" means for each Class of Notes (i) for the first Payment Date, an amount equal to the product of (1) the Interest Rate for such Class of Notes, (2) the Original Class Note Balance for such Class of Notes, and (3) a fraction, the numerator of which is the number of days from and including the Closing Date to and including May 15, 2011, and the denominator of which is 360; and (ii) for any Payment Date after the first Payment Date, an amount equal to the product of (1) one-twelfth of the Interest Rate for such Class of Notes and (2) the Note Balance for such Class of Notes as of the close of the preceding Payment Date (after giving effect to all distributions on account of principal on such preceding Payment Date).

"Notes" means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, collectively.

"Obligor" on a Receivable means the purchaser or co-purchasers of the Financed Vehicle and any other Person who owes payments under the Receivable.

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

"Opinion of Counsel" means a written opinion of counsel who may but need not be counsel to the Seller or the Servicer, which counsel shall be reasonably acceptable to the Trustee and which opinion shall be acceptable in form and substance to the Trustee.

"Original Class A Note Balance" means $82,592,000.

"Original Class B Note Balance" means $6,534,000.

"Original Class C Note Balance" means $5,488,000.

"Original Class D Note Balance" means $5,750,000.

"Original Pool Balance" means $104,546,308.18.

"Other Conveyed Property" means all property conveyed by the Seller to the Trust pursuant to Sections 2.1(b) through (k) of this Agreement.

"Outstanding" has the meaning assigned to such term in the Indenture.

"Owner Trust Estate" has the meaning assigned to such term in the Trust Agreement.

"Owner Trustee" means Wilmington Trust Company, not in its individual capacity but solely as Owner Trustee under the Trust Agreement, its successors in interest or any successor Owner Trustee under the Trust Agreement.

"Payment Date" means, with respect to each Collection Period, the 15th day of the following calendar month, or if such day is not a Business Day, the immediately following Business Day, commencing on May 16, 2011.

"Pending Litigation" means the litigation matters that are described under "CPS – Recent Developments" in the Confidential Private Placement Memorandum dated as of April 21, 2011.

"Percentage Interest" has the meaning assigned to such term in the Trust Agreement.

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

"Placement Agency Agreement" means the Placement Agency Agreement relating to the Notes dated April 21, 2011, among the Placement Agent, CPS and the Seller.

"Placement Agent" means UBS Securities LLC and its successors and assigns.

"Pool Balance" as of any date of determination, means the aggregate Principal Balance of the Receivables (excluding Purchased Receivables and Liquidated Receivables) as of such date.

"Post Office Box" means the separate post office box in the name of the Trust established and maintained pursuant to Section 4.2.

"Principal Balance" of a Receivable, as of any date of determination, means the Amount Financed minus the sum of the following amounts without duplication: (i) that portion of all Scheduled Receivable Payments actually received on or prior to such day allocable to principal using the Simple Interest Method; (ii) any payment of the Purchase Amount with respect to the Receivable allocable to principal; (iii) any Cram Down Loss in respect of such Receivable; and (iv) any prepayment in full or any partial prepayment applied to reduce the principal balance of the Receivable; provided, however that the Principal Balance of a Receivable that has become a Liquidated Receivable shall equal zero.

"Principal Distribution Account" means the account designated as such, established and maintained pursuant to Section 5.1(b).

"Program" has the meaning specified in Section 4.11.

"Purchase Amount" means, with respect to a Receivable, the amount, as of the close of business on the last day of a Collection Period, required to prepay in full such Receivable under the terms thereof, as reduced by the amount of any Cram Down Loss, plus all accrued and unpaid interest thereon to the end of the month of such purchase.

"Purchased Receivable" means a Receivable purchased as of the close of business on the last day of a Collection Period by the Servicer or CPS pursuant to Section 4.7 or Section 4.16, or repurchased by the Seller or CPS pursuant to Section 3.2, Section 3.4 or Section 11.1(a).

"Rating Agency" means Standard & Poor's and any successor thereof. If neither Standard & Poor's nor any successor maintains a rating on the Notes, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Seller, notice of which designation shall be given to the Trustee, the Owner Trustee and the Servicer.

"Rating Agency Condition" means, with respect to any action, that 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 the Rating Agency shall have notified the Seller, the Servicer, the Owner Trustee and the Trustee in writing that such action will not result in a reduction or withdrawal of the then current rating of any of the Notes.

"Realized Losses" means, with respect to any Receivable that becomes a Liquidated Receivable, the excess of the Principal Balance of such Liquidated Receivable over Net Liquidation Proceeds allocable to principal.

"Receivable" means each Contract related to a Financed Vehicle transferred to the Issuer pursuant to Section 2.1, which, as of the Closing Date, is listed on Schedule A (which Schedule A may be in the form of microfiche), and all rights and obligations thereunder, except for Receivables that shall have become Purchased Receivables or Sold Receivables.

"Receivable Files" means the documents specified in Section 3.3(a).

"Receivables Purchase Agreement" means the Receivables Purchase Agreement dated as of April 1, 2011, by and between the Seller and CPS, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, relating to the purchase of the Receivables by the Seller from CPS.

"Record Date" means, with respect to any Note, (i) with respect to the first Payment Date, the Closing Date and (ii) with respect to any subsequent Payment Date, the last day of the calendar month preceding the calendar month in which such Payment Date occurs.

"Recoveries" means with respect to a Liquidated Receivable, the monies collected from whatever source, during any Collection Period following the Collection Period in which such Receivable first became a Liquidated Receivable, net of the reasonable costs of liquidation plus any amounts required by law to be remitted to the Obligor (without duplication of amounts netted against the amounts realized in calculating the Net Liquidation Proceeds).

"Registrar of Titles" means, with respect to any State, the governmental agency or body responsible for the registration of, and the issuance of certificates of title relating to, motor vehicles and liens thereon.

"Repurchase Request" means, with respect to any Receivable, any request or demand from any Person whether oral or written that such Receivable be repurchased or replaced because of a breach of any of CPS's or the Seller's representations and warranties concerning the Receivables.

"Repurchase Request Recipient" has the meaning assigned to such term in Section 13.15.

"Repurchase Rules and Regulations" has the meaning assigned to such term in Section 13.15.

"Residual Certificateholder" means each person in whose name a Residual Pass-through Certificate is registered on the Certificate Register.

"Residual Pass-through Certificate" has the meaning assigned to such term in the Trust Agreement.

"Responsible Officer" has the meaning specified in the Trust Agreement.

"Rule 15Ga-1" means Rule 15Ga-1 under the Exchange Act.

"Rule 15Ga-1 Notice" has the meaning assigned to such term in Section 13.15.

"Sale Amount" means, with respect to any Sold Receivable, the amount received from the related third-party purchaser as payment for such Sold Receivable.

"Schedule of Receivables" means the schedule of Receivables attached hereto as Schedule A (which may be in the form of microfiche), as such schedule may be amended or supplemented from time to time in accordance with the terms of this Agreement.

"Scheduled Receivable Payment" means, with respect to any Collection Period for any Receivable, the amount set forth in such Receivable as required to be paid by the Obligor in such Collection Period. If after the Closing Date, the Obligor's obligation under a Receivable with respect to a Collection Period has been modified so as to differ from the amount specified in such Receivable (i) as a result of the order of a court in an insolvency proceeding involving the Obligor, (ii) pursuant to the Servicemembers Civil Relief Act, or (iii) as a result of modifications or extensions of the Receivable permitted by Section 4.2(a), the Scheduled Receivable Payment with respect to such Collection Period shall refer to the Obligor's payment obligation with respect to such Collection Period as so modified.

"SeaWest" means SeaWest Financial Corporation, a California corporation.

"Section 341 Meeting" means a meeting held pursuant to Section 341(a) of the United States Bankruptcy Code (as the same may be amended from time to time).

"Section 341 Receivable" means a Receivable, the Obligor of which has completed a Section 341 Meeting as of the Cutoff Date.

"Securities" means the Notes and the Residual Pass-through Certificates, collectively.

"Securityholders" means the Noteholders and the Residual Certificateholders, collectively.

"Seller" means CPS Receivables Five LLC, a Delaware limited liability company, and its successors in interest to the extent permitted hereunder.

"Series 2011-A Spread Account" means the account designated as such, established and maintained pursuant to Section 5.1(a)(iii).

"Servicer" means CPS, as the servicer of the Receivables, and each successor Servicer pursuant to Section 10.3.

"Servicer Termination Event" means an event specified in Section 10.1.

"Servicer's Certificate" means a certificate completed and executed by a Servicing Officer and delivered pursuant to Section 4.9, substantially in the form of Exhibit B.

"Servicing Fee" has the meaning specified in Section 4.8.

"Servicing Officer" means any Person whose name appears on a list of Servicing Officers delivered to the Trustee, as the same may be amended from time to time.

"Simple Interest Method" means the method of allocating a fixed level payment between principal and interest, pursuant to which the portion of such payment that is allocated to interest is equal to the product of the APR multiplied by the unpaid balance multiplied by the period of time (expressed as a fraction of a year, based on the actual number of days in the calendar month and the actual number of days in the calendar year) elapsed since the preceding payment of interest was made and the remainder of such payment is allocable to principal.

"Simple Interest Receivable" means a Receivable under which the portion of the payment allocable to interest and the portion allocable to principal is determined in accordance with the Simple Interest Method.

"Skip Receivable" means a Receivable (i) that is delinquent as of the Closing Date; and (ii) with respect to which CPS (a) has concluded that the address or telephone number of the related Obligor maintained by CPS as of the Closing Date is incorrect and CPS has not been able to obtain revised contact information for such Obligor and (b) has designated the status of the Receivable as "A07" or "F07" in accordance with its servicing procedures.

"Sold Receivable" means a Receivable that was more than 120 days delinquent and was sold to an unaffiliated third party by the Issuer, at the Servicer's direction, as of the close of business on the last day of a Collection Period and in accordance with the provisions of Section 4.3(b) hereof.

"Specified Spread Account Requisite Amount" means, as of any date of determination, the lesser of (i) two percent (2%) of the Original Pool Balance and (ii) the Aggregate Note Balance; provided, however, that on and after the Aggregate Note Balance has been reduced to zero and all Classes of Notes have been distributed all amounts to which the Holders thereof are entitled under the Basic Documents, the Specified Spread Account Requisite Amount shall be $0.

"Standard & Poor's" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or its successor.

"State" means any one of the 50 states of the United States of America or the District of Columbia.

"Successor Servicing Fee Schedule" means that certain Schedule of Successor Servicing Fees, Expenses and Distributions attached hereto as Exhibit G.

"Texas Franchise Tax" means any tax imposed by the State of Texas pursuant to Tex. Tax Code Ann. § 171.001 (Vernon 2005), as amended by Tex. H.B. 3, 79th Leg., 3d C.S. (2006).

"TFC" means The Finance Company, a Virginia corporation.

"Three-Month Rolling Average Delinquency Ratio" means, for any date of determination, the average of the Delinquency Ratios for each of the three immediately preceding Collection Periods.

"Three-Month Rolling Average Extension Ratio" means, for any date of determination, a rolling three month average of the ratio for each of the three immediately preceding Collection Periods, expressed as a percentage, of (i) the aggregate Principal Balance of the Receivables whose payments are extended during the related Collection Period to (ii) the Pool Balance as of the first day of the related Collection Period prior to giving effect to any payment activity on such date.

"Total Distribution Amount" means, for each Payment Date, the sum of the following amounts with respect to the related Collection Period: (i) all collections on the Receivables; (ii) Net Liquidation Proceeds received during the Collection Period with respect to Liquidated Receivables; (iii) all proceeds from Recoveries with respect to Liquidated Receivables; (iv) all proceeds received during the Collection Period from Insurance Policies (other than funds used for the repair of the related Financed Vehicle or otherwise released by CPS to the related Obligor in accordance with normal servicing procedures); (v) Investment Earnings for the related Payment Date; (vi) all Purchase Amounts deposited in the Collection Account during the related Collection Period, plus the amount of any payments made by CPS to the Trust pursuant to its indemnification obligations under the Basic Documents; (vii) following the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the amount of money or property collected pursuant to Section 5.3 of the Indenture since the preceding Payment Date by the Trustee for distribution pursuant to Section 5.7 hereof; (viii) any amounts released from the Series 2011-A Spread Account in accordance with the terms of Section 5.5(b) for payment pursuant to priorities (xviii) through (xxi) of Section 5.7(a) hereof; (ix) the proceeds of any purchase or sale of the assets of the Trust described in Sections 4.16 or 11.1 hereof; and (x) any Sale Amounts realized by the Servicer in connection with the sale of Sold Receivables pursuant to Section 4.3(b).

"Transferred Property" has the meaning assigned thereto in the Receivables Purchase Agreement.

"Trigger Event" means a Level 1 Trigger Event, Level 2 Trigger Event or Level 3 Trigger Event, as applicable.

"Trust" means the Issuer.

"Trust Account Property" means the Trust Accounts, all amounts and investments held from time to time in any Trust Account (whether in the form of deposit accounts, physical property, book-entry securities, uncertificated securities or otherwise), and all proceeds of the foregoing.

"Trust Accounts" means, collectively, the Collection Account, the Series 2011-A Spread Account and the Principal Distribution Account.

"Trust Agreement" means the Trust Agreement dated as of February 25, 2011, by and between CPS Receivables Five LLC, as depositor, and the Owner Trustee, as amended and restated by the Amended and Restated Trust Agreement dated as of April 1, 2011, by and between the Seller, as depositor, and the Owner Trustee, as the same may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Trust Officer" means, (i) in the case of the Trustee, any vice president, any assistant vice president, any assistant secretary, any assistant treasurer, any trust officer, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject, and (ii) in the case of the Owner Trustee, any officer in the Corporate Trust Office of the Owner Trustee or any agent of the Owner Trustee under a power of attorney with direct responsibility for the administration of this Agreement or any of the Basic Documents on behalf of the Owner Trustee.

"Trust Paying Agent" means the "Paying Agent" appointed and acting in such capacity pursuant to the Trust Agreement.

"Trust Property" means the property and proceeds conveyed pursuant to Section 2.1.

"Trustee" means the Person acting as trustee under the Indenture, its successors in interest and any successor trustee under the Indenture.

"Trustee Fee Schedule" means the schedule attached hereto as Exhibit H.

"Trustee Fees" means the sum of (A) means the "Monthly Trustee Fee," "Collateral Custody Fees" and "Account Acceptance Fee" as reflected on the Trustee Fee Schedule; and (B) any amounts payable to the Owner Trustee pursuant to Article VIII of the Trust Agreement, in each case, due and payable on each Payment Date in respect of the immediately preceding Collection Period; provided, however, with respect to the initial Payment Date, the "Monthly Trustee Fee" shall be pro-rated based on the number of days in the period beginning on the Closing Date and ending on the last day of the first Collection Period.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction on the date of the Agreement.

(b) Capitalized terms used herein and not otherwise defined herein have the meanings assigned to them in the Indenture or, if not defined therein, in the Trust Agreement.

(c) All terms defined in this Agreement shall have the defined meanings when used in any instrument governed hereby and in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(d) Accounting terms used but not defined or partly defined in this Agreement, in any instrument governed hereby or in any certificate or other document made or delivered pursuant hereto, to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles as in effect on from time to time or any such instrument, certificate or other document, as applicable. To the extent that the definitions of accounting terms in this Agreement or in any such instrument, certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such instrument, certificate or other document shall control.

(e) (i) 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 and (ii) the word "or" is not exclusive.

(f) Section, Schedule and Exhibit references contained in this Agreement are references to Sections, Schedules and Exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(g) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

(h) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as the same may from time to time be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and instruments associated therewith; all references to a Person include its permitted successors and assigns.

ARTICLE II
CONVEYANCE OF RECEIVABLES

SECTION 2.1 Conveyance of Receivables»

. In consideration of the Issuer's delivery to or upon the order of the Seller on the Closing Date of the Securities, the Seller does hereby sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse (subject to the obligations set forth herein) all right, title and interest of the Seller, whether now existing or hereafter arising, in, to and under:

(a) the Receivables listed in Schedule A hereto and all monies received thereunder after the Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Receivables after the Cutoff Date;

(b) the security interests in the Financed Vehicles granted by the related Obligors pursuant to the Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the Non-Certificated Title States, all other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

(c) any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Receivables or the Obligors thereunder;

(d) all proceeds from recourse against Dealers or Consumer Lenders with respect to the Receivables;

(e) all of the Seller's rights and benefits, but none of its obligations or burdens, under the Receivables Purchase Agreement, including a direct right to cause CPS to purchase Receivables from the Issuer and to indemnify the Issuer pursuant to the Receivables Purchase Agreement under the circumstances specified therein;

(f) refunds for the costs of extended service contracts with respect to Financed Vehicles securing the Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle or an Obligor's obligations with respect to a Receivable or a Financed Vehicle and any recourse to Dealers or Consumer Lenders for any of the foregoing;

(g) the Receivable File related to each Receivable;

(h) all amounts and property from time to time held in or credited to the Collection Account, the Lockbox Account, the Series 2011-A Spread Account and the Principal Distribution Account;

(i) all property (including the right to receive future Net Liquidation Proceeds) that secures a Receivable that has been acquired by or on behalf of CPS or the Seller, pursuant to a liquidation of such Receivable; and

(j) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing.

SECTION 2.2 [Reserved].»

SECTION 2.3 Transfer Intended as a Sale»

. It is the intention of the Seller that the transfer and assignment contemplated by Section 2.1 of this Agreement shall constitute a sale of the Trust Property from the Seller to the Trust and the beneficial interest in and title to the Trust Property shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. In the event that, notwithstanding the intent of the Seller as set forth in this Section 2.3 and in Section 13.17, the transfer and assignment contemplated hereby is held not to be a sale, this Agreement shall constitute a grant of (and the Seller does hereby grant) a security interest in all of the Seller's right, title and interest in, to and under the Trust Property to the Trust for the benefit of the Securityholders and this Agreement shall constitute a security agreement under New York law. The Seller shall take such actions as are necessary from time to time in order to maintain the perfection and priority of the Trust's security interest in the Trust Property.

SECTION 2.4 Further Encumbrance of Trust Property»

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(a) Immediately upon the conveyance to the Trust by the Seller of any item of the Trust Property pursuant to Section 2.1, all right, title and interest of the Seller in and to such item of Trust Property shall terminate, and all such right, title and interest shall vest in the Trust, in accordance with the Trust Agreement and Sections 3802 and 3805 of the Statutory Trust Statute (as defined in the Trust Agreement).

(b) Immediately upon the vesting of the Trust Property in the Trust, the Trust shall have the sole right to pledge or otherwise encumber, such Trust Property. Pursuant to the Indenture, the Trust shall grant a security interest in the Trust Property to secure the repayment of the Notes. The Residual Pass-through Certificates shall represent beneficial ownership interests in the Trust Property, and the Residual Certificateholders shall be entitled to receive distributions with respect thereto as set forth in Section 5.7(a)(xxi).

ARTICLE III

THE RECEIVABLES

SECTION 3.1 Representations and Warranties of Seller»

. The Seller makes the following representations and warranties as to the Receivables to the Issuer and to the Trustee for the benefit of the Noteholders on which the Issuer relies in acquiring the Receivables, and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party. Such representations and warranties speak as of the execution and delivery of this Agreement and as of the Closing Date, but shall survive the sale, transfer and assignment of the Receivables to the Issuer and the pledge thereof to the Trustee for the benefit of the Noteholders pursuant to the Indenture.

(i) Characteristics of Receivables. (A) Each Receivable (1) has been originated in the United States of America by a Dealer or Consumer Lender without any fraud or misrepresentation on the part of such Dealer or Consumer Lender for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's or Consumer Lender's business, such Dealer or Consumer Lender had all necessary licenses and permits to originate such Receivable in the State where such Dealer or Consumer Lender was located, has been fully and properly executed by the parties thereto, has been purchased by CPS in connection with the related Obligor's purchase of the related Financed Vehicle and has been validly assigned by such Dealer or Consumer Lender to CPS, by CPS to the Seller and by the Seller to the Issuer, (2) has created a valid, subsisting, and enforceable first priority perfected security interest in favor of CPS in the Financed Vehicle, which security interest has been assigned by CPS to the Seller, which in turn has assigned such security interest to the Trust which in turn has pledged such security interest to the Trustee, (3) contains customary and enforceable provisions such that the rights and remedies of the holder or assignee thereof shall be adequate for realization against the collateral of the benefits of the security including, without limitation, a right of repossession following a default, (4) provides for level monthly scheduled payments that fully amortize the Amount Financed over the original term (except for the last scheduled payment, which may be different from the level monthly payment) and yield interest at the Annual Percentage Rate, (5) has an Annual Percentage Rate of not less than 10.00% and not greater than 28.00%, (6) is a Simple Interest Receivable, (7) was originated by a Dealer or Consumer Lender and was sold by such Dealer or Consumer Lender without any fraud or misrepresentation on the part of such Dealer or Consumer Lender, (8) is denominated in U.S. dollars and (9) provides, in the case of a prepayment, for the full payment of the Principal Balance thereof plus accrued interest through the date of prepayment based on the Annual Percentage Rate of the Receivable.

(B) Approximately 86.09% of the aggregate Principal Balance of the Receivables as of the Cutoff Date represents financing of used automobiles, light trucks, vans or minivans; the remainder of the Receivables represent financing of new vehicles; approximately 3.26% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Preferred Program; approximately 42.35% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Alpha Program; approximately 6.06% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Delta Program; approximately 6.90% of the Receivables as of the Cutoff Date were originated under the CPS First-Time Buyer Program; approximately 12.29% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Standard Program; approximately 13.92% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Super Alpha Program; approximately 15.22% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Alpha Plus Program; all of the Receivables were acquired by CPS; approximately 2.94% of the aggregate Principal Balance of the Receivables as of the Cut-off Date, were Section 341 Receivables; each Receivable has a final scheduled payment due no later than April 5, 2017; and each Receivable was originated on or before the Cutoff Date.

(ii) Additional Receivables Characteristics. (A) As of the Cutoff Date, no Receivable is more than 30 days past due with respect to more than 10% of any Scheduled Receivable Payment; and (B) as of the Closing Date, (I) no Receivable is a Skip Receivable and (II) no Receivable is more than 60 days past due with respect to more than 10% of any Scheduled Receivable Payment.

(iii) Schedule of Receivables; Selection Procedures. The information with respect to the Receivables set forth in Schedule A to this Agreement is true and correct in all material respects as of the close of business on the Cutoff Date. No selection procedures adverse to the Securityholders have been utilized in selecting the Receivables.

(iv) Compliance with Law. Each Receivable, the sale of the Financed Vehicle and the sale of any physical damage, credit life and credit accident and health insurance and any extended warranties or service contracts (A) complied at the time the related Receivable was originated or made and at the execution of this Agreement complies in all material respects with all requirements of applicable Federal, State, and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Servicemembers Civil Relief Act, the Military Reservist Relief Act, the Texas Consumer Credit Code, the California Automobile Sales Finance Act and State adaptations of the National Consumer Act and of the Uniform Consumer Credit Code, and all other applicable consumer credit laws and equal credit opportunity and disclosure laws, and (B) without limiting the generality of the foregoing, is not subject to liabilities or is not rendered unenforceable based on general theories of contract limitation or relief including, without limitation, theories based on unconscionable, deceptive, unfair, or predatory sales or financing practices.

(v) No Government Obligor. None of the Receivables are due from the United States of America or any State or from any agency, department, or instrumentality of the United States of America or any State.

(vi) Security Interest in Financed Vehicle. Immediately subsequent to the sale, assignment and transfer thereof to the Trust, each Receivable shall be secured by a validly perfected first priority security interest in the Financed Vehicle in favor of CPS as secured party which security interest has been validly assigned by CPS to the Seller and by the Seller to the Trust, and validly pledged by the Trust to the Trustee, and such assigned security interest is prior to all other liens upon and security interests in such Financed Vehicle that now exist or may hereafter arise or be created, except, as to priority, for any tax, storage or mechanics' Liens that may arise after the Closing Date.

(vii) Receivables in Force. No Receivable has been satisfied, subordinated or rescinded, nor has any Financed Vehicle been released from the lien granted by the related Receivable in whole or in part.

(viii) No Waiver. Except as permitted under Section 4.2 and clause (ix) below, no provision of a Receivable has been waived.

(ix) No Amendments. The terms of the related Contract have not been waived, altered, amended or modified (including, without limitation, by way of extension) in any respect, except by instruments or documents identified in the Receivable File with respect thereto, and no such waiver, alteration, amendment or modification has caused such Receivable to fail to meet all of the representations, warranties, and conditions set forth herein with respect thereto. Such Contract constitutes the entire agreement between the Seller and the related Obligor.

(x) No Defenses. No right of rescission, setoff, counterclaim or defense exists or has been asserted or threatened with respect to any Receivable. The operation of the terms of any Receivable or the exercise of any right thereunder will not render such Receivable unenforceable in whole or in part and such Receivable is not subject to any such right of rescission, setoff, counterclaim, or defense.

(xi) No Liens. As of the Cutoff Date, (a) there are no liens or claims existing or that have been filed for work, labor, storage or materials relating to a Financed Vehicle that are prior to, or equal or coordinate with, the security interest in the Financed Vehicle granted by the Receivable and (b) there is no lien against the related Financed Vehicle for delinquent taxes.

(xii) No Default; Repossession. Except for payment delinquencies continuing for a period of not more than thirty days as of the Cutoff Date, no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition that with notice or the lapse of time, or both, would constitute a default, breach, violation or event permitting acceleration under the terms of any Receivable has arisen; and the Seller shall not waive and has not waived any of the foregoing (except in a manner consistent with Section 4.2); and no Financed Vehicle shall have been repossessed or assigned for repossession as of the Closing Date.

(xiii) Insurance; Other. (A) Each Obligor has obtained insurance covering the Financed Vehicle as of the execution of the Receivable insuring against loss and damage due to fire, theft, transportation, collision and other risks generally covered by comprehensive and collision coverage, and each Receivable requires the Obligor to obtain and maintain such insurance naming CPS and its successors and assigns as loss payee or an additional insured, (B) each Receivable that finances the cost of premiums for credit life and credit accident and health insurance is covered by an insurance policy or certificate of insurance naming CPS as policyholder (creditor) under each such insurance policy and certificate of insurance and (C) as to each Receivable that finances the cost of an extended service contract, the respective Financed Vehicle which secures the Receivable is covered by an extended service contract.

(xiv) Title. It is the intention of the Seller that the transfer and assignment herein contemplated constitute a sale of the Receivables and the Other Conveyed Property from the Seller to the Trust and that the beneficial interest in and title to such Receivables and the Other Conveyed Property not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. No Receivable or Other Conveyed Property has been sold, transferred, assigned, or pledged by the Seller to any Person other than the Trust. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable and the Other Conveyed Property and was the sole owner thereof, free and clear of all liens, claims, encumbrances, security interests, and rights of others, and, immediately upon the transfer thereof, the Trust for the benefit of the Securityholders shall have good and marketable title to each such Receivable and will be the sole owner thereof, free and clear of all liens, encumbrances, security interests, and rights of others, and the transfer has been perfected under the UCC.

(xv) Lawful Assignment. No Receivable has been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Receivable under this Agreement or pursuant to transfers of the Securities shall be unlawful, void, or voidable. Neither CPS nor the Seller has entered into any agreement with any account debtor that prohibits, restricts or conditions the assignment of any portion of the Receivables.

(xvi) All Filings Made. All filings (including, without limitation, UCC filings) necessary in any jurisdiction to give (i) the Seller a first priority perfected security interest in the Receivables and the other Transferred Property, (ii) the Issuer a first priority perfected security interest in the Receivables and the Other Conveyed Property, and (iii) the Trustee a first priority perfected security interest in the Collateral have been made, taken or performed.

(xvii) Receivable File; One Original. CPS has delivered to the Trustee a complete Receivable File with respect to each Receivable. There is only one original executed copy of each Receivable.

(xviii) Chattel Paper. Each Contract constitutes "tangible chattel paper" under the UCC.

(xix) Title Documents. (A) If the Receivable was originated in a State in which notation of a security interest on the title document of the related Financed Vehicle is required or permitted to perfect such security interest, the title document of the related Financed Vehicle for such Receivable shows, or if a new or replacement title document is being applied for with respect to such Financed Vehicle the title document (or, with respect to Receivables originated in the Non-Certificated Title States, other evidence of title issued by the applicable Department of Motor Vehicles or similar authority) will be received within 180 days and will show CPS named as the original secured party under the related Receivable as the holder of a first priority security interest in such Financed Vehicle, and (B) if the Receivable was originated in a State in which the filing of a financing statement under the UCC is required to perfect a security interest in motor vehicles, such filings or recordings have been duly made and show CPS named as the original secured party under the related Receivable, and in either case, the Trust has the same rights as such secured party has or would have (if such secured party were still the owner of the Receivable) against all parties claiming an interest in such Financed Vehicle, and such rights have been validly pledged to the Trustee pursuant to the Indenture. With respect to each Receivable for which the title document has not yet been returned from the Registrar of Titles, CPS has received written evidence from the related Dealer or Consumer Lender that such title document showing CPS, as first lienholder has been applied for.

(xx) Valid and Binding Obligation of Obligor. Each Receivable is the legal, valid and binding obligation in writing of the Obligor thereunder and is enforceable in accordance with its terms, except only as such enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and all parties to such contract had full legal capacity to execute and deliver such contract and all other documents related thereto and to grant the security interest purported to be granted thereby.

(xxi) Characteristics of Obligors. As of the date of each Obligor's application for financing of the vehicle purchase from which the related Receivable arises, such Obligor (a) was not the subject of any Federal, State or other bankruptcy, insolvency or similar proceeding pending on the date of application that has not completed a Section 341 Meeting or been discharged, (b) had not been the subject of more than one Federal, State or other bankruptcy, insolvency or similar proceeding, and (c) was domiciled in the United States. During the period from the date of

each Obligor's application for financing of the vehicle purchase from which the related Receivable arises to the Closing Date, no Obligor is or has been the subject of any Federal, State or other bankruptcy, insolvency or similar proceeding other than an Obligor related to a Section 341 Receivable.

(xxii) Origination Date. Each Receivable has an origination date on or after July 1, 2005.

(xxiii) Maturity of Receivables. Each Receivable has an original term to maturity of not more than 72 months; the weighted average original term to maturity of the Receivables was 62.76 months as of the Cutoff Date; the remaining term to maturity of each Receivable was 72 months or less as of the Cutoff Date; the weighted average remaining term to maturity of the Receivables was 55.92 months as of the Cutoff Date.

(xxiv) Scheduled Receivable Payments. Each Receivable has an original principal balance of not more than $34,000.

(xxv) Origination of Receivables. Based on the billing address of the Obligors and the Principal Balances as of the Cutoff Date, approximately 16.60%, 9.40%, 7.08%, 6.01% and 5.52% of the Receivables (by principal balance) had Obligors residing in the States of California, Texas, Pennsylvania, Florida and Georgia, respectively. As of the Cutoff Date, no other state represented more than 5.00% of the Receivables (by principal balance).

(xxvi) Post Office Box. On or prior to the next billing period after the Cutoff Date, CPS will notify each Obligor to make payments with respect to its respective Receivables after the Cutoff Date directly to the Post Office Box, and will provide each Obligor with a monthly statement in order to enable such Obligors to make payments directly to the Post Office Box.

(xxvii) Location of Receivable Files. A complete Receivable File with respect to each Receivable has been or prior to the Closing Date will be delivered to the Trustee at the location listed in Schedule B hereto.

(xxviii) Casualty and Impounding. No Financed Vehicle has suffered a Casualty and CPS has not received notice that any Financed Vehicle has been impounded.

(xxix) Principal Balance/Number of Contracts. As of the Cutoff Date, the aggregate principal balance of the Receivables was $104,546,308.18. As of the Cutoff Date, the Receivables are evidenced by 7,374 Contracts.

(xxx) Full Amount Advanced. The full amount of each Receivable has been advanced to each Obligor, and there are no requirements for future advances thereunder. The Obligor with respect to each Receivable does not have any option under the terms of the related Contract to borrow from any person additional funds secured by the Financed Vehicle.

(xxxi) No Impairment. Neither CPS nor the Seller has done anything to convey any right to any Person that would result in such Person having a right to payments due under any Receivables or otherwise to impair the rights of the Purchaser, the Issuer or the Securityholders in any Receivable or the proceeds hereof.

(xxxii) Receivables Not Assumable. No Receivable is assumable by another Person in a manner that would release the Obligor thereof from such Obligor's obligations to CPS or the Seller with respect to such Receivable.

(xxxiii) Servicing. The servicing of each Receivable and the collection practices relating thereto have been lawful and in accordance with the standards set forth in this Agreement; other than the Servicer and the Backup Servicer, no other Person has the right to service the Receivables.

(xxxiv) Illinois Receivables. (a) The Seller does not own a substantial interest in the business of a Dealer within the meaning of Illinois Sales Finance Agency Act Rules and Regulations, Section 160.230(1) and (b) with respect to each Receivable originated in the State of Illinois, (i) the printed or typed portion of the related Form of Receivable complies with the requirements of 815 ILCS 375/3(b) and (ii) the Seller has not, and for so long as such Receivable is outstanding shall not, place or cause to be placed on the related Financed Vehicle any collateral protection insurance in violation of 815 ILCS 180/10.

(xxxv) California Receivables. Each Receivable originated in the State of California has been, and at all times during the term of the Sale and Servicing Agreement will be, serviced by the Servicer in compliance with Cal. Civil Code § 2981, et seq.

(xxxvi) Creation of Security Interest. This Agreement creates a valid and continuing security interest (as defined in the UCC) in the Trust Property in favor of the Issuer for the benefit of the Securityholders, which security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Seller.

(xxxvii) Perfection of Security Interest in Financed Vehicles. CPS has taken all steps necessary to perfect its security interest against the Obligors in the Financed Vehicles securing the Contracts.

(xxxviii) Perfection of Security Interest in Trust Property. The Seller 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 Trust Property granted to the Issuer for the benefit of the Securityholders hereunder pursuant to Section 2.3.

(xxxix) No Other Security Interests. Other than the security interest granted to the Issuer for the benefit of the Securityholders pursuant to Section 2.3, the Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Property. The Seller has not authorized the filing of and is not aware of any financing statements filed against the Seller that include a description of collateral covering the Trust Property other than any financing statement relating to the security interest granted to the Issuer for the benefit of the Securityholders hereunder or that has been terminated. The Seller is not aware of any judgment or tax lien filings against the Seller.

(xl) Notations on Contracts; Financing Statement Disclosure. The Servicer has in its possession copies of all Contracts that constitute or evidence the Receivables. The Contracts that constitute or evidence the Receivables do not have any marks or notations indicating

that they have been pledged, assigned or otherwise conveyed to any Person other than the Issuer and/or the Trustee for the benefit of the Noteholders. All financing statements filed or to be filed against the Seller in favor of the Issuer in connection herewith describing the Trust Property contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the secured party."

(xli) TFC, MFN, SeaWest Receivables. None of the Receivables were originated by TFC, MFN or SeaWest or any of their respective subsidiaries.

(xlii) Consumer Lenders. Each Consumer Lender has obtained all necessary licenses and approvals in all jurisdictions in which the origination and purchase of installment promissory notes and security agreements and the sale thereof requires or shall require such licenses or approvals, except where the failure to obtain such licenses or approvals would not result in a material adverse effect on the value or marketability of any Receivable (including, without limitation, the enforceability or collectibility of any Receivable).

The representations and warranties set forth above in paragraphs (xiv), (xvi), (xviii) and paragraphs (xxxvi) through (xlii) shall survive the termination of this Agreement and may not be waived in whole or in part.

SECTION 3.2 Repurchase upon Breach»

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(a) The Seller, the Servicer, the Trustee or (upon actual knowledge of a Responsible Officer thereof) the Owner Trustee, as the case may be, shall inform the other parties to this Agreement promptly, in writing, upon the discovery of any breach of the Seller's representations and warranties made pursuant to Section 3.1 (without regard to any limitations therein as to the Seller's knowledge). Unless the breach shall have been cured by the last day of the second Collection Period following the discovery thereof by CPS or receipt by CPS of notice of such breach, CPS (pursuant to the Receivables Purchase Agreement) shall repurchase any Receivable if the value of such Receivable is materially and adversely affected by the breach as of the last day of such second Collection Period (or, at CPS's option, the last day of the first Collection Period following the discovery) and, in the event that the breach relates to a characteristic of the Receivables in the aggregate, and if the interests of the Trust or the Securityholders are materially and adversely affected by such breach, unless the breach shall have been cured by the last day of such second Collection Period, CPS shall purchase the aggregate Principal Balance of affected Receivables, such that following such purchase such representation shall be true and correct with respect to the remainder of the Receivables in the aggregate. In consideration of the purchase of any Receivable, CPS shall remit the Purchase Amount, in the manner specified in Section 5.6. For purposes of this Section, the Purchase Amount of a Receivable that is not consistent with the warranty pursuant to Section 3.1(i)(A)(5) or (A)(6) shall include such additional amount as shall be necessary to provide the full amount of interest as contemplated therein. The sole remedy of the Issuer, the Owner Trustee, the Trustee and the Securityholders with respect to a breach of representations and warranties pursuant to Section 3.1 shall be to enforce CPS's obligation to purchase such Receivables pursuant to the Receivables Purchase Agreement; provided, however, that CPS shall indemnify the Trustee, the Owner Trustee, the Backup Servicer, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, that may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. Upon receipt of the Purchase Amount and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivables File and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by the Seller and delivered to the Trustee and necessary to vest in CPS or such designee title to the Receivable including a Trustee's Certificate in the form of Exhibit F-1.

(b) If it is determined that consummation of the transactions contemplated by this Agreement and the other transaction documents referenced in this Agreement, the servicing and operation of the Trust pursuant to this Agreement and such other documents, or the ownership of a Note or a Residual Pass-through Certificate by a Holder constitutes a violation of the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the Internal Revenue Code of 1986, as amended (the "Code") or any successor statutes of similar impact, together with the regulations thereunder, to which no statutory exception or administrative exemption applies, such violation shall not be treated as a breach of the Seller's representations and warranties made pursuant to Section 3.1 if not otherwise such a breach.

(c) Pursuant to Sections 2.1 and 2.2 of this Agreement, the Seller has conveyed to the Trust all of the Seller's right, title and interest in its rights and benefits, but none of its obligations or burdens, under the Receivables Purchase Agreement, including the Seller's rights under the Receivables Purchase Agreement and the delivery requirements, representations and warranties and the cure, repurchase and indemnity obligations of CPS under the Receivables Purchase Agreement. The Seller hereby represents and warrants to the Trust and the Trustee for the benefit of the Noteholders that such assignment is valid, enforceable and effective to permit the Trust to enforce such obligations of CPS under the Receivables Purchase Agreement.

(d) If the Insolvency Event related to a Section 341 Meeting has not been discharged pursuant to Section 727 of the United States Bankruptcy Code by the bankruptcy court presiding over such Insolvency Event within 120 days of the conveyance of the related Receivable by the Seller to the Issuer pursuant to Section 2.1(a), the Seller shall repurchase such Receivable as of and by no later than the last day of the next occurring Collection Period at the Purchase Amount.

SECTION 3.3 Custody of Receivables Files»

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(a) In connection with the sale, transfer and assignment of the Receivables and the Other Conveyed Property to the Trust pursuant to this Agreement the Trustee shall act as custodian of the following documents or instruments in its possession which shall be delivered to the Trustee by CPS on or before the Closing Date:

(i) The fully executed original of the Receivable (together with any agreements modifying the Receivable, including without limitation any extension agreements);

(ii) The original certificate of title in the name of CPS or such documents that CPS shall keep on file, in accordance with its customary procedures, evidencing the security interest of CPS in the Financed Vehicle or, if not yet received, a copy of the application therefor showing CPS as secured party, or a dealer guarantee of title.

(b) Upon payment in full of any Receivable, the Servicer will notify the Trustee pursuant to a certificate of an officer of the Servicer (which certificate shall include a statement to the effect that all amounts received in connection with such payments which are required to be deposited in the Collection Account pursuant to Section 4.2 have been so deposited) and shall request delivery of the Receivable and Receivable File to the Servicer.

SECTION 3.4 Acceptance of Receivable Files by Trustee»

. The Trustee acknowledges receipt of files that the Seller has represented are the Receivable Files for the Receivables. The Trustee has reviewed such Receivable Files and has determined that it has received a file for each Receivable identified in Schedule A to this Agreement. The Trustee declares that it holds and will continue to hold such files and any amendments, replacements or supplements thereto and all other assets comprising the Owner Trust Estate as Trustee in trust for the use and benefit of all present and future Securityholders. The Trustee agrees to review each file delivered to it prior to the Closing Date to determine whether such Receivable Files contain the documents referred to in Sections 3.3(a)(i) and (ii). If the Trustee has found or finds that a file for a Receivable has not been received, or that a file is unrelated to the Receivables identified in Schedule A to this Agreement or that any of the documents referred to in Section 3.3(a)(i) or (ii) are not contained in a Receivable File, the Trustee shall inform CPS, the Seller and the Owner Trustee promptly, in writing, of the failure to receive a file with respect to such Receivable (or of the failure of any of the aforementioned documents to be included in the Receivable File) or shall return to CPS as the Seller's designee any file unrelated to a Receivable identified in Schedule A to this Agreement, it being understood that the Trustee's obligation to review the contents of any Receivable File shall be limited as set forth in the preceding sentence. Unless such defect with respect to such Receivable File shall have been cured by the last day of the second Collection Period following discovery thereof by the Trustee, the Trustee shall cause CPS to repurchase any such Receivable as of and by no later than such last day pursuant to the Receivables Purchase Agreement. In consideration of the purchase of the Receivable, CPS shall remit the Purchase Amount, in the manner specified in Section 5.6. The sole remedy of the Trustee, the Trust and the Securityholders with respect to a breach pursuant to this Section 3.4 shall be to require CPS to purchase the applicable Receivables pursuant to this Section 3.4; provided, however, that CPS shall indemnify the Trustee, the Owner Trustee, the Backup Servicer, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. Upon receipt of the Purchase Amount and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivable File and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by CPS and delivered to the Trustee and are necessary to vest in CPS or such designee title to the Receivable including a Trustee's Certificate in the form of Exhibit F-1. The Trustee shall make a list of Receivables for which an application for a certificate of title but not an original certificate of title or, with respect to Receivables originated in the Non-Certificated Title States, another evidence of title issued by the applicable Department of Motor Vehicles or similar authority in such States, is included in the Receivable File as of the date of its review of the Receivable Files and deliver a copy of such list to the Servicer and the Owner Trustee. On the date which is 180 days following the Closing Date or, if such day is not a Business Day, the next succeeding Business Day, the Trustee shall inform CPS and the other parties to this Agreement of any Receivable for which the related Receivable File on such date does not include an original certificate of title or, with respect to Financed Vehicles in the Non-Certificated Title States, for which the related Receivable File on such date does not include evidence of title issued by the applicable Department of Motor Vehicles or similar authority, and CPS shall repurchase any such Receivable as of and by no later than the last day of the current Collection Period.

SECTION 3.5 Access to Receivable Files»

. The Trustee shall permit the Servicer access to the Receivable Files at all reasonable times during the Trustee's normal business hours. The Trustee shall, within two Business Days of the request of the Servicer or the Owner Trustee, execute such documents and instruments as are prepared by the Servicer or the Owner Trustee and delivered to the Trustee, as the Servicer, the Owner Trustee deems necessary to permit the Servicer, in accordance with its customary servicing procedures, to enforce the Receivable on behalf of the Trust and any related insurance policies covering the Obligor, the Receivable or Financed Vehicle so long as such execution in the Trustee's sole discretion does not conflict with this Agreement and will not cause it undue risk or liability. The Trustee shall not be obligated to release any document from any Receivable File unless it receives a release request signed by a Servicing Officer in the form of Exhibit C hereto (the "Release Request"). Such Release Request shall obligate the Servicer to return such document(s) to the Trustee when the need therefor no longer exists unless the Receivable shall be liquidated, in which case, the Servicer shall certify in the Release Request that all amounts required to be deposited in the Collection Account with respect to such Receivable have been so deposited.

SECTION 3.6 Trustee to Deliver Monthly Receivable File Report»

. Within three Business Days after the end of a month in which the Trustee releases any Receivable Files to the Servicer or after any subsequent month in which such Receivable Files remain outstanding pursuant to Section 3.5, the Trustee shall deliver to the Servicer a monthly report that identifies all Receivable Files released to the Servicer and not yet returned to the Trustee.

SECTION 3.7 Trustee to Maintain Secure Facilities»

. The Trustee shall maintain or cause to be maintained continuous custody of the Receivable Files in secure and fire resistant facilities in accordance with customary standards for such custody.

ARTICLE IV
ADMINISTRATION AND SERVICING OF RECEIVABLES

SECTION 4.1 Duties of the Servicer»

. The Servicer, as agent for the Trust and the Securityholders (to the extent provided herein) shall manage, service, administer and make collections on the Receivables with reasonable care, using that degree of skill and attention customary and usual for institutions which service motor vehicle retail installment contracts or promissory notes and security agreements, in each case, similar to the Receivables and, to the extent more exacting, that the Servicer exercises with respect to all comparable automotive receivables that it services for itself or others. The Servicer's duties shall include collection and posting of all payments, responding to inquiries of Obligors on such Receivables, investigating delinquencies, sending payment statements to Obligors, reporting tax information to Obligors, accounting for collections, furnishing monthly and annual statements to the Trustee and the Owner Trustee with respect to distributions. Without limiting the generality of the foregoing, and subject to the servicing standards set forth in this Agreement, the Servicer is authorized and empowered by the Trust to execute and deliver, on behalf of itself, the Trust or the Securityholders, any and all instruments of satisfaction or cancellation, or partial or full release or discharge, and all other comparable instruments, with respect to such Receivables or to the Financed Vehicles securing such Receivables and/or the certificates of title or, with respect to Financed Vehicles in the Non-Certificated Title States, other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority. If the Servicer shall commence a legal proceeding to enforce a Receivable, the Trust shall thereupon be deemed to have automatically assigned, solely for the purpose of collection, such Receivable to the Servicer. If in any enforcement suit or legal proceeding it shall be held that the Servicer may not enforce a Receivable on the ground that it shall not be a real party in interest or a holder entitled to enforce such Receivable, the Trust shall, at the Servicer's expense and direction, take steps to enforce such Receivable, including bringing suit in its name or the name of

the Securityholders. The Servicer shall prepare and furnish, and the Trustee and the Owner Trustee shall execute, any powers of attorney and other documents reasonably necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder.

SECTION 4.2 Collection of Receivable Payments; Modifications of Receivables; Lockbox Agreement»

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(a) Consistent with the standards, policies and procedures required by this Agreement, the Servicer shall make reasonable efforts to collect all payments called for under the terms and provisions of the Receivables as and when the same shall become due and shall follow such collection procedures as it follows with respect to all comparable automotive receivables that it services for itself or others; provided, however, that promptly after the Closing Date the Servicer shall notify each Obligor to make all payments with respect to the Receivables to the Post Office Box. The Servicer will provide each Obligor with a monthly statement in order to notify such Obligors to make payments directly to the Post Office Box. The Servicer shall allocate collections between principal and interest in accordance with the customary servicing procedures it follows with respect to all comparable automotive receivables that it services for itself or others and in accordance with the terms of this Agreement. Except as provided below, the Servicer may grant extensions on Receivables; provided, however, that the Servicer may not grant more than two extensions per calendar year with respect to a Receivable or grant an extension with respect to a Receivable for more than one calendar month or grant more than six extensions in the aggregate with respect to a Receivable (the "Aggregate Extension Limitation"); provided, further, however, that if the Servicer extends the date for final payment by the Obligor of any Receivable beyond the last day of the penultimate Collection Period preceding the Final Scheduled Payment Date, it shall promptly purchase the Receivable from the Trust in accordance with the terms of Section 4.7 (and for purposes thereof, the Receivable shall be deemed to be materially and adversely affected by such breach). In addition, if the Servicer grants extensions with respect to any Receivables in excess of the Aggregate Extension Limitation, the Servicer will promptly purchase such Receivables from the Trust in accordance with the terms of Section 4.7 (and for purposes thereof, such Receivables shall be deemed to be materially and adversely affected by such breach). The Servicer may in its discretion waive any late payment charge or any other fees that may be collected in the ordinary course of servicing a Receivable. Notwithstanding anything to the contrary contained herein, the Servicer shall not agree to any alteration of the interest rate on any Receivable or of the amount of any Scheduled Receivable Payment on Receivables, other than to the extent that such alteration is required by applicable law or, with respect to Liquidated Receivables, if the Servicer reasonably and in good faith determines that a settlement of the outstanding Principal Balance can be expected to increase the total amount to be received by the Issuer with respect to such Receivable, then the Servicer may accept less than the full unpaid balance with respect to such Receivable.

(b) The Servicer shall establish the Lockbox Account in the name of the Trust for the benefit of the Trustee for the further benefit of the Securityholders. Pursuant to the Lockbox Agreement, the Trustee has authorized the Servicer to direct dispositions of funds on deposit in the Lockbox Account to the Collection Account (but not to any other account), and no other Person, except the Lockbox Processor and the Trustee, has authority to direct the disposition of funds on deposit in the Lockbox Account. The Lockbox Agreement shall provide that Lockbox Banks will comply with the instructions originated by the Trustee relating to the disposition of funds on deposit in the Lockbox Account. The Trustee shall have no liability or responsibility with respect to the Lockbox Processor's directions or activities as set forth in the preceding sentence. The Lockbox Account shall be established pursuant to and maintained in accordance with the Lockbox Agreement and shall be a demand deposit account established and maintained with the Lockbox Bank; provided, however, that the Trustee shall give the Servicer prior written notice of any change made in the location of the Lockbox Account. The Trustee shall establish and maintain the Post Office Box at a United States Post Office Branch in the name of the Trust for the benefit of the Securityholders.

(c) Notwithstanding any Lockbox Agreement, or any of the provisions of this Agreement relating to the Lockbox Agreement, the Servicer shall remain obligated and liable to the Trust, the Trustee and Securityholders for servicing and administering the Receivables and the Other Conveyed Property in accordance with the provisions of this Agreement without diminution of such obligation or liability by virtue thereof.

(d) In the event CPS shall for any reason no longer be acting as the Servicer hereunder, the Backup Servicer or a successor Servicer shall thereupon assume all of the rights and obligations of the outgoing Servicer under the Lockbox Agreement arising from and after such assumption. In such event, the successor Servicer shall be deemed to have assumed all of the outgoing Servicer's interest therein and to have replaced the outgoing Servicer as a party to the Lockbox Agreement to the same extent as if such Lockbox Agreement had been assigned to the successor Servicer, except that the outgoing Servicer shall not thereby be relieved of any liability or obligations on the part of the outgoing Servicer to the Lockbox Bank under such Lockbox Agreement. The outgoing Servicer shall, upon request of the Trustee, but at the expense of the outgoing Servicer, deliver to the successor Servicer all documents and records relating to the Lockbox Agreement and an accounting of amounts collected and held by the Lockbox Bank and otherwise use its best efforts to effect the orderly and efficient termination of any Lockbox Agreement and transition of Obligor payments to the successor Servicer or to a lockbox established by the successor Servicer for the receipt of payments made in respect of the Receivables. The outgoing Servicer, at its expense, shall cause the Lockbox Bank to deliver to the successor Servicer or a successor Lockbox Bank, all documents and records relating to the Receivables and all amounts held (or thereafter received) by the Lockbox Bank (together with an accounting of such amounts). The outgoing Servicer shall deliver prompt written notice to the Rating Agency of any change or transfer of the Lockbox arrangements.

(e) On each Business Day, pursuant to the Lockbox Agreement, the Lockbox Processor will transfer any payments from Obligors received in the Post Office Box to the Lockbox Account. Within two Business Days of receipt of funds into the Lockbox Account, the Servicer shall cause the Lockbox Bank to transfer funds from the Lockbox Account to the Collection Account. In addition, the Servicer shall remit all payments by or on behalf of the Obligors received by the Servicer with respect to the Receivables (other than Purchased Receivables and Sold Receivables), and all Liquidation Proceeds no later than the Business Day following receipt directly (without deposit into any intervening account) into the Lockbox Account or the Collection Account. The Servicer shall not commingle its assets and funds with those on deposit in the Lockbox Account.

SECTION 4.3 Realization Upon Receivables»

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(a) On behalf of the Trust and the Securityholders, the Servicer shall use its best efforts, consistent with the servicing procedures set forth herein, to repossess or otherwise convert the ownership of the Financed Vehicle securing any Receivable as to which the Servicer shall have determined eventual payment in full is unlikely. The Servicer shall commence efforts to repossess or otherwise convert the ownership of a Financed Vehicle or sell the related Receivable to an unaffiliated third-party on or prior to the date that an Obligor has failed to make more than 90% of a Scheduled Receivable Payment thereon in excess of $10 for 120 days or more; provided, however, that the Servicer may elect not to commence such efforts within such time period if in its good faith judgment it determines either that it would be impracticable to do so or that the proceeds ultimately recoverable with respect to such Receivable would be increased by forbearance. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of automotive receivables, consistent with the standards of care set forth in Section 4.2, which may include reasonable efforts to realize upon any recourse to Dealers or Consumer Lenders and selling the Financed Vehicle at public or private sale. The foregoing shall be subject to the provision that, in any case in

which the Financed Vehicle shall have suffered damage, the Servicer shall not expend funds in connection with the repair or the repossession of such Financed Vehicle unless it shall determine in its discretion that such repair and/or repossession will increase the proceeds ultimately recoverable with respect to such Receivable by an amount greater than the amount of such expenses.

(b) Consistent with the standards, policies and procedures required by this Agreement, the Servicer may use its best efforts to locate a third party purchaser that is not affiliated with the Servicer, the Seller or the Issuer to purchase from the Issuer any Receivable that has become more than 120 days delinquent, and shall have the right to direct the Issuer to sell any such Receivable to such third-party purchaser; provided, that no more than 20% of the number of Receivables in the pool as of the Cutoff Date may be sold by the Issuer pursuant to this Section 4.3(b) in the aggregate; provided further, that the Servicer may elect to not direct the Issuer to sell a Receivable that has become more than 120 days delinquent if in its good faith judgment the Servicer determines that the proceeds ultimately recoverable with respect to such Receivable would be increased by forbearance. In selecting Receivables to be sold to a third party purchaser pursuant to this Section 4.3(b), the Servicer shall use commercially reasonable efforts to locate purchasers for the most delinquent Receivables first. In any event, the Servicer shall not use any procedure in selecting Receivables to be sold to third party purchasers that is materially adverse to the interest of the Securityholders. The Issuer shall sell each Sold Receivable for the greatest market price possible; provided, however, that aggregate Sale Amounts received by the Issuer for all Receivables sold to a single third-party purchaser on a single date must be at least equal to the sum of the Minimum Sale Prices for all such Receivables. The Servicer shall remit or cause the third-party purchaser to remit all sale proceeds from the sale of Receivables to the Collection Account without deposit into any intervening account as soon as practicable, but in no event later than the Business Day after receipt thereof.

SECTION 4.4 Insurance»

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(a) The Servicer, in accordance with the servicing procedures and standards set forth herein, shall require that (i) each Obligor shall have obtained insurance covering the Financed Vehicle, as of the date of the execution of the Receivable, insuring against loss and damage due to fire, theft, transportation, collision and other risks generally covered by comprehensive and collision coverage and each Receivable requires the Obligor to maintain such physical loss and damage insurance naming CPS and its successors and assigns as an additional insured, (ii) each Receivable that finances the cost of premiums for credit life and credit accident and health insurance is covered by an insurance policy or certificate naming CPS as policyholder (creditor) and (iii) as to each Receivable that finances the cost of an extended service contract, the respective Financed Vehicle which secures the Receivable is covered by an extended service contract.

(b) To the extent applicable, the Servicer shall not take any action which would result in noncoverage under any of the insurance policies referred to in Section 4.4(a) which, but for the actions of the Servicer, would have been covered thereunder. The Servicer, on behalf of the Trust, shall take such reasonable action as shall be necessary to permit recovery under any of the foregoing insurance policies. Any amounts collected by the Servicer under any of the foregoing insurance policies shall be deposited in the Collection Account.

SECTION 4.5 Maintenance of Security Interests in Vehicles»

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(a) Consistent with the policies and procedures required by this Agreement, the Servicer shall take such steps on behalf of the Trust as are necessary to maintain perfection of the security interest created by each Receivable in the related Financed Vehicle, including but not limited to obtaining the authorization of the Obligors and the recording, registering, filing, re-recording, re-registering and refiling of all security agreements, financing statements and continuation statements or instruments as are necessary to maintain the security interest granted by the Obligors under the respective Receivables. The Trustee hereby authorizes the Servicer, and the Servicer agrees, to take any and all steps necessary to re-perfect or continue the perfection of such security interest on behalf of the Trust as necessary because of the relocation of a Financed Vehicle or for any other reason. In the event that the assignment of a Receivable to the Trust is insufficient, without a notation on the related Financed Vehicle's certificate of title, or without fulfilling any additional administrative requirements under the laws of the State in which the Financed Vehicle is located, to perfect a security interest in the related Financed Vehicle in favor of the Trust, the Servicer hereby agrees that CPS's designation as the secured party on the certificate of title is in its capacity as Servicer as agent of the Trust.

(b) Upon the occurrence of a Servicer Termination Event, the Trustee and the Servicer shall take or cause to be taken, such action as may, in the opinion of counsel to the Trustee, which opinion shall not be an expense of the Trustee, be necessary to perfect or re-perfect the security interests in the Financed Vehicles securing the Receivables in the name of the Trust by amending the title documents of such Financed Vehicles or by such other reasonable means as may, in the opinion of counsel to the Trustee, which opinion shall not be an expense of the Trustee, be necessary or prudent. The Servicer hereby agrees to pay all expenses related to such perfection or re-perfection and to take all action necessary therefor.

SECTION 4.6 Additional Covenants of Servicer»

. The Servicer shall not release the Financed Vehicle securing each Receivable from the security interest granted by such Receivable in whole or in part except in the event of payment in full by the Obligor thereunder upon a sale of Sold Receivables or repossession, nor shall the Servicer impair the rights of the Securityholders in such Receivables, nor shall the Servicer amend a Receivable, except that extensions and waivers may be granted in accordance with Section 4.2. The Servicer shall not create, incur or suffer to exist any Lien or restriction on transferability of the Receivables nor, except as contemplated by the Basic Documents, sign or file under the UCC of any jurisdiction any financing statement that names CPS or the Servicer as debtor, nor sign any security agreement authorizing any secured party thereunder to file such financing statement, with respect to the Receivables. The Servicer shall take such actions as are necessary from time to time in order to maintain the perfection and priority of the Issuer's security interest in the Trust Property.

SECTION 4.7 Purchase of Receivables Upon Breach of Covenant»

(a) . Upon discovery by any of the Servicer, the Owner Trustee or the Trustee of a breach of any of the covenants set forth in Section 4.2(a), 4.4, 4.5 or 4.6, the party discovering such breach shall give prompt written notice to the others; provided, however, that the failure to give any such notice shall not affect any obligation of the Servicer under this Section 4.7. Unless the breach shall have been cured by the last day of the second Collection Period following such discovery (or, at the Servicer's election, the last day of the first following Collection Period), the Servicer shall purchase any Receivable with respect to which the Securityholders' interest therein or in the related Financed Vehicle is materially and adversely affected by such breach. In consideration of the purchase of such Receivable, the Servicer shall remit the Purchase Amount in the manner specified in Section 5.6. The sole remedy of the Trustee, the Trust, the Owner Trustee and the Securityholders with respect to a breach of Section 4.2(a), 4.4, 4.5 or 4.6 shall be to require the Servicer to repurchase Receivables pursuant to this Section 4.7; provided, however, that the Servicer shall indemnify the Trustee, the Backup Servicer, the Owner Trustee, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted

against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. If it is determined that the management, administration and servicing of the Receivables and operation of the Trust pursuant to this Agreement constitutes a violation of the prohibited transaction rules of ERISA or the Code to which no statutory exception or administrative exemption applies, such violation shall not be treated as a breach of Section 4.2(a), 4.4, 4.5 or 4.6 if not otherwise such a breach. Upon receipt of the Purchase Amount and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivables File and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by the Seller and delivered to the Trustee and necessary to vest in CPS or such designee title to the Receivable including a Trustee's Certificate in the form of Exhibit F-2.

SECTION 4.8 Servicing Fee»

. The Servicer shall be entitled to the "Servicing Fee" for each Payment Date, which shall be equal to the greater of (i) the result of one twelfth times 2.50% of the Pool Balance as of the first day of the related Collection Period and (ii) the product of the number of Receivables serviced by the successor Servicer during the related Collection Period and $15; provided, however, that with respect to the first Payment Date the Servicing Fee will be equal to the product of one-twelfth and 2.50% of the Original Pool Balance. In addition the Servicing Fee shall also include the Additional Servicing Compensation.

SECTION 4.9 Servicer's Certificate»

. By 9:00 a.m., Minneapolis time, on each Determination Date, the Servicer shall deliver to the Trustee, the Owner Trustee, the Rating Agency and the Seller a Servicer's Certificate containing all information necessary to make the distributions pursuant to Sections 5.7 and 5.8 (including, if required, withdrawals from the Series 2011-A Spread Account) for the Collection Period preceding the date of such Servicer's Certificate and all information necessary for the Trustee to send statements to the Securityholders pursuant to Section 5.8(b) and all information necessary to enable the Backup Servicer to verify the information specified in Section 4.13(b). Receivables to be purchased by the Servicer or to be purchased by CPS shall be identified by the Servicer by account number with respect to such Receivable (as specified in Schedule A).

SECTION 4.10 Annual Statement as to Compliance, Notice of Servicer Termination Event»

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(a) The Servicer shall deliver to the Owner Trustee, the Trustee, the Backup Servicer and the Rating Agency, on or before March 31 of each year beginning March 31, 2012, an Officer's Certificate, dated as of December 31 of the preceding year, stating that (i) a review of the activities of the Servicer during the preceding 12-month period (or, in the case of the first such Officer's Certificate, from the Closing Date to December 31, 2011) and of its performance under this Agreement has been made under such officer's supervision and (ii) to the best of such officer's knowledge, based on such review, the Servicer has fulfilled all its obligations under this Agreement throughout such year (or, in the case of the first such Officer's Certificate, from the Closing Date to December 31, 2011), or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof. The Trustee shall forward a copy of such certificate as well as the report referred to in Section 4.11 to each Noteholder and the Owner Trustee shall forward a copy to each Residual Certificateholder.

(b) The Servicer shall deliver to the Owner Trustee, the Trustee, the Backup Servicer and the Rating Agency, promptly after having obtained knowledge thereof, but in no event later than two (2) Business Days thereafter, written notice in an Officer's Certificate of any event which with the giving of notice or lapse of time, or both, would become a Servicer Termination Event under Section 10.1.

SECTION 4.11 Annual Independent Accountants' Report»

. The Servicer shall cause a firm of nationally recognized independent certified public accountants (the "Independent Accountants"), who may also render other services to the Servicer or to the Seller, to deliver to the Trustee, the Owner Trustee, the Backup Servicer and the Rating Agency, on or before March 31 of each year beginning March 31, 2012, a report dated as of December 31 of the previous year (the "Accountants' Report") and reviewing the Servicer's activities during the preceding 12-month period, addressed to the Board of Directors of the Servicer, to the Owner Trustee, the Trustee and the Backup Servicer, to the effect that such firm has examined the financial statements of the Servicer and issued its report therefor and that such examination (1) was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as such firm considered necessary in the circumstances; (2) included tests relating to auto loans serviced for others in accordance with the requirements of the Uniform Single Attestation Program for Mortgage Bankers (the "Program"), to the extent the procedures in the Program are applicable to the servicing obligations set forth in this Agreement; (3) included an examination of the delinquency and loss statistics relating to the Servicer's portfolio of automobile and light truck installment sales contracts; and (4) except as described in the report, disclosed no exceptions or errors in the records relating to automobile and light truck loans serviced for others that, in the firm's opinion, paragraph four of the Program requires such firm to report. The accountant's report shall further state that (A) a review in accordance with agreed upon procedures was made of two randomly selected Servicer Certificates; (B) except as disclosed in the report, no exceptions or errors in the Servicer Certificates were found; and (C) the delinquency and loss information relating to the Receivables and the stated amount of Liquidated Receivables, if any, contained in the Servicer Certificates were found to be accurate. In the event such firm requires the Trustee, the Owner Trustee and/or the Backup Servicer to agree to the procedures performed by such firm, the Servicer shall direct the Trustee, the Owner Trustee and/or the Backup Servicer, as applicable, in writing to so agree; it being understood and agreed that the Trustee, the Owner Trustee and/or the Backup Servicer will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and neither the Trustee, the Owner Trustee nor the Backup Servicer makes any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

The Report will also indicate that the firm is independent of the Servicer within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

SECTION 4.12 Access to Certain Documentation and Information Regarding Receivables»

. The Servicer shall provide to representatives of the Trustee, the Owner Trustee, the Backup Servicer and the Rating Agency reasonable access to the documentation regarding the Receivables. In each case, such access shall be afforded without charge but only upon reasonable request and during normal business hours. Nothing in this Section shall derogate from the obligation of the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligors, and the failure of the Servicer to provide access as provided in this Section as a result of such obligation shall not constitute a breach of this Section.

SECTION 4.13 Verification of Servicer's Certificate»

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(a) On or before the fifth calendar day of each month, the Servicer will deliver to the Trustee and the Backup Servicer a computer diskette (or other electronic transmission) in a format acceptable to the Trustee and the Backup Servicer containing information with respect to the Receivables as of the close of business on the last day of the related Collection Period which information is necessary for preparation of the Servicer's Certificate. The Backup Servicer shall use such computer diskette (or other electronic transmission) to verify certain information specified in Section 4.13(b) contained in the Servicer's Certificate delivered by the Servicer, and the Backup Servicer shall notify the Servicer of any discrepancies on or before the second Business Day following the Determination Date. In the event that the Backup Servicer reports any discrepancies, the Servicer and the Backup Servicer shall attempt to reconcile such discrepancies prior to the second Business Day prior to the related Payment Date, but in the absence of a reconciliation, the Servicer's Certificate shall control for the purpose of calculations and distributions with respect to the related Payment Date. In the event that the Backup Servicer and the Servicer are unable to reconcile discrepancies with respect to a Servicer's Certificate by the related Payment Date, the Servicer shall cause a firm of independent certified public accountants, at the Servicer's expense, to audit the Servicer's Certificate and, prior to the fifth calendar day of the following month, reconcile the discrepancies. The effect, if any, of such reconciliation shall be reflected in the Servicer's Certificate for such next succeeding Determination Date. Other than the duties specifically set forth in this Agreement, the Backup Servicer shall have no obligations hereunder, including, without limitation, to supervise, verify, monitor or administer the performance of the Servicer. The Backup Servicer shall have no liability for any actions taken or omitted by the Servicer. The duties and obligations of the Backup Servicer shall be determined solely by the express provisions of this Agreement and no implied covenants or obligations shall be read into this Agreement against the Backup Servicer.

(b) The Backup Servicer shall review each Servicer's Certificate delivered pursuant to Section 4.13(a) and shall:

(i) confirm that such Servicer's Certificate is complete on its face;

(ii) load the computer diskette (which shall be in a format acceptable to the Backup Servicer) received from the Servicer pursuant to Section 4.13(a) hereof, confirm that such computer diskette is in a readable form and calculate and confirm the Pool Balance for the most recent Payment Date;

(iii) confirm, based solely on the information shown on the Servicer's Certificate, that the Total Distribution Amount, the Class A Noteholders' Principal Distributable Amount, the Class B Noteholders' Principal Distributable Amount, the Class C Noteholders' Principal Distributable Amount, the Class D Noteholders' Principal Distributable Amount, the Aggregate Noteholders' Principal Distributable Amount, the Class A Parity Deficit Amount, the Class B Parity Deficit Amount, the Class C Parity Deficit Amount, the Class D Parity Deficit Amount, the Noteholders' Interest Distributable Amount for each Class of Notes, the amount, if any, to be distributed to the Residual Certificateholders on such Payment Date, the Backup Servicing Fee, the Servicing Fee, the Trustee Fees, the amount on deposit in the Series 2011-A Spread Account, the Cumulative Net Loss Rate in the Servicer's Certificate are accurate based solely on the recalculation of the Servicer's Certificate and without further investigation;

(iv) confirm the calculation of the Trigger Events based solely upon the information contained on the applicable computer diskette; and

(v) by the third Business Day following the Backup Servicer's receipt of the Servicer's Certificate and following the Backup Servicer's review of such Servicer's Certificate and the related monthly tape, the Backup Servicer shall provide the Trustee with a certificate (i) describing those activities it performed in its review of the monthly tape and the Servicer's Certificate, (ii) listing those parts of the Servicer's Certificate that it confirmed were correct, (iii) listing those parts of the Servicer's Certificate that it found to be incorrect, and (iv) describing any discrepancies, inconsistencies, incorrect information or incorrect calculations that were revealed by its review of the Servicer's Certificate and the related monthly tape.

(c) On or prior to the Closing Date, the Backup Servicer will cause an affiliate of the Back-up Servicer to data map to their servicing system all servicing/loan file information, including all relevant borrower contact information such as address and phone numbers as well as loan balance and payment information, including comment histories and collection notes. On or before the fifth calendar day of each month, the Servicer will provide to an affiliate of the Backup Servicer an electronic transmission of all servicing/loan information, including all relevant borrower contact information such as address and phone numbers as well as loan balance and payment information, including comment histories and collection notes, and the Backup Servicer will cause such affiliate to review each file to ensure that it is in readable form and verify that the data balances conform to the trial balance reports received from the Servicer. Additionally, the Backup Servicer shall cause such affiliate to store each such file.

SECTION 4.14 [Reserved]»

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SECTION 4.15 Fidelity Bond»

. The Servicer shall maintain a fidelity bond in such form and amount as is customary for entities acting as custodian of funds and documents in respect of consumer contracts on behalf of institutional investors.

SECTION 4.16 Optional Purchase of Certain Receivables»

. CPS shall have the right, which right may be assigned by CPS to an Affiliate, but not the obligation, to repurchase on the last day of any Collection Period any Defaulted Texas Receivables at a price equal to at least the fair market value of such Defaulted Texas Receivables, so long as the fair market value is not less than the related aggregate Purchase Amount, plus the costs and expenses of the Servicer and the Trust (including any outstanding reimbursements) in connection with such optional purchase. To exercise such option, CPS shall (subject to the proviso below) deposit in the Collection Account pursuant to Section 5.6 (or remit to the Servicer, if CPS is not then Servicer) an amount equal to the related aggregate Purchase Amount for such Defaulted Texas Receivables and thereafter shall succeed to all interests of the Trust in and to such Defaulted Texas Receivables. Upon notice of receipt of the related aggregate Purchase Amount for such Defaulted Texas Receivables and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivables Files and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by CPS and delivered to the Trustee and necessary to vest in CPS or such designee title to such Defaulted Texas Receivables including a Trustee's Certificate in the form of Exhibit F-2.

ARTICLE V

TRUST ACCOUNTS; DISTRIBUTIONS; STATEMENTS TO SECURITYHOLDERS

SECTION 5.1 Establishment of Trust Accounts»

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(a) The Trustee, on behalf of the Securityholders, shall establish and maintain in its own name an Eligible Account (the "Collection Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Securityholders. On the Closing Date, the Servicer will deposit, on behalf of the Seller, in the Collection Account, an amount equal to $[_____], such amount representing collections on the Receivables received from and including the day after the Cutoff Date through the Business Day immediately preceding the Closing Date, but not previously deposited into the Collection Account.

(b) The Trustee, on behalf of the Noteholders, shall establish and maintain in its own name an Eligible Account (the "Principal Distribution Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Noteholders. The Principal Distribution Account shall initially be established with the Trustee.

(c) The Trustee, on behalf of the Noteholders, shall establish and maintain in its own name an Eligible Account (the "Series 2011-A Spread Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Noteholders. The Series 2011-A Spread Account shall initially be established with the Trustee. On the Closing Date, the Seller shall deposit the Initial Spread Account Deposit in the Series 2011-A Spread Account from the proceeds of the sale of the Notes.

(d) Funds on deposit in the Collection Account and the Series 2011-A Spread Account shall be invested by the Trustee (or any custodian with respect to funds on deposit in any such account) in Eligible Investments selected in writing by the Servicer (pursuant to standing instructions or otherwise). Funds on deposit in the Principal Distribution Account shall not be invested. All such Eligible Investments shall be held by or on behalf of the Trustee for the benefit of the Securityholders. Other than as permitted by the Rating Agency, funds on deposit in any Trust Account shall be invested in Eligible Investments that will mature so that such funds will be available at the close of business on the Business Day immediately preceding the following Payment Date. Funds deposited in a Trust Account on the day immediately preceding a Payment Date upon the maturity of any Eligible Investments are not required to be invested overnight. All Eligible Investments will be held to maturity.

(e) All investment earnings of moneys deposited in the Trust Accounts shall be deposited (or caused to be deposited) by the Trustee in the Collection Account for distribution pursuant to Section 5.7(a) and any loss resulting from such investments shall be charged to such account. The Servicer will not direct the Trustee to make any investment of any funds held in any of the Trust Accounts unless the security interest granted and perfected in such account will continue to be perfected in such investment, in either case without any further action by any Person, and, in connection with any direction to the Trustee to make any such investment, if requested by the Trustee, the Servicer shall deliver to the Trustee an Opinion of Counsel, acceptable to the Trustee, to such effect.

(f) The Trustee shall not in any way be held liable by reason of any insufficiency in any of the Trust Accounts resulting from any loss on any Eligible Investment included therein except for losses attributable to the Trustee's negligence or bad faith or its failure to make payments on such Eligible Investments issued by the Trustee, in its commercial capacity as principal obligor and not as trustee, in accordance with their terms.

(g) If (i) the Servicer shall have failed to give investment directions for any funds on deposit in the Trust Accounts to the Trustee by 1:00 p.m. Eastern Time (or such other time as may be agreed by the Issuer and Trustee) on any Business Day; or (ii) an Event of Default shall have occurred and be continuing but the Notes shall not have been declared due and payable, or, if such Notes shall have been declared due and payable following an Event of Default, amounts collected or receivable from the Trust Property are being applied as if there had not been such a declaration; then the Trustee shall, to the fullest extent practicable, invest and reinvest funds in the Trust Accounts in one or more Eligible Investments described in clause (ii) of the definition thereof.

(h) The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts and in all proceeds thereof (including all Investment Earnings on the Trust Accounts) and all such funds, investments, proceeds and income shall be part of the Trust Property. Except as otherwise provided herein, the Trust Accounts shall be under the sole dominion and control of the Trustee. If at any time any of the Trust Accounts ceases to be an Eligible Account, the Servicer shall within five Business Days establish a new Trust Account as an Eligible Account and shall transfer any cash and/or any investments to such new Trust Account. The Servicer shall promptly notify the Rating Agency and the Owner Trustee of any change in the location of any of the aforementioned accounts. In connection with the foregoing, the Servicer agrees that, in the event that any of the Trust Accounts are not accounts with the Trustee, the Servicer shall notify the Trustee in writing promptly upon any of such Trust Accounts ceasing to be an Eligible Account.

(i) Notwithstanding anything to the contrary herein or in any other document relating to a Trust Account, the "securities intermediary's jurisdiction" (within the meaning of Section 8-110 of the UCC) or the "bank's jurisdiction" (with the meaning of 9-304 of the UCC), as applicable, with respect to each Trust Account shall be the State of New York.

(j) With respect to the Trust Account Property, the Trustee agrees that:

(A) any Trust Account Property that is held in deposit accounts shall be held solely in an Eligible Account; and, each such Eligible Account shall be subject to the exclusive custody and control of the Trustee and the Trustee shall have sole signature authority with respect thereto; and

(B) any other Trust Account Property shall be delivered to the Trustee in accordance with the definition of "Delivery".

SECTION 5.2 [Reserved]»

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SECTION 5.3 Certain Reimbursements to the Servicer»

. The Servicer will be entitled to be reimbursed from amounts on deposit in the Collection Account with respect to a Collection Period for amounts previously deposited in the Collection Account but later determined by the Servicer to have resulted from mistaken deposits or postings or checks returned for insufficient funds. The amount to be reimbursed hereunder shall be paid to the Servicer on the related Payment Date pursuant to Section 5.7(a)(ii) upon

certification by the Servicer of such amounts and the provision of such information to the Trustee; provided, however, that the Servicer must provide such certification within three months of its becoming aware of such mistaken deposit, posting or returned check.

SECTION 5.4 Application of Collections»

. All collections for each Collection Period shall be applied by the Servicer as follows:

With respect to each Receivable (other than a Purchased Receivable or a Sold Receivable), payments by or on behalf of the Obligor shall be applied to interest and principal in accordance with the Simple Interest Method.

SECTION 5.5 Withdrawals from Series 2011-A Spread Account»

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(a) In the event that the Servicer's Certificate with respect to any Determination Date shall state that the Total Distribution Amount with respect to such Determination Date is insufficient to make the payments required to be made on the related Payment Date pursuant to Sections 5.7(a)(i) through (xvi) (such deficiency being a "Deficiency Claim Amount"), then on or prior to the Business Day immediately preceding the related Payment Date, the Trustee shall deliver to the Owner Trustee and the Servicer, by hand delivery, telex or facsimile transmission, a written notice (a "Deficiency Notice") specifying the Deficiency Claim Amount for such Payment Date. On the related Payment Date, the Trustee shall transfer an amount equal to such Deficiency Claim Amount from the Series 2011-A Spread Account (to the extent of funds on deposit therein) to the Collection Account for distribution pursuant to Sections 5.7(a)(i) through (xvi).

(b) On each Payment Date, to the extent that there are amounts on deposit in the Series 2011-A Spread Account (after the distribution of amounts from the Collection Account in accordance with Sections 5.7(a)(i) through (xvi) on such Payment Date) in excess of the Specified Spread Account Requisite Amount, the Trustee shall transfer such amounts to the Collection Account for distribution on such Payment Date pursuant to Sections 5.7(xviii) through (xxi).

SECTION 5.6 Additional Deposits»

. The Servicer or CPS, as the case may be, shall deposit or cause to be deposited in the Collection Account the aggregate Purchase Amount with respect to Purchased Receivables, the aggregate Sale Amount with respect to Sold Receivables and all amounts to be paid by CPS pursuant to its indemnification obligations under the Basic Documents and the Servicer shall deposit or cause to be deposited therein all amounts to be paid under Sections 4.16 and 11.1. All such deposits made pursuant to Section 4.16 shall be made, in immediately available funds, on the Business Day preceding the related Determination Date. All such deposits made pursuant to Section 11.1 shall be made, in immediately available funds, on the Business Day preceding the related Payment Date. On each Payment Date, the Trustee shall remit to the Collection Account any amounts withdrawn from the Series 2011-A Spread Account pursuant to Section 5.5.

SECTION 5.7 Distributions»

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(a) On each Payment Date, the Trustee (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) shall make the following distributions in the following order of priority:

(i) to the Backup Servicer so long as the Backup Servicer is not acting as the successor Servicer, from the Total Distribution Amount and any amount deposited in the Collection Account pursuant to Section 5.5(a), the Backup Servicing Fee and all unpaid Backup Servicing Fees from prior Collection Periods;

(ii) to the Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clause (i) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), the Servicing Fee and all unpaid Servicing Fees from prior Collection Periods and all reimbursements to which the Servicer is entitled pursuant to Section 5.3;

(iii) to the Backup Servicer or such other Person appointed successor Servicer pursuant to Section 10.3(b), from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) and (ii) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), to the extent not previously paid by the predecessor Servicer pursuant to this Agreement, reasonable transition expenses (up to a maximum of $150,000 for all such expenses incurred over the term of this Agreement) incurred by such Person in becoming the successor Servicer;

(iv) concurrently, to the Trustee and the Owner Trustee, *pro rata*, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iii) above) and any amount deposited in the Collection Account pursuant to Section 5.5(a), the Trustee Fees and reasonable out-of-pocket expenses thereof (including reasonable counsel fees and expenses), and all unpaid Trustee Fees and unpaid reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) from prior Collection Periods; provided, however, that expenses and other amounts payable to the Trustee and the Owner Trustee pursuant to this clause (iv) shall be limited to a total of $50,000 per annum; provided further, however, that if an Event of Default specified under Section 5.1(a)(i) or (ii) of the Indenture has occurred and is continuing then such expenses payable pursuant to this priority (iv) shall not be so limited;

(v) to the holders of the Class A Notes, *pro rata*, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iv) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), the Noteholders' Interest Distributable Amount for the Class A Notes for such Payment Date;

(vi) to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (v) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class A Parity Deficit Amount;

(vii) if such Payment Date is the Final Scheduled Payment Date, to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (vi) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class A Note Balance;

(viii) to the Holders of the Class B Notes, *pro rata*, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (vii) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Noteholders' Interest Distributable Amount for the Class B Notes for such Payment Date;

(ix) to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (viii) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class B Parity Deficit Amount;

(x) if such Payment Date is the Final Scheduled Payment Date, to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (ix) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class B Note Balance;

(xi) to the Holders of the Class C Notes, *pro rata*, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (x) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Noteholders' Interest Distributable Amount for the Class C Notes for such Payment Date;

(xii) to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (xi) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class C Parity Deficit Amount;

(xiii) if such Payment Date is the Final Scheduled Payment Date, to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (xii) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class C Note Balance;

(xiv) to the Holders of the Class D Notes, *pro rata*, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (xiii) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Noteholders' Interest Distributable Amount for the Class D Notes for such Payment Date;

(xv) to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (xiv) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class D Parity Deficit Amount;

(xvi) if such Payment Date is the Final Scheduled Payment Date, to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (xv) above), and any amount deposited in the Collection Account pursuant to Section 5.5(a), an amount equal to the Class D Note Balance;

(xvii) to the Trustee, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (xvi) above) for deposit into the Series 2011-A Spread Account, the remaining Total Distribution Amount until the amount in the Series 2011-A Spread Account equals the Specified Spread Account Requisite Amount;

(xviii) to the Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (xvii) above), an amount equal to the Additional Servicing Compensation due for the related Payment Date, together with any past due amounts for any prior Payment Date, will be paid to the Servicer;

(xix) to the extent not previously paid, to the Principal Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (xviii) above), the Aggregate Noteholders' Principal Distributable Amount, if any, for such Payment Date;

(xx) to the Backup Servicer, the Trustee and the Owner Trustee, as applicable, from the Total Distribution Amount (as such Total Distribution has been reduced by payments made pursuant to clauses (i) through (xix) above), any amounts owing to the Backup Servicer, the Trustee and Owner Trustee under the Basic Documents, to the extent not previously paid, and

(xxi) to the Certificate Distribution Account, for distribution by the Trust Paying Agent in accordance with the provisions of the Trust Agreement, any remaining Total Distribution Amount;

provided, however, that, following an acceleration of the Notes pursuant to Section 5.2(a) of the Indenture, the Total Distribution Amount shall be paid pursuant to Section 5.6(a) of the Indenture.

(b) In the event that the Collection Account is maintained with an institution other than the Trustee, the Servicer shall instruct and cause such institution to make all deposits and distributions pursuant to Section 5.7(a) on the related Payment Date.

SECTION 5.8 Principal Distribution Account»

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(a) On each Payment Date, the Trustee shall distribute all amounts on deposit in the Principal Distribution Account to the Noteholders in respect of the Notes to the extent of amounts due and unpaid on the Notes for principal in the following amounts and in the following order of priority:

(i) to the Holders of the Class A Notes in reduction of the Class A Note Balance, the Class A Noteholders' Principal Distributable Amount, if any, for such Payment Date;

(ii) to the Holders of the Class B Notes, in reduction of the Class B Note Balance, the Class B Noteholders' Principal Distributable Amount, if any, for such Payment Date;

(iii) to the Holders of the Class C Notes, in reduction of the Class C Note Balance, the Class C Noteholders' Principal Distributable Amount, if any, for such Payment Date; and

(iv) to the Holders of the Class D Notes, in reduction of the Class D Note Balance, the Class D Noteholders' Principal Distributable Amount, if any, for such Payment Date.

(b) On each Payment Date, the Trustee shall provide or make available electronically (or, upon written request, by first class mail or facsimile) to each Noteholder the statement or statements provided to the Trustee by the Servicer pursuant to Section 5.11 hereof on such Payment Date; *provided, however,* the Trustee shall have no obligation to provide such information described in this Section 5.8(b) until it has received the requisite information from the Servicer.

(c) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to a Noteholder, such tax shall reduce the amount otherwise distributable to the Noteholder in accordance with this Section 5.8. The Trustee is hereby authorized and directed to retain from amounts otherwise distributable to the Noteholders sufficient funds for the payment of any tax that is legally owed by the Trust (but such authorization shall not prevent the Trustee from contesting any such tax in appropriate proceedings, and withholding payment of such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to a Noteholder shall be treated as cash distributed to such Noteholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If, after consultations with experienced counsel, the Trustee determines that there is a reasonable likelihood that withholding tax is payable with respect to a distribution (such as a distribution to a Non-United States Investor), the Trustee may in its sole discretion withhold such amounts in accordance with this clause (c). In the event that a Noteholder wishes to apply for a refund of any such withholding tax, the Trustee shall reasonably cooperate with such Noteholder in making such claim so long as such Noteholder agrees to reimburse the Trustee for any out-of-pocket expenses incurred.

(d) Distributions required to be made to Noteholders on any Payment Date shall be made to each Noteholder of record on the preceding Record Date either by wire transfer, in immediately available funds, to the account of such Noteholder at a bank or other entity having appropriate facilities therefor, if (i) such Holder shall have provided to the Note Registrar appropriate written instructions at least five Business Days prior to such Payment Date and such Holder's Notes in the aggregate evidence a denomination of not less than $1,000,000 or (ii) such Noteholder is the Seller, or an Affiliate thereof, or, if not, by check mailed to such Noteholder at the address of such holder appearing in the Note Register; provided, however, that, unless Definitive Notes have been issued pursuant to Section 2.12 of the Indenture, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), distributions will be made by wire transfer in immediately available funds to the account designated by such nominee. Notwithstanding the foregoing, the final distribution in respect of any Note (whether on the Final Scheduled Payment Date or otherwise) will be payable only upon presentation and surrender of such Note at the office or agency maintained for that purpose by the Note Registrar pursuant to Section 2.4 of the Indenture.

Each Noteholder, by its acceptance of its Note, will be deemed to have consented to the provisions of Sections 5.7 and 5.8 relating to the priority of payments, and will be further deemed to have acknowledged that no property rights in any amount or the proceeds of any such amount shall vest in such Noteholder until such amounts have been distributed to such Noteholder pursuant to such provisions; *provided*, that the foregoing shall not restrict the right of any Noteholder, upon compliance with the provisions hereof from seeking to compel the performance of the provisions hereof by the parties hereto.

SECTION 5.9 [Reserved]

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SECTION 5.10 [Reserved].

SECTION 5.11 Statements to Securityholders»

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(a) On or prior to each Payment Date, the Servicer shall provide to the Trustee and the Owner Trustee (with a copy to the Rating Agency) for the Trustee and the Owner Trustee to forward to each Securityholder of record (in the case of the Trustee, pursuant to Section 5.8(b)) the statement or statements provided by the Servicer in substantially the form attached hereto as Exhibit E setting forth at least the following information:

(i) the amount of any distributions allocable to principal of each Class of Notes;

(ii) the amount of such distribution allocable to interest on or with respect to each Class of Notes;

(iii) the Pool Balance as of the close of business on the last day of the related Collection Period;

(iv) the Note Balance for each Class of Notes after giving effect to payments allocated to principal reported under clause (i) above;

(v) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period, and the amount of any unpaid Servicing Fees and the change in such amount from the prior Payment Date;

(vi) the amount of the Backup Servicing Fee and the Trustee Fees paid to the Backup Servicer, the Trustee and the Owner Trustee, as applicable, with respect to the related Collection Period, and the amount of any unpaid Backup Servicing Fees and Trustee Fees and the change in all such amounts from the prior Payment Date;

(vii) the Noteholders' Interest Carryover Shortfall for each Class of Notes for such Payment Date;

(viii) the amount, if any, paid to the Noteholders from the Series 2011-A Spread Account for such Payment Date;

(ix) the aggregate amount in the Series 2011-A Spread Account and the change in such amount from the previous Payment Date and the Specified Spread Account Requisite Amount for such Payment Date;

(x) the number of Receivables and the aggregate net balance thereon for which the related Obligors are delinquent in making Scheduled Receivable Payments for (a) 31 to 60 days, (b) 61 to 90 days, and (c) 91 days or more;

(xi) the number and the aggregate Purchase Amounts for Receivables purchased by CPS or purchased by the Servicer during the related Collection Period and summary information as to losses and delinquencies with respect to such Receivables;

(xii) the Principal Balance of all Receivables that have become Liquidated Receivables, net of Recoveries, during the related Collection Period;

(xiii) the cumulative Principal Balance of all Receivables that have become Liquidated Receivables, net of Recoveries, during the period from the Cutoff Date to the last day of the related Collection Period;

(xiv) the amount of any Texas Franchise Tax due and owing by CPS under the Receivables Purchase Agreement to the taxing authority of the State of Texas on or prior to the related Payment Date or paid by CPS since the prior Payment Date;

(xv) the Three-Month Rolling Average Extension Ratio, the Cumulative Net Loss Rate, the Delinquency Ratio and the Three-Month Rolling Average Delinquency Ratio; and

(xvi) the aggregate Sale Amount with respect to Sold Receivables, if any, during the related Collection Period.

(b) Within 60 days after the end of each calendar year, the Servicer shall deliver to the Trustee a statement setting forth the amounts paid during such preceding calendar year in respect of paragraphs (i), (ii), (v) and (vi) above. The Trustee shall mail a copy of such statement to each person who at any time during such preceding calendar year shall have been a Securityholder of record and received any payment in respect of the Securities.

(c) The Trustee may make available to the Securityholders, via the Trustee's Internet Website, all statements described herein and, with the consent or at the direction of the Seller, such other information regarding the Notes and/or the Receivables as the Trustee may have in its possession, but only with the use of a password provided by the Trustee. The Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

The Trustee's Internet Website shall be initially located at "www.CTSLink.com" or at such other address as shall be specified by the Trustee from time to time in writing to the Securityholders. In connection with providing access to the Trustee's Internet Website, the Trustee may require registration and the acceptance of a disclaimer. The Trustee shall not be liable for the dissemination of information in accordance with this Agreement.

(d) The Servicer will supply to the Trustee, at the time and in the manner required by applicable Treasury Regulations, for further distribution to such Persons, and to the extent, required by applicable Treasury Regulations information with respect to any "original issue discount" accruing on the Class C Notes and the Class D Notes.

ARTICLE VI
[RESERVED]»

ARTICLE VII
[RESERVED]

ARTICLE VIII
THE SELLER

SECTION 8.1 Representations of the Seller»

. The Seller makes the following representations for the benefit of the Securityholders and on which the Issuer is deemed to have relied in acquiring the Receivables and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party. The representations speak as of the execution and delivery of this Agreement, as of the Closing Date and shall survive the sale of the Receivables to the Issuer and the pledge thereof to the Trustee pursuant to the Indenture and the issuance of the Notes and the Residual Pass-through Certificates.

(a) Organization and Good Standing. The Seller has been duly formed and is validly existing as a limited liability company solely under the laws of the State of Delaware and is 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 currently conducted, and had at all relevant times, and now has, power, authority and legal right to acquire, own and sell the Receivables and the Other Conveyed Property transferred to the Trust.

(b) Due Qualification. The Seller is duly qualified to do business as a foreign 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 or the consummation of the transactions contemplated by the Basic Documents shall require such qualifications.

(c) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and the Basic Documents to which it is a party and to carry out its terms and their terms, respectively; the Seller has full power and authority to sell and assign the Receivables and the Other

Conveyed Property to be sold and assigned to and deposited with the Trust by it and has duly authorized such sale and assignment to the Trust by all necessary corporate action; and the execution, delivery and performance of this Agreement and the Basic Documents to which the Seller is a party have been duly authorized by the Seller by all necessary corporate action.

(d) Valid Sale, Binding Obligations. This Agreement effects a valid sale, transfer and assignment of the Receivables and the Other Conveyed Property, enforceable against the Seller and creditors of and purchasers from the Seller; and this Agreement and the Basic Documents to which the Seller is a party, when duly executed and delivered, shall constitute legal, valid and binding obligations of the Seller enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the Basic Documents and the fulfillment of the terms of this Agreement and the Basic Documents shall not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice, lapse of time or both) a default under the certificate of formation or the limited liability company agreement of the Seller, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Seller is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than the Basic Documents, or violate any law, order, rule or regulation applicable to the Seller of any court or of any Federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or any of its properties.

(f) No Proceedings. There are no proceedings or investigations pending or, to the Seller's knowledge, threatened against the Seller, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Seller or its properties (A) asserting the invalidity of this Agreement, the Securities or any of the Basic Documents, (B) seeking to prevent the issuance of the Securities or the consummation of any of the transactions contemplated by this Agreement or any of the Basic Documents, (C) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement or any of the Basic Documents, or (D) relating to the Seller and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Securities.

(g) No Consents. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required for the issuance or sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(h) Financial Condition. The Seller has a positive net worth and is able to and does pay its liabilities as they mature. The Seller is not in default under any obligation to pay money to any Person except for matters being disputed in good faith which do not involve an obligation of the Seller on a promissory note. The Seller will not use the proceeds from the transactions contemplated by the Basic Documents to give any preference to any creditor or class of creditors, and such transaction will not leave the Seller with remaining assets which are unreasonably small compared to its ongoing operations.

(i) Fraudulent Conveyance. The Seller is not selling the Receivables to the Trust with any intent to hinder, delay or defraud any of its creditors; the Seller will not be rendered insolvent as a result of the sale of the Receivables to the Trust.

(j) Tax Returns. The Seller has filed on a timely basis all tax returns which are required to be filed by it and paid all taxes, including any assessments received by it, to the extent that such taxes have become due (other than taxes, the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided by the books of the Seller).

(k) Certificates, Statements and Reports. Neither this Agreement nor any officer's certificates, statements, reports or other documents prepared by Seller and furnished by Seller to the Trustee pursuant to this Agreement or any other Basic Document to which it is a party, and in connection with the transactions contemplated hereby or thereby (including but not limited to information regarding loan loss, foreclosure and delinquency experience), 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 herein or therein not misleading.

(l) Legal Counsel, etc. Seller consulted with its own legal counsel and independent accountants to the extent it deems necessary regarding the tax, accounting and regulatory consequences of the transactions contemplated hereby, Seller is not participating in such transactions in reliance on any representations of any other party, their affiliates, or their counsel with respect to tax, accounting and regulatory matters.

(m) Chief Executive Office. The chief executive office of the Seller is at 19500 Jamboree Road, Irvine, California 92612.

(n) Separateness Covenants. The Seller is in compliance in all material respects with Section 9(b) of its limited liability company agreement relating to the separateness of the Seller from any other Person.

SECTION 8.2 Sale Treatment »

. The Seller agrees to treat the conveyances hereunder as secured financings for tax and accounting purposes and as a sale for all other purposes (including without limitation legal and bankruptcy purposes), on all relevant books, records, tax returns, financial statements and other applicable documents.

SECTION 8.3 [Reserved]»

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SECTION 8.4 Liability of Seller; Indemnities»

. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement.

(a) The Seller shall indemnify, defend and hold harmless the Issuer, the Owner Trustee, the Securityholders, the Backup Servicer and the Trustee from and against any taxes that may at any time be asserted against any such Person with respect to the transactions contemplated in this Agreement and any of the Basic Documents (except any income taxes arising out of fees paid to the Owner Trustee, the Trustee and the Backup Servicer and except any taxes to which the Owner Trustee, or the Trustee may otherwise be subject), including without limitation any sales, gross receipts, general corporation, tangible personal

property, privilege or license taxes (but, in the case of the Issuer and the Securityholders, not including any taxes asserted with respect to federal or other income taxes arising out of distributions on the Notes and the Residual Pass-through Certificates) and costs and expenses in defending against the same.

(b) The Seller shall indemnify, defend and hold harmless the Issuer, the Owner Trustee, the Trustee and the Securityholders from and against any loss, liability or expense incurred by reason of (i) the Seller's willful misfeasance, bad faith or negligence in the performance of its duties under this Agreement, or by reason of reckless disregard of its obligations and duties under this Agreement and (ii) the Seller's or the Issuer's violation of Federal or State securities laws in connection with the offering and sale of the Notes or the Residual Pass-through Certificates.

(c) The Seller shall indemnify, defend and hold harmless each of the Owner Trustee, the Trustee and the Backup Servicer and its respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of, or incurred in connection with the acceptance or performance of the trusts and duties set forth herein and in the Basic Documents (other than overhead and expenses incurred in the normal course of business) except to the extent that such cost, expense, loss, claim, damage or liability shall be due to such entity's (or its officers', directors', employees' or agents') willful misfeasance, bad faith or negligence (except for errors in judgment).

Indemnification under this Section shall survive the resignation or removal of the Owner Trustee, the Trustee or the Backup Servicer and the termination of this Agreement or the Indenture or the Trust Agreement, as applicable, and shall include reasonable fees and expenses of counsel and other expenses of litigation. If the Seller shall have made any indemnity payments pursuant to this Section and the Person to or on behalf of whom such payments are made thereafter shall collect any of such amounts from others, such Person shall promptly repay such amounts to the Seller, without interest.

SECTION 8.5 Merger or Consolidation of, or Assumption of the Obligations of, Seller»

. Any Person (a) into which the Seller may be merged or consolidated, (b) which may result from any merger or consolidation to which the Seller shall be a party or (c) which may succeed to the properties and assets of the Seller substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Seller under this Agreement, shall be the successor to the Seller hereunder without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 3.1 shall have been breached and no Servicer Termination Event, and no event which, after notice or lapse of time, or both, would become a Servicer Termination Event shall have occurred and be continuing, (ii) the Seller shall have delivered to the Owner Trustee and the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, (iii) the Rating Agency Condition shall have been satisfied with respect to such transaction and (iv) the Seller shall have delivered to the Owner Trustee and the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements and amendments thereto have been authorized and filed that are necessary fully to preserve and protect the interest of the Owner Trustee and the Trustee, respectively, in the Receivables and the Other Conveyed Property and reciting the details of such filings or (B) no such action shall be necessary to preserve and protect such interest. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clauses (i), (ii), (iii) and (iv) above shall be conditions to the consummation of the transactions referred to in clauses (a), (b) or (c) above.

SECTION 8.6 Limitation on Liability of Seller and Others»

. The Seller and any director or officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising under any Basic Document. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action that shall not be incidental to its obligations under this Agreement, and that in its opinion may involve it in any expense or liability.

SECTION 8.7 Seller May Own Residual Pass-through Certificates or Notes»

. The Seller and any Affiliate thereof may in its individual or any other capacity become the owner or pledgee of Securities with the same rights as it would have if it were not the Seller or an Affiliate thereof, except as expressly provided herein or in any Basic Document. Securities so owned by the Seller or such Affiliate shall have an equal and proportionate benefit under the provisions of the Basic Documents, without preference, priority or distinction as among all of the Securities; provided, however, that any Notes owned by the Seller or any Affiliate thereof, during the time such Securities are so owned by them, shall be without voting rights for any purpose set forth in the Basic Documents. The Seller shall notify the Owner Trustee and the Trustee promptly after it or any of its Affiliates become the owner of a Security.

ARTICLE IX
THE SERVICER

SECTION 9.1 Representations of Servicer»

. The Servicer makes the following representations for the benefit of the Securityholders, on which the Issuer is deemed to have relied in acquiring the Receivables and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party. The representations speak as of the execution and delivery of this Agreement and as of the Closing Date and shall survive the sale of the Receivables to the Issuer and the pledge thereof to the Trustee pursuant to the Indenture.

(a) Organization and Good Standing. The Servicer has been duly incorporated and is validly existing as a corporation solely under the laws of the State of California, in good standing thereunder, with power, authority and legal right to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and had at all relevant times, and shall have, power, authority and legal right to acquire, own and service the Receivables.

(b) Due Qualification. Subject to the following sentence, the Servicer is duly qualified to do business as a foreign corporation in good standing and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the Receivables as required by this Agreement) or the consummation of the transactions contemplated by the Basic Documents requires or shall require such qualification. The Servicer's qualification to do business in the State of North Carolina has been suspended due to the failure to file a required tax return for 2003. The Servicer will make the necessary filings and payments to cure such suspension by no later than May 27, 2011 and will present the Trustee with satisfactory evidence that such suspension has been cured by no later than July 26, 2011.

(c) Power and Authority. The Servicer has the power and authority to execute and deliver this Agreement and the Basic Documents to which it is a party and to carry out its terms and their terms, respectively, and the execution, delivery and performance of this Agreement and the Basic

Documents to which it is a party have been duly authorized by the Servicer by all necessary corporate action.

(d) Binding Obligation. This Agreement and the Basic Documents to which the Servicer is a party shall constitute legal, valid and binding obligations of the Servicer enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the Basic Documents to which to the Servicer is a party, and the fulfillment of the terms of this Agreement and the Basic Documents to which the Servicer is a party, shall not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the articles of incorporation or bylaws of the Servicer, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Servicer is a party or by which it is bound or any of its properties are subject, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than the Basic Documents, or violate any law, order, rule or regulation applicable to the Servicer of any court or of any Federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Servicer or any of its properties.

(f) No Proceedings. There are no proceedings or investigations pending or, to the Servicer's knowledge, threatened against the Servicer, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Servicer or its properties (A) asserting the invalidity of this Agreement or any of the Basic Documents, (B) seeking to prevent the issuance of the Securities or the consummation of any of the transactions contemplated by this Agreement or any of the Basic Documents, or (C) except for the Pending Litigation, seeking any determination or ruling that might materially and adversely affect the performance by the Servicer of its obligations under, or the validity or enforceability of, this Agreement, the Securities or any of the Basic Documents or (D) relating to the Servicer and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Securities.

(g) No Consents. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required for the issuance or sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(h) Taxes. The Servicer has filed on a timely basis all tax returns which are required to be filed by it and paid all taxes, including any assessments received by it, to the extent that such taxes have become due (other than taxes, the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Servicer).

(i) Chief Executive Office. The Servicer hereby represents and warrants to the Trustee that the Servicer's principal place of business and chief executive office is, and for the four months preceding the date of this Agreement has been, located at: 19500 Jamboree Road, Irvine, California 92612.

SECTION 9.2 Liability of Servicer; Indemnities»

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(a) The Servicer (in its capacity as such) shall be liable hereunder only to the extent of the obligations in this Agreement specifically undertaken by the Servicer and the representations made by the Servicer.

(i) The Servicer shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Backup Servicer and the Securityholders from and against any and all costs, expenses, losses, damages, claims and liabilities, arising out of or resulting from the use, ownership, repossession or operation by the Servicer or any Affiliate or agent or sub-contractor thereof of any Financed Vehicle;

(ii) The Servicer (unless the Backup Servicer is the Servicer) shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Backup Servicer and the Securityholders from and against any taxes that may at any time be asserted against any of such parties with respect to the transactions contemplated in this Agreement, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege or license taxes (but not including federal or other income taxes, including franchise taxes (other than Texas Franchise Tax, if CPS is the Servicer) asserted with respect to, and as of the date of, the sale of the Receivables and the Other Conveyed Property to the Trust or the issuance and original sale of the Securities and, in the case of the Issuer and the Securityholders, not including any taxes asserted with respect to federal or other income taxes arising out of distributions on the Notes and Residual Pass-through Certificates) and costs and expenses in defending against the same;

(iii) The Servicer shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Backup Servicer, the Placement Agent, their respective officers, directors, agents and employees and the Securityholders from and against any and all costs, expenses, losses, claims, damages, and liabilities to the extent that such cost, expense, loss, claim, damage, or liability arose out of, or was imposed upon the Trust, the Trustee, the Owner Trustee, the Backup Servicer, the Placement Agent or the Securityholders or such officers, directors, agents or employees through the negligence, willful misfeasance or bad faith of the Servicer in the performance of its duties under this Agreement, by reason of reckless disregard of its obligations and duties under this Agreement or as a result of a breach of any representation or warranty made by the Servicer in this Agreement (without regard to any exception relating to the Pending Litigation).

(iv) The Servicer shall indemnify, defend, and hold harmless the Trustee, the Owner Trustee and the Backup Servicer from and against all costs, expenses, losses, claims, damages, and liabilities arising out of or incurred in connection with the acceptance or performance of the trusts and duties herein contained or in the Trust Agreement, if any, except to the extent that such cost, expense, loss, claim, damage or liability: (A) shall be due to the willful misfeasance, bad faith, or negligence (except for errors in judgment) of the Trustee, the Owner Trustee or the Backup Servicer, as applicable or (B) relates to any tax other than the taxes with respect to which the Servicer shall be required to indemnify the Trustee, the Owner Trustee or the Backup Servicer.

(v) CPS shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Backup Servicer and the Securityholders against any and all costs, expenses, losses, damages, claims and liabilities arising out of or resulting from CPS's involvement in, or the effect on any Receivable as a result of, the Pending Litigation.

(b) Notwithstanding the foregoing, the Servicer shall not be obligated to defend, indemnify, and hold harmless any Noteholders for any losses, claims, damages or liabilities incurred by any Securityholders arising out of claims, complaints, actions and allegations relating to Section 406 of ERISA or Section 4975 of the Code as a result of the purchase or holding of a Security by such Noteholder with the assets of a plan subject to such provisions of ERISA or the Code or the servicing, management and operation of the Trust.

(c) For purposes of this Section 9.2, in the event of the termination of the rights and obligations of the Servicer (or any successor thereto pursuant to Section 9.3) as Servicer pursuant to Section 10.1, or a resignation by such Servicer pursuant to this Agreement, such Servicer shall be deemed to be the Servicer pending appointment of a successor Servicer pursuant to Section 10.2. The provisions of this Section 9.2(c) shall in no way affect the survival pursuant to Section 9.2(d) of the indemnification by the Servicer provided by Section 9.2(a).

(d) Indemnification under this Section 9.2 shall survive the termination of this Agreement and any resignation or removal of CPS as Servicer and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Servicer shall have made any indemnity payments pursuant to this Section and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts to the Servicer, without interest.

SECTION 9.3 Merger or Consolidation of, or Assumption of the Obligations of, the Servicer or Backup Servicer»

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(a) CPS shall not merge or consolidate with any other person, convey, transfer or lease substantially all its assets as an entirety to another Person, or permit any other Person to become the successor to CPS's business unless, after the merger, consolidation, conveyance, transfer, lease or succession, the successor or surviving entity shall be capable of fulfilling the duties of CPS contained in this Agreement. Any corporation (i) into which CPS may be merged or consolidated, (ii) resulting from any merger or consolidation in which CPS shall be a constituent corporation, (iii) which acquires by conveyance, transfer, or lease substantially all of the assets of CPS, or (iv) succeeding to the business of CPS, in any of the foregoing cases shall execute an agreement of assumption to perform every obligation of CPS under this Agreement and, whether or not such assumption agreement is executed, shall be the successor to CPS under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement, anything in this Agreement to the contrary notwithstanding; provided, however, that nothing contained herein shall be deemed to release CPS from any obligation. CPS shall provide notice of any merger, consolidation or succession pursuant to this Section to the Owner Trustee, the Trustee, the Securityholders and the Rating Agency. Notwithstanding the foregoing, CPS shall not merge or consolidate with any other Person or permit any other Person to become a successor to CPS's business, unless (x) immediately after giving effect to such transaction, no representation, warranty or covenant made pursuant to Sections 9.1 (other than clause (a) with respect to its state of incorporation and clause (i)) or 4.6 shall have been breached (for purposes hereof, such representations and warranties shall be deemed made as of the date of the consummation of such transaction) and no event that, after notice or lapse of time, or both, would become a Servicer Termination Event shall have occurred and be continuing, (y) CPS shall have delivered to the Owner Trustee, the Trustee and the Rating Agency an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (z) CPS shall have delivered to the Owner Trustee, the Trustee and the Rating Agency an Opinion of Counsel, stating in the opinion of such counsel, either (A) all financing statements and continuation statements and amendments thereto have been authorized and filed that are necessary to preserve and protect the interest of the Owner Trustee and the Trustee, respectively, in the Receivables and the Other Conveyed Property and reciting the details of the filings or (B) no such action shall be necessary to preserve and protect such interest.

(b) Any corporation (i) into which the Backup Servicer may be merged or consolidated, (ii) resulting from any merger or consolidation in which the Backup Servicer shall be a constituent corporation, (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, whether or not such assumption agreement is executed, shall be the successor to the Backup Servicer under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement, anything in this Agreement to the contrary notwithstanding; provided, however, that nothing contained herein shall be deemed to release the Backup Servicer from any obligation.

SECTION 9.4 Limitation on Liability of Servicer, Backup Servicer and Others»

. Neither the Servicer, the Backup Servicer nor any of the directors or officers or employees or agents of the Servicer or Backup Servicer shall be under any liability to the Trust or the Securityholders, except as provided in this Agreement, for any action taken or for refraining from the taking of any action pursuant to this Agreement; provided, however, that this provision shall not protect the Servicer, the 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 negligence in the performance of duties. CPS, the Backup Servicer and any director, officer, employee or agent of CPS or the Backup Servicer may rely in good faith on the written advice of counsel or on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising under this Agreement. In addition, the Backup Servicer shall not be under any obligation to appear in, prosecute or defend any legal action that shall not be incidental to its obligations under this Agreement, and that in its opinion may involve it in any expense or liability.

SECTION 9.5 Delegation of Duties»

. The Servicer may at any time delegate duties under this Agreement to sub-contractors who are in the business of servicing automotive receivables; provided, however, that no such delegation or sub-contracting of duties by the Servicer shall relieve the Servicer of its responsibility with respect to such duties.

SECTION 9.6 Servicer and Backup Servicer Not to Resign»

(a) . Subject to the provisions of Section 9.3, neither the Servicer nor the Backup Servicer shall resign from the obligations and duties imposed on it by this Agreement as Servicer or Backup Servicer except (i) upon a determination that by reason of a change in legal requirements the performance of its duties under this Agreement would cause it to be in violation of such legal requirements in a manner that would have a material adverse effect on the Servicer or the Backup Servicer, as the case may be, or, (ii) in the case of the Backup Servicer, upon the prior written consent of Holders of a majority of the aggregate outstanding Note Balance of the Controlling Class. Any such determination permitting the resignation of the Servicer or Backup Servicer shall be evidenced by an Opinion of Counsel to such effect delivered and acceptable to the Trustee and the Owner Trustee. No resignation of the Servicer shall become effective until the Backup Servicer or a successor Servicer that is an Eligible Servicer shall have assumed the responsibilities and obligations of the Servicer pursuant to Section 10.3. No resignation of the Backup Servicer shall become effective until a Person that is an Eligible Servicer shall have assumed the responsibilities and obligations of the Backup Servicer; provided, however, that in the event a successor Backup Servicer is not appointed within 60 days after

the Backup Servicer has given notice of its resignation and has provided the Opinion of Counsel required by this Section 9.6, the Backup Servicer may petition a court for its removal.

ARTICLE X
DEFAULT

SECTION 10.1 Servicer Termination Event»

. For purposes of this Agreement, each of the following shall constitute a "Servicer Termination Event":

(a) Any failure by the Servicer to deliver to the Trustee for distribution to any Noteholder or to the Trust Paying Agent for distribution to any Residual Certificateholder, or for deposit into the Collection Account or the Series 2011-A Spread Account, any payment required under the terms of this Agreement, which failure continues unremedied for a period of two Business Days (one Business Day with respect to the payment of Purchase Amounts) after the earlier of (i) knowledge thereof by a Responsible Officer of the Servicer and (ii) written notice thereof shall have been given to the Servicer by the Trustee or by Holders of a majority of the aggregate outstanding Note Balance of the Controlling Class; or

(b) Failure by the Servicer to deliver to the Trustee the Servicer's Certificate within three days after the date on which such Servicer's Certificate is required to be delivered under Section 4.9; or

(c) Failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in this Agreement or, if the Servicer is CPS, failure of CPS to duly perform any other covenants or agreements of CPS set forth in this Agreement, which failure (i) materially and adversely affects the rights of Noteholders and (ii) continues unremedied for a period of 30 days after the earlier of knowledge thereof by the Servicer or after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Trustee or by Holders of a majority of the aggregate outstanding Note Balance of the Controlling Class; or

(d) The occurrence of an Insolvency Event with respect to the Servicer or the Seller; or

(e) Failure on the part of the Servicer to observe its covenants and agreements relating to (i) merger or consolidation or (ii) preservation of its ownership (or security interest) in repossessed Financed Vehicles delivered for sale to dealers; or

(f) Any representation, warranty or statement of the Servicer made in this Agreement or any certificate, report or other writing delivered pursuant hereto shall prove to be incorrect in any material respect as of the time when the same shall have been made (excluding, however, any representation or warranty set forth in this Agreement relating to the characteristics of the Receivables), and the incorrectness of such representation, warranty or statement has a material adverse effect on the Trust or the Securityholders and, within 30 days after the earlier of (i) knowledge thereof by a Responsible Officer of the Servicer or (ii) after written notice thereof shall have been given to the Servicer by the Trustee or by Holders of a majority of the aggregate outstanding Note Balance of the Controlling Class, the circumstances or condition in respect of which such representation, warranty or statement was incorrect shall not have been eliminated or otherwise cured.

SECTION 10.2 Consequences of a Servicer Termination Event»

. If a Servicer Termination Event shall occur and be continuing, either the Trustee (to the extent it has knowledge thereof) or the Holders of Notes evidencing not less than a majority of the aggregate outstanding Note Balance of the Controlling Class by notice given in writing to the Servicer and the Backup Servicer (and to the Trustee if given by the Noteholders) may terminate all of the rights and obligations of the Servicer under this Agreement. If a Servicer Termination Event shall occur and be continuing on or after the date on which each class of Notes has been repaid in full, either the Trustee (to the extent it has knowledge thereof) or the Majority Certificateholders by notice given in writing to the Servicer and the Backup Servicer (and the Trustee if such notice is given by the Certificateholders) may terminate all of the rights and obligations of the Servicer under this Agreement. The Servicer shall be entitled to its pro rata share of the Servicing Fee for the number of days in the Collection Period prior to the effective date of its termination. On or after the receipt by the Servicer of such written notice or upon the date, if any, specified in such notice, all authority, power, obligations and responsibilities of the Servicer under this Agreement, whether with respect to the Notes, the Residual Pass-through Certificates, the Receivables or the Other Conveyed Property or otherwise, automatically shall pass to, be vested in and become obligations and responsibilities of the Backup Servicer (or such other successor Servicer appointed under Section 10.3); provided, however, that the successor Servicer shall have no liability with respect to any obligation that was required to be performed by the terminated Servicer prior to the date that the successor Servicer becomes the Servicer or any claim of a third party based on any alleged action or inaction of the terminated Servicer. The successor Servicer is authorized and empowered by this Agreement to execute and deliver, on behalf of the terminated Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of the Receivables and the Other Conveyed Property and related documents to show the Trust as lienholder or secured party on the related Lien Certificates, or otherwise. The terminated Servicer agrees to cooperate with the successor Servicer in effecting the termination of the responsibilities and rights of the terminated Servicer under this Agreement, including, without limitation, the transfer to the successor Servicer for administration by it of all cash amounts that shall at the time be held by the terminated Servicer for deposit, or have been deposited by the terminated Servicer, in the Collection Account or thereafter received with respect to the Receivables and the delivery to the successor Servicer of all Receivable Files that shall at the time be held by the terminated Servicer and a computer tape in readable form as of the most recent Business Day containing all information necessary to enable the successor Servicer to service the Receivables and the Other Conveyed Property. All reasonable costs and expenses (including reasonable attorneys' fees and boarding fees) incurred in connection with transferring any Receivable Files to the successor Servicer and amending this Agreement to reflect such succession as Servicer pursuant to this Section 10.2 shall be paid by the terminated Servicer upon presentation of reasonable documentation of such costs and expenses. In addition, any successor Servicer shall be entitled to payment from the terminated Servicer for reasonable transition expenses incurred in connection with acting as successor Servicer, and to the extent not so paid, such payment shall be made pursuant to Section 5.7(a). Upon receipt of notice of the occurrence of a Servicer Termination Event, the Trustee shall give notice thereof to the Rating Agency. The successor Servicer shall terminate the Lockbox Agreement and direct the Obligors to make all payments under the Receivables directly to the successor Servicer (in which event the successor Servicer shall process such payments in accordance with Section 4.2(e)), or to a lockbox established by the successor Servicer at the successor Servicer's expense, which shall be reimbursable pursuant to the terms of clauses (iii) and (xviii) of Section 5.7(a). The terminated Servicer shall grant the Trustee and the successor Servicer reasonable access to the terminated Servicer's premises at the terminated Servicer's expense.

SECTION 10.3 Appointment of Successor»

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(a) On and after the time the Servicer receives a notice of termination pursuant to Section 10.2 or upon the resignation of the Servicer pursuant to Section 9.6, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, in the case of termination, only until the date specified in such termination notice or, if no such date is specified in a notice of termination, until receipt of such notice, and, in the case of resignation, until a successor Servicer has been appointed (the "Assumption Date"). Subject to prior selection of a successor Servicer in accordance with subsection (b) below, in the event of a termination or resignation of the Servicer, Wells Fargo Bank, National Association, as Backup Servicer, shall automatically assume the obligations of the Servicer hereunder on the Assumption Date, and shall be subject to all the rights, responsibilities, restrictions, duties, liabilities and termination provisions relating thereto in this Agreement except as otherwise indicated herein. Notwithstanding the foregoing, if the Backup Servicer is the outgoing Servicer or shall be unwilling or legally unable to act as successor Servicer, the Trustee shall appoint, or petition a court of competent jurisdiction to appoint, an Eligible Servicer as the successor Servicer hereunder. Pending appointment pursuant to the preceding sentence, the Backup Servicer shall act as successor Servicer unless it is legally unable to do so, in which event the outgoing Servicer shall continue to act as Servicer until a successor has been appointed and accepted such appointment. The Trustee and such successor Servicer shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession.

(b) Unless Holders of Notes evidencing not less than a majority of the aggregate outstanding Note Balance of the Controlling Class have previously confirmed in writing that the Backup Servicer shall become successor Servicer upon the Servicer's resignation or removal, the Holders of Notes evidencing not less than a majority of the aggregate outstanding Note Balance of the Controlling Class may at any time thirty (30) days (i) prior to the effective date of the resignation of the Servicer or (ii) prior to the Assumption Date, appoint a Person that is an Eligible Servicer other than the Backup Servicer to become the successor Servicer in accordance with Section 10.2 on and after the Assumption Date or the resignation of the Servicer. Prior to such assumption, such successor Servicer shall execute and deliver a written assumption agreement by such Person to serve as Servicer. If upon the termination of the Servicer pursuant to Section 10.2 or the resignation of the Servicer pursuant to Section 9.6, the Holders of Notes evidencing not less than a majority of the aggregate outstanding Note Balance of the Controlling Class appoint a successor Servicer other than the Backup Servicer, the Backup Servicer shall not be relieved of its duties as Backup Servicer hereunder, including its obligation to become successor Servicer; provided that pending the assumption of the servicing duties by a successor Servicer appointed by the Holders of Notes evidencing not less than a majority of the aggregate outstanding Note Balance of the Controlling Class, the Backup Servicer shall not be deemed to have assumed any of the obligations of the successor Servicer hereunder.

(c) Notwithstanding the Backup Servicer's assumption of, and its agreement to perform and observe, all duties, responsibilities and obligations of CPS as Servicer under this Agreement arising on and after the Assumption Date, the Backup Servicer shall not be deemed to have assumed or to become liable for, or otherwise have any liability, whether provided for by the terms of this Agreement, arising by operation of law or otherwise, for any duties, responsibilities, obligations or liabilities of CPS or any predecessor Servicer (i) arising under Sections 4.7 and 9.2 of this Agreement, regardless of when the liability, duty, responsibility or obligation of CPS or any predecessor Servicer therefor arose, (ii) required to be performed by CPS or any predecessor Servicer prior to the Assumption Date or any claim of any third party based on any alleged action or inaction of CPS or any predecessor Servicer, or (iii) with respect to the payment of any taxes required to be paid by CPS or any predecessor Servicer. The indemnification obligations of the Backup Servicer, upon becoming a successor Servicer, are expressly limited to those instances of gross negligence or willful misconduct of the Backup Servicer in its role as successor Servicer that occur after the Assumption Date.

(d) Any successor Servicer, including the Backup Servicer, shall be entitled to receive the Servicing Fee as compensation and its reimbursable expenses in accordance with the priority of payments set forth in Section 5.7(a).

(e) Notwithstanding anything contained in this Agreement to the contrary, the successor Servicer is authorized to accept and rely on all of the accounting records (including computer records) and work of the predecessor Servicer relating to the Receivables (collectively, the "Predecessor Servicer Work Product") without any audit or other examination thereof, and the successor Servicer shall have no duty, responsibility, obligation or liability for the acts and omissions of the predecessor Servicer. If any error, inaccuracy, omission or incorrect or non-standard practice or procedure (collectively, "Errors") exists in any Predecessor Servicer Work Product and such Error makes it materially more difficult to service or should cause or materially contribute to the successor Servicer making or continuing any Error (collectively, "Continuing Errors"), the successor Servicer shall have no duty, responsibility, obligation or liability for such Continuing Errors; provided, however, that the successor Servicer agrees to use its best efforts to prevent further Continuing Errors. If the successor Servicer becomes aware of Errors or Continuing Errors, it shall use its best efforts, at the direction of Holders constituting a majority of the aggregate outstanding Note Balance of the Controlling Class, which shall have been given prior written notice by the Trustee (upon receipt of notice from the successor Servicer) of the nature of such Errors and Continuing Errors, to reconstruct and reconcile such data as is commercially reasonable to correct such Errors and Continuing Errors and to prevent future Continuing Errors. The successor Servicer shall be entitled to recover its costs expended in connection with such efforts in accordance with Section 5.7(a) of this Agreement.

SECTION 10.4 Notification to Securityholders»

. Upon any termination of, or appointment of a successor to, the Servicer, the Trustee shall give prompt written notice thereof to each Securityholder, the Owner Trustee and to the Rating Agency.

SECTION 10.5 Waiver of Past Defaults»

. The Holders of Notes evidencing not less than a majority of the aggregate outstanding Note Balance of the Controlling Class may, on behalf of all Noteholders, waive any default by the Servicer in the performance of its obligations under this Agreement and the consequences thereof (except a default in making any required deposits to or payments from any of the Trust Accounts in accordance with the terms of this Agreement). Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Termination Event arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

SECTION 10.6 Action Upon Certain Failures of the Servicer»

. In the event that a Responsible Officer of the Trustee shall have actual knowledge of any failure of the Servicer specified in Section 10.1 that would give rise to a right of termination under such Section upon the Servicer's failure to remedy the same after notice, the Trustee shall give notice thereof to the Servicer. For all purposes of this Agreement (including, without limitation, this Section 10.6), the Trustee shall not be deemed to have knowledge of any failure of the Servicer as specified in Sections 10.1(c) through (f) unless notified thereof in writing by the Servicer or by a Securityholder. The Trustee shall be under no duty or obligation to investigate or inquire as to any potential failure of the Servicer specified in Section 10.1.

ARTICLE XI
TERMINATION

SECTION 11.1 Optional Purchase of All Receivables»

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(a) On any Payment Date on or after the last day of any Collection Period as of which the Pool Balance shall be less than or equal to 10% of the Original Pool Balance, the Servicer shall have the option to purchase the Owner Trust Estate, other than the Trust Accounts. To exercise such option, the Servicer shall (subject to the proviso below) deposit in the Collection Account pursuant to Section 5.6 an amount equal to the fair market value of the Receivables (including Liquidated Receivables) as of such date, plus the appraised value of any other property held by the Trust, such value to be determined by an appraiser mutually agreed upon by the Servicer and the Trustee, and shall succeed to all interests in and to the Trust; provided, however, that the amount to be paid for such purchase shall be sufficient to pay the (i) the aggregate outstanding Note Balance, (ii) accrued and unpaid interest on the Notes, and (iii) the unpaid expenses of the Trust, including without limitation expenses incurred by the Trust in connection with the exercise of such repurchase option. Upon receipt of an amount equal to the fair market value of the Receivables and written instructions from the Servicer, the Trustee shall release to the Servicer or its designee the related Receivables Files and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by the Seller and delivered to the Trustee and necessary to vest in the Servicer or such designee title to the Receivables including a Trustee's Certificate in the form of Exhibit F-2. To the extent such option to purchase the Owner Trust Estate is rescinded pursuant to Section 10.1 of the Indenture, the Securityholders shall on the related Payment Date receive the payments of interest and principal that would be due to the Securityholders on such Payment Date as if such option to purchase the Owner Trust Estate had never been exercised.

(b) Notice of any termination of the Trust shall be given by the Servicer, which notice shall include, among other things, the items specified in Section 9.1(c) of the Trust Agreement, to the Owner Trustee, the Trustee and the Rating Agency as soon as practicable after the Servicer has received notice thereof.

ARTICLE XII
ADMINISTRATIVE DUTIES OF THE SERVICER

SECTION 12.1 Administrative Duties»

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(a) Duties with Respect to the Indenture. The Servicer shall perform all its duties and the duties of the Issuer under the Indenture. In addition, the Servicer shall consult with the Owner Trustee as the Servicer deems appropriate regarding the duties of the Issuer under the Indenture. The Servicer shall monitor the performance of the Issuer and shall advise the Owner Trustee when action is necessary to comply with the Issuer's duties under the Indenture. The Servicer shall prepare for execution by the Issuer or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer to prepare, file or deliver pursuant to the Indenture. In furtherance of the foregoing, the Servicer shall take all necessary action that is the duty of the Issuer to take pursuant to the Indenture, including, without limitation, pursuant to Sections 2.7, 3.5, 3.6, 3.7, 3.9, 3.17, 5.1(b), 8.3, 9.2, 9.3, 11.1 and 11.15 of the Indenture.

(b) Duties with Respect to the Issuer.

(i) In addition to the duties of the Servicer set forth in this Agreement or any of the Basic Documents, the Servicer shall perform such calculations and shall prepare for execution by the Issuer or the Owner Trustee or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer or the Owner Trustee to prepare, file or deliver pursuant to this Agreement or any of the Basic Documents or under State and Federal tax and securities laws, and at the request of the Owner Trustee shall take all appropriate action that it is the duty of the Issuer to take pursuant to this Agreement or any of the Basic Documents, including, without limitation, pursuant to Sections 2.6 of the Trust Agreement. In accordance with the directions of the Issuer or the Owner Trustee, the Servicer shall administer, perform or supervise the performance of such other activities in connection with the Collateral (including the Basic Documents) as are not covered by any of the foregoing provisions and as are expressly requested by the Issuer or the Owner Trustee and are reasonably within the capability of the Servicer. The Servicer shall perform its administrative duties with respect to the Issuer in accordance with the requirements enumerated in Section 6.7 of the Trust Agreement. The Servicer shall monitor the activities of the Issuer to assure compliance by the Issuer with the requirements of Section 6.7 of the Trust Agreement. The Servicer shall promptly take such action as may be required to correct any noncompliance by the Issuer with the requirements of Section 6.7 of the Trust Agreement.

(ii) Notwithstanding anything in this Agreement or any of the Basic Documents to the contrary, the Servicer shall be responsible for promptly notifying the Owner Trustee and the Trustee in the event that any withholding tax is imposed on the Issuer's payments (or allocations of income) to a Noteholder as contemplated by this Agreement. Any such notice shall be in writing and specify the amount of any withholding tax required to be withheld by the Owner Trustee or the Trustee pursuant to such provision.

(iii) Notwithstanding anything in this Agreement or the Basic Documents to the contrary, the Servicer shall be responsible for performance of the duties of the Issuer or the Seller set forth in Section 5.1 of the Trust Agreement with respect to, among other things, accounting and reports to Residual Certificateholders; provided, however, that, once prepared by the Servicer, the Owner Trustee shall retain responsibility for the distribution of any such reports or accounting actually provided to the Owner Trustee and necessary to enable each Residual Certificateholder to prepare its Federal and State income tax returns.

(iv) The Servicer shall perform the duties of the Servicer specified in Section 10.2 of the Trust Agreement required to be performed in connection with the resignation or removal of the Owner Trustee, and any other duties expressly required to be performed by the Servicer under this Agreement or any of the Basic Documents.

(v) In carrying out the foregoing duties or any of its other obligations under this Agreement, the Servicer may enter into transactions with or otherwise deal with any of its Affiliates; provided, however, that the terms of any such transactions or dealings shall be in accordance with any directions received from the Issuer and shall be, in the Servicer's opinion, no less favorable to the Issuer in any material respect.

(c) Tax Matters. The Servicer shall prepare and file, on behalf of the Seller, all tax returns, tax elections, financial statements and such annual or other reports of the Issuer as are necessary for preparation of tax reports as provided in Article V of the Trust Agreement, including without limitation, Internal Revenue Service Form 1099. All tax returns will be signed by the person required or authorized to sign such returns under applicable law.

(d) Non-Ministerial Matters. With respect to matters that in the reasonable judgment of the Servicer are non-ministerial, the Servicer shall not take any action pursuant to this Article XII unless within a reasonable time before the taking of such action, the Servicer shall have notified the Owner Trustee and the Trustee of the proposed action and the Owner Trustee and, with respect to items (i), (ii), (iii) and (iv) below, the Trustee shall not have withheld consent or provided an alternative direction. For the purpose of the preceding sentence, "non-ministerial matters" shall include:

(i) the amendment of or any supplement to the Indenture;

(ii) the initiation of any claim or lawsuit by the Issuer and the compromise of any action, claim or lawsuit brought by or against the Issuer (other than in connection with the collection of the Receivables);

(iii) the amendment, change or modification of this Agreement or any of the Basic Documents;

(iv) the appointment of successor Note Registrars, successor Note Paying Agents and successor Trustees pursuant to the Indenture or the appointment of successor Servicers or the consent to the assignment by the Note Registrar, Note Paying Agent or Trustee of its obligations under the Indenture; and

(v) the removal of the Trustee.

(e) Exceptions. Notwithstanding anything to the contrary in this Agreement except as expressly provided herein or in the other Basic Documents, the Servicer, in its capacity as such hereunder, shall not be obligated to, and shall not, (1) make any payments to the Securityholders under the Basic Documents, (2) sell the Owner Trust Estate pursuant to Section 5.3 of the Indenture, (3) take any other action that the Issuer directs the Servicer not to take on its behalf or (4) in connection with its duties hereunder assume any indemnification obligation of any other Person.

(f) Limitation of Successor Servicer's Obligations. The successor Servicer shall not be responsible for any obligations or duties of the Servicer under this Section 12.1.

SECTION 12.2 Records»

. The Servicer shall maintain appropriate books of account and records relating to services performed under this Agreement, which books of account and records shall be accessible for inspection by the Issuer, the Backup Servicer, the Owner Trustee and the Trustee at any time during normal business hours.

SECTION 12.3 Additional Information to be Furnished to the Issuer»

. The Servicer shall furnish to the Issuer from time to time such additional information regarding the Collateral as the Issuer shall reasonably request.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

SECTION 13.1 Amendment»

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(a) This Agreement may be amended from time to time by the parties hereto without the consent of any of the Noteholders, to cure any ambiguity, to correct or supplement any provisions in this Agreement, to comply with any changes in the Code, or to make any other provisions with respect to matters or questions arising under this Agreement 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 delivered to the Owner Trustee and the Trustee, adversely affect in any material respect the interests of any Noteholder without such Noteholder's consent. Any such amendment shall be deemed to not adversely affect in any material respect the interests of a Noteholder if the Rating Agency Condition with respect to the related Class is satisfied (and upon such satisfaction, no Opinion of Counsel shall be necessary with respect to the related Class).

This Agreement may also be amended from time to time by the parties hereto, with the consent of Holders of a majority of the aggregate outstanding Note Balance of the Controlling Class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Noteholders; provided, however, without the consent of each Noteholder affected thereby, no such amendment shall, (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Receivables or distributions that shall be required to be made for the benefit of the Noteholders, (b) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal amount thereof, the interest rate thereon or the redemption price with respect thereto; (c) reduce the percentage of the Note Balance of each Class of Notes, the Holders of which are required to consent to any such amendment; or (d) adversely affect in any material respect the interests of any Noteholder. Any such amendment shall be deemed to not adversely affect in any material respect the interests of a Noteholder if the Rating Agency Condition with respect to the related Class is satisfied.

Promptly after the execution of any such amendment or consent, the Trustee shall furnish written notification of the substance of such amendment or consent to each Noteholder and the Rating Agency.

It shall not be necessary for the consent of Noteholders pursuant to this Section to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents (and any other consents of Noteholders provided for in this Agreement) and of evidencing the authorization of any action by Noteholders shall be subject to such reasonable requirements as the Trustee or the Owner Trustee, as applicable, may prescribe.

Prior to the execution of any amendment to this Agreement, the Owner Trustee and the Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and the Opinion of Counsel referred to in Section 13.2(i)(i) has been delivered. The Owner Trustee, the Backup Servicer and the Trustee may, but shall not be obligated to, enter into any such amendment which affects the Issuer's, the Owner Trustee's, the Backup Servicer's or the Trustee's, as applicable, own rights, duties or immunities under this Agreement or otherwise.

(b) Notwithstanding the foregoing, no amendment shall be made that would cause the Trust to be classified for United States Federal income tax purposes as an association (or publicly traded partnership) taxable as a corporation.

SECTION 13.2 Protection of Title to Trust»

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(a) The Seller or Servicer or both shall authorize and file such financing statements and cause to be authorized and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve, maintain and protect the interest of the Issuer and the interests of the Trustee in the Receivables and in the proceeds thereof. The Seller shall deliver (or cause to be delivered) to the Owner Trustee and the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(b) Neither the Seller nor the Servicer shall change its name, identity, jurisdiction of organization, form of organization or corporate structure in any manner that would, could or might make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the meaning of section 9-506(a) of the UCC, unless it shall have given the Owner Trustee and the Trustee at least five days' prior written notice thereof and shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements. Promptly upon such filing, the Seller or the Servicer, as the case may be, shall deliver an Opinion of Counsel to the Issuer, the Owner Trustee and the Trustee stating either (A) all financing statements and continuation statements have been authorized and filed that are necessary fully to preserve and protect the interest of the Trust and the Trustee in the Receivables, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) no such action shall be necessary to preserve and protect such interest.

(c) Each of the Seller and the Servicer shall have an obligation to give the Owner Trustee and the Trustee at least 60 days' prior written notice of any change in its jurisdiction of organization if, as a result of such change, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and shall promptly file any such amendment or new financing statement. The Servicer shall at all times maintain its jurisdiction of organization within the United States of America. Each of the Seller and Servicer shall at all times be organized solely under the laws of one State.

(d) The Servicer shall maintain accounts and records as to each Receivable accurately and in sufficient detail to permit (i) the reader thereof to know at any time the status of such Receivable, including payments and recoveries made and payments owing (and the nature of each) and (ii) reconciliation between payments or recoveries on (or with respect to) each Receivable and the amounts from time to time deposited in the Collection Account in respect of such Receivable.

(e) The Servicer shall maintain its computer systems so that, from and after the time of sale under this Agreement of the Receivables to the Issuer, the Servicer's master computer records (including any backup archives) that refer to a Receivable shall indicate clearly the interest of the Trust in such Receivable and that such Receivable is owned by the Trust. Indication of the Trust's interest in a Receivable shall be deleted from or modified on the Servicer's computer systems when, and only when, the related Receivable shall have been paid in full or repurchased.

(f) If at any time the Seller or the Servicer shall propose to sell, grant a security interest in or otherwise transfer any interest in automotive receivables to any prospective purchaser, lender or other transferee, the Servicer shall give to such prospective purchaser, lender or other transferee computer tapes, records or printouts (including any restored from backup archives) that, if they shall refer in any manner whatsoever to any Receivable, shall indicate clearly that such Receivable has been sold and is owned by the Trust.

(g) The Servicer shall permit the Trustee, the Backup Servicer, the Owner Trustee 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 Receivable.

(h) Upon request, the Servicer shall furnish to the Owner Trustee or to the Trustee, within five Business Days, a list of all Receivables (by contract number and name of Obligor) then held as part of the Owner Trust Estate, together with a reconciliation of such list to the Schedule of Receivables and to each of the Servicer's Certificates furnished before such request indicating removal of Receivables from the Owner Trust Estate.

(i) The Servicer shall deliver to the Owner Trustee and the Trustee:

(i) if required pursuant to Section 13.1, promptly after the execution and delivery of each amendment, waiver or consent, an Opinion of Counsel stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements have been authorized and filed that are necessary fully to preserve and protect the interest of the Trust and the Trustee in the Receivables, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) no such action shall be necessary to preserve and protect such interest; and

(ii) within 90 days after the beginning of each calendar year beginning with the first calendar year beginning more than three months after the Cutoff Date, an Opinion of Counsel, dated as of a date during such 90-day period, stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements have been authorized and filed that are necessary fully to preserve and protect the interest of the Trust and the Trustee in the Receivables, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) no such action shall be necessary to preserve and protect such interest.

Each Opinion of Counsel referred to in clause (i) or (ii) above shall specify any action necessary (as of the date of such opinion) to be taken in the following year to preserve and protect such interest.

SECTION 13.3 Notices»

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(a) All demands, notices and communications upon or to the Seller, the Servicer, the Owner Trustee, the Trustee or the Rating Agency under this Agreement shall be in writing, personally delivered, electronically delivered, or mailed by certified mail, return receipt requested, and shall be deemed to have been duly given upon receipt (a) in the case of the Seller to CPS Receivables Five LLC, 19500 Jamboree Road, Irvine, CA 92612, (b) in the case of the Servicer to Consumer Portfolio Services, Inc., 19500 Jamboree Road, Irvine, CA 92612, Attention: General Counsel, (c) in the case of the Issuer or the Owner Trustee, at the Corporate Trust Office of the Owner Trustee, (d) in the case of the Trustee or the Backup Servicer, at the Corporate Trust Office, and (e) in the case of Standard & Poor's, via electronic delivery to Servicer_reports@sandp.com; for any information not available in electronic format, send hard copies to:

Standard & Poor's Ratings Services, 55 Water Street, 41st Floor, New York, New York 10041-0003, Attention: ABS Surveillance Group. Any notice required or permitted to be mailed to a Securityholder shall be given by first class mail, postage prepaid, at the address of such Securityholder as shown in the Certificate Register or Note Register, as applicable. Any notice so mailed within the time prescribed in the Agreement shall be conclusively presumed to have been duly given, whether or not the Securityholder shall receive such notice.

(b) Any notice delivered to the Noteholders or to the Trustee for distribution to the Noteholders shall also be delivered concurrently to the Residual Certificateholders or to the Owner Trustee for distribution to the Residual Certificateholders by the party responsible for delivering such notice to the Noteholders or to the Trustee for distribution to the Noteholders.

SECTION 13.4 Assignment»

. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Notwithstanding anything to the contrary contained herein, except as provided in Sections 8.5 and 9.3 and as provided in the provisions of this Agreement concerning the resignation of the Servicer, this Agreement may not be assigned by the Seller or the Servicer without the prior written consent of the Owner Trustee, the Trustee, the Backup Servicer and the Holders of Notes evidencing not less than 66 and 2/3% of the Note Balance of each Class of Notes, and prompt written notice to the Rating Agency.

SECTION 13.5 Limitations on Rights of Others»

. The provisions of this Agreement are solely for the benefit of the parties hereto and for the benefit of the Owner Trustee, the Residual Certificateholders and the Noteholders, as third-party beneficiaries. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Owner Trust Estate or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 13.6 Severability»

. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 13.7 Separate Counterparts»

. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 13.8 Headings»

. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 13.9 Governing Law»

. EXCEPT AS PROVIDED OTHERWISE IN SECTION 13.17, THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THIS AGREEMENT AND ALL MATTERS ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

SECTION 13.10 Assignment to Trustee»

. The Seller hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Trustee pursuant to the Indenture for the benefit of the Issuer Secured Parties of all right, title and interest of the Issuer in, to and under the Receivables and Other Conveyed Property and/or the assignment of any or all of the Issuer's rights and obligations hereunder to the Trustee.

SECTION 13.11 Nonpetition Covenants»

.

(a) Notwithstanding any prior termination of this Agreement, none of the Servicer, the Seller or the Backup Servicer shall, prior to the date which is one year and one day after the termination of this Agreement with respect to the Issuer, acquiesce, petition or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Issuer under any Federal or State bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Issuer.

(b) Notwithstanding any prior termination of this Agreement, none of the Servicer or the Backup Servicer shall, prior to the date that is one year and one day after the termination of this Agreement in accordance with Article XI, with respect to the Seller, acquiesce to, petition or otherwise invoke or cause the Seller to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Seller under any Federal or State bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar official of the Seller or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Seller.

SECTION 13.12 Limitation of Liability of Owner Trustee and Trustee»

.

(a) Notwithstanding anything contained herein to the contrary, this Agreement has been countersigned by Wilmington Trust Company not in its individual capacity but solely in its capacity as Owner Trustee of the Issuer and in no event shall Wilmington Trust Company in its individual capacity or, except as expressly provided in the Trust Agreement, as Owner Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Issuer. For all purposes of this Agreement, in the performance of its duties or obligations hereunder or in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Articles VI, VII and VIII of the Trust Agreement.

(b) Notwithstanding anything contained herein to the contrary, this Agreement has been executed and delivered by Wells Fargo Bank, National Association, not in its individual capacity but solely as Trustee and Backup Servicer and in no event shall Wells Fargo Bank, National Association, have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Issuer.

(c) In no event shall Wells Fargo Bank, National Association, in any of its capacities hereunder, be deemed to have assumed any duties of the Owner Trustee under the Delaware Statutory Trust Statute, common law, or the Trust Agreement.

SECTION 13.13 Independence of the Servicer»

. For all purposes of this Agreement, the Servicer shall be an independent contractor and shall not be subject to the supervision of the Issuer, the Trustee and Backup Servicer or the Owner Trustee with respect to the manner in which it accomplishes the performance of its obligations hereunder. Unless expressly authorized by this Agreement, the Servicer shall have no authority to act for or represent the Issuer or the Owner Trustee in any way and shall not otherwise be deemed an agent of the Issuer or the Owner Trustee.

SECTION 13.14 No Joint Venture»

. Nothing contained in this Agreement (i) shall constitute the Servicer and either of the Issuer or the Owner Trustee as members of any partnership, joint venture, association, syndicate, unincorporated business or other separate entity, (ii) shall be construed to impose any liability as such on any of them or (iii) shall be deemed to confer on any of them any express, implied or apparent authority to incur any obligation or liability on behalf of the others.

SECTION 13.15 Covenant of Trustee and Servicer Regarding Rule 15Ga-1»

If the Seller, CPS, the Servicer or the Trustee (each a "Repurchase Request Recipient"): (1) receives a Repurchase Request; or (2) receives a withdrawal of a Repurchase Request by the Person making such Repurchase Request, then such party shall give written notice thereof to the Seller and CPS promptly but in any case within ten (10) Business Days from the date of receipt thereof. Each notice required by this Section 13.15 (a "Rule 15Ga-1 Notice") shall include: (i) the date the Repurchase Request was received by the Repurchase Request Recipient or the date the withdrawal of the Repurchase Request was received by the Repurchase Request Recipient, as the case may be; (ii) the identity of the related Receivable; (iii) the identity of the Person making the Repurchase Request, (iv) the basis for the Repurchase Request asserted by the Person making the Repurchase Request, to the extent known to the Repurchase Request Recipient; (v) a statement from the Repurchase Request Recipient as to whether it currently plans to pursue a repurchase pursuant to Section 3.2(a) with respect to any Receivables related to such Repurchase Request; and (vi) any written correspondence from the Person making the Repurchase Request to the extent related to such Repurchase Request. Each Rule 15Ga-1 Notice may be delivered by electronic means to the e-mail address of CPS set forth below.

None of the Trustee or the Servicer (other than CPS) shall accept any oral Repurchase Request, and each of the Trustee and the Servicer (other than CPS) shall direct any Person making an oral Repurchase Request to submit it in writing (including through email) to CPS. Such Repurchase Requests must be submitted in writing (including through email) to repurchase@consumerportfolio.com or such other email address as CPS shall designate from time to time) with a subject line of "Repurchase Request – CPS ART 2011-A".

The parties hereto acknowledge and agree that the purpose of this Section 13.15 is to facilitate compliance by CPS and the Seller with Rule 15Ga-1 and Items 1104(e) and 1121(c) of Regulation AB (the "Repurchase Rules and Regulations"). The parties hereto acknowledge that interpretations of the requirements of the Repurchase Rules and Regulations may change over time, whether due to interpretive guidance provided by the Securities Exchange Commission or its staff, consensus among participants in the asset-backed securities markets, advice of counsel, or otherwise, and agree to comply with reasonable requests made by CPS and the Seller in good faith for delivery of information under these provisions on the basis of such evolving interpretations. The Trustee shall cooperate fully with CPS and the Seller to deliver any and all records and any other information necessary in the good faith determination of CPS and the Seller to permit them to comply with the provisions of the Repurchase Rules and Regulations.

SECTION 13.16 Acknowledgment of Roles »

The parties expressly acknowledge and consent to Wells Fargo Bank, National Association acting in the multiple capacities of Backup Servicer and Trustee under the Basic Documents. The parties agree that Wells Fargo Bank, National Association in such multiple capacities shall not be subject to any claim, defense or liability arising from its performance in any such capacity based on conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Wells Fargo Bank, National Association of any other such capacity or capacities in accordance with this Agreement or any other Basic Documents to which it is a party.

SECTION 13.17 Intention of Parties Regarding Delaware Securitization Act»

. It is the intention of the Seller and the Issuer that the transfer and assignment of the Trust Property contemplated by Section 2.1 of this Agreement shall constitute a sale of the Trust Property from the Seller to the Issuer, conveying good title thereto free and clear of any liens, and the beneficial interest in and title to the Trust Property shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy or similar law. In addition, for purposes of complying with the requirements of the Asset-Backed Securities Facilitation Act of the State of Delaware, 6 Del. C. § 2701A, et seq. (the "Securitization Act"), each of the parties hereto hereby agrees that:

(a) any property, assets or rights purported to be transferred, in whole or in part, by the Seller to the Issuer pursuant to this Agreement shall be deemed to no longer be the property, assets or rights of the Seller;

(b) none of the Seller, its creditors or, in any insolvency proceeding with respect to the Seller or the Seller's property, a bankruptcy trustee, receiver, debtor, debtor in possession or similar person, to the extent the issue is governed by Delaware law, shall have any rights, legal or equitable, whatsoever to reacquire (except pursuant to a provision of this Agreement), reclaim, recover, repudiate, disaffirm, redeem or recharacterize as property of the Seller any property, assets or rights purported to be transferred, in whole or in part, by the Seller to the Issuer pursuant to this Agreement;

(c) in the event of a bankruptcy, receivership or other insolvency proceeding with respect to the Seller or the Seller's property, to the extent the issue is governed by Delaware law, such property, assets and rights shall not be deemed to be part of the Seller's property, assets, rights or estate; and

(d) the transaction contemplated by this Agreement shall constitute a "securitization transaction" as such term is used in the Securitization Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and the year first above written.

CPS AUTO RECEIVABLES TRUST 2011-A

By: WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Owner Trustee on behalf of the Trust

By:

Name:

Title:

CPS RECEIVABLES FIVE LLC, as Seller

By:

Name:

Title:

CONSUMER PORTFOLIO SERVICES, INC., in its individual capacity and in its capacity as Servicer

By:

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Backup Servicer and Trustee

By:

Name:

Title:

SCHEDULE A

SCHEDULE OF RECEIVABLES

[Available Upon Request to the Trustee]

SCHEDULE B

LOCATION FOR DELIVERY OF RECEIVABLE FILES

[Available Upon Request to the Trustee]

EXHIBIT A

COLLECTION POLICY

EXHIBIT B

SERVICER'S CERTIFICATE

EXHIBIT C

REQUEST FOR RELEASE

TO:

Wells Fargo Bank, National Association
ABS Custody Vault
1055 10th Avenue SE
MAC N9401-011
Minneapolis, MN 55414
Attention: Corporate Trust Services - Asset Backed Securities Vault

In connection with the servicing of the Receivables that are owned by CPS Auto Receivables Trust 2011-A (the "Issuer") and are pledged by the Issuer to the Trustee for the benefit of the Noteholders to support the Issuer's Asset-Backed Notes, Series 2011-A, and pursuant to Section 3.5 of the Sale and Servicing Agreement described below, the undersigned, as Servicer of the Receivables, requests the Receivables Files related to the Receivables described below for the reason indicated. The undersigned shall return all documents to you when the undersigned's need therefor no longer exists, except where the Receivable is paid in full or otherwise disposed of (as indicated below). Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to such terms in the Sale and Servicing Agreement dated as of April 1, 2011, among the Issuer, CPS Receivables Five LLC, as the seller, Consumer Portfolio Services, Inc., individually and as the servicer (the "Servicer"), and Wells Fargo Bank, National Association, as the trustee and as the backup servicer.

CONTRACT NUMBERS AND OBLIGOR NAMES:

[[INSERT INFO. HERE]]

The undersigned hereby certifies that if this release is requested due to payment in full of a Receivable, or repurchase upon breach, all amounts received in connection therewith that are required to be deposited in the Collection Account have been so deposited.

REASON FOR REQUESTING DOCUMENTS:

— CONTRACT PAID IN FULL
— REPURCHASE UPON BREACH
— REPOSSESSION AND LIQUIDATION
— DELIVERY TO COUNSEL FOR ENFORCEMENT
— OTHER - EXPLAIN REASON AND REFERENCE TO APPROPRIATE SECTION OF SALE AND SERVICING AGREEMENT

CONSUMER PORTFOLIO SERVICES, INC., as Servicer

By:

Name:

Title:

CONTRACT NUMBERS

EXHIBIT D

TRIGGER EVENTS

Period	Payment Date	Level 1 Trigger Event	Level 2 Trigger Event	Level 3 Trigger Event
1	May 2011	0.38%	0.44%	0.50%
2	June 2011	0.76%	0.88%	1.00%
3	July 2011	1.14%	1.32%	1.50%
4	August 2011	1.52%	1.76%	2.00%
5	September 2011	1.90%	2.20%	2.50%
6	October 2011	2.28%	2.64%	3.00%
7	November 2011	2.66%	3.08%	3.50%
8	December 2011	3.04%	3.52%	4.00%
9	January 2012	3.42%	3.96%	4.50%
10	February 2012	3.80%	4.40%	5.00%
11	March 2012	4.18%	4.84%	5.50%
12	April 2012	4.56%	5.28%	6.00%
13	May 2012	5.15%	5.97%	6.78%
14	June 2012	5.75%	6.66%	7.56%
15	July 2012	6.34%	7.34%	8.34%
16	August 2012	6.94%	8.03%	9.13%
17	September 2012	7.53%	8.72%	9.91%
18	October 2012	8.12%	9.41%	10.69%
19	November 2012	8.72%	10.09%	11.47%
20	December 2012	9.31%	10.78%	12.25%
21	January 2013	9.90%	11.47%	13.03%
22	February 2013	10.50%	12.16%	13.81%
23	March 2013	11.09%	12.84%	14.59%
24	April 2013	11.69%	13.53%	15.38%
25	May 2013	12.02%	13.92%	15.81%
26	June 2013	12.35%	14.30%	16.25%
27	July 2013	12.68%	14.69%	16.69%
28	August 2013	13.02%	15.07%	17.13%
29	September 2013	13.35%	15.46%	17.56%
30	October 2013	13.68%	15.84%	18.00%
31	November 2013	14.01%	16.23%	18.44%
32	December 2013	14.35%	16.61%	18.88%
33	January 2014	14.68%	17.00%	19.31%
34	February 2014	15.01%	17.38%	19.75%
35	March 2014	15.34%	17.77%	20.19%
36	April 2014	15.68%	18.15%	20.63%
37	May 2014	15.95%	18.47%	20.99%
38	June 2014	16.23%	18.79%	21.35%
39	July 2014	16.51%	19.11%	21.72%
40	August 2014	16.78%	19.43%	22.08%
41	September 2014	17.06%	19.75%	22.45%
42	October 2014	17.34%	20.08%	22.81%
43	November 2014	17.61%	20.40%	23.18%
44	December 2014	17.89%	20.72%	23.54%
45	January 2015	18.17%	21.04%	23.91%
46	February 2015	18.45%	21.36%	24.27%
47	March 2015	18.72%	21.68%	24.64%
48	April 2015	19.00%	22.00%	25.00%
49	May 2015	19.00%	22.00%	25.00%
50	June 2015	19.00%	22.00%	25.00%
51	July 2015	19.00%	22.00%	25.00%
52	August 2015	19.00%	22.00%	25.00%
53	September 2015	19.00%	22.00%	25.00%
54	October 2015	19.00%	22.00%	25.00%
55	November 2015	19.00%	22.00%	25.00%

56	December 2015	19.00%	22.00%	25.00%
57	January 2016	19.00%	22.00%	25.00%
58	February 2016	19.00%	22.00%	25.00%
59	March 2016	19.00%	22.00%	25.00%
60	April 2016	19.00%	22.00%	25.00%
61	May 2016	19.00%	22.00%	25.00%
62	June 2016	19.00%	22.00%	25.00%
63	July 2016	19.00%	22.00%	25.00%
64	August 2016	19.00%	22.00%	25.00%
65	September 2016	19.00%	22.00%	25.00%
66	October 2016	19.00%	22.00%	25.00%
67	November 2016	19.00%	22.00%	25.00%
68	December 2016	19.00%	22.00%	25.00%
69	January 2017	19.00%	22.00%	25.00%
70	February 2017	19.00%	22.00%	25.00%
71	March 2017	19.00%	22.00%	25.00%
72	April 2017	19.00%	22.00%	25.00%
73	May 2017	19.00%	22.00%	25.00%
74	June 2017	19.00%	22.00%	25.00%
75	July 2017	19.00%	22.00%	25.00%
76	August 2017	19.00%	22.00%	25.00%
77	September 2017	19.00%	22.00%	25.00%
78	October 2017	19.00%	22.00%	25.00%
79	November 2017	19.00%	22.00%	25.00%
80	December 2017	19.00%	22.00%	25.00%
81	January 2018	19.00%	22.00%	25.00%
82	February 2018	19.00%	22.00%	25.00%
83	March 2018	19.00%	22.00%	25.00%
84	April 2018	19.00%	22.00%	25.00%

EXHIBIT E

FORM OF MONTHLY SECURITYHOLDER STATEMENT

[Available Upon Request to the Trustee]

EXHIBIT F-1

TRUSTEE'S CERTIFICATE

PURSUANT TO SECTIONS 3.2 OR 3.4 OF

THE SALE AND SERVICING AGREEMENT

Wells Fargo Bank, National Association, as trustee (the "Trustee") of the CPS Auto Receivables Trust 2011-A (the "Trust") under the Sale and Servicing Agreement (the "Sale and Servicing Agreement"), dated as of April 1, 2011, among the Trust, CPS Receivables Five LLC, as Seller, Consumer Portfolio Services, Inc., individually and as Servicer, and Wells Fargo Bank, National Association, as Trustee and Backup Servicer, does hereby sell, transfer, assign, and otherwise convey to Consumer Portfolio Services, Inc., without recourse, representation, or warranty, all of the Trustee's right, title, and interest in and to all of the Receivables (as defined in the Sale and Servicing Agreement) identified in the attached Servicer's Certificate as "Purchased Receivables," which are to be repurchased by Consumer Portfolio Services, Inc. pursuant to Section 3.2 or Section 3.4 of the Sale and Servicing Agreement and all security and documents relating thereto.

IN WITNESS WHEREOF I have hereunto set my hand this __ day of ____, 20__.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By:

Name:

Title:

Exhibit F-2

TRUSTEE'S CERTIFICATE

PURSUANT TO SECTIONS 4.7, 4.16 OR 11.1 OF

THE SALE AND SERVICING AGREEMENT

Wells Fargo Bank, National Association, as trustee (the "Trustee") of the CPS Auto Receivables Trust 2011-A (the "Trust") under the Sale and Servicing Agreement (the "Sale and Servicing Agreement"), dated as of April 1, 2011, among the Trust, CPS Receivables Five LLC, as Seller, Consumer Portfolio Services, Inc. ("CPS"), individually and as Servicer, and Wells Fargo Bank, National Association, as Trustee and Backup Servicer, does hereby sell, transfer, assign, and otherwise convey to [CPS][the Servicer], without recourse, representation, or warranty, all of the Trustee's right, title, and interest in and to all of the Receivables identified in the attached Servicer's Certificate as "Purchased Receivables," which are to be repurchased by [CPS][the Servicer] pursuant to Sections 4.7, 4.16 or 11.1 of the Sale and Servicing Agreement and all security and documents relating thereto.

Capitalized terms used but not defined herein have the meaning assigned to such terms in the Sale and Servicing Agreement.

IN WITNESS WHEREOF I have hereunto set my hand this __ day of ____, 20__.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By:

Name:

Title:

EXHIBIT G

SCHEDULE OF SUCCESSOR SERVICING FEES, EXPENSES & DISTRIBUTIONS

I. FEES

Active Servicing

1.	Boarding Fee	$10.00 per loan
2.	Monthly Fee	$15.00 per loan

II. EXPENSES

A. Transition Expenses

The Backup Servicer shall be reimbursed for all reasonable costs and expenses incurred by the Backup Servicer during the Transfer Period specifically related to the servicing transfer of the Receivables. Such items include, but are not limited to, those related to travel, Obligor mailings, freight and file shipping.

B. Active Servicing

The Backup Servicer shall be reimbursed for all reasonable out-of-pocket expenses relating to its duties hereunder and under the Existing Servicing Agreement including, but not limited to, those associated with the recovery of Financed Vehicles, liquidation of Financed Vehicles, legal proceedings related to replevin actions or Obligor bankruptcies, mailing costs, title processing, bank charges and insurance tracking.

III. DISTRIBUTIONS

Active Servicing

All fees, expenses and other amounts due the Backup Servicer for each Collection Period shall be reflected on the Servicer Certificate. All such amounts shall be paid to the Backup Servicer on each Payment Date.

IV. MISCELLANEOUS

A. Claim Filing Costs

In the event the Backup Servicer files credit enhancement insurance claims in connection with any Receivable, the Backup Servicer shall receive $25.00 per filing.

B. Deficiency Collections

Under separate agreement, the Backup Servicer may provide deficiency balance collections services on a contingency fee basis.

EXHIBIT H

WELLS **FARGO** BANK, N.A.

Schedule of Fees

CPS Auto Receivables Trust 2011-A

I. Account Acceptance Fee:$6,000

This fee covers all initial services including:

Reviewing all transaction documents,
Accepting the transaction documents,
Executing and delivering the transaction documents,
Establishing the necessary records,
Implementing the necessary procedures including custodian and backup servicing and
Engaging the appropriate deal closing and on-going relationship team.

Payment of this fee is not contingent on the closing of the transaction.

II. Monthly Trustee Fee: $1,000

The fee includes the required duties of the Trustee and all other administrative and reporting functions required of the Trustee under the transaction documents. The fee includes all wire transfer fees. Wells Fargo accepts responsibility to:

Receive funds into the various trust accounts,
Invest trust funds per the Permitted Investments,
Execute payments and funding,
Distribute reporting including electronically,
Maintain the covenant items required of the Trustee.

The fee will be drawn in monthly increments from the waterfall on a priority basis. This fee assumes Wells Fargo is to receive funds for distribution at least one business day prior to distribution date. Funds will remain liquid with Wells Fargo having use of the funds during this time to ensure fund availability for distribution.

III. Monthly Backup Servicing Fee: $4,000

Wells Fargo as Backup Servicer will establish preliminary procedures for the transfer of servicing responsibilities should the circumstances warrant. This fee includes the following:

Receipt of monthly data tape from the Primary Servicer
Reporting to transaction parties if the monthly data tape is not received,
Verifying certain and specific information on the monthly tape,
Reporting as indicated by the transaction documents including incomplete monthly data tape and any discrepancies between the data tape totals and the monthly report

This proposal assumes that the deal documents will contain appropriate Transition Costs for the Backup Servicer should a transfer of servicing be required. This proposal assumes that the transaction documents allow the Successor Servicer the ability to assume Servicing at the greater of the current servicing fee rate or $15 per loan, per month. Wells Fargo will not assume the responsibility of Servicer Advancing should a transition be required.

IV. Collateral Custody Fees:

Deposit and Certification of Loan Files: **$2.50**
Per File; includes inventory and review of documents in file and reinstatement of released and rejected files

Annual Safekeeping Fee: **$2.40**
Per File; Fee is pro-rated and billed monthly ($.20/file/month)

Final/Trailing Documents **$1.25**
Per occurrence; includes filing of documents in the File

Release Requests/Rejected Release Requests **$2.00**
Per occurrence; 48 hour turn around time, excludes shipping expenses

The fee includes the issuance of the initial trust receipt and exception report. The fee also includes monthly collateral reporting. The fee includes Wells Fargo having Power of Attorney in order release collateral to the Borrower. This proposal assumes that Wells Fargo is to receive an electronic file schedule prior to or with the shipment of files. This fee assumes the files are received by Wells Fargo in consistent order including that the files are boxed in the same order as the electronic file schedule. In addition to the above, Wells Fargo is not responsible for delivery fees pertaining to the shipment of the files to and from Wells Fargo.

V. Counsel Fee: **Actual**

Fees for counsel are billed at cost; cover both draft and final documentation. Fee includes an enforceability opinion. Should other opinions be required, notice will be given in advance concerning the billing of additional amounts. Any out-of-pocket expenses will be billed in addition to the above. Fee is not contingent on the transaction closing and is payable the earlier of 30 days from acceptance or at closing.

VI. Miscellaneous:

The fees set forth above are subject to the review and acceptance of final documentation and are subject to change should circumstances warrant. Additional out-of-pocket expenses may be billed in addition to the above but are not limited to, travel expenses for trust officers attending out of town closings and due diligence visits. Any fees charged for services not specifically covered in this proposal will be assessed in amounts commensurate with the services rendered.

VII. Extraordinary Services Fee:

ABS Senior Mgr. or equivalent **$350/hr**
ABS Account Mgr. or equivalent **$300/hr**
ABS Account Rep. or equivalent **$250/hr**
ABS Administrative Staff **$125/hr**

Fees for services performed by Wells Fargo as Trustee that are not specifically covered by the above including but not limited to litigation, bankruptcy, transition time, and default administration. The Extraordinary Services Fee is in addition to the basic trustee fee designed to compensate the Trustee for the performance of its duties under normal circumstances (the basic trustee fee is incorporated into the Administration Fee, above). The Extraordinary

Services Fee is intended to provide compensation to Wells Fargo (on an hourly basis) for extraordinary services it actually provides above and beyond its normal administrative functions.

SCHEDULES

CREDIT AGREEMENT

dated as of August 6, 2011

among

CPS FENDER RECEIVABLES LLC
as Borrower

CONSUMER PORTFOLIO SERVICES, INC.,

FORTRESS CREDIT CORP.,

as Administrative Agent, Collateral Agent, a Lead Agent, and a Lender

GOLDMAN SACHS BANK USA,

as a Lender and a Lead Agent

$210,000,000 Senior Secured Credit Facility

CREDIT AGREEMENT

This **CREDIT AGREEMENT**, dated as of August 6, 2011, is entered into by and among CPS Fender Receivables LLC, a Delaware limited liability company (the "**Borrower**"), **CONSUMER PORTFOLIO SERVICES, INC.,** a California corporation, ("**CPS**"), **FORTRESS CREDIT CORP.** ("**Fortress**"), as a Lender, Administrative Agent (in such capacity, the "**Administrative Agent**"), Collateral Agent (in such capacity, the "**Collateral Agent**"), and as a Lead Agent (in such capacity, a "**Lead Agent**"), and **GOLDMAN SACHS BANK USA** ("**Goldman Sachs Bank**"), as a Lender and as a Lead Agent (in such capacity, a "**Lead Agent**").

RECITALS:

WHEREAS, the Lenders have agreed to extend a credit facility (the "**Facility**") to the Borrower, consisting of up to $210,000,000 aggregate principal amount of Term Loans, the proceeds of which will be used by the Borrower to acquire a portfolio of Receivables pursuant to the Purchase Agreement and to pay fees and expenses related to the foregoing; and

WHEREAS, the Borrower has agreed to secure all of its Obligations by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien on all of its assets;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTIONDEFINITIONS AND INTERPRETATION
1.

1.1. Definitions

. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"**Act**" as defined in Section 4.23.

"**Adjusted LIBOR Rate**" means, for any Interest Period and any LIBOR Rate Loan made or continued during such Interest Period, the per annum rate equal to the greater of (i) 1% per annum and (ii) the rate obtained by dividing (a)(i) the rate per annum (rounded to the nearest 1/100 of 1%) equal to the rate determined by the Administrative Agent to be the offered rate which appears on the page of the Reuters Screen which displays an average British Bankers Association Interest Settlement Rate (such page currently being Reuters Screen LIBOR01 Page) for deposits (for delivery on the first day of such period) for a one-month period in Dollars, determined as of approximately 11:00 a.m. (London, England time) on the related Interest Rate Reset Date, or (ii) in the event the rate referenced in the preceding clause (i) does not appear on such page or service or if such page or service shall cease to be available, the rate per annum (rounded to the nearest 1/100 of 1%) equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service which displays an average British Bankers Association Interest Settlement Rate for deposits (for delivery on the first day of such period) for a one-month period in Dollars, determined as of approximately 11:00 a.m. (London, England time) on the related Interest Rate Reset Date, or (iii) in the event the rates referenced in the preceding clauses (i) and (ii) are not available, the rate per annum (rounded to the nearest 1/100 of 1%) equal to the offered quotation rate to first class banks in the London interbank market for deposits by Goldman Sachs Bank or any other Lender selected by Administrative Agent (for delivery on the first day of the relevant period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable Term Loan for which the Adjusted LIBOR Rate is then being determined with maturities equal to a one-month period as of approximately 11:00 a.m. (London, England time) on such Interest Rate Reset Date by (b) an amount equal to (i) one, minus (ii) the Applicable Reserve Requirement.

"**Administrative Agent**" as defined in the preamble hereto.

"**Adverse Proceeding**" means, with respect to any Person, any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of such Person) at law or in equity, or before or by any Governmental Authority, domestic or foreign, whether pending or, to the knowledge of such Person, threatened against or affecting such Person or its properties.

"**Affected Lender**" as defined in Section 2.16(b).

"**Affected Loans**" as defined in Section 2.16(b).

"**Affected Person**" as defined in Section 2.17(c)(iii).

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling (including any member of senior management of such Person), controlled by, or under common control with, that Person. For the purposes of this definition, "**control**" (including, with correlative meanings, the terms "**controlling,**" "**controlled by**" and "**under common control with**"), as applied to any Person, means the possession, directly or indirectly, of the power (a) to vote 20% or more of the Securities having ordinary voting power for the election of directors of such Person or (b) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"**Agent**" means each of the Administrative Agent and the Collateral Agent.

"**Aggregate Amounts Due**" as defined in Section 2.15.

"**Agreement**" means this Credit Agreement, dated as of August 6, 2011.

"**Applicable Margin**" as defined in the Fee Letter.

"**Applicable Reserve Requirement**" means, at any time, for any LIBOR Rate Loan, the maximum rate, expressed as a decimal, at which reserves (including, without limitation, any basic marginal, special, supplemental, emergency or other reserves) are required to be maintained with respect thereto against "Eurocurrency liabilities" (as such term is defined in Regulation D of the Board of Governors of the Federal Reserve System) under regulations issued from time

to time by the Board of Governors of the Federal Reserve System or other applicable banking regulator. Without limiting the effect of the foregoing, the Applicable Reserve Requirement shall reflect any other reserves required to be maintained by member banks with respect to (i) any category of liabilities which includes deposits by reference to which the applicable Adjusted LIBOR Rate or any other interest rate of a Term Loan is to be determined, or (ii) any category of extensions of credit or other assets which include LIBOR Rate Loans. A LIBOR Rate Loan shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credit for proration, exceptions or offsets that may be available from time to time to the applicable Lender. The rate of interest on LIBOR Rate Loans shall be adjusted automatically on and as of the effective date of any change in the Applicable Reserve Requirement.

"**APR**" means, with respect to a Receivable, the annual percentage rate of finance charges stated in such Receivable; provided that if the annual percentage rate with respect to such Receivable is reduced (i) as a result of an insolvency proceeding involving the related Obligor as debtor or (ii) pursuant to the Servicemembers Civil Relief Act, the APR shall refer to such reduced rate.

"**Assignment Agreement**" means an Assignment and Assumption Agreement substantially in the form of Exhibit C, with such amendments or modifications as may be approved by the Administrative Agent.

"**Authorized Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person's chief financial officer or treasurer.

"**Average Delinquency Rate**" means, with respect to any Reporting Date, the arithmetic average of the Delinquency Rate for each of the three (3) Collection Periods immediately preceding the month in which such Reporting Date occurs.

"**Backup Servicer**" means Wells Fargo Bank, National Association, or any independent third party selected by the Lead Agents, in their reasonable discretion, to perform monitoring functions with respect to the Receivables.

"**Backup Servicing Agreement**" means that certain Backup Servicing Agreement, to be dated as of the Closing Date, and to be entered into by and among the Backup Servicer, the Servicer and the Lead Agents, as Controlling Party, in a form substantially similar to that certain Backup Servicing Agreement dated as of December 23, 2010 entered into by CPS, the Lead Agents and Wells Fargo Bank, National Association in connection with the Page Six Credit Agreement.

"**Backup Servicing Fees**" means the backup servicing fee as set forth in the Backup Servicing Agreement or as otherwise agreed by the Backup Servicer and the Lead Agents in their reasonable discretion.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"**Base Rate**" means, for any day, a rate per annum equal to the greater of (i) 5% per annum, (ii) the Prime Rate in effect on such day, and (iii) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"**Base Rate Loan**" means a Term Loan bearing interest at a rate determined by reference to the Base Rate.

"**Borrower**" as defined in the preamble hereto.

"**Business Day**" means (a) any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York, the State of Minnesota, the State of Texas, or the State of California or is a day on which banking institutions located in any such state are authorized or required by law or other governmental action to close, and (b) with respect to all notices, determinations, fundings and payments in connection with the Adjusted LIBOR Rate or any LIBOR Rate Loans, the term "**Business Day**" shall mean any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"**Buyout Closing Date**" as defined in Section 9.25(b).

"**Buyout Notice**" as defined in Section 9.25(a).

"**Buyout Option**" as defined in Section 9.25(a).

"**Capital Contribution Amount**" means 2% of the Purchase Price.

"**Capital Lease**" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (a) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (b) as lessee which is a transaction of a type commonly known as a "synthetic lease" (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended to be treated as payments of principal and interest on a loan for Federal income tax purposes).

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"**Cash**" means money, currency or a credit balance in any demand or deposit account.

"**Cash Equivalents**" means, as at any date of determination, (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government, or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one (1) year after such date; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one (1) year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (c) commercial paper maturing no more than one (1) year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) certificates of deposit or bankers' acceptances maturing within one (1) year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (i) is at least "**adequately capitalized**" (as defined in the

regulations of its primary Federal banking regulator), and (ii) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000; and (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than $500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's.

"**Change of Control**" means, at any time, (i) with respect to the Borrower, CPS shall cease to beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of the Borrower and (ii) with respect to CPS or the Servicer, the acquisition by any Person, or two (2) or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of outstanding shares of voting stock of CPS or the Servicer, as applicable, at any time if after giving effect to such acquisition such Person or Persons owns fifty percent (50%) or more of such outstanding voting stock.

"**Charge-Off Receivable**" means any Receivable with respect to which the earlier of any of the following shall have occurred (without duplication): (i) the Receivable has been liquidated by the Servicer through the sale of the Financed Vehicle, (ii) the related Obligor has failed to make a Scheduled Receivable Payment with respect to 10% or more of any such Scheduled Receivable Payment by its due date, and such failure continues for one hundred and twenty (120) days (or, if the related Financed Vehicle has been repossessed, two hundred and ten (210) days), (iii) ninety (90) days following the repossession of the related Financed Vehicle by the Servicer, (iv) the related Obligor is subject to a proceeding under the Bankruptcy Code or other applicable Debtor Relief Laws and the related Receivable is not a performing Contract, (v) the related Obligor is deceased, (vi) proceeds have been received which, in the Servicer's good faith judgment, constitute the final amounts recoverable in respect of such Receivable, or (vii) the Servicer has otherwise determined, in accordance with its Loan Servicing Policy, that the related Receivable should be charged-off.

"**Closing Date**" means the date on which the Term Loans are made.

"**Closing Date Certificate**" means a Closing Date Certificate substantially in the form of Exhibit D-1.

"**Closing Date Material Adverse Change**" means a material adverse change in (i) the business operations, assets, condition (financial or otherwise), liabilities or prospects of any Credit Party since March 31, 2011, other than as disclosed in writing to the Administrative Agent and the Lead Agents prior to the date hereof; (ii) the ability of the Borrower to fully and timely perform its material Obligations under any of the Credit Documents to which it is a party, or the legality, validity, binding effect, or enforceability against the Borrower of any such Credit Documents; or (iii) the ability of CPS to fully and timely perform its material obligations under the Credit Documents to which it is a party, or the legality, validity, binding effect, or enforceability against CPS of any such Credit Documents.

"**Collateral**" means, collectively, all of the real, personal and mixed property in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"**Collateral Agent**" as defined in the preamble hereto.

"**Collateral Assignment**" means the Collateral Assignment of the Transaction Agreements and Dealer Agreements to be dated as of the Closing Date and to be entered into by and between the Borrower and the Collateral Agent on behalf of the Secured Parties in form, scope and substance reasonably acceptable to the Borrower and the Lead Agents.

"**Collateral Documents**" means the Security Agreement, the Control Agreements, the Collateral Assignment and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to the Collateral Agent, for the benefit of Secured Parties, a Lien on any real, personal or mixed property of that Credit Party, as the case may be, as security for the Obligations.

"**Collection Account**" as defined in the Security Agreement.

"**Collection Period**" means, (i) with respect to the initial Settlement Date, the period beginning on the Closing Date and ending on the last day of the calendar month immediately preceding such Settlement Date and (ii) with respect to any other Settlement Date, the immediately preceding calendar month.

"**Collections**" means all collections on or related to the Receivables, including, without limitation, all Scheduled Receivable Payments, all non-scheduled payments, all prepayments, all late fees, all other fees, all insurance proceeds, all Liquidation Proceeds, all proceeds from Dealer recourse under each Dealer Agreement, all Recoveries, investment earnings, rental payments, residual proceeds, payments received under any personal guaranty with respect to a Receivable and all other payments received with respect to the Receivables, and all payments received by the Borrower from Fireside, Unitrin or the Interim Servicer under the Transaction Agreements, including any payments in respect of adjustments to the Purchase Price, collections during the Interim Servicing Period, indemnification claims and claims under the Unitrin Guaranty, but, in each case, excluding sales and property tax payments and, with respect to payments under the Transaction Agreement, excluding costs and expenses of collection and defense paid or reimbursed by Fireside, Unitrin or the Interim Servicer.

"**Contract**" means a motor vehicle retail installment sale contract or an installment promissory note and security agreement, in each case relating to the sale or refinancing of a Financed Vehicle.

"**Contractual Obligation**" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"**Control Agreements**" means, collectively, the Lockbox Account Control Agreement and the Controlled Account Control Agreement.

"**Controlled Account**" as defined in Section 2.12(a).

"**Controlled Account Bank**" means Wells Fargo Bank, National Association, in its capacity as account bank under the Controlled Account Control Agreement, and its successors and assigns or such other national bank designated by Borrower and acceptable to the Lead Agents in their sole discretion.

"**Controlled Account Bank Fee**" means the controlled account bank fee as set forth in the Controlled Account Control Agreement or as otherwise agreed by the Controlled Account Bank and the Lead Agents in their reasonable discretion.

"**Controlled Account Control Agreement**" means the agreement to be dated as of the Closing Date and titled the "Controlled Account Control Agreement" among the Controlled Account Bank, the Borrower and the Collateral Agent, in a form substantially similar to that certain Controlled Account Control Agreement dated as of December 23, 2010 entered into by Wells Fargo Bank, National Association, Page Six Funding LLC and Goldman Sachs Bank, as Collateral Agent in connection with the Page Six Credit Agreement.

"**CPS**" means Consumer Portfolio Services, Inc., a California corporation.

"**CPS Guaranty**" as defined in the Purchase Agreement.

"**CPS Serviced Receivables**" means all automobile receivables, including the Receivables, serviced by CPS from time to time (whether or not purchased or originated by CPS).

"**Credit Document**" means any of (a) this Agreement, the Fee Letter, the Notes, if any, the Collateral Documents, the Limited Guaranty, the Tax Matters Letter and the Related Agreements and (b) all other documents, instruments or agreements executed and delivered by a Credit Party for the benefit of any Agent or any Lender in connection herewith.

"**Credit Extension**" means the making of a Term Loan.

"**Credit Party**" means the Borrower and CPS.

"**Cumulative Net Loss Rate**" means, as of any Reporting Date, a rate, expressed as a percentage equal to a fraction, (i) the numerator of which is the Cumulative Net Losses with respect to all Receivables (ii) the denominator of which is the aggregate principal balance of all Receivables as of the Cut-off Date.

"**Cumulative Net Losses**" means, as of any date of determination, the aggregate cumulative principal amount of Receivables that have become Charge-Off Receivables during the period beginning on the Cut-off Date through the end of the Collection Period immediately preceding the month in which such date of determination occurs, net of all Liquidation Proceeds and Recoveries with respect to such Receivables as of the end of the Collection Period immediately preceding the month in which such date of determination occurs.

"**Custodial Agreement**" means that certain Custodial and Collateral Agency Agreement to be dated as of the Closing Date by and among the Borrower, the Servicer, Custodian, the Collateral Agent and the Lead Agents, in a form substantially similar to that certain Custodial and Collateral Agency Agreement dated as of December 23, 2010 entered into by Wells Fargo Bank, National Association, Page Six Funding LLC, CPS, and the Lead Agents in connection with the Page Six Credit Agreement.

"**Custodian**" means Wells Fargo Bank, National Association, in its capacity as custodian under the Custodial Agreement, or any successor thereto acceptable to the Lead Agents in their sole discretion or such other national bank designated by the Borrower and acceptable to the Lead Agents in their sole discretion.

"**Custodian Fee**" means the custodian fee agreed by the Lead Agents and the Borrower to be paid to the Custodian and to be defined in the Custodial Agreement.

"**Custodian Fee and Expenses**" means the custodian fee and expenses agreed by the Lead Agents and the Borrower to be paid to the Custodian and to be defined in the Custodial Agreement.

"**Cut-off Date**" means July 31, 2011.

"**Dealer**" as defined in the Purchase Agreement.

"**Dealer Agreement**" as defined in the Purchase Agreement.

"**Debtor Relief Laws**" means the Bankruptcy Code, and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshalling of assets, assignment for the benefit of creditors or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect, affecting the rights of creditors generally or the rights of creditors of banks.

"**Default**" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"**Delinquency Rate**" means, with respect to any date of determination, a rate, expressed as a percentage, equal to a fraction (i) the numerator of which is the aggregate outstanding principal balance of all Delinquent Receivables as of the last day of the most recently ended Collection Period and (ii) the denominator of which is the aggregate outstanding principal balance of all Receivables as of the last day of the most recently ended Collection Period.

"**Delinquent Receivable**" means, with respect to any date of determination, any Receivable (i) with respect to which the related Obligor is more than thirty (30) days past due with respect to 10% or more of any Scheduled Receivable Payment and (ii) that is not a Charge-off Receivable.

"**Deposit Account**" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit and includes all balances and deposits held therein and all certificates and instruments, if any, representing or evidencing such Deposit Account.

"**Depository Institution**" means, collectively, any "depository institution" or any "subsidiary" of a depository institution, as such terms are defined in the Federal Deposit Insurance Act of 1950, as amended to date.

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

"**Elapsed Period**" means, with respect to any Reporting Date, the number of months elapsed between (x) the first day of the month following the Cut-off Date and (y) the first day of the month in which such Reporting Date occurs.

"Eligible Assignee" means, (1) prior to the Closing Date (a) any Lender or any Lender Affiliate (other than a natural person) of a Lender, (b) any commercial bank organized under the laws of the United States, or any state thereof, and having total assets or net worth in excess of $100,000,000, (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development or a political subdivision of any such country and which has total assets or net worth in excess of $100,000,000, provided that such bank is acting through a branch or agency located in the United States, and (d) a finance company, insurance company, or other financial institution or fund that is engaged in making, purchasing, or otherwise investing in commercial loans in the ordinary course of its business and having (together with its Lender Affiliates) total assets or net worth in excess of $100,000,000, (2) after the Closing Date and the termination of the Term Loan Commitments, (a) any Lender or any Lender Affiliate (other than a natural person) of a Lender and (b) any Person other than a natural person that is (A) an accredited investor (as defined in Regulation D under the Securities Act) and (B) in the business of extending credit or buying loans, and (3) any other Person (other than a natural person) approved by the Borrower (as long as no Default or Event of Default has occurred and is continuing) and Administrative Agent; provided, in the case of each of clause (1), (2) and (3), (x) no Credit Party nor any Affiliate of a Credit Party shall, in any event, be an Eligible Assignee and (y) no Person owning or controlling any trade debt or Indebtedness of any Credit Party other than the Obligations or any Capital Stock of any Credit Party (in each case, unless approved by the Administrative Agent) shall, in any event, be an Eligible Assignee.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"**Event of Default**" means the occurrence of any Tier 1 Event of Default or Tier 2 Event of Default.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Facility**" as defined in the preamble hereto.

"**Federal Funds Effective Rate**" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) 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 on such day, as published by the Federal Reserve Bank of New York on the next succeeding Business Day; provided, (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to Fortress on such day on such transactions as determined by the Administrative Agent.

"**Fee Letter**" means the letter agreement, dated as of the date hereof, by and among the Lead Agents, the Borrower and CPS.

"**Financed Vehicle**" means a new or used automobile, together with all accessions thereto, securing an Obligor's indebtedness under a Receivable.

"**Fiscal Quarter**" means, with respect to a particular Fiscal Year, a fiscal quarter corresponding to such Fiscal Year.

"**Fireside**" means Fireside Bank, a California corporation.

"**Fiscal Year**" means for the Borrower, the period beginning on the Closing Date and ending on December 31, 2011 and any consecutive twelve-month period commencing on the date following the last day of the previous Fiscal Year and ending on December 31.

"**Fortress**" as defined in the Preamble hereto.

"**Funding Notice**" means a notice substantially in the form of Exhibit A.

"**Funding Termination Event**" means any two (2) Key Employees have ceased to be involved in the day to day operations of CPS and have not been replaced by successors acceptable to the Administrative Agent in its sole discretion.

"**GAAP**" means, subject to the limitations on the application thereof set forth in Section 1.2, United States generally accepted accounting principles in effect as of the date of determination thereof.

"**Goldman Sachs Bank**" as defined in the preamble hereto.

"**Governmental Authority**" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"**Governmental Authorization**" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"**Grantor**" as defined in the Security Agreement.

"**Guarantor**" means CPS.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"**Increased-Cost Lender**" as defined in Section 2.20.

"**Indebtedness,**" as applied to any Person, means, without duplication, (a) all indebtedness for borrowed money; (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP; (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (d) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA), which purchase price is (i) due more than six (6) months from the date of incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument; (e) all indebtedness secured by any Lien on any property

or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (f) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (g) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another; (h) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (i) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (A) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (B) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (A) or (B) of this clause (i), the primary purpose or intent thereof is as described in clause (h) above; and (j) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, whether entered into for hedging or speculative purposes.

"**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages, penalties, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable, documented, out-of-pocket fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any reasonable, documented, out-of-pocket fees or expenses incurred by Indemnitees in enforcing the indemnification provisions of Section 9.3), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations, on common law or equitable cause or on contract or otherwise) that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Credit Extensions or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Limited Guaranty); provided, however, that "Indemnified Liabilities" shall not include any liabilities, obligations, losses, damages, penalties, claims, costs, expenses and disbursements resulting from the origination or servicing of the Receivables prior to the Servicing Transfer Date or credit losses on or diminution in value of Receivables or other Collateral unless such credit loss or diminution in value was a result of the action or inaction of the Borrower or the Servicer in contravention of the Credit Documents or any costs, expenses and disbursements that have been expressly allocated under the Credit Documents to a Person other than a Credit Party.

"**Indemnitee**" as defined in Section 9.3(a).

"**Independent Accountants**" means (a) Crowe Horwath LLP or (b) a firm of independent certified public accountants registered with the Public Company Accounting Oversight Board and otherwise acceptable to the Administrative Agent.

"**Independent Manager**" means an employee of Lord Securities Corporation, or another natural person meeting the qualifications set forth in Section 6.15 and otherwise acceptable to the Lead Agents in their sole discretion.

"**Insolvency Event**" means, with respect to a specified Person, (a) the institution of a proceeding or the filing of a petition against such Person seeking the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such proceeding or petition, decree or order shall remain unstayed or undismissed for a period of 60 consecutive days or an order or decree for the requested relief is earlier entered or issued; or (b) the commencement by such Person of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by, a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"**Interest Period**" means, with respect to any Term Loans and any Settlement Date, (a) with regard to the first such period, the period commencing on (and including) the Closing Date to but excluding such Settlement Date; and (b) thereafter, the period commencing on the immediately preceding Settlement Date to but excluding such Settlement Date; provided, no Interest Period shall extend beyond the Maturity Date.

"**Interest Rate**" means, with respect to (i) any Term Loan that is a LIBOR Rate Loan and any Interest Period, the Adjusted LIBOR Rate plus the Applicable Margin for such Interest Period and (ii) any Term Loan that is a Base Rate Loan and any Interest Period, the Base Rate plus the Applicable Margin for such Interest Period.

"**Interest Rate Reset Date**" means, with respect to any Interest Period, the date that is two (2) Business Days prior to the first day of such Interest Period.

"**Interim Servicing Agreement**" as defined in the Purchase Agreement.

"**Interim Servicing Period**" means the period during which Fireside is providing "Services" (as defined in the Interim Servicing Agreement) as Interim Servicer pursuant to the Interim Servicing Agreement, which period shall commence on the Closing Date and end on the Servicing Transfer Date.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Investment**" means (a) any direct or indirect purchase or other acquisition by the Borrower of, or of a beneficial interest in, any of the Securities of any other Person; (b) any direct or indirect redemption, retirement, purchase or other acquisition for value, from any Person, of any Capital Stock of such Person; and (c) any direct or indirect loan, advance or capital contributions by the Borrower to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

"**Key Employee**" means each of Charles Bradley, Jr., Robert Riedl and Chris Terry or any successor thereto approved by the Administrative Agent in its sole discretion.

"**Lead Agents**" means (i) Fortress, so long as not less than 25% of the outstanding principal balance of the Term Loans is owing to Fortress and its Affiliates and (ii) Goldman Sachs Bank, so long as not less than 25% of the outstanding principal balance of the Term Loans is owing to Goldman Sachs Bank and its Affiliates; provided that, if there are no Lead Agents, the voting and control rights held by the Lead Agents herein shall be exercised by the Administrative Agent.

"**Lead Agent Affiliate Lender**" as defined in Section 9.6(k).

"**Lender**" means each financial institution listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement.

"**Lender Affiliate**" means, as applied to any Lender or Agent, any Person directly or indirectly controlling (including any member of senior management of such Person), controlled by, or under common control with, such Lender. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power (a) to vote 10% or more of the Securities having ordinary voting power for the election of directors of such Person or (b) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"**LIBOR Rate Loan**" means a Term Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate and maturing on the last day of each Interest Period (unless otherwise continued pursuant to Section 2.6).

"**LIBOR Unavailability**" as defined in Section 2.16(a).

"**Lien**" means (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"**Limited Guaranty**" means the Guaranty and Pledge Agreement to be dated as of the Closing Date by CPS in favor of the Administrative Agent and the Lead Agents, on behalf of the Lenders in a form substantially similar to that certain Guaranty dated as of December 23, 2010 entered into by CPS in connection with the Page Six Credit Agreement.

"**Liquidation Proceeds**" as defined in the Servicing Agreement.

"**Loan Servicing Policy**" as defined in the Servicing Agreement.

"**Lockbox Account**" means the Deposit Account to be maintained by the Lockbox Account Bank in the name of the Borrower and designated in the Security Agreement as the "Lockbox Account".

"Lockbox Account Bank" means Wells Fargo Bank, National Association, in its capacity as account bank under the Controlled Account Control Agreement, and its successors and assigns or such other national bank designated by Borrower and acceptable to the Lead Agents in their sole discretion.

"**Lockbox Account Control Agreement**" means the agreement to be dated as of the Closing Date and titled the "Lockbox Account Control Agreement" among the Lockbox Account Bank, the Borrower and the Collateral Agent, in a form substantially similar to that certain Lockbox Account Control Agreement dated as of December 23, 2010 entered into by Wells Fargo Bank, National Association, Page Six Funding LLC and Goldman Sachs Bank, as Collateral Agent in connection with the Page Six Credit Agreement.

"**Lockbox System**" as defined in Section 5.9(a)(i).

"**Margin Stock**" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"**Material Adverse Effect**" means, a material adverse effect on (a) the business operations, assets, condition (financial or otherwise), liabilities or prospects of a Credit Party, (b) the ability of a Credit Party to fully and timely perform its obligations under the Credit Documents (including, without limitation, the Obligations of the Borrower); (c) the legality, validity, binding effect, or enforceability against a Credit Party of any Credit Document to which it is a party; or (d) the rights, remedies and benefits available to, or conferred upon, any Agent, any Lead Agent, any Lender or any Secured Party under any Credit Document.

"**Material Contract**" means any contract or other arrangement to which a Credit Party is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"**Maturity Date**" means the 42nd month anniversary of the Closing Date.

"**Maximum Availability**" means the lesser of (i) $210,000,000 and (ii) an amount equal to the Purchase Price paid by the Borrower to Fireside for Receivables pursuant to the Purchase Agreement multiplied by 98%.

"**Monthly Servicing Report**" means that Monthly Servicing Report in the form attached as Exhibit A to the Servicing Agreement.

"**Moody's**" means Moody's Investor Services, Inc., and any successor thereto.

"**Net Insurance Proceeds**" means an amount equal to: (a) any Cash payments or proceeds received by the Borrower under any casualty, business interruption or "key man" insurance policies in respect of any covered loss thereunder, minus (b) any actual and reasonable costs incurred by the Borrower in connection with the adjustment or settlement of any claims of the Borrower in respect thereof.

"**Note**" means a promissory note substantially in the form of Exhibit B.

"**Obligations**" means all obligations of every nature of the Borrower from time to time owed to the Agents (including former Agents), the Lead Agents, the Lenders, the Indemnitees or any of them, under any Credit Document, whether for principal, interest (including interest which, but for the filing of a petition

in bankruptcy with respect to the Borrower, would have accrued on any Obligation, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise.

"**Obligor**" means, with respect to a Receivable, the purchaser or co-purchasers of the related Financed Vehicle or any other Person who owes or may be liable for payments under such Receivable.

"**Organizational Documents**" means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, and (d) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "**Organizational Document**" shall only be to a document of a type customarily certified by such governmental official.

"**Page Six Credit Agreement**" means that certain Revolving Credit Agreement dated as of December 23, 2010 by and between Page Six Funding LLC, CPS, Goldman Sachs Bank, as administrative agent, collateral agent, a lender and a lead agent, and Fortress, as a lender and a lead agent., and the other lenders party thereto from time to time.

"**Performance Trigger**" means the breach of any of the collateral performance tests set forth on Appendix C hereto.

"**Permitted Investments**" means the following, subject to qualifications hereinafter set forth:

(i) obligations of, or obligations guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America;

(ii) federal funds, unsecured certificates of deposit, time deposits, banker's acceptances, and repurchase agreements having maturities of not more than 365 days of any bank, the short-term debt obligations of which are rated A-1+ (or the equivalent) by each of the Rating Agencies and, if it has a term in excess of three (3) months, the long-term debt obligations of which are rated AAA (or the equivalent) by each of the Moody's and S&P;

(iii) deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC);

(iv) investments in money market funds (including those owned or managed by the Controlled Account Bank) rated in the highest investment category by each of the Moody's and S&P; and

(v) such other investments as to which each of the Lead Agents consents.

Notwithstanding the foregoing, "Permitted Investments" (i) shall exclude any security with the S&P's "r" symbol (or any other Rating Agency's corresponding symbol) attached to the rating (indicating high volatility or dramatic fluctuations in their expected returns because of market risk), as well as any mortgage-backed securities and any security of the type commonly known as "strips"; (ii) shall not have maturities in excess of one (1) year; (iii) shall be limited to those instruments that have a predetermined fixed dollar of principal due at maturity that cannot vary or change; and (iv) shall exclude any investment where the right to receive principal and interest derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Interest may either be fixed or variable, and any variable interest must be tied to a single interest rate index plus a single fixed spread (if any), and move proportionately with that index. No investment shall be made which requires a payment above par for an obligation if the obligation may be prepaid at the option of the issuer thereof prior to its maturity. All investments shall mature or be redeemable upon the option of the holder thereof on or prior to the earlier of (x) three (3) months from the date of their purchase or (y) the Business Day preceding the day before the date the amounts invested in those investments are required to be applied hereunder.

"**Permitted Liens**" means:

(i) Liens imposed by law for taxes, assessments or other governmental charges payable by the Borrower that are not yet due or are being contested in compliance with Section 5.3;

(ii) Liens arising in favor of the applicable financial institution under the Lockbox Account Control Agreement or the Controlled Account Control Agreement; and

(iii) Liens on Financed Vehicles that are junior in right to the Lien of the Borrower, or that are possessory liens (such as for storage or repair), tax liens (such as property taxes or registration fees), or statutory enforcement liens (such as for parking tickets).

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Preferred Return**" means 16% *per annum*.

"**Prime Rate**" means the rate of interest quoted in The Wall Street Journal, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks), as in effect from time to time.

"**Principal Office**" means, for the Administrative Agent, 1345 Avenue of the Americas, New York, New York 10105 (or such other location in the United States of America as the Administrative Agent may from time to time designate in writing to the Borrower and each Lender).

"**Pro Rata Share**" means with respect to all payments, computations and other matters relating to the Term Loans of any Lender, the percentage obtained by dividing (i) the Term Loan Exposure of that Lender, by (ii) the aggregate Term Loan Exposure of all Lenders.

"**Purchase Agreement**" means that certain Purchase Agreement dated as of the date hereof, by and between Fireside and the Borrower, as it may be further amended, modified or supplemented from time to time in accordance with the terms thereof.

"**Purchase Price**" means the purchase price payable by Borrower to Fireside on the Closing Date for the Receivables pursuant to the Purchase Agreement.

"**Rating Agencies**" means each of Moody's and S&P.

"**Receivable**" means each Contract that was sold by Fireside to the Borrower pursuant to the Purchase Agreement.

"**Receivable File**" as defined in the Purchase Agreement.

"**Receivable Repurchase Event**" means any event or circumstance as a result of which the Borrower has the right to require the repurchase of a Receivable pursuant to Section 4.2(c) of the Purchase Agreement.

"**Receivable Repurchase Price**" means, with respect to any Receivable subject to a Receivable Repurchase Event, the amount paid by Fireside or Unitrin to repurchase such Receivable in accordance with the Purchase Agreement.

"**Recoveries**" means, with respect to a Receivable that is a Charge-Off Receivable, the monies collected from whatever source during any Collection Period following the Collection Period in which such Receivable became a Charge-Off Receivable, net of any amounts required by law to be remitted to the Obligor.

"**Register**" as defined in Section 2.4(a).

"**Related Agreements**" means, collectively, the Servicing Agreement, the Custodial Agreement and the Backup Servicing Agreement.

"**Replacement Person**" as defined in Section 2.17(c).

"**Reporting Date**" means the tenth (10^{th}) calendar day of each month (or if such day is not a Business Day, the immediately succeeding Business Day).

"**Requisite Lenders**" means one (1) or more Lenders having or holding Term Loan Exposure and representing more than 50% of the aggregate Term Loan Exposure of all Lenders.

"**S&P**" means Standard & Poor's Ratings Services, Inc., a Standard & Poor's Financial Services, LLC business, and any successor thereto.

"**Scheduled Receivable Payment**" means, for any Collection Period and for any Receivable, the amount indicated in such Receivable as required to be paid by the Obligor in such Collection Period. If after the Closing Date the Obligor's obligation under such Receivable with respect to a Collection Period has been modified so as to differ from the amount specified in such Receivable as a result of (i) the order of a court in an insolvency proceeding involving the Obligor, (ii) pursuant to the Servicemembers Civil Relief Act or (iii) modifications or extensions of the Receivable permitted by the Credit Documents and the Servicing Agreement, the Scheduled Receivable Payment with respect to such Collection Period shall refer to the Obligor's payment obligation with respect to such Collection Period as so modified.

"**Secured Party**" means each of the Agents (including former Agents), the Lead Agents, the Lenders, the Indemnitees or any of them.

"**Securities**" means any stock, shares, partnership interests, limited liability company interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "**securities**" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Act**" means the Securities Act of 1933, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Security Agreement**" means the Security Agreement, to be dated as of the Closing Date, by and between the Borrower and the Collateral Agent on behalf of the Secured Parties, in a form substantially similar to that certain Security Agreement dated as of December 23, 2010 entered into by Page Six Funding LLC and Goldman Sachs Bank, as collateral agent thereunder, in connection with the Page Six Credit Agreement.

"**Servicer**" means, during the Interim Servicing Period, Fireside, and after the Servicing Transfer Date, CPS, subject to removal pursuant to the terms of the Servicing Agreement, and thereafter shall mean the Backup Servicer, or any successor servicer appointed pursuant to the Servicing Agreement.

"**Servicer Default**" as defined in the Servicing Agreement.

"**Servicing Agreement**" means that certain Servicing Agreement to be dated as of the Closing Date by and among the Borrower, the Servicer, the Administrative Agent and the Lead Agents in the form attached hereto as Exhibit E.

"**Servicing Fee**" means, during the Interim Servicing Period, the Interim Servicing Fee as defined in the Interim Servicing Agreement and, after the Servicing Transfer Date, the amount equal to, for each Settlement Date, the sum of (1) the product of (x) one-twelfth times (y) the Servicing Fee Rate times (z) the outstanding principal balance of the Receivables on the first date of the related Collection Period, plus (2) all administrative fees, expenses and charges paid by or on behalf of Obligors, including late fees collected on the Contracts during the related Collection Period plus (3) $275 per Financed Vehicle repossessed during the related Collection Period plus (4) any auction or other expenses paid by Servicer (and not reimbursed) in connection with any Financed Vehicle repossessed or liquidated, pro rated, as applicable, for partial months plus (5) expenses incurred by Servicer in accordance with Section 2.05 of the Servicing Agreement.

"**Servicing Fee Rate**" shall be 2.5% per annum.

"**Servicing Transfer Date"** means the date servicing is transferred from Fireside to the Servicer in accordance with the Interim Servicing Agreement or the obligation of Fireside to perform the "Services" under the Interim Servicing Agreement terminates.

"**Settlement Date**" means (a) the fifteenth (15th) calendar day of each month (or if such day is not a Business Day, the immediately succeeding Business Day) beginning in the month following the Closing Date, (b) the Maturity Date and (c) the Termination Date.

"**Solvency Certificate**" means a Solvency Certificate of the chief financial officer of CPS or the Borrower, as the case may be, substantially in the form of Exhibit D-2.

"**Solvent**" means, with respect the Borrower or CPS, that as of the date of determination, both (a) (i) the sum of such entity's debt (including contingent liabilities) does not exceed the present fair saleable value of such entity's present assets; (ii) such entity's capital is not unreasonably small in relation to its business as contemplated on the Closing Date; and (iii) such entity has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such entity is "**solvent**" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "**qualifying share**" of the former Person shall be deemed to be outstanding.

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee or deduction or withholding in respect thereof of any similar nature and whatever called, imposed by a Governmental Authority, on whomsoever and wherever imposed, levied, collected, withheld or assessed; provided, "**Tax on the overall net income**" of a Person shall be construed as a reference to a Tax imposed by the jurisdiction in which that Person is organized or in which that Person's applicable principal office (and/or, in the case of a Lender, its lending office) is located or in which that Person (and/or, in the case of a Lender, its lending office) is deemed to be doing business on all or part of the net income, profits or gains (whether worldwide, or only insofar as such income, profits or gains are considered to arise in or to relate to a particular jurisdiction, or otherwise) of that Person (and/or, in the case of a Lender, its applicable lending office) and shall include any backup or other withholding tax that shall be eligible to be credited against any such Tax.

"Tax Matters Letter" means that certain tax matters letter to be dated as of the Closing Date by and among CPS, the Borrower and the Lead Agents, in substantially the form attached hereto as Exhibit F.

"**Tier 1 Event of Default**" shall mean the occurrence of any of the conditions or events set forth in Section 7.1(b), Section 7.1(e)(ii), Section 7.1(g), Section 7.1(l)(i), Section 7.1(q) or Section 7.1(s).

"**Tier 2 Event of Default**" shall mean the occurrence of any of the conditions or events set forth in Section 7.1(a), Section 7.1(e)(i), Section 7.1(f), Section 7.1(h), Section 7.1(i), Section 7.1(j), Section 7.1(k), Section 7.1(l)(ii), Section 7.1(m), or Section 7.1(o).

"**Term Loan**" means a loan made by a Lender to the Borrower pursuant to Section 2.1(a).

"**Term Loan Commitment**" means the commitment of a Lender to make or otherwise fund a Term Loan and "**Term Loan Commitments**" means such commitments of all Lenders in the aggregate. The amount of each Lender's Term Loan Commitment, if any, is set forth on Appendix A or the applicable Assignment Agreement, subject to adjustment or reduction pursuant to the terms and conditions hereof. The Term Loan Commitments as of the date hereof are $210,000,000.

"**Term Loan Exposure**" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Term Loans of such Lender.

"**Termination Date**" means the first date on which (a) all Receivables have been paid in full or liquidated (along with the relevant Financed Vehicle) in accordance with the Loan Servicing Policy and no further Collections are realizable on the Receivables, (b) all payment obligations of Fireside and Unitrin under the Transaction Documents have terminated and (c) there are no pending, potential or unpaid claims of the Borrower or the Lenders under the Transaction Documents.

"**Transaction Agreements**" means, collectively, the Purchase Agreement, the Interim Servicing Agreement and the Unitrin Guaranty.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**Unitrin**" means Unitrin, Inc., a Delaware corporation.

"**Unitrin Guaranty**" means the Parent Guaranty (as defined in the Purchase Agreement).

"**Upfront Fee**" as defined in the Fee Letter.

"**Unreturned Capital Contribution Amount**" means the excess, if any, of the Capital Contribution Amount over the aggregate amounts paid to CPS under Section 2.11(d) and Section 2.13(i).

1.2. Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing CPS' audited financial statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower, CPS or the Lenders shall so request, the Administrative Agent, the Lenders, CPS and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) CPS and the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.3. Interpretation, etc.

Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "**include**" or "**including,**" when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not no limiting language (such as "**without limitation**" or "**but not limited to**" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. 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. Unless the context requires otherwise or otherwise specified in any applicable Credit Document, (a) reference to any Person include that Person's successors and assignees, (b) any definition of or reference to any Credit Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements, or modifications set forth herein or therein), and (c) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time.

SECTIONTERM LOANS
2.

2.1. Term Loans.

(a) Term Loan Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make, on the Closing Date, a Term Loan to the Borrower in an amount equal to such Lender's Term Loan Commitment up to its Pro Rata Share of the Maximum Availability. The Borrower may make only one borrowing under the Term Loan Commitments which shall be on the Closing Date. Any amount borrowed under this Section 2.1(a) and subsequently repaid or prepaid may not be reborrowed. Subject to Section 2.10 and Section 2.11, all amounts owed hereunder with respect to the Term Loans shall be paid in full no later than the Maturity Date. Each Lender's Term Loan Commitment shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender's Term Loan Commitment on such date.

(b) Borrowing Mechanics for Term Loans.

(i) The Borrower shall deliver to the Administrative Agent and the Lead Agents a fully executed and delivered Funding Notice no later than 1:00 p.m. (New York City time) at least two (2) Business Days in advance of the proposed Closing Date together with a schedule of Receivables to be transferred to the Borrower on the Closing Date and certifying the Purchase Price.

(ii) Notice of receipt of the Funding Notice, together with the amount of each Lender's Pro Rata Share thereof, if any, together with the applicable Interest Rate, shall be provided by the Administrative Agent to each applicable Lender by telefacsimile with reasonable promptness, but not later than 2:00 p.m. (New York City time) on the same day as the Administrative Agent's receipt of such Funding Notice from the Borrower (provided the Administrative Agent shall have received such notice from the Borrower by 1:00 p.m. (New York City time)).

(iii) Each Lender shall make the amount of its Term Loan available to the Administrative Agent not later than 12:00 p.m. (New York City time) on the Closing Date by wire transfer of same day funds in Dollars, at the Administrative Agent's Principal Office. Except as provided herein, upon satisfaction or waiver by the Lead Agents of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of such Term Loans available to the Borrower on the Closing Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Term Loans received by the Administrative Agent from the Lenders to be credited to the account of the Borrower at the Administrative Agent's Principal Office or such other account as may be designated in writing to the Administrative Agent by the Borrower.

2.2. Pro Rata Shares.

(a) All Term Loans shall be made, and all participations purchased, by the Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Term Loan requested hereunder or purchase a participation required hereby nor shall any Term Loan of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Term Loan requested hereunder or purchase a participation required hereby.

(b) [Reserved].

2.3. Use of Proceeds

. The proceeds of the Term Loans made on the Closing Date shall be applied by the Borrower to finance 98% of the Purchase Price paid to Fireside for the acquisition of Receivables from Fireside pursuant to the Purchase Agreement. No portion of the proceeds of any Term Loan shall be used in any manner that causes such Term Loan or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act.

2.4. Register; Notes.

(a) Register. The Administrative Agent shall maintain at its Principal Office a register for the recordation of the names and addresses of the Lenders and the Term Loan Commitments and Term Loans from time to time (the "**Register**"). The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice to the Administrative Agent. The Administrative Agent shall record in the Register the Term Loan Commitments and the Term Loans, and each repayment or prepayment in respect of the principal amount of the Term Loans, and any

such recordation shall be conclusive and binding on the Borrower and each Lender, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect the Term Loan Commitments or the Borrower's Obligations in respect of any Term Loan. The Borrower hereby designates the entity serving as Administrative Agent to serve as the Borrower's agent solely for purposes of maintaining the Register as provided in this Section 2.4, and the Borrower hereby agrees that, to the extent such entity serves in such capacity, the entity serving as Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute "**Indemnitees**."

(b) Notes. If so requested by any Lender prior to the Closing Date, or upon two (2) Business Days prior written notice at any time after the Closing Date, the Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 9.6) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after the Borrower's receipt of such notice) a Note or Notes, as so requested, to evidence the Term Loan.

2.5. Interest on Term Loans.

(a) Except as otherwise set forth herein, each Term Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) as follows: (i) if a Base Rate Loan, at the Base Rate plus the Applicable Margin; or (ii) if a LIBOR Rate Loan, at the Adjusted LIBOR Rate plus the Applicable Margin. Borrower shall indicate in the Funding Notice whether a Term Loan shall be a Base Rate Loan or a LIBOR Rate Loan, provided, however, that so long as, in the good faith judgment of the Administrative Agent, adequate and fair means exist for ascertaining the interest rate applicable to LIBOR Rate Loans on the basis provided for in the definition of Adjusted LIBOR Rate, the Borrower shall indicate on the Funding Notice that any requested Term Loan shall be a LIBOR Rate Loan.

(b) Interest payable pursuant to Section 2.5(a) shall be computed on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Term Loan, the Closing Date or the first day of an Interest Period applicable to such Term Loan shall be included, and the date of payment of such Term Loan or the expiration date of an Interest Period applicable to such Term Loan shall be excluded.

(c) Except as otherwise set forth herein, interest on each Term Loan shall be payable in arrears on (i) each Settlement Date applicable to that Term Loan; (ii) with respect to any prepayment in whole or in part of such Term Loan, whether voluntary or mandatory, the Settlement Date immediately following such prepayment in an amount equal to the interest accrued and unpaid on the amount so prepaid to the date of prepayment; and (iii) at maturity.

2.6. Continuation

. Subject to Section 2.16 and provided that (i) no Tier 2 Event of Default has occurred and is continuing and (ii) the Lenders shall not have exercised the Buyout Option following a Tier 1 Event of Default, upon the expiration of any Interest Period applicable to any LIBOR Rate Loan, such LIBOR Rate Loan shall automatically continue for an additional Interest Period at the Adjusted LIBOR Rate calculated as of the most recent Interest Rate Reset Date.

2.7. [Reserved]

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2.8. Fees; Certain Expenses.

(a)

(a) On the Closing Date, CPS shall pay each Lender its Pro Rata Share of the Upfront Fee.

(b) On the Closing Date, CPS shall pay to the Custodian and Backup Servicer 1/3 (one-third) of the upfront fees due and payable to the Custodian and the Backup Servicer on the Closing Date. On the Closing Date, each Lender shall pay its Pro Rata Share of the remaining upfront fees due and payable to the Custodian and the Backup Servicer on the Closing Date. Each of CPS and each Lender shall pay its own costs and expenses, including the costs and expenses of legal counsel, incurred by it prior to the Closing Date (subject to, with respect to any Lenders, any agreement between or among such Lenders).

2.9. Call Protection.

(a) The Borrower and CPS may not prepay or repay any Term Loan in whole or in part except with Collections in the ordinary course of business and through the application of proceeds as set forth in Section 2.11 or Section 2.13.

2.10. Mandatory Prepayments.

(a) Insurance Proceeds. No later than the first Business Day following the date of receipt by the Borrower, or Collateral Agent as loss payee, of any Net Insurance Proceeds, the Borrower shall prepay the Term Loans in an aggregate amount equal to such Net Insurance Proceeds.

(b) Issuance of Equity Securities. On the date of receipt by the Borrower of any Cash proceeds from the issuance of any Capital Stock of the Borrower other than (a) issuances of Capital Stock of the Borrower to CPS or (b) for purposes approved in writing by Lead Agents, the Borrower shall prepay the Term Loans in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses.

(c) Issuance of Debt. On the date of receipt by the Borrower of any Cash proceeds from the incurrence of any Indebtedness of the Borrower (other than with respect to any Indebtedness permitted to be incurred pursuant to Section 6.1), the Borrower shall prepay the Term Loans in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, in each case, paid to non-Affiliates, including reasonable legal fees and expenses.

(d) Tax Refunds. On the date of receipt by the Borrower of any tax refunds, the Borrower shall prepay the Term Loans in the amount of such tax refunds.

(e) Prepayment Certificate. Concurrently with any prepayment of the Term Loans pursuant to clauses (a)-(d) of this Section 2.10, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent and the Lead Agents a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds.

2.11. Payments During a Tier 2 Event of Default

. Upon (x) the occurrence and during the continuance of a Tier 2 Event of Default or (y) the occurrence of a Tier 1 Event of Default and the exercise by the Lenders of the Buyout Option, on each Settlement Date (a) all payments made hereunder and under the other Credit Documents (including in respect of proceeds from any Collateral) and (b) all amounts on deposit in the Collection Account and any income and gains from investment of funds in the Collection Account that accrued during the immediately preceding Collection Period shall be applied by the Controlled Account Bank at the written direction of the Collateral Agent as follows (subject to Section 2.14(h)):

(a) First, to the payment of, and in the same priority as, items (a) through (e) in Section 2.13 below;

(b) Second, to the Administrative Agent, for the ratable benefit of the Lenders and, if applicable, the Indemnitees, until the outstanding principal balance on the Term Loans is reduced to zero, all remaining Obligations are paid in full and all Indemnified Liabilities, if any, owing to any Indemnitee are paid in full;

(c) Third, unless the Buyout Option has been exercised by the Lenders, to CPS to pay an amount equal to the Preferred Return on the Unreturned Capital Contribution Amount for the relevant Collection Period;

(d) Fourth, unless the Buyout Option has been exercised by the Lenders, to CPS, until the Unreturned Capital Contribution Amount equals $0;

(e) Fifth, to the payment of item (j) in Section 2.13 below; and

(f) Sixth, unless the Buyout Option has been exercised by the Lenders, 80% to the Administrative Agent, for the ratable benefit of the Lenders and 20% to CPS.

2.12. Collection Account and Amounts.

(a) On or prior to the date hereof, the Borrower shall cause to be established and maintained, (i) a securities account at the Controlled Account Bank in the name of the Borrower designated as the Collection Account as to which the Collateral Agent for the benefit of the Lenders has control over such account within the meaning of Section 9-106 of the UCC pursuant to the Controlled Account Control Agreement, and (ii) deposit account at the Lockbox Account Bank in the name of the Borrower designated as the Lockbox Account (together with the Collection Account, the "**Controlled Accounts**," and each a "**Controlled Account**")as to which the Collateral Agent has control over such account for the benefit of the Lenders within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Lockbox Account Control Agreement.

(b) So long as no Event of Default has occurred and shall be continuing, the Borrower or the Servicer shall be permitted to direct the investment of the funds from time to time held in the Collection Account in Permitted Investments and to sell or liquidate such Permitted Investments and reinvest proceeds from such sale or liquidation in other Permitted Investments (but none of the Collateral Agent, the Administrative Agent, or the Lenders shall have liability whatsoever in respect of any failure by the Controlled Account Bank to do so), with all such proceeds and reinvestments to be held in the Collection Account; provided, however, that the maturity of the Permitted Investments on deposit in the Collection Account shall be no later than the Business Day immediately preceding the date on which such funds are required to be withdrawn therefrom pursuant to this Agreement; and, provided further, that the Borrower shall remit into the Collection Account an amount equal to any losses realized on Permitted Investments contained therein. No Permitted Investment shall be liquidated at a loss at the direction of the Borrower except to the extent necessary to make a required payment as described herein. All income and gains from the investment of funds in the Collection Account shall be retained in the Collection Account from which they were derived, until the next Settlement Date, at which time such income and gains shall be applied in accordance with Section 2.11 or Section 2.13, as the case may be. As between the Borrower and the Collateral Agent, the Borrower shall treat all income, gains and losses from the investment of amounts in the Collection Account as its income or loss for federal, state and local income tax purposes.

(c) The Control Agreements will provide that all funds in the Lockbox will be swept daily into the Collection Account.

2.13. Application of Collections.

Except if (x) a Tier 2 Event of Default has occurred and is continuing or (y) a Tier 1 Event of Default has occurred and the Lenders have exercised the Buyout Option, the Collateral Agent will instruct the Controlled Account Bank (or will instruct the Interim Servicer during the Interim Servicing Period, or thereafter the Servicer, to instruct the Controlled Account Bank pursuant to the Interim Servicing Agreement or the Servicing Agreement, as applicable), on each Settlement Date, to transfer collected funds held by the Controlled Account Bank in the Collection Account, in the following amounts and priority (subject to Section 2.14(h)) in accordance with the Monthly Servicing Report:

(a) on a pari passu basis, (1) to the Custodian, the Custodian Fees and Expenses accrued and unpaid as of the last day of the preceding month, (2) to the Backup Servicer, the Backup Servicing Fees and reimbursable expenses (including, without limitation, any transition costs) of the Backup Servicer accrued and unpaid as of the last day of the preceding month, and (3) to the Controlled Account Bank, the Controlled Account Bank Fees accrued and unpaid as of the last day of the preceding month;

(b) to the Servicer or the Interim Servicer, as applicable, any unpaid Servicing Fees;

(c) to the Administrative Agent, to pay any costs or fees due to the Administrative Agent, the Collateral Agent or the Lead Agents;

(d) to the Administrative Agent, for the ratable benefit of the Lenders, to pay any accrued but unpaid interest, fees and expenses in connection with this Agreement and any other Credit Document;

(e) to CPS, in an amount equal to payments made by CPS under the CPS Guaranty in respect of its indemnification obligations under the Interim Servicing Agreement, provided, that such indemnification obligation did not arise from any act or omission of CPS;

(f) to CPS, to pay an amount equal to the Preferred Return on the Unreturned Capital Contribution Amount for the relevant Collection Period;

(g) to the Administrative Agent, for the ratable benefit of the Lenders and, if applicable, the Indemnitees, to repay principal and all remaining Obligations (other than the obligation to pay amounts to the Lenders pursuant to Section 2.13(k)) and to pay any Indemnified Liabilities, if any, owing to any Indemnitee until the Term Loans, such Obligations and such Indemnified Liabilities are repaid or paid in full and;

(h) to the extent not paid pursuant to clause (f) above, to CPS, to pay any accrued but unpaid Preferred Return on the Unreturned Capital Contribution Amount;

(i) to CPS, until the Unreturned Capital Contribution Amount equals $0;

(j) on a *pari passu* basis, (1) to the Custodian, any other amounts payable to the Custodian in its capacity as Custodian pursuant to this Agreement or the Custodial Agreement to the extent unpaid by the Borrower and not covered under item (a) above, (2) to the Backup Servicer, any other amounts payable to the Backup Servicer pursuant to this Agreement or the Backup Servicing Agreement to the extent unpaid by the Borrower and not covered under item (a) above, and (3) to the Controlled Account Bank, any other amounts payable to the Controlled Account Bank pursuant to this Agreement or the Control Agreements to the extent unpaid by the Borrower hereunder and not covered under item (a) above; and

(k) 80% to the Administrative Agent, for the ratable benefit of the Lenders and 20% to CPS.

2.14. General Provisions Regarding Payments.

(a) All payments by the Borrower of principal, interest, fees and other Obligations shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to the Administrative Agent, for the account of the Lenders, not later than 3:00 p.m. (New York City time) on the date due via wire transfer of immediately available funds to account number 2047628893919 maintained by the Administrative Agent with Bank of America (ABA No. 026009593) in New York City (or at such other location or bank account within the City and State of New York as may be designated by the Administrative Agent from time to time); funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by the Borrower on the next Business Day (except to the extent such delay in payment results solely from the Controlled Account Bank's failure to distribute funds on deposit in the Collection Account and available for distribution as of 3:00 p.m. on such Business Day in accordance with Section 2.11 or 2.13).

(b) All payments in respect of the principal amount of any Term Loan (other than voluntary or mandatory prepayments of any Term Loan as provided in Section 2.5(c)) shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid.

(c) The Administrative Agent shall promptly distribute to each Lender at such address or via wire transfer as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due with respect thereto, including, without limitation, all fees payable with respect thereto, to the extent received by the Administrative Agent.

(d) Notwithstanding the foregoing provisions hereof, if any Affected Lender makes Base Rate Loans in lieu of its Pro Rata Share of any LIBOR Rate Loans, the Administrative Agent shall give effect thereto in apportioning payments received thereafter.

(e) Subject to the proviso set forth in the definition of "**Interest Period,**" whenever any payment to be made hereunder shall be stated to be due on a day that 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 the computation of the payment of interest hereunder.

(f) The Borrower hereby authorizes the Administrative Agent to charge the Borrower's accounts with the Administrative Agent or any of its Affiliates in order to cause timely payment to be made to the Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

(g) The Administrative Agent shall give prompt telephonic notice to the Borrower and each Lender (confirmed in writing) if any payment is not made in conformity with this Section 2.14. Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) from the date such amount was due and payable until the date such amount is paid in full.

(h) The Collateral Agent will instruct the Controlled Account Bank (or will instruct the Interim Servicer during the Interim Servicing Period, or thereafter the Servicer, to instruct the Controlled Account Bank pursuant to the Interim Servicing Agreement or the Servicing Agreement, as applicable) to transfer collected funds held by the Controlled Account Bank in the Collection Account to Fireside to the extent of any amounts finally determined to be owed to Fireside by the Borrower pursuant to clause (ii) of Section 3.(1)(a) of the Purchase Agreement.

2.15. Ratable Sharing

. The Lenders hereby agree among themselves that, except as otherwise provided in the Credit Documents, with respect to amounts realized from the exercise of rights with respect to Liens on the Collateral, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Term Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Credit Documents (collectively, the "**Aggregate Amounts Due**" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify the Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate

Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in their proportions of Aggregate Amounts Due; provided, if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of the Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. The Borrower expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, set-off or counterclaim with respect to any and all monies owing by the Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

2.16. Making or Maintaining LIBOR Rate Loans.

(a) Inability to Determine Applicable Interest Rate. In the event that the Administrative Agent shall have reasonably determined in good faith (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Reset Date with respect to any LIBOR Rate Loans, that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such LIBOR Rate Loans on the basis provided for in the definition of Adjusted LIBOR Rate ("**LIBOR Unavailability**"), the Administrative Agent shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and each Lender of such determination, whereupon (i) no Term Loans may be made as LIBOR Rate Loans until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (ii) the Borrower shall have the right to rescind any Funding Notice previously given by the Borrower with respect to the Term Loans in respect of which such determination was made by giving notice (by telefacsimile or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Administrative Agent gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to the Lenders) and (iii) all then-existing Term Loans shall convert automatically to Base Rate Loans at the end of the then-applicable Interest Period if such circumstances still exist at such time. At such time as the Administrative Agent shall notify the Borrower and the Lenders that any period of LIBOR Unavailability has ended, on the first day of the Interest Period next following such determination, all Base Rate Loans carried by the Lenders as a consequence of this Section 2.16(a) shall automatically convert to LIBOR Rate Loans having an initial Interest Period commencing on the first day of such Interest Period.

(b) Illegality or Impracticability of LIBOR Rate Loans. In the event that on any date any Lender shall have reasonably determined in good faith (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with the Borrower and the Administrative Agent) that the making or maintaining of its LIBOR Rate Loans (i) has become unlawful after the date hereof as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) has become impracticable, as a result of contingencies occurring after the date hereof which materially and adversely affect the London interbank market or the position of such Lender in that market, then, and in any such event, such Lender shall be an "**Affected Lender**" and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each other Lender). Thereafter (1) the obligation of the Affected Lender to make Term Loans as LIBOR Rate Loans shall be suspended until such notice shall be withdrawn by the Affected Lender at such time as the circumstances giving rise to such notice no longer exist, (2) to the extent such determination by the Affected Lender relates to a LIBOR Rate Loan then being requested by the Borrower pursuant to a Funding Notice, the Affected Lender shall make such Term Loan (or continue such Term Loan) as a Base Rate Loan, (3) the Affected Lender's obligation to maintain its outstanding LIBOR Rate Loans (the "**Affected Loans**") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a LIBOR Rate Loan then being requested by the Borrower pursuant to a Funding Notice, the Borrower shall have the option, notwithstanding anything to the contrary in Section 2.1(b)(ii), to rescind such Funding Notice as to all Lenders by giving notice (by telefacsimile or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to each Lender). Except as provided in the immediately preceding sentence, nothing in this Section 2.16(b) shall affect the obligation of any Lender other than an Affected Lender to make or maintain Term Loans as LIBOR Rate Loans in accordance with the terms hereof.

(c) Compensation for Breakage or Non-Commencement of Interest Periods. The Borrower shall compensate each Lender, upon written request by such Lender (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid or calculated to be due and payable by such Lender to lenders of funds borrowed by it to make or carry its LIBOR Rate Loans and any loss, expense or liability sustained by such Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which such Lender would sustain: (i) if for any reason (other than a default by such Lender) a borrowing of any LIBOR Rate Loan does not occur on a date specified therefor in a Funding Notice; (ii) if any prepayment or other principal payment of any of its LIBOR Rate Loans occurs on any day other than the last day of an Interest Period applicable to that Term Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise) or on the Maturity Date; or (iii) if any prepayment of any of its LIBOR Rate Loans is not made on any date specified in a notice of prepayment given by the Borrower.

(d) Booking of LIBOR Rate Loans. Any Lender may make, carry or transfer LIBOR Rate Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

2.17. Increased Costs; Capital Adequacy.

(a) Compensation For Increased Costs and Taxes. Subject to the provisions of Section 2.18 (which shall be controlling with respect to the matters covered thereby), in the event that any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that becomes effective after the date hereof, or compliance by such Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law): (i) subjects such Lender (or its applicable lending office) to any additional Tax (other than any Tax on the overall net income of such Lender) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender (other than any such reserve or other requirements); or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Lender (or its applicable lending office) or its obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Term Loans hereunder or to reduce any amount received or receivable by such Lender (or its applicable lending office) with respect thereto; then, in any such case, the Borrower shall pay to such Lender within ten (10) Business Days of receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall

determine) as may be necessary to compensate such Lender for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to the Borrower (with a copy to the Administrative Agent and each Lead Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.17(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy Adjustment. In the event that any Lender shall have determined that the adoption, effectiveness, phase-in or applicability after the Closing Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein 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 any Lender (or its applicable lending office) with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of, or with reference to, such Lender's Term Loans or Term Loan Commitments or participations therein or other obligations hereunder with respect to the Term Loans to a level below that which such Lender or such controlling corporation could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling corporation with regard to capital adequacy), then from time to time, within ten (10) Business Days after receipt by the Borrower from such Lender of the statement referred to in the next sentence, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling corporation on an after-tax basis for such reduction. Such Lender shall deliver to the Borrower (with a copy to the Administrative Agent and each Lead Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.17(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(c) Borrower Rights. If any Lender other than a Lead Agent demands payment with respect to amounts owed under Section 2.17(a) or (b), the Borrower shall have the right, if no Default or Event of Default has occurred and is then continuing, within ninety (90) days after receipt of such demand, to remove such Lender (the "**Affected Person**") and to designate another lender (the "**Replacement Person**") reasonably acceptable to the Lead Agents to purchase the Affected Person's outstanding Term Loans and to assume the Affected Person's obligations under this Agreement; *provided* that increased costs incurred by such Lender prior to the date of its replacement shall have been paid as provided herein. The Affected Person agrees to sell to the Replacement Person its outstanding Loans (at par, with accrued interest through the date of purchase, in immediately available funds) and to delegate to the Replacement Person its obligations to the Borrower under this Agreement. Upon such sale and delegation by the Affected Person and the purchase and assumption by the Replacement Person, and compliance with the provisions of Section 9.6, the Affected Person shall cease to be a Lender hereunder and the Replacement Person shall become a Lender under this Agreement. Each Affected Person shall continue to be entitled to receive from the Borrower its share of interest, fees, costs and other sums which have not been assigned by the Affected Person to the Replacement Person.

2.18. Taxes; Withholding, etc.

(a) Payments to Be Free and Clear. All sums payable by each Credit Party hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax (other than a Tax on the overall net income of any Lender) imposed, levied, collected, withheld or assessed by or within the United States of America or any political subdivision in or of the United States of America or any other jurisdiction from or to which a payment is made by or on behalf of a Credit Party or by any federation or organization of which the United States of America or any such jurisdiction is a member at the time of payment.

(b) Withholding of Taxes. If a Credit Party or any other Person is required by law to make any deduction or withholding on account of any such Tax from any sum paid or payable by any Credit Party in respect of interest paid or payable by the Borrower to the Administrative Agent or any Lender under any of the Credit Documents: (i) the Borrower shall notify the Administrative Agent as soon as practicable of any such requirement or any change in any such requirement as soon as the Borrower becomes aware of it; (ii) the Borrower shall pay any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is imposed on the Administrative Agent or such Lender, as the case may be) on behalf of and in the name of the Administrative Agent or such Lender; (iii) the sum payable by any Credit Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the Administrative Agent or such Lender, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (iv) within thirty (30) days (or as soon as practicable thereafter) after paying any sum from which it is required by law to make any deduction or withholding, and within thirty (30) days (or as soon as practicable thereafter) after the due date of payment of any Tax which it is required by clause (ii) above to pay, the Borrower shall use commercially reasonable efforts to deliver to the Administrative Agent evidence satisfactory to the other affected parties of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority; provided, no such additional amount shall be required to be paid to any Lender under clause (iii) above (and in the case of any payment required under clause (ii) above, such payment shall be treated as a payment under the Credit Documents to the Borrower, the Administrative Agent or the Lender(s) as the case may be) except to the extent that any change after the date hereof in any such requirement for a deduction, withholding or payment as is mentioned therein shall result in an increase in the rate of such deduction, withholding or payment from that in effect at the date hereof, in respect of payments to such Lender.

(c) The Borrower shall not be required to pay any additional amounts to any Lender in respect of United States federal withholding taxes pursuant to Section 2.18(b) above if the obligation to pay such additional amounts would not have arisen but for a failure by such Lender to comply with the provisions of Section 2.18(d) hereof. In the event the Borrower has actual knowledge that it is required to, or there arises, in the Borrower's reasonable opinion, a substantial likelihood that the Borrower will be required to, pay an increased amount or otherwise indemnify such Lender for or on account of any Taxes pursuant to Section 2.18(b), the Borrower shall promptly notify such Lender of the nature of such Taxes and shall furnish such information to such Lender as it may reasonably request. In the event the Borrower provides the notice described in the previous sentence, such Lender shall consult with the Borrower in good faith to determine what action may be required to avoid or reduce such Taxes and shall use reasonable efforts to avoid or reduce such Taxes, *provided* that no action shall be required to be taken that would be disadvantageous to such Lender and would result in significantly increased cost to such Lender.

(d) If any Lender is not incorporated under the laws of the United States, any state thereof or the District of Columbia, prior to the first payment to such Lender under this Agreement, such Lender shall deliver to the Borrower and Administrative Agent (i) two duly completed copies of United States Internal Revenue Service Form W-8BEN or Form W-8ECI (or applicable successor form and any related forms as may from time to time be adopted to document a claim to which such form relates), and (ii) a duly completed copy of United States Internal Revenue Service Form W-8 or W-9 (or applicable successor form and any related forms as may from time to time be adopted to document a claim to which such form relates). Such Lender shall certify that (x) in the case of any form provided pursuant to clause (i) of the preceding sentence it is entitled to receive payments hereunder without deduction or withholding of any United States federal income taxes and (y) in the case of any form provided pursuant to clause (ii) of the preceding sentence it is entitled to receive payments hereunder without deduction or withholding of any United States federal backup withholding taxes. Such Lender also agrees to deliver further copies of said Form W-8BEN, W-8ECI or W-9 (or applicable successor form and any related forms as may from time to time be adopted to document a claim to which such form relates), and any related certification as described in the preceding sentence, as the case may be, (i) on or before the date that any such form previously provided expires or becomes obsolete, (ii) after the occurrence of any event requiring a change in the most recent form previously provided unless a change in a treaty, law or regulation has occurred prior to the date on which delivery would otherwise be required that renders all such forms inapplicable or that would

prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrower and Administrative Agent and (iii) upon reasonable request of the Borrower and Administrative Agent from time to time.

2.19. Obligation to Mitigate.

(a) Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Term Loans becomes aware of the occurrence of an event or the existence of a condition that would cause such Lender to become an Affected Lender or that would entitle such Lender to receive payments under Section 2.16, 2.17 or 2.18, it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use commercially reasonable efforts to (a) make, issue, fund or maintain its Credit Extensions, including any Affected Loans, through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable if, as a result thereof, the circumstances which would cause such Lender to be an Affected Lender would cease to exist or the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.16, 2.17 or 2.18 would be materially reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Term Loan Commitments or Term Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Term Loan Commitments or Term Loans or the interests of such Lender; provided, such Lender will not be obligated to utilize such other office pursuant to this Section 2.19 unless the Borrower agrees to pay all reasonable, documented, out-of-pocket incremental expenses incurred by such Lender as a result of utilizing such other office as described above. A certificate as to the amount of any such expenses payable by the Borrower pursuant to this Section 2.19 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive absent manifest error.

(b) If the Administrative Agent or any Lender determines, in its sole and reasonable discretion, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to Section 2.18, it shall pay to the Borrower an amount equal to such refund, as determined in good faith by the Administrative Agent or such Lender in its sole and reasonable discretion (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under Section 2.18 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such governmental authority. This subsection shall not be construed to require the Administrative Agent or such Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

2.20. Removal or Replacement of a Lender

2.21. .

Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender other than a Lead Agent (an "**Increased-Cost Lender**") shall give notice to the Borrower that such Lender is an Affected Lender or that such Lender is entitled to receive payments under Section 2.16, 2.17(c) or 2.18, (ii) the circumstances which have caused such Lender to be an Affected Lender or which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five (5) Business Days after the Borrower's request for such withdrawal; or (b) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 9.5(b), the consent of the Administrative Agent, Lead Agents and Requisite Lenders shall have been obtained but the consent of one (1) or more of such other Lenders (each a "**Non-Consenting Lender**") whose consent is required shall not have been obtained; then, with respect to each such Increased-Cost Lender or Non-Consenting Lender (the "**Terminated Lender**"), the Administrative Agent (y) shall, if requested by the Borrower in writing, which notice shall identify a Replacement Lender (as defined below) and (z) may (but in the case of an Increased-Cost Lender, only after receiving written request from the Borrower to remove such Increased-Cost Lender), in each case, by giving written notice to the Borrower and any Terminated Lender of the Borrower's or the Administrative Agent's election to do so, instruct such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Term Loans and its Term Loan Commitments, if any, in full to one (1) or more Eligible Assignees designated by the Borrower or the Administrative Agent, as the case may be, (each a "**Replacement Lender**") in accordance with, and subject to the provisions of, Section 9.6 and such Terminated Lender shall pay any fees payable thereunder in connection with such assignment; provided, (1) on the date of such assignment, the Replacement Lender shall pay to such Terminated Lender an amount equal to the principal of, and all accrued interest on, all outstanding Term Loans of such Terminated Lender; (2) on the date of such assignment, the Borrower shall pay any amounts payable to such Terminated Lender pursuant to Section 2.17(c) or 2.18; and (3) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender. Upon the prepayment of all amounts owing to any Terminated Lender and the termination of such Terminated Lender's Term Loan Commitments, if any, such Terminated Lender shall no longer constitute a "**Lender**" for purposes hereof; provided, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender.

SECTIONCONDITIONS PRECEDENT
3.

3.1. Closing Date

. The obligation of each Lender to make a Term Loan on the Closing Date is subject to the satisfaction, or waiver in accordance with Section 9.5, of the following conditions on or before the Closing Date:

(a) Credit Documents. The Administrative Agent shall have received copies of each Credit Document originally executed and delivered by each applicable Credit Party.

(b) Organizational Documents; Incumbency. The Administrative Agent shall have received copies of (i) each Organizational Document executed and delivered by each Credit Party, as applicable, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, each dated the Closing Date or a recent date prior thereto, including, but not limited to an amended and restated limited liability company operating agreement of the Borrower, in substantially the form of the Amended and Restated Limited Liability Company Operating Agreement of Page Six Funding, LLC delivered in connection with the Page Six Credit Agreement, with such modifications as the parties hereto agree to take into account the Tax Matters Letter; (ii) signature and incumbency certificates of the officers of such Person executing the Credit Documents to which it is a party; (iii) resolutions of the board of directors, board of managers or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; (iv) a good standing certificate from the applicable Governmental

Authority of each Credit Party's jurisdiction of incorporation, organization or formation, each dated a recent date prior to the Closing Date; and (v) such other documents as the Administrative Agent or the Lead Agents may reasonably request.

(c) Consummation of Transactions Contemplated by Related Agreements. The Administrative Agent shall have received a fully executed or conformed copy of each Related Agreement and any documents executed in connection therewith. Each Related Agreement shall be in full force and effect, shall include terms and provisions reasonably satisfactory to the Lead Agents and no provision thereof shall have been modified or waived in any respect determined by the Lead Agents to be material, in each case without the consent of the Lead Agents.

(d) Consummation of transactions contemplated by the Transaction Agreements.

(i) Administrative Agent shall have received a fully executed copy of each Transaction Agreement and any documents or instruments executed or delivered in connection therewith. Each Transaction Agreement shall be in full force and effect and no provision thereof shall have been modified or waived in any respect, without the consent of the Lead Agents.

(ii) All conditions set forth in the Purchase Agreement to the obligations of the Borrower under the Purchase Agreement shall have been satisfied or the fulfillment of such condition shall have been waived with the consent of the Lead Agents.

(iii) The acquisition by the Borrower of the Receivables shall become effective in accordance with the terms of the Purchase Agreement, subject only to the payment of the Purchase Price and the funding of the Term Loans on the terms and conditions hereof.

(iv) CPS shall have made a capital contribution to the Borrower in an amount not less than the Capital Contribution Amount.

(v) The closing of the acquisition of the Receivables by the Borrower under the Purchase Agreement shall have occurred by November 30, 2011.

(e) Governmental Authorizations and Consents. Each Credit Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Credit Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Lead Agents. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(f) Collateral. In order to create in favor of the Collateral Agent, for the benefit of Secured Parties, a valid, perfected first priority Lien in the Collateral and in the Capital Stock of the Borrower, the Collateral Agent shall have received:

(i) evidence satisfactory to the Lead Agents of the compliance by the Borrower of its obligations under the Security Agreement and the other Collateral Documents (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver UCC financing statements, originals of securities, instruments and chattel paper and any agreements governing deposit accounts as provided therein);

(ii) the results of a recent search of all effective UCC financing statements (or equivalent filings) made with respect to any personal or mixed property of the Borrower in Delaware together with copies of all such filings disclosed by such search, which shall be provided by CPS;

(iii) UCC termination statements (or similar documents) duly approved by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search with respect to the Collateral;

(iv) evidence that the Borrower shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Collateral Agent or the Lead Agents, including, without limitation, the filing of a UCC financing statement in favor of the Borrower naming Fireside as debtor/seller therein;

(v) opinions of counsel (which counsel shall be reasonably satisfactory to the Collateral Agent) with respect to the creation and perfection of the security interests in favor of the Collateral Agent in such Collateral and such other matters governed by the laws of each jurisdiction in which the Borrower or the Collateral is located as the Lead Agents may reasonably request, in each case in form and substance reasonably satisfactory to the Lead Agents; and

(vi) evidence that any Indebtedness (other than the Obligations) secured by the Collateral has been paid in full.

(g) Financial Statements; Forecasts. The Lead Agents shall have received from CPS (i) any historical financial information regarding the Credit Parties reasonably requested by the Lead Agents, (ii) any financial projections with respect to the Credit Parties reasonably requested by the Lead Agents and (iii) any other financial information regarding the Credit Parties as the Lead Agents may reasonably request.

(h) Evidence of Insurance. The Collateral Agent shall have received a certificate from the Servicer's insurance broker, or other evidence satisfactory to it that all insurance required to be maintained hereunder and under the Servicing Agreement is in full force and effect, and the Lead Agents shall have completed its review of the insurance coverage for CPS and the Borrower and the results of such review shall be satisfactory to the Lead Agents.

(i) Opinions of Counsel to Credit Parties. The Lead Agents shall have received originally executed copies of the favorable written opinions of Andrews Kurth LLP, counsel for CPS and the Borrower, and internal counsel for CPS and the Borrower, and as to such matters (including but not limited to non consolidation) as the Lead Agents may reasonably request, dated as of the Closing Date and otherwise in form and substance reasonably satisfactory to the

Lead Agents and their counsel (and CPS and the Borrower hereby instruct counsel for CPS and the Borrower to deliver such opinions to the Agents and the Lenders).

(j) Upfront Fee. CPS shall have paid to each Lender, pro rata based on their Term Loan Commitments, the Upfront Fee.

(k) Solvency Certificates. On the Closing Date, the Administrative Agent shall have received Solvency Certificates from the Borrower and CPS dated as of the Closing Date and addressed to the Administrative Agent and Lenders, substantially in the form of Exhibit D-2, attesting that before and after giving effect to the consummation of the transactions contemplated by the Credit Documents, each of the Borrower and CPS, as the case may be, is Solvent.

(l) Closing Date Certificates. Each of CPS and the Borrower shall have delivered to the Lead Agents an originally executed Closing Date Certificate, together with all attachments thereto.

(m) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the reasonable opinion of the Lead Agents, singly or in the aggregate, materially impairs the transactions contemplated by the Credit Documents, or that could reasonably be expected to have a Material Adverse Effect, except (i) as has been previously disclosed in writing to the Administrative Agent or in CPS' public reports filed under the Exchange Act, provided that CPS has notified the Lead Agents of such filing or (ii) is identified in any Transaction Agreement.

(n) No Closing Date Material Adverse Change. A Closing Date Material Adverse Change shall not have occurred.

(o) No New Information. Neither of the Lead Agents shall have become aware, since the date of this Agreement, of any new information or other matters not previously disclosed to such Lead Agent relating to the Borrower, CPS or its Subsidiaries or the transactions contemplated herein which such Lead Agent, in its reasonable judgment, deems inconsistent in a material and adverse manner with the information or other matters previously disclosed to such Lead Agent relating to the Borrower, CPS or its Subsidiaries.

(p) Delivery of Receivable Files to Custodian; Collateral Receipt. In accordance with the terms of the Custodial Agreement, the Borrower shall have delivered, or caused to be delivered, to the Custodian, the related Receivable File in each case to the extent received from Fireside.

(q) Service of Process. On the Closing Date, the Administrative Agent shall have received evidence that each of CPS and the Borrower has appointed an agent in New York City for the purpose of service of process in New York City and such agent shall agree in writing to give the Administrative Agent notice of any resignation of such service agent or other termination of the agency relationship.

(r) Reserved.

(s) Servicing Report. The Lead Agents shall have received a pro forma Monthly Servicing Report as of August 31, 2011, reasonably acceptable to the Lead Agents in a form substantially similar to Exhibit B to the Servicing Agreement.

(t) Reserved.

(u) Reserved.

(v) Reserved.

(w) Funding Notice. The Lead Agents shall have received a fully executed and delivered Funding Notice two (2) Business Days prior to the Closing Date;

(x) Representations and Warranties. As of the Closing Date, the representations and warranties made by the Credit Parties contained herein and in the other Credit Documents shall be true and correct in all respects on and as of the Closing Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all respects on and as of such earlier date and except for any failures of such representations or warranties to be true and correct that in the aggregate would not have a Material Adverse Effect;

(y) No Default; No Event of Default. As of the Closing Date, after giving effect to such Term Loan and the other transactions contemplated hereby, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(z) Controlled Account; Controlled Account Control Agreements. Lenders shall have a first priority perfected security interest in each Controlled Account and all proceeds thereof. Administrative Agent shall have received Control Agreements in form and substance satisfactory to the Administrative Agent with respect to each Controlled Account;

(aa) Funding Termination Event. A Funding Termination Event shall not have occurred; and

(bb) Delivery of Documents. The Administrative Agent shall have received copies of each of the documents listed on Schedule 3.1(bb) originally executed and delivered by the parties thereto, where applicable.

Any Agent or Lead Agent shall be entitled, but not obligated to, request and receive, prior to the making of any Credit Extension, additional information reasonably satisfactory to the requesting party confirming the satisfaction of any of the foregoing if, in the good faith judgment of such Agent or Lead Agent such request is warranted under the circumstances.

Any Funding Notice shall be executed by an Authorized Officer of the Borrower and delivered to the Lead Agents. In lieu of delivering a Funding Notice, the Borrower may give the Administrative Agent telephonic notice by the required time of any proposed borrowing; provided each such notice shall be promptly confirmed in writing by delivery of the applicable Funding Notice to the Lead Agents on or before the Closing Date. Neither the Administrative Agent nor any

Lender shall incur any liability to the Borrower in acting upon any telephonic notice referred to above that the Administrative Agent believes in good faith to have been given by a duly Authorized Officer of the Borrower.

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce the Agents, the Lead Agents and the Lenders to enter into this Agreement and to make the Credit Extension to be made hereby, each of the Borrower and CPS (with respect to itself) represents and warrants, to each Agent, each Lead Agent and each Lender, and with respect to Sections 4.1 - 4.23 on the Closing Date that the following statements contained in Section 4.1, Section 4.2, Section 4.3, Section 4.4 (solely with respect to the execution and delivery of this Agreement), Section 4.5 (solely with respect to the execution and delivery of this Agreement) and Section 4.6 (solely with respect to this Agreement) are true and correct on the date hereof and the following statements are true and correct on the Closing Date (it being understood and agreed that the representations and warranties made on the Closing Date are deemed to be made concurrently with the consummation of the transactions contemplated by the Credit Documents):

4.1. Organization; Requisite Power and Authority; Qualification; Other Names

. Each of the Borrower and CPS (a) is duly organized or formed, validly existing and in good standing under the laws of the State of its organization, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party, and to carry out the transactions contemplated thereby and fulfill its Obligations thereunder, (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect. The Borrower does not operate or do business under any assumed, trade or fictitious name. The Borrower has no Subsidiaries.

4.2. Capital Stock and Ownership

. CPS owns all of the outstanding and issued Capital Stock of the Borrower. The Capital Stock of the Borrower has been duly authorized and validly issued and is fully paid and non-assessable. There is no existing option, warrant, call, right, commitment or other agreement to which the Borrower is a party requiring, and there is no Capital Stock of the Borrower outstanding which upon conversion or exchange would require, the issuance by the Borrower of Capital Stock of the Borrower or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, Capital Stock of the Borrower.

4.3. Due Authorization

. The execution, delivery and performance of the Credit Documents to which each Credit Party is a party have been duly authorized by all necessary action on the part of such Credit Party.

4.4. No Conflict

. The execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) (i) violate any provision of any law or any governmental rule or regulation applicable to such Credit Party, (ii) violate any of the Organizational Documents of such Credit Party, or (iii) violate any order, judgment or decree of any court or other agency of government binding on such Credit Party; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of such Credit Party, except as could not reasonably be expected to result in a Material Adverse Effect; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of such Credit Party (other than any Liens created under any of the Credit Documents in favor of the Collateral Agent, on behalf of the Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of such Credit Party, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to the Lead Agents.

4.5. Governmental Consents

. The execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority, except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Collateral Agent for filing and/or recordation, as of the Closing Date.

4.6. Binding Obligation

. Each Credit Document to which each Credit Party is a party has been duly executed and delivered by such Credit Party and is the legally valid and binding obligation of such Credit Party and is in full force and effect, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7. [Reserved]

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4.8. [Reserved]

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4.9. No Material Adverse Effect.

Since March 31, 2011, no event, circumstance or change has occurred that has caused or evidences, either individually or in the aggregate, a Material Adverse Effect, other than as disclosed in writing to the Administrative Agent and the Lead Agents prior to the date hereof.

4.10. Adverse Proceedings, etc.

There are no Adverse Proceedings pending, individually or in the aggregate, (i) related to any Credit Party or (ii) to the best knowledge of each Credit Party, related to Fireside or the Receivables, that in each case could reasonably be expected to have a Material Adverse Effect, except as identified in any Transaction Agreement. No Credit Party is (a) in violation of any applicable laws that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.11. Payment of Taxes

. Except as otherwise permitted under Section 5.3, all tax returns and reports of the Borrower required to be filed have been timely filed, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon the Borrower and upon its properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable. The Borrower knows of no proposed tax assessment against it which is not being actively contested by the Borrower in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.12. Title to Assets

. The Borrower has good and valid title to each Receivable. Except as permitted by this Agreement, all such Receivables are free and clear of Liens, other than Permitted Liens and Liens created by Fireside. The Borrower does not own any real property.

4.13. No Indebtedness

. The Borrower does not have any Indebtedness, other than Indebtedness incurred under (or contemplated by) the terms of this Agreement, the other Credit Documents or otherwise permitted hereunder.

4.14. No Defaults

. Other than the defaults set forth on Schedule 1 hereto, after giving effect to the Term Loans being made on the Closing Date and the consummation of the transactions contemplated hereunder as occurring on the Closing Date. no Credit Party is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and to each Credit Party's knowledge no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where, (a) such defaults have been waived, or (b) individually or in the aggregate, the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.15. Governmental Regulation

. The Borrower is not subject to regulation under the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. The Borrower is not a "**registered investment company**" or a company "**controlled**" by a "**registered investment company**" or a "**principal underwriter**" of a "**registered investment company**" as such terms are defined in the Investment Company Act of 1940.

4.16. Margin Stock

. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Term Loans made to the Borrower will be used directly or indirectly to purchase or carry any such Margin Stock, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry Margin Stock, to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

4.17. [Reserved].

4.18. Certain Fees

. No broker's or finder's fee or commission will be payable by the Borrower with respect hereto or any of the transactions contemplated hereby.

4.19. Solvency and Fraudulent Conveyance

. The Borrower is and, upon the incurrence of any Credit Extension by the Borrower on the Closing Date, will be, Solvent. Neither the Borrower nor CPS is transferring any Collateral with any intent to hinder, delay or defraud any of its creditors. Neither the Borrower nor CPS shall use the proceeds from the transactions contemplated by this Agreement to give preference to any class of creditors. The Borrower has given fair consideration and reasonably equivalent value in exchange for the purchase of the Receivables under the Purchase Agreement.

4.20. Credit Documents; Related Documents and Transaction Agreements.

(a) Delivery. The Borrower has delivered, or caused to be delivered, to the Administrative Agent complete and correct copies of (i) each Credit Document, Related Document and Transaction Agreement and of all exhibits and schedules thereto as of the date hereof, and (ii) copies of any material amendment, restatement, supplement or other modification to or waiver of each Credit Document, Related Document and Transaction Agreement entered into after the date hereof.

(b) Representations and Warranties. Except to the extent otherwise expressly set forth herein or in the schedules hereto, and subject to the qualifications set forth therein, each of the representations and warranties given by each of the Borrower and CPS in any Credit Document or Transaction

Agreement is true and correct in all material respects as of the Closing Date (or as of any earlier date to which such representation and warranty specifically relates). Notwithstanding anything in the Credit Documents or the Transaction Agreements to the contrary, the representations and warranties of each of the Borrower and CPS set forth in any Credit Document or Transaction Agreement shall, solely for purposes hereof, survive the Closing Date for the benefit of the Lenders.

(c) Governmental Approvals. All Governmental Authorizations and all other authorizations, approvals and consents of any other Person required by the Credit Documents, Related Documents and Transaction Agreements or to consummate the transactions contemplated therein have been obtained and are in full force and effect.

(d) Conditions Precedent. On the Closing Date, all of the conditions to effecting or consummating the transactions described herein and set forth in the Credit Documents and the Transaction Agreements have been duly satisfied or, with the consent of the Lead Agents, waived, and the transactions described set forth in the Credit Documents, have been consummated in accordance with the Related Documents and the Transaction Agreements.

4.21. Compliance with Statutes, etc.

Each Credit Party is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property, except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

4.22. Disclosure

. The representations and warranties of each of the Borrower and CPS contained in any Credit Document or in any other documents, certificates or written statements furnished to any Lender by or on behalf of CPS or any of its Subsidiaries (excluding any documents, certificates and written statements prepared by or furnished by or on behalf of Fireside or Unitrin) for use in connection with the transactions contemplated hereby, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact (known to CPS or the Borrower, in the case of any document not furnished by either of them) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions by the preparer thereof believed to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results. There are no facts known (or which should upon the reasonable exercise of diligence be known) to the Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to the Lenders for use in connection with the transactions contemplated hereby.

4.23. Money Control Acts/FCPA

. To the extent applicable, each of the Borrower and CPS is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "**Act**"). No part of the proceeds of the Term Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

SECTIONAFFIRMATIVE COVENANTS
5.

Each of CPS and the Borrower covenants and agrees that until the Termination Date, CPS and/or the Borrower, as applicable, shall perform all covenants in this Section 5.

5.1. Reports

. Unless otherwise provided below, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent and the Lead Agents:

(a) CPS shall deliver the reports required to be delivered by it pursuant to the Servicing Agreement;

(b) Notice of Default. Promptly upon any Authorized Officer of CPS or the Borrower obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default; (ii) that any Person has given any notice to CPS or the Borrower or taken any other action with respect to any event or condition set forth in Section 5.01(a)(xii) of the Servicing Agreement; or (iii) of the occurrence of any event or change that has caused or evidences, either individually or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action CPS or the Borrower, as applicable, has taken, is taking and proposes to take with respect thereto;

(c) Notice of Litigation. Promptly upon any Authorized Officer of CPS or the Borrower obtaining knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding not previously disclosed in writing by CPS or the Borrower to the Lenders, or (ii) any material development in any Adverse Proceeding that, in the case of either clause (i) or (ii) if adversely determined, is reasonably likely to result in a judgment in an amount in excess of $250,000, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to CPS or the Borrower, as applicable, to enable the Lenders and its counsel to evaluate such matters;

(d) [Reserved];

(e) Breach of Representations and Warranties. Promptly upon CPS or the Borrower becoming aware of a material breach with respect to any representation or warranty made or deemed made by CPS or the Borrower in any Credit Document or in any certificate at any time given by CPS or the Borrower in writing pursuant hereto or thereto or in connection herewith or therewith, a certificate of its Authorized Officers specifying the nature and period of existence of such breach and what action CPS or the Borrower, as applicable, has taken, is taking and proposes to take with respect thereto;

(f) Information Regarding Collateral. The Borrower will furnish to the Collateral Agent prior written notice of any change (i) in its corporate name, (ii) in its identity, corporate structure or jurisdiction of organization, or (iii) in its Federal Taxpayer Identification Number. The Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. The Borrower also agrees promptly to notify the Collateral Agent if any material portion of the Collateral is damaged or destroyed; and

(g) Tax Returns. As soon as practicable and in any event within fifteen (15) days following the filing thereof, the Borrower shall provide to the Administrative Agent copies of each federal income tax return filed by or on behalf of the Borrower.

5.2. Existence

. Each of CPS and the Borrower shall at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business.

5.3. Payment of Taxes and Claims

. The Borrower shall pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contested proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. The Borrower shall not file or consent to the filing of any consolidated income tax return with any Person (other than CPS or any of its Subsidiaries).

5.4. Reserved.

5.5. Annual Meetings.

Each of CPS and the Borrower will, upon the request of the Administrative Agent, Lead Agents or Requisite Lenders, participate in a meeting of the Administrative Agent and the Lenders once during each Fiscal Year to be held at the Borrower's corporate offices (or at such other location as may be agreed to by CPS, the Borrower, the Administrative Agent and the Lenders) at such time as may be agreed to by CPS, the Borrower, the Administrative Agent and the Lenders.

5.6. Compliance with Laws

. Each of CPS and the Borrower shall comply with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority noncompliance with which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.7. Further Assurances

. At any time or from time to time upon the request of the Administrative Agent, each of CPS and the Borrower will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Lead Agents, the Administrative Agent or the Collateral Agent may reasonably request in order to effect fully the purposes of the Credit Documents, including providing the Lenders with any information reasonably requested pursuant to Section 9.19.

5.8. Separateness

. The Borrower acknowledges that the Lenders are entering into this Agreement in reliance upon the Borrower's identity as a legal entity that is separate from any other Person. Therefore, from and after the date of this Agreement, the Borrower shall take all reasonable steps, including without limitation, all steps that the Lenders may from time to time reasonably request, to maintain the Borrower's identity as a separate legal entity and to make it manifest to third parties that the Borrower is a separate legal entity. Without limiting the generality of the foregoing, the Borrower agrees that it has not and shall not:

(a) engage, either directly or indirectly, in any business or activity other than the acquisition, ownership, financing and disposition of the Receivables in accordance with the Credit Documents and activities incidental thereto;

(b) acquire or own any material asset other than the Collateral and proceeds thereof;

(c) merge into or consolidate with any Person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case, to the extent permitted by law, the Lead Agents' consent;

(d) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation, or without the prior written consent of the Lead Agents, amend, modify, change, repeal, terminate or fail to comply with the provisions of the Borrower's certificate of formation, or its limited liability company agreement, as the case may be; provided, however, the Borrower may amend its operating agreement without the Lead Agents' consent (i) to cure any ambiguity, (ii) with respect to administrative matters, or (iii) to convert or supplement any provision in a manner consistent with the intent of this Agreement or the other Credit Documents;

(e) own any Subsidiary or make any investment in, any Person or entity without the consent of the Lead Agents;

(f) commingle its assets with the assets of any of its general partners, members, Affiliates, principals or any other Person or entity;

(g) incur any Indebtedness except the Obligations;

(h) fail to remain Solvent;

(i) fail to maintain its records, books of account and bank accounts, separate and apart from those of the general partners, members, principals and Affiliates of the Borrower or the Affiliates of a general partner or member of the Borrower or any other Person;

(j) except for the Credit Documents, and as otherwise expressly permitted by the Credit Documents, enter into any contract or agreement with any general partner, member, principal or Affiliate of the Borrower, CPS, or any general partner, member, principal or Affiliate thereof, except with the Lead Agents' consent and upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any general partner, member, principal or affiliate of the Borrower, CPS, or any general partner, member, principal or Affiliate thereof or fail to maintain separate financial statements from those of its general partners, members, principles and Affiliates; provided, however, the Borrower's financial position, assets, liabilities, net worth and operating results may be included in the consolidated financial statements of CPS and its Affiliates; provided that such consolidated financial statements disclose that the Borrower is a separate legal entity and that its assets are not generally available to satisfy the claims of creditors of CPS;

(k) seek the dissolution or winding up, in whole or in part, of the Borrower or take any action that would cause the Borrower to become insolvent;

(l) fail to take reasonable efforts to correct any misunderstanding known to the Borrower regarding the separate identity of the Borrower;

(m) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(n) except as provided in the Credit Documents, assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

(o) except as provided in the Credit Documents, make any loans or advances to any third party, including any general partner, member, principal or affiliate of the Borrower, or any general partner, member, principal or Affiliate thereof;

(p) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or Person or to conduct its business solely in its own name in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that the Borrower is responsible for the debts of any third party (including any general partner, member, principal or Affiliate of the Borrower, or any general partner, member, principal or Affiliate thereof);

(q) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(r) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(s) hold itself out as or be considered as a department or division (other than for tax purposes) of any general partner, principal, member or Affiliate of the Borrower or any other Person or entity;

(t) fail to allocate fairly and reasonably shared expenses (including, without limitation, shared office space and services performed by an employee of an Affiliate) among the Persons sharing such expenses and to use separate stationery, invoices and checks;

(u) acquire obligations or securities of its partners, members, shareholders of other Affiliates, as applicable;

(v) violate or cause to be violated the assumptions made with respect to the Borrower in any opinion letter pertaining to substantive consolidation delivered to the Lenders in connection with the Credit Documents;

(w) [Reserved];

(x) fail to have Organizational Documents that provide that, so long as the Obligations of the Borrower shall be outstanding, the Borrower shall not (i) seek the dissolution or winding up in whole, or in part, of the Borrower or (ii) file or consent to the filing of any petition, either voluntary or involuntary, or commence a case under any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors without the consent of the Independent Manager;

(y) fail to observe all requisite organizational formalities under Delaware law;

(z) account for or treat (whether in financial statements or otherwise) the transactions contemplated by the Purchase Agreement in any manner other than the sale of the Receivables to the Borrower or in any other respect account for or treat the transactions contemplated therein in any manner other than as a sale of Receivables to the Borrower; provided, that the Receivables may be reflected on the consolidated balance sheets of CPS in accordance with GAAP.

(aa) make any revision or amendment to the Purchase Agreement without the consent of the Lead Agents; and

(bb) fail to cause its members, managers, directors, officers, agents and other representatives to act at all times with respect to the Borrower consistently and in furtherance of the foregoing and in the best interests of the Borrower.

In the event of any inconsistency between the covenants set forth in this Section 5.8 or the other covenants set forth in this Agreement, or in the event that any covenant set forth in this Section 5.8 poses a greater restriction or obligation than is set forth elsewhere in this Agreement, the covenants set forth in this Section 5.8 shall control.

5.9. Cash Management Systems

. The Borrower shall establish and maintain cash management systems as set forth below.

(a) Lockbox System.

(i) The Borrower has established, or has caused the Servicer to establish, pursuant to the Control Agreements for the benefit of the Collateral Agent, on behalf of the Secured Parties, a lockbox and Lockbox Account as described in Section 2.12 (the "**Lockbox System**") into which all Collections shall be deposited.

(ii) The Borrower shall not establish any new lockbox or lockbox arrangement without consent of the Lead Agents in their sole discretion, and prior to establishing any such new lockbox or lockbox arrangement, the Borrower shall cause each bank or financial institution with which it seeks to establish such a lockbox or lockbox arrangement to enter into a control agreement with respect thereto.

(iii) Without the prior written consent of the Lead Agents, the Borrower shall not, in a manner adverse to the Lenders, (A) change the general instructions given to the Servicer in respect of payments on account of Receivables to be deposited in the Lockbox System or (B) change any instructions given to any bank or financial institution which in any manner redirects the proceeds of any collections in the Lockbox System to any account which is not a Collection Account.

(iv) The Borrower acknowledges and agrees that (A) the funds on deposit in the Lockbox System shall continue to be collateral security for the Obligations secured thereby, (B) upon the occurrence and during the continuance of a Tier 2 Event of Default or upon the occurrence of a Tier 1 Event of Default and the exercise of the Lenders of the Buyout Option, the funds on deposit in the Lockbox System shall be applied as provided in Section 2.11 and (C) the Control Agreements will provide that all funds in the Lockbox will be swept daily into the Collection Account.

(b) Payment Collection. The Borrower has directed, and will at all times hereafter direct, the Servicer to direct each of the Obligors to forward all payments on account of Receivables directly to the Lockbox System in accordance with Section 2.12. The Borrower agrees (i) to instruct the Servicer to instruct each Obligor to make all payments with respect to Receivables directly to the Lockbox System and (ii) promptly (and, except as set forth in the proviso to this Section 5.9(b), in no event later than two (2) Business Days following receipt) to deposit all payments received by it on account of Receivables, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, in the Lockbox System in precisely the form in which they are received (but with any endorsements of the Borrower necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Collateral Agent; provided, however, that with respect to any payment received that does not contain sufficient identification of the account number to which such payment relates or cannot be processed due to an act beyond the control of the Servicer, such deposit shall be made no later than the second Business Day following the date on which such account number is identified or such payment can be processed, as applicable.

5.10. Insurance

. From the period commencing on the Closing Date until the Termination Date, CPS shall maintain in force an "errors and omissions" insurance policy and an employee fidelity insurance policy, in each case, (i) in an amount not less than $1,000,000, (ii) in a form reasonably acceptable to the Administrative Agent and the Lead Agents, (iii) with an insurance company reasonably acceptable to the Administrative Agent and the Lead Agents and (iv) naming the Administrative Agent, for the benefit of the Lenders, as beneficiary and loss payee. Unless otherwise directed by the Administrative Agent and the Lead Agents, CPS shall prepare and present, on behalf of itself, the Administrative Agent and the Lenders, claims under any such policy in a timely fashion in accordance with the terms of such policy, and upon the filing of any claim on any policy described in this Section 5.10, CPS shall promptly notify the Administrative Agent of such claim and deposit, or cause to be deposited, the proceeds of any such claim into the Collection Account. CPS shall deliver copies of such policies to the Administrative Agent on or prior to the Closing Date together with a certification from the applicable insurance company that such policy is in force on such date. CPS shall deliver proof of maintenance of such policies and payment of premiums no less frequently than annually, in form and substance reasonably acceptable to the Administrative Agent, on the six-month anniversary from the Closing Date and on each succeeding twelve month anniversary thereafter (or if such day is not a Business Day, the next succeeding Business Day).

5.11. Financial Statements.

(a) As soon as available and no later than ninety (90) days after the end of each fiscal year of the Borrower, the Borrower shall deliver to the Administrative Agent one (1) copy of: (A) the audited balance sheet of the Borrower as of the end of the fiscal year, setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such balance sheet presents fairly the financial condition of the companies being reported upon and has been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur); and (B) audited statements of income, stockholders' equity and cash flow of the Borrower for such fiscal year; in each case setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such financial statements present fairly the financial condition of the Borrower and have been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur).

(b) As soon as available and no later than thirty (30) days after the end of each fiscal month in each fiscal year of CPS, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent one (1) copy of: (A) the unaudited consolidated balance sheet of CPS and its consolidated Subsidiaries (including the Borrower) as of the end of such fiscal month, which balance sheet shall be prepared and presented in accordance with, and provide all necessary disclosure required by, GAAP and shall be accompanied by a certificate signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS stating that such balance sheet presents fairly the financial condition of CPS and has been prepared in accordance with GAAP consistently applied; and (B) the unaudited consolidated statements of income, stockholders' equity and cash flow of CPS and its consolidated Subsidiaries (including the Borrower) for such fiscal month, which such statements shall be prepared and presented in accordance with, and provide all necessary disclosure required by, GAAP and shall be accompanied by a certificate signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS stating that such financial statements present fairly the financial condition and results of operations of CPS and have been prepared in accordance with GAAP consistently applied.

(c) As soon as available and no later than forty-five (45) days after the end of each fiscal quarter in each fiscal year of CPS, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent one (1) copy of: (A) the unaudited consolidated balance sheet of CPS and its consolidated Subsidiaries (including the Borrower) as of the end of such fiscal quarter, which such balance sheet shall be prepared and presented in accordance with, and provide all necessary disclosure required by GAAP and shall be accompanied by a certificate signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS or another officer of CPS acceptable to the Administrative Agent stating that such balance sheet presents fairly the financial condition of the companies being reported upon and has been prepared in accordance with GAAP consistently applied; and (B) the unaudited consolidated statements of income, stockholders' equity and cash flow of CPS and its consolidated Subsidiaries (including the Borrower) for such fiscal quarter, which such statements shall be prepared and presented in accordance with, and provide all necessary disclosure required by, GAAP and shall be accompanied by a certificate signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS or another officer of CPS acceptable to the Administrative Agent stating that such financial statements present fairly the financial condition and results of operations of the companies being reported upon and have been prepared in accordance with GAAP consistently applied;

(d) As soon as available and no later than ninety (90) days after the end of each fiscal year of CPS, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent one (1) copy of: (A) the audited consolidated balance sheet of CPS and its consolidated Subsidiaries (including the Borrower) as of the end of the fiscal year, setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such balance sheet presents fairly the financial condition of the companies being reported upon and has been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur); and (B) the audited consolidated statements of income, stockholders' equity and cash flow of CPS and its consolidated Subsidiaries (including the Borrower) for such fiscal year; in each case setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such financial statements present fairly the financial condition of the companies being reported upon and have been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur).

(e) For so long as CPS is subject to the periodic reporting obligations of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, Borrower and CPS may comply with the covenants set forth in the preceding paragraphs (c) and (d) by electronic filing of the annual and quarterly reports required by such act; provided, that the Borrower and/or CPS shall notify, or cause to be notified, the Administrative Agent promptly upon any such electronic filing.

5.12. Due Diligence; Access to Certain Documentation

. The Lead Agents and the Administrative Agent (and their respective agents or professional advisors) shall have the right under this Agreement, from time to time, at their discretion and upon reasonable prior notice to the relevant party, to visit and inspect any of the properties of any Credit Party and to examine, and audit, during business hours or at such other times as might be reasonable under applicable circumstances, any and all of the books, records, financial statements, collection policies, legal and regulatory compliance, operating and reporting procedures and information systems, their respective directors, officers and employees, or other information and information systems (including without limitation customer service and/or whistleblower hotlines) of the Credit Parties, or held by another for a Credit Party or on its behalf, concerning or otherwise affecting the Receivables, CPS, the Borrower or any Credit Document. The Lead Agents and the Administrative Agent (and their respective agents and professional advisors) shall treat as confidential any information obtained during the aforementioned examinations which is not already publicly known or available; provided, however, that the Lead Agents and the Administrative Agent (and their respective agents or professional advisors) may disclose such information if required to do so by law or by any regulatory authority.

Upon notice and during regular business hours, each Credit Party agrees to promptly provide the Lead Agents and the Administrative Agent (and their respective agents or professional advisors) with access to, copies of and extracts from any and all documents, records, agreements, instruments or information (including, without limitation, any of the foregoing in computer data banks and computer software systems) the Lead Agents and the Administrative Agent (and their respective agents or professional advisors) may reasonably require in order to conduct periodic due diligence relating to the Credit Parties in connection with the Receivables and the Credit Documents.

Each Credit Party will make available to the Lead Agents and the Administrative Agent (and their respective agents or professional advisors) knowledgeable financial, accounting, legal and compliance officers for the purpose of answering questions with respect to the Credit Parties and the Receivables and to assist in the Lead Agents' and Administrative Agent's diligence. In addition, the Borrower shall provide, or shall cause the Servicer to provide, the Lead Agents and the Administrative Agent with remote access to any electronic Receivable Files and any related documents to the extent CPS or the Borrower provides such access to any Person. Each of CPS and the Borrower agrees that the Lead Agents and the Administrative Agent will have the right to confirm any information relating to the Receivables directly with the applicable Obligors.

All reasonable costs and expenses incurred by a Lead Agent or the Administrative Agent (and their respective agents or professional advisors) in connection with the due diligence and other matters outlined in this Section 5.12, following an Event of Default, shall be paid by the Borrower or reimbursed to the Lead Agents or the Administrative Agent, as the case may be.

Without limiting the generality of the foregoing, the Borrower acknowledges that the Lenders shall make Term Loans to the Borrower based solely upon the information provided by the Credit Parties to the Administrative Agent and the Lead Agents and the representations, warranties and covenants contained herein, and that the Administrative Agent and the Lead Agents shall have the right at any time and from time to time to conduct a partial or complete due diligence review, at their option and, unless an Event of Default has occurred and is continuing, at their expense, on some or all of the Receivables, including, without limitation, re-generating the information used to originate such Receivables.

5.13. [Reserved].

5.14. Facility Financing.

The Lead Agents intend and reserve the right to obtain third party financing for this Facility and the Term Loans. Each Lead Agent may elect, at any time, upon written notice to the Borrower, to seek such third party financing. Each of CPS and the Borrower agree to use commercially reasonable efforts to assist such Lead Agent in achieving a successful financing and to cooperate in connection with the preparation of information packages regarding the Receivables and otherwise in Lead Agent's efforts to obtain such financing, and shall provide any potential financing source (either directly or through distribution to applicable Lead Agent), access to its books, records, financial statements, policies, directors, officers and employees, or other information, in each case, as requested by such financing source for the purpose of evaluating and monitoring such financing; provided, however, that in no event shall the Borrower or CPS have any obligation to pay any costs, fees or expenses payable to such financing source for providing such financing, and the payment of any and all costs, fees and expenses payable to any such financing source for providing such financing or incurred by CPS or the Borrower in connection with such cooperation shall be the sole obligation of such Lead Agent. For the avoidance of doubt and without limiting the obligations of CPS and Borrower under this Section 5.14, no Lead Agent's Term Loan Commitment is conditioned upon the successful completion of any such third party financing.

5.15. Servicer; Backup Servicer.

(a) Borrower may not, without Lenders' prior written consent, (i) amend the Interim Servicing Agreement, Servicing Agreement, or the Backup Servicing Agreement, including the provisions relating to the fees payable thereunder, (ii) terminate the Servicing Agreement, the Backup Servicing Agreement or Custodial Agreement, provided, however, that upon the payment in full of the Term Loans, Borrower may terminate the Backup Servicing Agreement or the Custodial Agreement with the prior consent of the Lead Agents and the Administrative Agent or (iii) subcontract out any portion of the servicing or permit third party servicing (other than the Backup Servicer and, during the Interim Servicing Period, the Interim Servicer) without Lenders' approval; provided, that CPS, in its capacity as Servicer, may delegate discrete servicing functions to a subcontractor from time to time consistent with the terms and conditions of the Servicing Agreement. Borrower shall cause (or in the case of the Backup Servicer and Interim Servicer to the extent it is able to cause) Servicer, Backup Servicer and Interim Servicer to provide the reports required to be provided by Servicer, Backup Servicer and Interim Servicer in accordance with the Interim Servicing Agreement, Servicing Agreement and Backup Servicing Agreement, as the case may be, to Lenders and written reports to Lenders, the Backup Servicer or the Lenders' other designee in the manner and form reasonably requested by the Lenders. Borrower shall cause (or in the case of the Interim Servicer to the extent it is able to cause) Servicer and Interim Servicer to permit the Lenders, the Backup Servicer or the Lenders' other designees to inspect its books, records and operations at any time during normal business hours upon ten (10) Business Days prior written notice.

(b) Lenders at any time may designate any Backup Servicer to act on its behalf with respect to the Receivables and other Collateral and may in their sole discretion name a new Backup Servicer at any time. Borrower agrees that such Backup Servicer shall be able to monitor the Collateral, Borrower, Servicer and Interim Servicer. Borrower agrees to cooperate fully with the Backup Servicer and not to interfere with Backup Servicer's performance of its duties hereunder or to take any action that would be inconsistent with the Backup Servicer providing such services to the Lenders. Borrower covenants and agrees to use commercially reasonable efforts to provide promptly to Backup Servicer any and all information and data reasonably requested by Backup Servicer in the manner and form reasonably requested by Backup Servicers. Borrower shall pay all fees, costs and expenses of Backup Servicer pursuant to Section 2.11 or Section 2.13, as applicable, provided that if (i) the Lenders have designated a new Backup Servicer after the Closing Date and (ii) no breach or default under the Backup Servicing Agreement has occurred or is continuing, no Servicer Default has occurred or is continuing and no Event of Default has occurred or is continuing, all upfront fees and set-up costs of such new Backup Servicer shall be paid by the Lenders.

5.16. Tax Reporting.

The parties hereto agree that, as more fully described in the Tax Matters Letter, (i) any payments made in accordance with Section 2.11(f) or Section 2.13(k), or with respect to CPS, Sections 2.11(c), (d) and (f), and Sections 2.13(f), (h), (i) and (k), shall be treated for tax purposes as an interest in a partnership and not as contingent interest or principal in the Term Loans; (ii) each Lender shall receive partnership allocations of income and gain from the Borrower in proportion to, and until each such Lender has been allocated income and gain in an aggregate amount equal to the amounts received by such Person pursuant to Section 2.11(f) or Section 2.13(k); (iii) the Borrower shall furnish each Lender with an IRS Schedule K-1 which reflects the allocation specified in clause (ii); and (iv) each party agrees to file its tax returns in a manner that is consistent and shall not take any positions that are inconsistent with the foregoing unless required by applicable law. The parties hereto from time to time, including assignees of any Lender pursuant to Section 9.6, agree to the matters set forth in the Tax Matters Letter.

5.17. Transaction Agreements.

CPS and the Borrower shall promptly notify the Lead Agents of any breach or potential breach of the Transaction Agreements by Unitrin or Fireside. If requested by the Lead Agents, the Borrower will put back to Fireside, on a timely basis, any Receivable that is eligible for repurchase under the Purchase Agreement and to promptly and vigorously enforce its other rights under the Transaction Agreements. The Borrower shall not exercise any of its rights or waive or fail to exercise any of its rights under the Transaction Agreements without the consent of the Lead Agents.

SECTIONNEGATIVE COVENANTS
6.

Each of CPS and the Borrower covenants and agrees that until the Termination Date, CPS and/or the Borrower, as applicable, shall perform all covenants in this Section 6.

6.1. Indebtedness

. The Borrower shall not directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except the Obligations.

6.2. Liens

. The Borrower shall not, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of the Borrower, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except (i) Liens in favor of the Collateral Agent for the benefit of Secured Parties granted pursuant to any Credit Document; (ii) Permitted Liens, and (iii) Liens evidenced by financing statements naming CPS Fender Receivables LLC as debtor and Fortress Credit Corp., as Collateral Agent, as the secured party in accordance with the Security Agreement or filed in connection with other Permitted Liens.

6.3. [Reserved].

6.4. Investments

. The Borrower shall not make or own any Investment, except Investments in Cash, Cash Equivalents and Receivables, and Permitted Investments in the Collection Account.

6.5. Fundamental Changes; Disposition of Assets; Acquisitions

. The Borrower shall not (i) enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or (ii) convey, sell, lease or sub-lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets (including, but not limited to, the Receivables) or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, except in connection with which a prepayment is made as required by Section 2.10, or (iii) acquire by purchase or otherwise the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except Investments made in accordance with Section 6.4. CPS shall not enter into any transaction of merger or consolidation in which CPS is not the surviving entity, liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed).

6.6. Material Contracts and Organizational Documents

. The Borrower shall not (a) enter into any Material Contract with any Person; (b) agree to any material amendment, restatement, supplement or other modification to, or waiver of, any of its material rights under any Related Agreement after the Closing Date or (c) amend or permit any amendments to its Organizational Documents (other than as permitted by Section 5.8(d)), without in each case obtaining the prior written consent of each of the Lead Agents to such entry, amendment, restatement, supplement, modification or waiver, as the case may be.

6.7. Sales and Lease-Backs

. The Borrower shall not directly or indirectly become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which the Borrower (a) has sold or transferred or is to sell or to transfer to any other Person, or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by the Borrower to any Person in connection with such lease.

6.8. Transactions with Shareholders and Affiliates

. The Borrower shall not directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with CPS, any holder of 5% or more of any class of Capital Stock of CPS or any of its Subsidiaries or with any Affiliate of CPS or of any such holder other than the transactions contemplated by the Credit Documents.

6.9. Conduct of Business

. From and after the Closing Date, the Borrower shall not engage in any business other than the businesses engaged in by the Borrower on the Closing Date.

6.10. Fiscal Year

. The Borrower shall not change its Fiscal Year-end.

6.11. Accounts

. The Borrower and CPS shall not establish or maintain a deposit account or a securities account for or on behalf of the Borrower that is not the Lockbox Account or a Collection Account and the Borrower shall not, nor direct any Person to, deposit Collections in a deposit account or a securities account that is not the Lockbox Account or a Collection Account.

6.12. Amendments or Waivers of Transaction Agreements

. The Borrower shall not agree to any amendment, restatement, supplement or other modification to, or waiver of, any of its rights under any Transaction Agreement without the prior written consent of the Lead Agents.

6.13. Prepayments of Certain Indebtedness

. The Borrower shall not, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness prior to its scheduled maturity, other than the Obligations.

6.14. [Reserved].

6.15. Independent Manager

. The Borrower shall not fail at any time to have at least one (1) Independent Manager that is provided by a nationally recognized provider of independent directors and such Independent Manager is not and has not been for at least five (5) years, either (i) a shareholder (or other equity owner) of, or an officer, director, partner, manager, member (other than as a special member in the case of single member Delaware limited liability companies), employee, attorney or counsel of, the Borrower or any of its Affiliates; (ii) a customer or creditor of, or supplier to, the Borrower or any of its Affiliates who derives any of its purchases or revenue from its activities with the Borrower or any Affiliate thereof (other than a *de minimis* amount); (iii) employed by Borrower or any of its Affiliates pursuant to a personal services contract under which fees and other compensation received by the person pursuant to such contract would exceed 5% of his or her gross revenues during the preceding calendar year; (iv) a person who controls or is under common control with any such officer, director, partner, manager, member, employee, supplier, creditor or customer; (v) a member of the immediate family of any such officer, director, partner, manager, member, employee, supplier, creditor or customer, (vi) affiliated with a tax-exempt entity that receives, or has received within the five years prior to such appointment as an Independent Manager, contributions from Borrower or any of its Affiliates, in excess of the lesser of (1) 3% of the consolidated gross revenues of Borrower and its Affiliates during such fiscal year and (2) 5% of the contributions received by the tax-exempt entity during such fiscal year; or (vii) a financial institution to which Borrower or any of its Affiliates owes outstanding indebtedness for borrowed money in a sum exceeding more than 5% of Borrower's or CPS' total consolidated assets.; provided that the foregoing subclause (i) shall not apply to any Person who serves as an independent director or an independent manager for any Affiliate of the Borrower; provided, further, that upon the death or incapacity of such Independent Manager, the Borrower will have a period of ten (10)

Business Days following such event to appoint a replacement Independent Manager; provided, further, that the Borrower shall cause the Independent Manager not to resign until a replacement independent manager has been appointed; and provided, further, that before any Independent Manager is replaced, removed, resigns or otherwise ceases to serve (for any reason other than the death of incapacity of such Independent Manager), the Borrower shall provide written notice to the Lenders no later than two (2) Business Days prior to such replacement, removal or effective date of cessation of service and of the identity and affiliations of the proposed replacement Independent Manager.

6.16. Sales of Receivables.

(a) The Borrower shall not sell Receivables, except to Fireside or Unitrin in connection with a Receivables Repurchase Event, in connection with which the proceeds of such sale are deposited in the Collection Account.

6.17. Changes in Collection Policies

. CPS shall not make any material changes or modifications to the Collection Policies without the prior written consent of the Lead Agents (such consent not to be unreasonably withheld or delayed). CPS shall provide written notice to the Lead Agents of any other change or modification to the Collection Policies within ten (10) Business Days of the implementation of any such change or modification.

SECTIONEVENTS OF DEFAULT
7.

7.1. Events of Default

. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. The failure by Borrower to make payments of any principal or interest due to the Administrative Agent, the Collateral Agent, the Lead Agents or the Lenders under any Credit Documents within two (2) Business Days of the date such payment is due or, if any such payment is due on the Maturity Date, such failure to make that payment on the Maturity Date; or

(b) Failure to Make Other Payments When Due. The failure by CPS, the Borrower or the Servicer to make any payment or deposit required of it (other than payments of any principal and interest due to the Administrative Agent, the Collateral Agent, the Lead Agents or the Lenders under any Credit Document) within ten (10) Business Days of the date on which written notice of the same being due was delivered to CPS, the Borrower or the Servicer, as the case may be; or

(c) [Reserved]; or

(d) [Reserved]; or

(e) Breach of Certain Covenants. Failure of a Credit Party to perform or comply with any covenant or other agreement contained in (i) Section 5.2, Section 5.6, Section 5.8, Section 5.9 or (ii) Section 5.11 or Section 6; or

(f) Breach of Representations, etc. Any intentional material misrepresentation of any material representation, certification or other statement made or deemed made by any Credit Party in any Credit Document or in any statement or certificate at any time given by any Credit Party or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith as of the date made or deemed made; or

(g) Other Defaults Under Credit Documents. Any Credit Party shall default in the performance of or compliance with any covenant or other term contained herein or any of the other Credit Documents, other than any such term referred to in any other provision of this Section 7.1, and such default materially and adversely affects the interests of any Lender or any Agent and shall not have been remedied or waived within ten (10) Business Days after the earlier of (i) an Authorized Officer of such Credit Party becoming aware of such default, or (ii) receipt by the Borrower of written notice from the Administrative Agent or any Lender of such default; or

(h) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief (other than a decree or order described in clause (ii)) in respect of any Credit Party or the Servicer in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against any Credit Party or the Servicer under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over such Credit Party or the Servicer, as applicable, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of such Credit Party or the Servicer, as applicable, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or

(i) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Any Credit Party or the Servicer shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or the Borrower shall make any assignment for the benefit of creditors; or (ii) any Credit Party or the Servicer shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of such Credit Party or the Servicer, as applicable, (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 7.1(h); or

(j) With respect to the Borrower, any money judgment, writ or warrant of attachment or similar process involving in the aggregate at any time an amount in excess of $250,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has not denied coverage) shall be entered or filed against the Borrower or any of its assets and (A) shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days (or in any event later than five (5) days prior to the date of any proposed sale thereunder in connection with any enforcement proceedings commenced by a creditor upon such judgment, writ, warrant of attachment or similar process) or (B) a decree or order is entered for the appointment of a receiver, liquidator, sequestrator, trustee, custodian assignee for the benefit of creditors (or other officer having similar powers) over such assets; or

(k) Dissolution. Any order, judgment or decree shall be entered against any Credit Party decreeing the dissolution or split up of the Borrower and such order shall remain undischarged or unstayed for a period in excess of sixty (60) days; or

(l) Change of Control. A Change of Control shall occur with (i) respect to CPS or the Servicer or (ii) respect to the Borrower, in each case, without the prior written consent of the Lead Agents; or

(m) Collateral Documents and other Credit Documents. At any time after the execution and delivery thereof, (i) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof) or shall be declared null and void or the enforceability thereof shall be impaired in any material respect, or the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of the Collateral Agent or any Secured Party to take any action within its control; or (ii) any of the Credit Documents identified in clause (a) of the definition thereof for any reason, other than the satisfaction in full of all Obligations (other than contingent indemnification obligations), shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or a party thereto, as the case may be, shall repudiate its obligations thereunder or shall contest the validity or enforceability of any Credit Document in writing; or

(n) [Reserved]; or

(o) Defaults Under Limited Guaranty. A default in CPS' obligations under the Limited Guaranty shall have occurred; or

(p) [Reserved]; or

(q) Maturity Date. Failure of the Borrower to pay the unpaid principal amount of and accrued interest on the Term Loans and all other Obligations on the Maturity Date; or

(r) [Reserved]; or

(s) Performance Triggers. The breach of a Performance Trigger; or

(t) [Reserved];

THEN:

(A) upon the occurrence of any Tier 2 Event of Default described in Section 7.1(h), 7.1(i) or 7.1(k) automatically, and (B) upon the occurrence of (I) any other Tier 2 Event of Default or (II) any Tier 1 Event of Default and the exercise by the Lenders of the Buyout Option in accordance with Section 9.25, at the request of (or with the consent of) the Lead Agents and the Requisite Lenders, in the case of clause I and II, upon written notice to the Borrower and the Backup Servicer by the Administrative Agent, (x) the Term Loan Commitments, if any, shall immediately terminate; (y) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (1) the unpaid principal amount of and accrued interest on the Term Loans and (2) all other Obligations; and (z) the Administrative Agent shall cause the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents.

SECTIONAGENTS
8.

8.1. Appointment of Agents

. Fortress is hereby appointed Administrative Agent and Collateral Agent hereunder and under the other Credit Documents and each Lender hereby authorizes Fortress, in such capacity, to act as its agent in accordance with the terms hereof and the other Credit Documents; provided, that Administrative Agent will not exercise any remedies under the Servicing Agreement following a Servicer Default, or waive any such remedies or rights of the Lenders thereunder, without the consent of the Lead Agents. Each Agent hereby agrees to act upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this Section 8 are solely for the benefit of Agents and the Lenders and the Borrower shall not have any rights as a beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Borrower.

8.2. Powers and Duties

. Each Lender irrevocably authorizes each Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.

8.3. Collateral Documents and Guaranties

. Each Lender hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Lenders, to be the agent for and representative of the Lenders with respect to the Limited Guaranty, the Collateral and the Collateral Documents. Subject to Section 9.5, without further written consent or authorization from the Lenders, the Administrative Agent or the Collateral Agent, as applicable may execute any documents or instruments necessary to release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which the Requisite Lenders (or such other Lenders as may be required to give such consent under Section 9.5) have otherwise consented, or with respect to which the Requisite Lenders or the Lead Agents (or such other Lenders as may be required to give such consent under Section 9.5) have otherwise consented.

SECTIONMISCELLANEOUS
9.

9.1. Notices

. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to CPS, the Borrower, any other Credit Party, the Collateral Agent or the Administrative Agent shall be sent to such Person's address as set forth on Appendix B or in the other relevant Credit Document, and in the case of any Lender, the address as indicated on Appendix B or otherwise indicated to the Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, sent by telefacsimile (with telephonic confirmation of receipt) or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile; provided, no notice to any Agent shall be effective until received by such Agent.

9.2. Expenses

. The Borrower agrees to pay promptly (a) all the Agents' and Lead Agents' actual and reasonable, documented, out-of-pocket costs and expenses of any consents, amendments, waivers or other modifications of the Credit Documents; (b) all the reasonable, documented fees, expenses and disbursements of counsel to the Agents and the Lead Agents in connection with any consents, amendments, waivers or other modifications of the Credit Documents and any other documents or matters requested by the Borrower; (c) all the actual costs and reasonable, documented, out-of-pocket expenses of creating and perfecting Liens in favor of the Collateral Agent, for the benefit of the Secured Parties, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent, in each case incurred after the occurrence of a Default or an Event of Default; (d) each of the Agent's or Lead Agents' actual costs and reasonable documented, out-of-pocket fees, expenses for, and disbursements of any of such Agent's or Lead Agents', auditors, accountants, consultants or appraisers whether internal or external, and all reasonable, documented attorneys' fees (including expenses and disbursements of outside counsel) incurred by such Agent or Lead Agent after a Default or Event of Default; (e) all the actual costs and reasonable, documented, out-of-pocket expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by the Collateral Agent and its counsel) in connection with the custody or preservation of any of the Collateral; (f) all of the actual costs and documented, out-of-pocket expenses of the Controlled Account Bank and (g) after the occurrence of a Default or an Event of Default, all documented costs and expenses, including reasonable attorneys' fees and costs of settlement, incurred by any Agent and the Lenders in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Limited Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "**work-out**" or pursuant to any insolvency or bankruptcy cases or proceedings.

9.3. Indemnity.

(a) IN ADDITION TO THE PAYMENT OF EXPENSES PURSUANT TO SECTION 9.2, WHETHER OR NOT THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE CONSUMMATED, EACH OF CPS AND THE BORROWER AGREES, SEVERALLY BUT NOT JOINTLY, TO DEFEND (SUBJECT TO INDEMNITEES' SELECTION OF COUNSEL), INDEMNIFY, PAY AND HOLD HARMLESS, EACH AGENT, EACH LEAD AGENT AND EACH LENDER, THEIR AFFILIATES AND THEIR RESPECTIVE OFFICERS, PARTNERS, DIRECTORS, TRUSTEES, EMPLOYEES AND AGENTS OF EACH AGENT, EACH LEAD AGENT AND EACH LENDER (EACH, AN "**INDEMNITEE**"), FROM AND AGAINST ANY AND ALL INDEMNIFIED LIABILITIES (PROVIDED, THAT IN THE CASE OF CPS, SUCH INDEMNIFIED LIABILITY RESULTED FROM AN ACTION OF CPS OR BREACH BY CPS OF ANY OF ITS REPRESENTATIONS, WARRANTIES, AGREEMENTS, COVENANTS OR OTHER OBLIGATIONS UNDER ANY CREDIT DOCUMENT), IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE; PROVIDED, NEITHER CPS NOR THE BORROWER SHALL HAVE ANY OBLIGATION TO ANY INDEMNITEE HEREUNDER WITH RESPECT TO ANY INDEMNIFIED LIABILITIES TO THE EXTENT SUCH INDEMNIFIED LIABILITIES ARISE FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE, AS DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL NON-APPEALABLE ORDER OR JUDGMENT. TO THE EXTENT THAT THE UNDERTAKINGS TO DEFEND, INDEMNIFY, PAY AND HOLD HARMLESS SET FORTH IN THIS SECTION 9.3 MAY BE UNENFORCEABLE IN WHOLE OR IN PART BECAUSE THEY ARE VIOLATIVE OF ANY LAW OR PUBLIC POLICY, CPS OR THE BORROWER, AS APPLICABLE, SHALL CONTRIBUTE THE MAXIMUM PORTION THAT IT IS PERMITTED TO PAY AND SATISFY UNDER APPLICABLE LAW TO THE PAYMENT AND SATISFACTION OF ALL INDEMNIFIED LIABILITIES INCURRED BY INDEMNITEES OR ANY OF THEM.

(b) To the extent permitted by applicable law, neither CPS nor the Borrower shall assert, and each of CPS and the Borrower hereby waives, any claim against the Lenders, the Agents and their respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Term Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each of CPS and the Borrower hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(c) Amounts paid or payable by CPS or Borrower pursuant to the CPS Guaranty or the Purchase Agreement as a result of any Lender's breach of this Agreement are direct damages.

9.4. Set-Off

. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default, each Lender and its Affiliates each is hereby authorized by the Borrower at any time or from time to time subject to the consent of the Administrative Agent, without notice to the Borrower or to any other Person (other than the Administrative Agent) except to the extent required by applicable law, any such notice being hereby expressly waived to the maximum extent under applicable law, and subject to any requirements or limitations imposed by applicable law, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts (in whatever currency)) and any other Indebtedness at any time held or owing by such Lender to or for the credit or the account of the Borrower (in whatever currency) against and on account of the obligations and liabilities of the Borrower to such Lender arising hereunder or under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto or with any other Credit Document, irrespective of whether or not (a) such Lender shall have made any demand hereunder, (b) the principal of or the interest on the Term Loans or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured or (c) such obligation or liability is owed to a branch or office of such Lender different from the branch or office holding such deposit or obligation or such Indebtedness.

9.5. Amendments and Waivers.

(a) Requisite Lenders' Consent. Subject to Sections 9.5(b) and 9.5(c), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of each Credit Party that is party thereto, the Administrative Agent, the Requisite Lenders, and the Lead Agents (for so long as any Lead Agent exists).

(b) Affected Lenders' Consent. Without the written consent of each Lender that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Term Loan or Note;

(ii) waive, reduce or postpone any scheduled repayment;

(iii) reduce the rate of interest on any Term Loan or any fee payable hereunder;

(iv) extend the time for payment of any such interest or fees;

(v) reduce the principal amount of any Term Loan;

(vi) amend, modify, terminate or waive any provision of this Section 9.5(b) or Section 9.5(c);

(vii) amend the definition of "Lead Agents", "Requisite Lenders" or "Pro Rata Share"; *provided*, with the consent of the Administrative Agent and the Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of "Requisite Lenders" or "Pro Rata Share" on substantially the same basis as the Term Loan Commitments and the Term Loans are included on the Closing Date;

(viii) release all or substantially all of the Collateral or the Guarantor from the Limited Guaranty, except as expressly provided in the Credit Documents; or

(ix) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under any Credit Document.

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall:

(i) increase the Term Loan Commitment of any Lender without the consent of such Lender;

(ii) amend, modify, terminate or waive any provision of Section 3.1 with regard to any Credit Extension without the consent of the Lenders;

(iii) amend, modify, terminate or waive any provision of Section 8 as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of such Agent; or

(iv) adversely affect the Controlled Account Bank, the Lockbox Account Bank, the Backup Servicer or the Custodian without the consent of such affected party.

(d) Execution of Amendments, etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on a Credit Party in any case shall entitle such Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 9.5 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Credit Party, upon such Credit Party. Notwithstanding anything to the contrary contained in this Section 9.5, if the Lead Agents and the Credit Parties shall have jointly identified an obvious error or any error or omission of a technical nature, in each case that is immaterial (as determined by the Lead Agents in their sole discretion), in any provision of the Credit Documents, then the Lead Agents (as applicable, and in their respective applicable capacities thereunder as Lead Agent, the Administrative Agent or Collateral Agent) and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent by the Requisite Lenders if the same is not objected to in writing by the Requisite Lenders within five (5) Business Days following receipt of notice thereof.

9.6. Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of the Lenders. None of CPS' nor the Borrower's rights or obligations hereunder nor any interest herein may be assigned or delegated without the prior written consent of all Lenders, provided however, that Borrower may assign any of its rights hereunder to receive Term Loans and such other rights assigned pursuant to Section 9.17 of the Purchase Agreement on the terms and conditions hereof in accordance with and subject to Section 9.17 of the Purchase Agreement. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, Indemnitees under Section 9.3, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Lender Affiliates of each of the Agents and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. The Borrower, CPS, the Administrative Agent and the Lenders shall deem and treat the Persons listed as "Lenders" in the Register as the holders and owners of the corresponding Term Loan Commitments and Term Loans listed therein for all purposes hereof, and no assignment or transfer of any such Term Loan Commitment or Term Loan shall be effective, in each case, unless and until an Assignment Agreement effecting the assignment or transfer thereof shall have been delivered to and accepted by the Administrative Agent and recorded in the Register as provided in Section 9.6(f). Prior to such recordation, all amounts owed with respect to the applicable Term Loan Commitment or Term Loan shall be owed to the Lender listed in the Register as the

owner thereof, and any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Term Loan Commitments or Term Loans.

(c) Right to Assign. Subject to Section 9.6(l), each Agent and each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Term Loan Commitment or Term Loans owing to it or other Obligations:

(i) to any Person meeting the criteria of clause (1)(a) or (2)(a) of the definition of the term of "Eligible Assignee" upon the giving of notice to the Borrower and Administrative Agent; and

(ii) to any Person otherwise constituting an Eligible Assignee with the consent of the Administrative Agent; provided, each such sale, assignment or transfer pursuant to this Section shall be in an aggregate amount of not less than $1,000,000 (or such lesser amount as may be agreed to by the Borrower and Administrative Agent or as shall constitute the aggregate amount of the Term Loan Commitments and Term Loans of the assigning Lender).

(d) Mechanics. The assigning Lender and the assignee thereof shall execute and deliver to Administrative Agent and, if the assignee is not a Lender Affiliate, the Borrower an Assignment Agreement, together with such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to Administrative Agent.

(e) Rating Agencies. Each of the Borrower and CPS agrees that the Lenders and the Administrative Agent shall have the right to disclose the terms of this Agreement and the transactions contemplated hereby to any Rating Agency. In addition, each of the Borrower and CPS agrees to provide, or cause to be provided, to the Rating Agencies any information, books, records, financial statements or other documents as reasonably requested by the Rating Agencies.

(f) Notice of Assignment. Upon its receipt and acceptance of a duly executed and completed Assignment Agreement, any forms, certificates or other evidence required by this Agreement in connection therewith, the Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to CPS and the Borrower and shall maintain a copy of such Assignment Agreement.

(g) Representations and Warranties of Assignee. Each assignee of any Lender, upon executing and delivering an Assignment Agreement, represents and warrants as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Term Loan Commitments or Term Loans, as the case may be; (ii) it will make or invest in, as the case may be, its Term Loan Commitments or Term Loans for its own account in the ordinary course of its business and without a view to distribution of such Term Loan Commitments or Term Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 9.6, the disposition of such Term Loan Commitments or Term Loans or any interests therein shall at all times remain within its exclusive control); (iii) such assignee does not own or control, or own or control any Person owning or controlling, any trade debt or Indebtedness of CPS or the Borrower other than the Obligations or any Capital Stock of CPS or the Borrower and (iv) such assignee is a "United States person" within the meaning of Internal Revenue Code Section 7701(a)(30).

(h) Effect of Assignment. Subject to the terms and conditions of this Section 9.6, as of the "Effective Date" specified in the applicable Assignment Agreement: (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 9.8) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (iii) the Term Loan Commitments shall be modified to reflect the Term Loan Commitment of such assignee and any Term Loan Commitment of such assigning Lender, if any; and (iv) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to the Administrative Agent for cancellation, and thereupon the Borrower shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new Term Loan Commitments and/or outstanding Term Loans of the assignee and/or the assigning Lender.

(i) Participations. Subject to Section 9.6(l), each Lender shall have the right at any time to sell one or more participations to any Person (other than CPS, any of its Subsidiaries or any of its Affiliates) in all or any part of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Term Loan Commitment or Term Loans owing to it or other Obligations; provided, however, that notwithstanding the foregoing, no participations may be sold to any Person acquiring such participation with the assets of, or for the benefit of, any employee benefit plan subject to Title I of ERISA, any "plan" subject to Section 4975 of the Internal Revenue Code, or any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. The holder of any such participation, other than a Lender Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (i) extend the final scheduled maturity of any Term Loan or Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Term Loan Commitment shall not constitute a change in the terms of such participation, and that an increase in any Term Loan Commitment or Term Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by CPS or the Borrower of any of its rights and obligations under this Agreement, or (iii) release all or substantially all of the Collateral under the Collateral Documents or the Guarantor from the Limited Guaranty (in each case except as expressly provided in the Credit Documents) supporting the Term Loans hereunder in which such participant is participating. Each of CPS and the Borrower agrees that each participant shall be entitled to the benefits of Sections 2.17 and 2.18 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (c) of this Section 9.6; provided, (i) a participant shall not be entitled to receive any greater payment under Section 2.17 and 2.18 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the Borrower's prior written consent, (ii) such participant is a "United States person" within the meaning of Internal Revenue Code Section 7701(a)(30) and (iii) such participant complies with the written statement and notice requirements therein. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 9.4 as though it were a Lender. Notwithstanding any participation made hereunder (i) such selling Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the Borrower for the performance of its obligations hereunder, and (iii) except as set forth

above, the Credit Parties, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Credit Parties relating to the Obligations and to approve, without the consent of or consultation with any participant, any amendment, modification or waiver of any provision of this Agreement. Each Lender that sells a participation shall maintain a register on which it enters the name and address of each participant and the amounts of each participant's participation (the "**Participant Register**"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(j) Certain Other Assignments. Subject to Section 9.6(l), in addition to any other assignment permitted pursuant to this Section 9.6, any Lender may assign, pledge and/or grant a security interest in, all or any portion of its Term Loans, the other Obligations owed by or to such Lender, and its Term Loan Notes, if any, to secure obligations of such Lender including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve Bank; provided, such Lender, as between the Borrower and the Lender, shall not be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided further, in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a "**Lender**" or be entitled to require the assigning Lender (except if such assigning Lender is a Lead Agent) to take or omit to take any action hereunder.

(k) Lead Agent Affiliate Lenders. Notwithstanding anything to the contrary set forth in Sections 9.6(a) through (j), but subject to Section 9.6(l), each party hereto acknowledges and agrees that (a) each Lead Agent and/or its Lender Affiliates may, in its sole discretion, at any time, and from time to time, in connection with any assignment to be made hereunder to any of its Lender Affiliates (each such Lender Affiliate, a "**Lead Agent Affiliate Lender**"), (i) assign to any Lead Agent Affiliate Lender all or any portion of such Lead Agent's or any such Lead Agent Affiliate Lender's Term Loans then existing and/or such Lead Agent's or any such Lead Agent Affiliate Lender's Term Loan Commitments then outstanding in such percentages or fixed dollar amounts as such Lead Agent or any such Lead Agent Affiliate Lender shall determine in their respective sole discretion, and (ii) in furtherance of the foregoing, request the Borrower to, and the Borrower shall, execute and deliver to such Lead Agent or such Lead Agent Affiliate Lender, as the case may be, any Note (or replacement therefor) requested pursuant to Section 2.4(b) to reflect such assignment and (b) such Lead Agent and one or more Lead Agent Affiliate Lenders may enter into agreements by and among such Lead Agent and such Lead Agent Affiliate Lenders and (if applicable) the Administrative Agent with respect to such assignments, including, without limitation, the ability to create a sequential pay feature amongst such Lead Agent and such Lead Agent Lenders; provided that the terms of any such agreements do not affect the terms of the Credit Documents (other than the Assignment Agreement to the extent required to reflect such agreements) or the Borrower's rights or obligations under any Credit Document; provided, further, that (1) the percentage or fixed dollar amount of such assignment is set forth in the related Assignment Agreement, (2) the aggregate Term Loan Commitment amongst such Lead Agent and such Lead Agent Affiliate Lenders immediately following any such assignment remains unchanged from the aggregate Term Loan Commitments of such Lead Agent and such Lead Agent Affiliate Lenders immediately prior to such assignment and (3) no such assignment shall increase any of the Borrower's Obligations hereunder; and provided, further, that (x) any such Lead Agent Affiliate Lender subject to any such assignment for any such percentage or fixed dollar amount (whether such assignment is solely of the existing Term Loans or the outstanding Term Loan Commitments, or both) shall be a "Lender" for all purposes hereunder, under the other Credit Documents subject, solely as among such Lead Agent and such Lead Agent Affiliate Lenders, to such restrictions set forth amongst such Lead Agent and such Lead Agent Affiliate Lenders set forth in the related Assignment Agreement (including the ability for any such assignee to not be assigned any future funding obligations in respect of Term Loan Commitments other than to the extent of any repayments received by such assignee on the principal balance of the assigned Term Loan (provided that such Assignment Agreement shall also provide that the relevant assignor expressly retains any such future funding obligations beyond principal repayments to such assignee on the principal balance of such assigned Term Loan)) and (y) following any such assignment of solely an existing Term Loan, (1) such assignee's "Term Loan Exposure" for purposes of clause (a) of such definition shall be deemed equal to the outstanding amount of such Term Loan as of the date of such assignment and (2) the related assignor's Term Loan Exposure for purposes of clause (a) of such definition shall be reduced by the amount of such Term Loan as of the date of such assignment.

(l) Non-U.S. Person Transfer Restriction. Notwithstanding anything herein to the contrary, in no event shall any portion of any Lender's rights or interests under this Agreement be held by, or transferred, assigned, participated, or otherwise disposed of to, any Person unless such Person is a "United States person" within the meaning of Internal Revenue Code Section 7701(a)(30). Each Lender and any assignee of such Lender shall deliver to the Administrative Agent an IRS Form W-9 prior to the receipt of the first payment hereunder to such Lender or assignee. In the event of any conflict between this Section 9.6(l) and any other provision in any Credit Document, this Section 9.6(l) shall control.

9.7. Independence of Covenants

. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be 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 condition exists.

9.8. Survival of Representations, Warranties and Agreements

. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of the Borrower and CPS shall survive the payment of the Term Loans until the Termination Date and the obligations and the agreements of the Borrower and CPS set forth in Sections 2.17, 2.18, 9.2, 9.3, 9.4, 9.10, 9.13 and 9.14 shall survive the Termination Date and the payment in full of the Obligations.

9.9. No Waiver; Remedies Cumulative

. No failure or delay on the part of any Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

9.10. Marshalling; Payments Set Aside

. Neither any Agent nor any Lender shall be under any obligation to marshal any assets in favor of the Borrower or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or the Lenders (or to the Administrative Agent, on behalf of the Lenders), or the Administrative Agent, the Collateral Agent or the Lenders enforce any security interests or exercise their

rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

9.11. Severability

. In case any provision or obligation hereunder or any Note or other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

9.12. Headings

. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

9.13. APPLICABLE LAW

. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) THEREOF.

9.14. CONSENT TO JURISDICTION.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST CPS OR THE BORROWER ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH OF CPS AND THE BORROWER, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (iii) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 9.1 AND TO ANY PROCESS AGENT SELECTED IN ACCORDANCE WITH SECTION 3.1(q) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER CPS OR THE BORROWER, AS APPLICABLE, IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (iv) AGREES THAT AGENTS AND THE LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST CPS OR THE BORROWER, AS APPLICABLE, IN THE COURTS OF ANY OTHER JURISDICTION.

(b) EACH OF CPS AND THE BORROWER HEREBY AGREES THAT PROCESS MAY BE SERVED ON IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES PERTAINING TO IT AS SPECIFIED IN SECTION 9.1, AND HEREBY APPOINTS CT CORPORATION SYSTEM, 111 8TH AVENUE, NEW YORK, NEW YORK 10011, AS ITS AGENT TO RECEIVE SUCH SERVICE OF PROCESS. ANY AND ALL SERVICE OF PROCESS AND ANY OTHER NOTICE IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE EFFECTIVE AGAINST CPS OR THE BORROWER, AS APPLICABLE, IF GIVEN BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY OTHER MEANS OR MAIL WHICH REQUIRES A SIGNED RECEIPT, POSTAGE PREPAID, MAILED AS PROVIDED ABOVE. IN THE EVENT CT CORPORATION SYSTEM. SHALL NOT BE ABLE TO ACCEPT SERVICE OF PROCESS AS AFORESAID AND IF CPS OR THE BORROWER, AS APPLICABLE, SHALL NOT MAINTAIN AN OFFICE IN NEW YORK CITY, SUCH CREDIT PARTY SHALL PROMPTLY APPOINT AND MAINTAIN AN AGENT QUALIFIED TO ACT AS AN AGENT FOR SERVICE OF PROCESS WITH RESPECT TO THE COURTS SPECIFIED IN THIS SECTION 9.14 ABOVE, AND ACCEPTABLE TO THE ADMINISTRATIVE AGENT, AS CPS' OR THE BORROWER'S, AS APPLICABLE, AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON THE BORROWER'S BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION, SUIT OR PROCEEDING.

9.15. WAIVER OF JURY TRIAL

. EACH OF CPS AND THE BORROWER HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN IT RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF CPS AND THE BORROWER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT IT HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT IT WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH OF CPS AND THE BORROWER FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.15 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TERM LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

9.16. Usury Savings Clause

. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest

(determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Term Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Term Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lenders and the Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Term Loans made hereunder or be refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

9.17. Counterparts

. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic image scan transmission (e.g., “PDF” or “tif” via email) shall be as effective as delivery of a manually signed counterpart of this Agreement.

9.18. [Reserved]

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9.19. Money Control Act

. Each Lender and the Administrative Agent (for itself and not on behalf of the Lenders) hereby notifies CPS and the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies CPS and the Borrower, which information includes the name and address of each of CPS and the Borrower and other information that will allow the Lenders or the Administrative Agent, as applicable, to identify CPS and the Borrower in accordance with the Act.

9.20. Prior Agreements

. This Agreement and the other Credit Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, are superseded by the terms of this Agreement and the other Credit Documents and unless specifically set forth in a writing contemporaneous herewith the terms, conditions and provisions of any and all such prior agreements do not survive execution of this Agreement.

9.21. Third Party Beneficiaries

. The Backup Servicer, the Custodian, the Controlled Account Bank and the Lockbox Account Bank shall be express third party beneficiaries of the provisions of Section 2.11(a), Section 2.11(e), Section 2.13(a) and Section 2.13(j). Fireside shall be an express third party beneficiary of the provisions of Section 9.3(c) and Section 9.6.

9.22. Confidentiality

. Each Credit Party agrees that the terms included in this Agreement and disclosed in connection with the consummation of the transactions contemplated hereby shall be kept strictly confidential, shall not be reproduced or disclosed (except as required by law, including, without limitation, the filing requirements of the Exchange Act), and shall not be used by either Credit Party other than in connection with the transaction described herein except with the prior written consent of the Lead Agents; provided, however, that the Lead Agents hereby consents to each Credit Party's disclosure of (i) this Agreement to its respective officers, directors, employees, attorneys, accountants, agents and advisors who are directly involved in the implementation of the terms and conditions of this Agreement to the extent such persons agree to hold the same in confidence, (ii) this Agreement, to any prospective Subordinated Noteholder and its counsel and other advisors, (iii) this Agreement as required by applicable law or compulsory legal process (in which case each Credit Party agrees to inform the Lead Agents promptly thereof) and (iv) the terms of this Agreement upon and after its filing by CPS in accordance with the Exchange Act.

9.23. Related Agreements.

Each of the Lead Lenders and CPS agrees to use commercially reasonably efforts to agree on the form, scope and substance of the Related Agreements prior to the Closing Date.

9.24. Effectiveness of this Agreement.

This Agreement shall become effective only upon the satisfaction of each of the following conditions:

(a) the Lead Agents shall have received copies of this Agreement and the Fee Letter originally executed and delivered by each applicable Credit Party;

(b) the Lead Agents shall have received fully executed copies of each Transaction Agreement, including terms and provisions satisfactory to the Lead Agents in their sole discretion.

(c) the Lead Agents shall have received evidence reasonably satisfactory to each of them that all of the conditions to the effectiveness of the Purchase Agreement, the Interim Servicing Agreement and the Unitrin Guaranty have been satisfied; and

(d) the representations and warranties made by each of the Credit Parties as of the date hereof contained herein shall be true and correct on and as of the date hereof.

9.25. Buyout Option.

(a) as long as (i) a Tier 1 Event of Default has occurred and is continuing and (ii) any Term Loan or other Obligation hereunder remains outstanding (other than contingent indemnification obligations), the Administrative Agent, on behalf of the Lenders, will have the right (but not the obligation) to purchase all, but not less than all, of CPS' interest in the Borrower and the Receivables (the "**Buyout Option**") by giving written notice (a "**Buyout Notice**") to CPS of its election to exercise the Buyout Option.

(b) on the Business Day designated by the Administrative Agent (the "**Buyout Closing Date**") in the Buyout Notice (which such Buyout Closing Date may be as soon as the third (3rd) Business Day following the delivery of such Buyout Notice and shall not be later than the tenth (10th) Business Day following the delivery of such Buyout Notice), upon the payment by the Lenders in immediately available funds to CPS of an amount equal to the Unreturned Capital Contribution Amount as of the Buyout Closing Date plus any accrued and unpaid Preferred Return on such amount, any and all of CPS' rights with respect to the Receivables or the Borrower shall terminate and, if requested by the Administrative Agent, all of CPS' interest in the Borrower shall be transferred to the Lenders, in each case without further action on the part of CPS.

[Remainder of page intentionally left blank]

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

CPS FENDER RECEIVABLES LLC
By: _____
Name:
Title:

CONSUMER PORTFOLIO SERVICES, INC.
By: _____
Name:
Title:

GOLDMAN SACHS BANK USA,a New York State-Chartered Bank, as a Lead Agent and as a Lender

By: _____
Name: Jason P. Gelberd
Title: Authorized Signatory

FORTRESS CREDIT CORP.,
as Administrative Agent, Collateral Agent, a Lender and a Lead Agent
By: _____
Name:
Title:

AMENDMENT NO. 1 TO THE CREDIT AGREEMENT

This **AMENDMENT NO. 1 TO THE CREDIT AGREEMENT** (this "**Amendment**"), dated as of September 14, 2011, is entered into by and among **CPS FENDER RECEIVABLES LLC**, a Delaware limited liability company (the "**Borrower**"), **CONSUMER PORTFOLIO SERVICES, INC.,** a California corporation, ("**CPS**"), **DBGS FRANKLIN LLC**, as a Lender ("**DBGS**"), **FORTRESS CREDIT CORP.** ("**Fortress**"), as Administrative Agent (in such capacity, the "**Administrative Agent**"), Collateral Agent (in such capacity, the "**Collateral Agent**"), and as a Lead Agent (in such capacity, a "**Lead Agent**"), **MTGLQ INVESTORS, L.P.** ("**MTGLQ**"), as a Lead Agent (in such capacity, a "**Lead Agent**") and **DBGS FRANKLIN HOLDINGS LLC** ("**Holdings**").

RECITALS:

WHEREAS, Borrower, CPS, Fortress, as Administrative Agent, Collateral Agent, a Lead Agent and a Lender and Goldman Sachs Bank USA (**"GS Bank**"), as Lead Agent and Lender, entered into a Credit Agreement dated as of August 6, 2011 (the "**Credit Agreement**"), pursuant to which the Lenders agreed to make advances and other financial accommodations to Borrower upon the satisfaction of the terms and conditions set forth therein. Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement; and

WHEREAS, Borrower, CPS, Administrative Agent, Holdings (as successor in interest to each of GS Bank and Fortress with respect to their respective rights under Section 2.11(f) and Section 2.13(k) of the Credit Agreement), DBGS (as successor in interest to GS Bank, as a lender under the Credit Agreement and Fortress, as a lender under the Credit Agreement) and MTGLQ (as successor in interest to GS Bank, as a Lead Agent under the Credit Agreement) have agreed to amend the Credit Agreement, as set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

· **DEFINITIONS AND INTERPRETATION**

· Additional Definitions. The following terms used herein, including in the preamble, recitals, appendices, schedules and exhibits hereto, shall have the following meanings. Section 1.1 of the Credit Agreement and the other Credit Documents, as appropriate, are hereby amended to include the following additional definitions in alphabetical order:

"Side Letter" means that certain agreement, dated as of the date hereof, by and among Borrower, CPS, Fireside and Kemper Corporation relating to, among other matters, electronic titles and Receivables subject to exceptions.

· Amendment to Definitions. The following definitions set forth in Section 1.1 of the Credit Agreement are hereby amended in their entirety to read as follows:

"Maximum Availability" means the lesser of (i) $210,000,000 and (ii) an amount equal to 98% of the sum of (A) the Purchase Price paid by the Borrower to Fireside for Receivables pursuant to the Purchase Agreement and (B) all amounts due to the Interim Servicer on the Closing Date under Section 2.4 of the Interim Servicing Agreement .

"Servicing Fee" means, during the Interim Servicing Period, the Interim Servicing Fee as defined in the Interim Servicing Agreement and, after the Servicing Transfer Date, the amount equal to, for each Settlement Date, the sum of (1) the product of (x) one-twelfth times (y) the Servicing Fee Rate times (z) the outstanding principal balance of the Receivables on the first date of the related Collection Period, plus (2) all administrative fees, expenses and charges paid by or on behalf of Obligors, including late fees collected on the Contracts during the related Collection Period plus (3) $275 per Financed Vehicle repossessed during the related Collection Period plus (4) any auction or other expenses paid by Servicer (and not reimbursed) in connection with any Financed Vehicle repossessed or liquidated, pro rated, as applicable, for partial months plus (5) expenses incurred by Servicer in accordance with Section 2.05 of the Servicing Agreement, provided that if the Backup Servicer becomes the Servicer pursuant to Section 2.1(b) of the Backup Servicing Agreement, the "**Servicing Fee**" shall mean the fees set forth in Section 2.1(h) of the Backup Servicing Agreement.

"**Transaction Agreements**" means, collectively, the Purchase Agreement, the Interim Servicing Agreement, the Unitrin Guaranty and the Side Letter.

· **AMENDMENTS TO THE CREDIT AGREEMENT**

The Credit Agreement is, subject to Section 3.1, effective as of the date hereof, hereby amended as follows:

· Appendix F (Form of Tax Matters Letter) to the Credit Agreement shall be replaced in its entirety by the appendix attached hereto as Appendix 1.

· Amendment to Section 2.3 of the Credit Agreement. Section 2.3 of the Credit Agreement is amended in full to read as follows:

"Use of Proceeds. The proceeds of the Term Loans made on the Closing Date shall be applied by the Borrower to finance 98% of the sum of (i) the Purchase Price paid to Fireside for the acquisition of Receivables from Fireside pursuant to the Purchase Agreement and (ii) all amounts due to the Interim Servicer on the Closing Date under Section 2.4 of the Interim Servicing Agreement. No portion of the proceeds of any Term Loan shall be used in any manner that causes such Term Loan or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act."

· **AFFIRMATIVE COVENANTS**

· Post Closing Matters. Within ten (10) Business Days after the Closing Date, the Credit Parties shall have delivered to the Administrative Agent and Lead Agents, copies of (a) endorsements naming the Administrative Agent as loss payee under CPS' fiduciary liability insurance policy and (b) endorsements naming Administrative Agent as an additional insured on CPS' errors & omissions insurance policy.

· **MISCELLANEOUS**

· **Conditions of Effectiveness**. This Amendment shall become effective as of the date first written above when, and only when, Administrative Agent shall have received counterparts of this Amendment executed by Borrower, CPS, DBGS, Holdings and MTGLQ.

· **Reference to and Effect on the Credit Agreement and the Other Credit Documents**.

On and after the effectiveness of this Amendment, (i) each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Credit Documents and the Related Agreements to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment. This Amendment is hereby designated as a Credit Document for all purposes of the Credit Documents.

Except as expressly set forth herein, no other amendments, changes or modifications to the Credit Agreement and each other Credit Document are intended or implied, and in all other respects the Credit Agreement and each other Credit Document are and shall continue to be in full force and effect and are hereby in all respects specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof and the Credit Parties shall not be entitled to any other further amendment by virtue of the provisions of this Amendment or with respect to the subject matter of this Amendment. To the extent of conflict between the terms of this Amendment and the other Credit Documents, the terms of this Amendment shall control. The Credit Agreement and this Amendment shall be read and construed as one agreement.

The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or Administrative Agent under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement

· **Binding Effect.** This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

· **Costs and Expenses**. Notwithstanding anything to the contrary in the Credit Agreement, as between the Borrower and CPS, on the one hand, and Holdings, the Agents, Lead Agents and Lenders on the other hand, each party shall be responsible for its own expenses.

· **Governing Law**. This Amendment and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York without regard to conflict of laws principles (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law) thereof.

· **Execution in Counterparts**. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by fax or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment.

· **Headings**. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

· **Prior Agreements.** This Amendment, the Credit Documents (as amended hereby) and the Related Agreements represents the entire agreement and understanding concerning the subject matter hereof among the parties hereto, and supersedes all other prior agreements, understandings, negotiations, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

[Remainder of page intentionally left blank]

IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CPS FENDER RECEIVABLES LLC
By: _____
Name:
Title:
CONSUMER PORTFOLIO SERVICES, INC.
By: _____
Name:
Title:
DBGS FRANKLIN LLC, as a Lender
By: _____
Name:
Title:
FORTRESS CREDIT CORP., as Administrative Agent, Collateral Agent and a Lead Agent
By: _____
Name:
Title:

MTGLQ INVESTORS, L.P., as a Lead Agent
By**:** MLQ, LLC, its general partner
By: _____
Name:
Title:

DBGS FRANKLIN HOLDINGS LLC
By: _____
Name:
Title:

Exhibit 31.1

CERTIFICATION

I, Charles E. Bradley, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consumer Portfolio Services, Inc.;

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 period 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

(c) 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

(d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Date: November 14, 2011

/s/ CHARLES E. BRADLEY, JR.

Charles E. Bradley, Jr. Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Jeffrey P. Fritz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consumer Portfolio Services, Inc.;

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 period 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

(c) 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

(d) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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.

Date: November 14, 2011

/s/ JEFFREY P. FRITZ

Jeffrey P. Fritz, 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 on Form 10-Q of Consumer Portfolio Services, Inc. (the "Company") for the quarterly period ended September 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Charles E. Bradley, Jr., as Chief Executive Officer of the Company, and Jeffrey P. Fritz, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §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.

Date: November 14, 2011

/s/ CHARLES E. BRADLEY, JR.
Charles E. Bradley, Jr.
Chief Executive Officer

_____

/s/ JEFFREY P. FRITZ
Jeffrey P. Fritz
Chief Financial Officer

_____

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

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.