

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON DC 20549

FORM 8-K/A
Amendment No. 1

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

Date of Report (Date of earliest event reported) September 27, 2007

CONSUMER PORTFOLIO SERVICES, INC.

(Exact Name of Registrant as Specified in Charter)

CALIFORNIA ----- (State or Other Jurisdiction of Incorporation)	0-51027 ----- (Commission File Number)	33-0459135 ----- (IRS Employer Identification No.)
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16355 Laguna Canyon Road, Irvine, CA 92618

(Address of Principal Executive Offices) (Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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

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

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

EXPLANATORY NOTE

This amendment is filed solely to furnish as exhibits two documents that the initial filing of this report described as "to be filed by amendment."

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

Three exhibits are furnished:

EXHIBIT NUMBER	DESCRIPTION
4.25	Indenture re Notes issued by CPS Auto Receivables Trust 2007-C.
4.26	Sale and Servicing Agreement dated as of September 1, 2007.
99.1	Consumer Portfolio Services, Inc. September 27, 2007 press release. (previously furnished).

SIGNATURES

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

CONSUMER PORTFOLIO SERVICES, INC.

Dated: November 2, 2007

By: /s/ Robert E. Riedl

Robert E. Riedl
Senior vice president and chief investment
officer

EXHIBIT INDEX

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4.26	Sale and Servicing Agreement dated as of September 1, 2007.

INDENTURE

DATED AS OF SEPTEMBER 1, 2007

BETWEEN

CPS AUTO RECEIVABLES TRUST 2007-C, AS ISSUER

AND

WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE

INDENTURE dated as of September 1, 2007, between CPS AUTO RECEIVABLES TRUST 2007-C, 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-1 5.38750% Asset-Backed Notes (the "Class A-1 Notes"), Class A-2 5.44% Asset-Backed Notes (the "Class A-2 Notes"), Class A-3 5.43% Asset-Backed Notes (the "Class A-3 Notes") and Class A-4 5.92% Asset-Backed Notes (the "Class A-4 Notes" and, together with the Class A-1 Notes, the Class A-2 Notes and the Class A-3 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.

Financial Security Assurance Inc. (the "Note Insurer") has issued and delivered a financial guaranty insurance policy, dated the Closing Date (with endorsements, the "Note Policy"), pursuant to which the Note Insurer guarantees Scheduled Payments, as defined in the Note Policy.

As an inducement to the Note Insurer to issue and deliver the Note Policy, the Issuer and the Note Insurer have executed and delivered the Insurance and Indemnity Agreement, dated as of September 27, 2007 (as amended from time to time, in accordance with the terms thereof, the "Insurance Agreement") among the Note Insurer, the Issuer, Consumer Portfolio Services, Inc., CPS Receivables Funding Trust and CPS Receivables Corp. (the "Seller")

As an additional inducement to the Note Insurer to issue the Note Policy, and as security for the performance by the Issuer of the Issuer Secured Obligations (as defined below) the Issuer has agreed to assign the Collateral (as defined below) as collateral to the Trustee for the benefit of the Issuer Secured Parties (as defined below), as their respective interests may appear.

GRANTING CLAUSE

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

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

(ii) the Subsequent Receivables listed in Schedule A to the related Subsequent Transfer Agreement and all monies received thereunder (other than the Additional Servicing Compensation) after the related Subsequent Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Subsequent Receivables after the related Subsequent Cutoff Date;

(iii) 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 such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

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

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

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

(vii) the Issuer's rights and benefits, but none of its obligations or burdens, under the Sale and Servicing Agreement and each Subsequent Transfer Agreement (including all rights of the Seller under the Purchase Agreements);

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

(ix) the Receivable File related to each Receivable;

(x) all amounts and property from time to time held in or credited to the Collection Account, the Pre-Funding Account, the Capitalized Interest Account, the Note Distribution Account and the Lockbox Account;

(xi) 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

(xii) 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").

In addition, the Issuer shall cause the Note Policy to be issued for the benefit of the Noteholders.

The foregoing Grant is made in trust to the Trustee, for the benefit of the Issuer Secured Parties, 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 rate of finance charges stated in the Receivable.

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

"Basic Documents" means this Indenture, the Certificate of Trust, the Trust Agreement, the Sale and Servicing Agreement, each Subsequent Transfer Agreement, the Master Spread Account Agreement, the Spread Account Supplement, the Insurance Agreement, the Indemnification Agreement, the Lockbox Agreement, the Servicing Assumption Agreement, the Purchase Agreements, the Placement Agency Agreement, the Notes, the Residual Pass-through Certificates, any trust agreement, indenture or other agreement to which the Seller, CPS or the Trust or any of their respective Affiliates is a party entered into in connection with a transfer of any interest in the Residual Pass-through Certificates, any securities representing direct or indirect interests in the Residual Pass-through Certificates and 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, the State in which the executive offices of the Servicer are located or the State in which the principal place of business of the Note Insurer is located shall be authorized or obligated by law, executive order, or governmental decree to be closed.

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

"Class A-1 Interest Rate" means 5.38750% per annum.

"Class A-1 Notes" means the Class A-1 5.38750% Asset-Backed Notes, substantially in the form of Exhibit A-1.

"Class A-2 Interest Rate" means 5.44% per annum.

"Class A-2 Notes" means the Class A-2 5.44% Asset-Backed Notes, substantially in the form of Exhibit A-2.

"Class A-3 Interest Rate" means 5.43% per annum.

"Class A-3 Notes" means the Class A-3 5.43% Asset-Backed Notes, substantially in the form of Exhibit A-3.

"Class A-4 Interest Rate" means 5.92% per annum.

"Class A-4 Notes" means the Class A-4 5.92% 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 September 27, 2007.

"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.

"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 2007-C, or at such other address as the Trustee may designate from time to time by notice to the Noteholders, the Note Insurer, the Servicer and the Issuer, or the principal corporate trust office of any successor Trustee (the address of which the successor Trustee will notify the Noteholders and the Issuer).

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

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

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

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

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

"Executive Officer" means, with respect to any corporation, the Chief Executive Officer, Chief Operating Officer, Chief Investment Officer, Chief Financial 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 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 Agreement Indenture Cross Default" has the meaning specified therefor in the Insurance Agreement.

"Insurer Secured Obligations" means all amounts and obligations which the Issuer may at any time owe to or on behalf of the Note Insurer under this Indenture, the Insurance Agreement or any other Basic Document.

"Interest Rate" means, with respect to (i) the Class A-1 Notes, the Class A-1 Interest Rate, (ii) the Class A-2 Notes, the Class A-2 Interest Rate, (iii) the Class A-3 Notes, the Class A-3 Interest Rate and (iv) the Class A-4 Notes, the Class A-4 Interest Rate.

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

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

"Issuer Secured Obligations" means the Insurer Secured Obligations, the Residual Certificate Secured Obligations and the Trustee Secured Obligations, collectively.

"Issuer Secured Parties" means each of (i) the Trustee, in respect of the Trustee Secured Obligations, (ii) the Residual Certificateholders, in respect of the Residual Certificate Secured Obligations and (iii) the Note Insurer, in respect of the Insurer Secured Obligations.

"Mandatory Redemption Date" means the first Payment Date occurring on or after the last day of the Funding Period.

"Note" means a Class A-1 Note, a Class A-2 Note, a Class A-3 Note or a Class A-4 Note.

"Note Insurer" has the meaning specified in the Preamble.

"Note Majority" means Holders of Notes collectively evidencing more than 50% of the aggregate outstanding Note Balance of each Class of Notes.

"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 Note Distribution Account, including payment of principal of or interest on the Notes on behalf of the Issuer.

"Note Policy" means the financial guaranty insurance policy (No. 51881-N) issued by the Note Insurer with respect to the Notes, including any endorsements thereto.

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

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

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

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

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

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

(iii) Notes in exchange for or in lieu of other Notes which have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Trustee is presented that any such Notes are held by a bona fide purchaser; provided, however, that Notes which have been paid with proceeds of the Note Policy shall continue to remain Outstanding for purposes of this Indenture until the Note Insurer has been paid as subrogee hereunder or reimbursed pursuant to the Insurance Agreement as evidenced by a written notice from the Note Insurer delivered to the Trustee, and the Note Insurer shall be deemed to be the Holder thereof to the extent of any payments thereon made by the Note Insurer; provided, further, that in determining whether the Holders of the requisite Outstanding Amount of the Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Notes owned by the Issuer, any other obligor upon the Notes, the Seller or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a Responsible Officer of the Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer, any other obligor upon the Notes, the Seller or any Affiliate of any of the foregoing Persons.

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

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

"Owner Trustee" means Wilmington Trust Company, and its successors.

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

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

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

"Purchase Agreements" means the Receivables Purchase Agreement and each Subsequent Receivables Purchase Agreement, collectively.

"Rating Agency" means each of Moody's and Standard & Poor's, so long as such Persons maintain a rating on the Notes; and if either Moody's or Standard & Poor's no longer maintains a rating on the Notes, such other nationally recognized statistical rating organization selected by the Seller and (so long as an Insurer Default shall not have occurred and be continuing) acceptable to the Note Insurer.

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

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

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

"Residual Certificate Secured Obligations" means all amounts and obligations that the Issuer may at any time owe to the Residual Certificateholders under the Sale and Servicing Agreement or any other Basic Document.

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

"Sale and Servicing Agreement" means the Sale and Servicing Agreement dated as of September 1, 2007, among the Issuer, the Seller, the Servicer, and the Trustee, as Backup Servicer and Trustee, as the same may be amended or supplemented from time to time.

"Scheduled Payments" has the meaning specified in the Note Policy.

"Seller" means CPS Receivables Corp., a California corporation, and its successors.

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

"Termination Date" means the latest of (i) the expiration of the Note Policy and the return of the Note Policy to the Note Insurer for cancellation, (ii) the date on which the Note Insurer shall have received payment and performance of all Insurer Secured Obligations and (iii) the date on which the Trustee shall have received payment and performance of all Trustee Secured Obligations and disbursed such payments in accordance with the Basic Documents.

"Trust Agreement" means the Trust Agreement dated as of March 15, 2007, between CPS Receivables Three Corp., as depositor, and the Owner Trustee, as amended and restated by the Amended and Restated Trust Agreement dated as of September 27, 2007, by and between CPS Receivables Three Corp., as original depositor, the Seller, as depositor, and the Owner Trustee, as the same may be further amended or supplemented from time to time in accordance with the terms thereof.

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

"Trustee" means 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.

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

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

SECTION 1.2 Reserved.

SECTION 1.3 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; and

(e) "including" means including without limitation.

ARTICLE II THE NOTES

SECTION 2.1 Form.

(a) The Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class A-4 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.

SECTION 2.2 Execution, Authentication and Delivery.

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

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

(c) The Trustee shall upon receipt of the Note Policy and Issuer Order authenticate and deliver Class A-1 Notes for original issue in an aggregate principal amount of \$46,000,000, Class A-2 Notes for original issue in an aggregate principal amount of \$77,300,000, Class A-3 Notes for original issue in an aggregate principal amount of \$89,500,000 and Class A-4 Notes for original issue in an aggregate principal amount of \$81,950,000. Class A-1 Notes, Class A-2 Notes, Class A-3 Notes and Class A-4 Notes outstanding at any time may not exceed such amounts except as provided in Section 2.4.

(d) Each Note shall be dated the date of its authentication. The Notes shall be issuable as registered Notes in the minimum denomination of \$25,000 and in integral multiples of \$1,000 in excess thereof (except for one Note of each class which may be issued in a lesser denomination and other than an integral multiple of \$1,000).

(e) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form

provided for herein, executed by the Trustee by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

SECTION 2.3 Temporary Notes.

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

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

SECTION 2.4 Registration; Registration of Transfer and Exchange.

(a) The Issuer shall cause to be kept a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes. The Trustee is hereby initially appointed "Note Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. Upon any resignation or removal of any Note Registrar, the Issuer shall promptly appoint a successor or, in the absence of such an appointment, assume the duties of Note Registrar.

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

(c) Subject to Sections 2.10 and 2.12 hereof, upon surrender for registration of transfer of any Note at the office or agency of the Issuer to be maintained as provided in Section 3.2, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute, and upon request by the Issuer the Trustee shall authenticate, and the Noteholder shall obtain from the Trustee, in the name of the designated transferee or transferees, one or more new Notes in any authorized denominations of the same class and a like aggregate principal amount.

(d) At the option of the Holder, Notes may be exchanged for other Notes in any authorized denominations, of the same class and a like aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, subject to Sections 2.10 and 2.12 hereof, if the requirements of Section 8-401(a) of the UCC are met the Issuer shall execute, and upon request by the Issuer the Trustee shall authenticate, and the Noteholder shall obtain from the Trustee, the Notes which the Noteholder making the exchange is entitled to receive.

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

(f) Every Note presented or surrendered for registration of transfer or exchange shall be (i) duly endorsed by, or accompanied by a written instrument of transfer in the form attached to Exhibits A-1, 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) Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Owner Trustee, the Trustee and the Noteholders, that either (i) it is not acquiring any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption.

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

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

(j) 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.

SECTION 2.5 Mutilated, Destroyed, Lost or Stolen Notes.

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

indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee in connection therewith.

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

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

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

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

SECTION 2.7 Payment of Principal and Interest; Defaulted Interest.

(a) The Notes shall accrue interest as provided in the forms of the Class A-1 Note, the Class A-2 Note, the Class A-3 Note and the Class A-4 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, payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note (or one or more Predecessor Notes) is registered on the related Record Date, by check mailed first-class, postage prepaid, to such Person's address as it appears on the Note Register on such Record Date, or by wire transfer in immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that, unless Definitive Notes have been issued pursuant to Section 2.12, with respect to Notes registered on the related Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment will be made by wire transfer in immediately available funds to the account designated by such nominee, except for the final installment of principal payable with respect to such Note on a Payment Date or on the Final Scheduled Payment Date (and except for the Redemption Price for any Note called for redemption pursuant to Section 10.1), which shall be payable as provided below. The funds represented by any such checks returned undelivered shall be held in accordance with Section 3.3.

(b) The principal of each Note shall be payable in installments on each Payment Date as provided in the forms of the Class A-1 Note, the Class A-2 Note, the Class A-3 Note and the Class A-4 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 each class of Notes shall be made pro rata to the Noteholders of such class entitled thereto. Upon written notice from the Issuer, the Trustee shall notify the Person in whose name a Note is registered at the close of business on the Record Date preceding the Payment Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed or transmitted by facsimile prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment. Notices in connection with redemptions of Notes shall be mailed to Noteholders as provided in Section 10.2.

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

(d) Promptly following the date on which all principal of and interest on the Notes has been paid in full and the Notes have been surrendered to the Trustee, the Trustee shall, if the Note Insurer has paid any amount in respect of the Notes under the Note Policy or otherwise which has not been reimbursed to it, deliver such surrendered Notes to the Note Insurer.

SECTION 2.8 Cancellation. Subject to Section 2.7(d), all Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by the Trustee. Subject to Section 2.7(d), the Issuer may at any time deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section, except as expressly permitted by this Indenture. Subject to Section 2.7(d), all canceled Notes may be held or disposed of by the Trustee in accordance with its standard retention or disposal policy as in effect at the time unless the Issuer shall direct by an Issuer Order that they be destroyed or returned to it; provided that such Issuer Order is timely and the Notes have not been previously disposed of by the Trustee.

SECTION 2.9 Release of Collateral. The Trustee shall, on or after the 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. The Notes, upon original issuance, will be issued in the form of typewritten Notes representing the Book-Entry Notes, to be delivered to DTC or to the Trustee as custodian for the initial Clearing Agency, by, or on behalf of, the Issuer. Such Notes shall initially be registered on the Note Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and no Note Owner will receive a Definitive Note representing such Note Owner's interest in such Note, except as provided in Section 2.12. Unless and until definitive, fully registered Notes (the "Definitive Notes") have been issued to Note Owners pursuant to Section 2.12:

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

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

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

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

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

(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; and

(vii) Note Owners may only hold positions in the Book-Entry Notes in minimum denominations of \$25,000.

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

SECTION 2.12 Definitive Notes. If (i) the Servicer advises the Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities with respect to the Notes, and the Servicer is unable to locate a qualified successor, (ii) the Servicer at its option advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (iii) after the occurrence of an Event of Default, Note Owners representing beneficial interests aggregating at least a majority of the Outstanding Amount of the Notes advise the Trustee through the Clearing Agency in writing that the continuation of a book entry system through the Clearing Agency is no longer in the best interests of such Note Owners, then the Clearing Agency shall notify all Note Owners and the Trustee of the occurrence of any such event and of the availability of Definitive Notes to Note Owners requesting the same. Upon surrender to the Trustee of the typewritten Note or Notes representing the Book-Entry Notes by the Clearing Agency, accompanied by registration instructions, the Issuer shall execute and the Trustee shall authenticate the Definitive Notes in accordance with the instructions of the Clearing Agency. None of the Issuer, the Note Registrar or the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes, the Trustee shall recognize the Holders of the Definitive Notes as Noteholders.

SECTION 2.13 Restrictions on Transfer of Notes

(a) The Notes have not been registered or qualified under the Securities Act of 1933, as amended (the "1933 Act"), or any State securities laws or "Blue Sky" laws, and the Notes are being offered and sold in reliance upon exemptions from the registration requirements of the 1933 Act and such Blue Sky or State securities laws. No transfer, sale, pledge or other disposition of any Note shall be made unless such disposition is made pursuant to an effective registration statement under the 1933 Act and effective registration or qualification under applicable State securities laws or "Blue Sky" laws, or is made in a transaction which does not require such registration or qualification. In the event that a transfer of an Ownership Interest in a Book-Entry Note is to be made in reliance upon an exemption from the 1933 Act, the transferee will be deemed to have made the same representations and warranties as required of an initial purchaser of such Ownership Interest, as set forth in Section 2.13(b) below. In the event that a transfer of an Ownership Interest in a Note which is not a Book-Entry Note is to be made in reliance upon an exemption from the 1933 Act, the Trustee or the Note Registrar shall require, in order to assure compliance with the 1933 Act, that the Noteholder desiring to effect such disposition and such Noteholder's prospective transferee each (A) certify to the Trustee or the Note Registrar in writing the facts surrounding such disposition pursuant to a letter, substantially in the form of Exhibit B hereto, ----- or (B) provide to the Trustee or the Note Registrar such other evidence satisfactory to the Transferor, the Trustee and the Note Registrar that the transfer is in compliance with the 1933 Act. The Trustee may also, unless such transfer occurs

more than three years after the Closing Date or is made pursuant to Rule 144A promulgated under

the 1933 Act, require an opinion of counsel satisfactory to it that such transfer may be made pursuant to an exemption from the 1933 Act, which opinion of counsel shall not be an expense of the Trustee. None of the Seller, the Servicer, the Issuer, the Owner Trustee or the Trustee is obligated under this Indenture to register the Notes under the 1933 Act or any other securities law or to take any action not otherwise required under this Indenture to permit the transfer of such Notes without such registration or qualification.

Notwithstanding the foregoing, any transfer of a Note from a Noteholder to the Seller or an Affiliate of the Seller shall be deemed to have been made pursuant to an exemption from the registration requirements of the 1933 Act, applicable State securities laws and "Blue Sky" laws, and none of the conditions precedent set forth in this Section 2.13(a) to the transfer of the Notes shall be applicable to such transfer and such transferee shall not be deemed to have made the representations and warranties in Section 2.13(b).

(b) Each Person (other than the Seller or an Affiliate of the Seller) who has or who acquires an Ownership Interest in a Book-Entry Note in reliance upon an exemption from the 1933 Act shall be deemed by the acceptance or acquisition of such Ownership Interest to have represented and agreed, as follows:

(i) Such Person is a qualified institutional buyer as defined in Rule 144A under the 1933 Act, is aware that the seller of the Note may be relying on the exemption from the registration requirements of the 1933 Act provided by Rule 144A and is acquiring such Note for its own account, for the account of one or more qualified institutional buyers for whom it is authorized to act.

(ii) Such Person understands that the Notes have not been and will not be registered under the 1933 Act and may be offered, sold, pledged or otherwise transferred only to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A under the 1933 Act and in accordance with any applicable securities laws of any State.

(iii) Such Person understands that a single certificate in respect of each Class of Notes has been registered in the name of the nominee of DTC, or in the case of Definitive Notes, such Definitive Notes have been registered in the name of such Person or its nominee, and bears a legend to the following effect:

"THIS NOTE HAS NOT BEEN 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) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE 1933 ACT (IF AVAILABLE), OR (D) TO THE SELLER OR AN AFFILIATE OF THE SELLER, 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 REALES OF THIS NOTE."

ARTICLE III
COVENANTS

SECTION 3.1 Payment of Principal and Interest. The Issuer will duly and punctually pay the principal of and interest on the Notes in accordance with the terms of the Notes and this Indenture. Without limiting the foregoing, the Issuer will cause to be distributed on each Payment Date all amounts deposited in the Note Distribution Account pursuant to the Sale and Servicing Agreement (i) for the benefit of the Class A-1 Notes, to the Class A-1 Noteholders, (ii) for the benefit of the Class A-2 Notes, to the Class A-2 Noteholders, (iii) for the benefit of the Class A-3 Notes, to the Class A-3 Noteholders and (iv) for the benefit of the Class A-4 Notes, to the Class A-4 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 Note Distribution Account from the Collection Account an aggregate sum sufficient to pay the amounts then becoming due under the Notes, such sum to be held in trust for the benefit of the Persons entitled thereto and (unless the Note Paying Agent is the Trustee) shall promptly notify the Trustee of its action or failure so to act.

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

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

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

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

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

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

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

(d) Subject to applicable laws with respect to the escheat of funds, any money held by the Trustee or any Note Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Request with the consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) and shall be deposited by the Trustee in the Collection Account; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Trustee or such Note Paying Agent with respect to such trust money shall thereupon cease; provided, however, that if such money or any portion thereof had been previously deposited by the Note Insurer with the Trustee for the payment of principal or interest on the Notes, to the extent any amounts are owing to the Note Insurer, such amounts shall be paid promptly to the Note Insurer upon receipt of a written request by the Note Insurer to such effect, and provided, further, that the Trustee or such Note Paying Agent, before being required to make any such repayment, shall at the expense of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Trustee shall also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment (including 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 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 Issuer Secured Parties to be prior to all other liens in respect of the Trust Estate, and the Issuer shall take all actions necessary to obtain and maintain, in favor of the Trustee, for the benefit of the Issuer Secured Parties, a first lien on and a first priority, perfected security interest in the Trust Estate. The Issuer will from time to time prepare (or shall cause to be prepared), execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

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

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

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

(iv) enforce any of the Collateral;

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

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

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

SECTION 3.6 Opinions as to Trust Estate.

(a) On the Closing Date, and on the date of execution of each indenture supplemental hereto, the Issuer shall furnish to the Trustee and the Note Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto, and any other requisite documents, and with respect to the 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 Issuer Secured Parties, created by this Indenture and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make such lien and security interest effective.

(b) Within 90 days after the beginning of each calendar year, commencing in 2008, the Issuer shall furnish to the Trustee and the Note Insurer an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and 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 acceptable to the Note Insurer (so long as no Insurer Default shall have occurred and be continuing) to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Trustee and the Note Insurer in an Officer's Certificate of the Issuer shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicer to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the Basic Documents and in the instruments and agreements included in the Trust Estate, including 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. Except as otherwise expressly provided therein, the Issuer shall not waive, amend, modify, supplement or terminate any Basic Document or any provision thereof without the consent of the Trustee, the Note Insurer or, if an Insurer Default has occurred and is continuing, a Note Majority.

(d) If a responsible officer of the Owner Trustee shall have written notice or actual knowledge of the occurrence of a Servicer Termination Event under the Sale and Servicing Agreement, the Issuer shall promptly notify the Trustee, the Note Insurer and the Rating Agencies thereof in accordance with Section 11.4, and shall specify in such notice the action, if any, the Issuer is taking in respect of such default. If a Servicer Termination Event shall arise from the failure of the Servicer to perform any of its duties or obligations under the Sale and Servicing Agreement with respect to the Receivables, the Issuer shall take all reasonable steps available to it to remedy such failure.

(e) The Issuer agrees that it will not waive timely performance or observance by the Servicer or the Seller of their respective duties under the Basic Documents (x) without the prior consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) or (y) if the effect thereof would adversely affect the Holders of the Notes.

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

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

(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; or (D) 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; 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 and the Note Insurer, on or before March 31 of each year, beginning March 31, 2008, 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 and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing), the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein;

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

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

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing)) to the effect that such transaction will not have any material adverse tax consequence to the Trust, the Note Insurer, any Noteholder or any Certificateholder;

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

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

(vii) so long as no Insurer Default shall have occurred and be continuing, the Issuer shall have given the Note Insurer written notice of such consolidation or merger at least 20 Business Days prior to the consummation of such action and shall have received the prior written approval of the Note Insurer of such consolidation or merger and 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, and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing), the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture and each of the Basic Documents on the part of the Issuer to be performed or observed, all as provided herein, (C) expressly agree by means of such supplemental indenture that all right, title and interest so conveyed or transferred shall be subject and subordinate to the rights of Holders of the Notes, (D) unless otherwise provided in such supplemental indenture, expressly agree to indemnify, defend and hold harmless the Issuer against and from any loss, liability or expense arising under or related to this Indenture and the Notes and (E) expressly agree by means of such supplemental indenture that such Person (or if a group of persons, then one specified Person) shall prepare (or cause to be prepared) and make all filings with the Commission (and any other appropriate Person) required by the Exchange Act in connection with the Notes;

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

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

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee and the Note Insurer (so long as no Insurer Default shall have occurred and be continuing)) to the effect that such transaction will not have any material adverse tax consequence to the Trust, the Note Insurer, any Noteholder or any Certificateholder;

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

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

(vii) so long as no Insurer Default shall have occurred and be continuing, the Issuer shall have given the Note Insurer written notice of such conveyance or transfer at least 20 Business Days prior to the consummation of such action and shall have received the prior written approval of the Note Insurer of such conveyance or transfer and the Issuer or the Person (if other than the Issuer) formed by or surviving such conveyance or transfer has a net worth, immediately after such conveyance or transfer, that is (a) greater than zero and (b) not less than the net worth of the Issuer immediately prior to giving effect to such conveyance or transfer.

SECTION 3.11 Successor or Transferee.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.10(a), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(b) Upon a conveyance or transfer of all the assets and properties of the Issuer pursuant to Section 3.10(b), CPS Auto Receivables Trust 2007-C 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 2007-C is to be so released.

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

SECTION 3.13 No Borrowing. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any Indebtedness except for (i) the Notes (ii) obligations owing from time to time to the Note Insurer under the Insurance Agreement and (iii) any other Indebtedness permitted by or arising under the Basic Documents. The proceeds of the Notes shall be used exclusively to fund the Issuer's purchase of the Receivables and the other assets specified in the Sale and Servicing Agreement, to fund the Pre-Funding Account, the Capitalized Interest Account and (on behalf of the Seller) the Series 2007-C Spread Account and to pay the Issuer's organizational, transactional and start-up expenses.

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

SECTION 3.15 Guarantees, Loans, Advances and Other Liabilities. Except as contemplated by the Basic Documents, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

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

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

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

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

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

SECTION 3.21 Amendments of Sale and Servicing Agreement and Trust Agreement. The Issuer shall not agree to any amendment to Section 13.1 of the Sale and Servicing Agreement or Section 11.1 of the Trust Agreement to eliminate the requirements thereunder that the Trustee, the Note Insurer 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 the Notes as indebtedness of the Issuer and hereby instructs the Trustee to treat the Notes as indebtedness of the Issuer for federal and State tax reporting purposes.

SECTION 3.23 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 Note Insurer and the Trustee for the benefit of the Noteholders:

(i) Creation of Security Interest. This Indenture creates a valid and continuing security interest (as defined in the UCC) in the Trust Estate in favor of the Trustee for the benefit of the Issuer Secured Parties, 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 Issuer Secured Parties hereunder.

(iii) No other Security Interests. Other than the security interest Granted to the Trustee for the benefit of the Issuer Secured Parties 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 Issuer Secured Parties hereunder or that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

(iv) Notations on Contracts; Financing Statement Disclosure. The Servicer has in its possession copies of all the original Contracts that constitute or evidence the Initial Receivables and, from and after each Subsequent Transfer Date, will have in its possession copies of all the original Contracts that constitute or evidence the related Subsequent Receivables. The Contracts that constitute or evidence the Receivables do not and will not 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 Issuer Secured Parties. 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 Issuer Secured Parties 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, the Note Insurer and the Rating Agencies, and shall survive the satisfaction and discharge of this Indenture.

ARTICLE IV SATISFACTION AND DISCHARGE

SECTION 4.1 Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to the Notes except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Sections 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 and the Note Policy has expired and been returned to the Note Insurer for cancellation;

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

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

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

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

ARTICLE V REMEDIES

SECTION 5.1 Events of Default.

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

(i) so long as an Insurer Default shall have occurred and be continuing, default in the payment of any interest on any Note when the same becomes due and payable, and such default shall continue for a period of five days (solely for purposes of this clause, a payment on the Notes funded by the Note Insurer or the Collateral Agent from the Series 2007-C Spread Account shall be deemed to be a payment made by the Issuer); or

(ii) so long as an Insurer Default shall have occurred and be continuing, default in the payment of the principal of or any installment of the principal of any Note when the same becomes due and payable and such default shall continue for a period of five days (solely for purposes of this clause, a payment on the Notes funded by the Note Insurer or the Collateral Agent from the Series 2007-C Spread Account shall be deemed to be a payment made by the Issuer); or

(iii) so long as no Insurer Default shall have occurred and be continuing, an Insurance Agreement Indenture Cross Default shall have occurred; provided, however, that the occurrence of an Insurance Agreement Indenture Cross Default may not form the basis of an Event of Default unless the Note Insurer shall, upon prior written notice to the Rating Agencies, have delivered to the Issuer and the Trustee and not rescinded a written notice specifying that such Insurance Agreement Indenture Cross Default constitutes an Event of Default under this Indenture; or

(iv) so long as an Insurer Default shall have occurred and be continuing, a default in the observance or performance of any covenant or agreement of the Issuer made in this Indenture (other than a covenant or agreement, a default in the observance or performance of which is elsewhere in this Section specifically dealt with), or any representation or warranty of the Issuer made in this Indenture or in any certificate or other writing delivered pursuant hereto or in connection herewith proving to have been incorrect in any material respect as of the time when the same shall have been made, and such default shall continue or not be cured, or the circumstance or condition in respect of which such misrepresentation or warranty was incorrect shall not have been eliminated or otherwise cured, for a period of 30 days (or for such longer period, not in excess of 90 days, as may be reasonably necessary to remedy such default; provided that such default is capable of remedy within 90 days or less and the Servicer on behalf of the Owner Trustee delivers an Officer's Certificate to the Trustee to the effect that the

Issuer has commenced, or will

promptly commence and diligently pursue, all reasonable efforts to remedy such default) after there shall have been given, by registered or certified mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% of the Outstanding Amount of each class of Notes, a written notice specifying such default or incorrect representation or warranty and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(v) so long as an Insurer Default shall have occurred and be continuing, the occurrence of an Insolvency Event with respect to the Issuer, the Servicer or the Seller (or, so long as CPS is Servicer, any Specified Affiliate).

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

SECTION 5.2 Rights Upon Event of Default.

(a) So long as no Insurer Default has occurred and is continuing, if an Event of Default shall have occurred and be continuing, then the Controlling Party shall have the right, but not the obligation, upon prior written notice to each Rating Agency, to declare by written notice to the Issuer and the Trustee that the Notes become immediately due and payable, and upon any such declaration the unpaid principal amount of the Notes, together with accrued and unpaid interest thereon, shall become immediately due and payable. The Trustee will have no discretion with respect to the acceleration of the Notes under the foregoing circumstances. If an Event of Default shall have occurred and be continuing, the Controlling Party may exercise any of the remedies specified in Section 5.4. In the event of any acceleration of the Notes, the Trustee shall continue to make claims under the Note Policy pursuant to the Sale and Servicing Agreement for Scheduled Payments on the Notes. Subject to the terms of the Note Policy, payments under the Note Policy following acceleration of any Notes shall be applied by the Trustee:

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

SECOND: to the Noteholders for amounts due and unpaid on the Notes for principal, ratably and without preference or priority of any kind, according to the amounts then due and payable on the Notes for principal.

(b) In the event any Notes are accelerated due to an Event of Default, the Note Insurer shall have the right (in addition to its obligation to pay Scheduled Payments on the Notes in accordance with the Note Policy), but not the obligation, to make payments under the Note Policy or otherwise of interest and principal due on such Notes, in whole or in part, on any date or dates following such acceleration as the Note Insurer, in its sole discretion, shall elect.

(c) If an Insurer Default shall have occurred and be continuing and an Event of Default shall have occurred and be continuing, the Trustee in its discretion may, or if so requested in writing by a Note Majority, shall declare by written notice to the Issuer that the Notes become, whereupon they shall become, immediately due and payable at par, together with accrued interest thereon.

(d) 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 Note Insurer in its sole discretion, or if an Insurer Default has occurred and is continuing, a Note Majority, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Trustee

a sum sufficient to pay

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

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

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

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

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

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

(b) Each Issuer Secured Party hereby irrevocably and unconditionally appoints the Controlling Party as the true and lawful attorney-in-fact of such Issuer Secured Party for so long as such Issuer Secured Party is not the Controlling Party, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, pleading or instrument and to do in the name of the Controlling Party as well as in the name, place and stead of such Issuer Secured Party such acts, things and deeds for or on behalf of and in the name of such Issuer Secured Party under this Indenture (including specifically under Section 5.4) and under the Basic Documents which such Issuer Secured Party could or might do or which may be necessary, desirable or convenient in such Controlling Party's sole discretion to effect the purposes contemplated hereunder and under the Basic Documents and, without limitation, following the occurrence of an Event of Default, exercise full right, power and authority to take, or defer from taking, any and all acts with respect to the administration, maintenance or disposition of the Trust Estate.

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

(d) In case there shall be pending, relative to the Issuer or any other obligor upon the Notes or any Person having or claiming an ownership interest in the Trust Estate, proceedings under Title 11 of the United States Code or any other applicable Federal or State bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Notes, or to the creditors or property of the Issuer or such other obligor, the Trustee,

irrespective of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant

to the provisions of this Section, 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, the Master Spread Account Agreement, 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, the Master Spread Account Agreement 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 Controlling Party may do one or more of the following (subject to Section 5.5):

(i) institute or direct the Trustee to institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under this Indenture with respect thereto, whether by

declaration or otherwise, enforce any judgment

obtained, and collect from the Issuer and any other obligor upon such Notes moneys adjudged due;

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

(iii) exercise or direct the Trustee to exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Trustee and the Issuer Secured Parties; and

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

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

SECTION 5.5 Optional Preservation of the Receivables. If the Trustee (acting at the direction of Noteholders) is the Controlling Party and if the Notes have been declared to be due and payable under Section 5.2 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Trustee may, but need not, elect to maintain possession of the Trust Estate. It is the desire of the parties hereto and the Noteholders that there be at all times sufficient funds for the payment of principal of and interest on the Notes and amounts due to the Note Insurer, and the Trustee shall take such desire into account when determining whether or not to maintain possession of the Trust Estate. In determining whether to maintain possession of the Trust Estate, the Trustee may, but need not, obtain and rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose.

SECTION 5.6 Priorities.

(a) Following (1) the acceleration of the Notes pursuant to Section 5.2 or (2) if an Insurer Default shall have occurred and be continuing, the occurrence of an Event of Default pursuant to Section 5.1(a)(i), 5.1(a)(ii) or 5.1(a)(v) of this Indenture, the Total Distribution Amount, including any money or property collected pursuant to Section 5.4 of this Indenture shall be applied by the Trustee on the related Payment Date in the following order of priority:

FIRST: amounts due and owing and required to be distributed 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 Noteholders for amounts due and unpaid on the Notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for interest;

THIRD: to the Noteholders for amounts due and unpaid on the Notes for principal, ratably and without preference of priority of any kind, to the

Noteholders of each Class of Notes, according to the amounts due and payable on the Notes, until the outstanding principal amount of the Notes has been reduced to zero;

FOURTH: amounts due and owing and required to be distributed to the Note Insurer pursuant to priority (viii) of Section 5.7(a) of the Sale and Servicing Agreement and not previously distributed;

FIFTH: amounts due and owing and required to be distributed to the Residual Certificateholders, pro rata, pursuant to priorities (vi) and (xiii) of Section 5.7(a) of the Sale and Servicing Agreement and not previously distributed;

SIXTH: in the event any Person other than the Backup Servicer becomes the successor Servicer, to such successor Servicer, to the extent not previously paid by the predecessor Servicer pursuant to the Sale and Servicing Agreement, or pursuant to priority FIRST hereof, reasonable transition expenses (up to a maximum of \$50,000 for all such expenses during the term of this Indenture) incurred in becoming the successor Servicer and all other amounts due and owing to the Backup Servicer pursuant to Section 5.7(a)(xii) of the Sale and Servicing Agreement;

SEVENTH: to the Residual Certificateholders, pro rata, in reduction of the Residual Certificate Notional Balance until the Residual Certificate Notional Balance equals zero; and

EIGHTH: to the Residual Certificateholders, pro rata, any remaining amount;

provided that any amounts collected from the Pre-Funding Account or the Capitalized Interest Account shall be applied solely to the payment of amounts due and unpaid on the Notes FIRST, in accordance with Section 10.1(b) and SECOND, in accordance with Section 5.8(a)(ii) of the Sale and Servicing Agreement and THIRD, in accordance with priorities FIRST through EIGHTH above.

(b) The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section. At least 15 days before such record date the Issuer shall mail to each Noteholder and the Trustee a notice that states such record date, the payment date and the amount to be paid.

SECTION 5.7 Limitation of Suits. No 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 Trustee Secured Obligations or Note Insurer 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;

(v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by a Note Majority; and

(vi) an Insurer Default shall have occurred and be continuing;

it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

In the event an Insurer Default has occurred and is continuing and the Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Notes, each representing less than a majority of the Outstanding Amount of each class of Notes, the Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.8 Unconditional Rights of Noteholders To Receive Principal and Interest. Notwithstanding any other provisions of this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Note on or after the respective due dates thereof expressed in such Note or in this Indenture (or, in the case of redemption, on or after the Redemption Date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.9 Restoration of Rights and Remedies. If the Controlling Party or any Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Issuer, the Trustee and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Noteholders shall continue as though no such proceeding had been instituted.

SECTION 5.10 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Controlling Party or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11 Delay or Omission Not a Waiver. No delay or omission of the Controlling Party or any Holder of any Note to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Noteholders, as the case may be.

SECTION 5.12 Control by Noteholders. If the Trustee (acting at the direction of Noteholders) is the Controlling Party, a Note Majority shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to the Notes or exercising any trust or power conferred on the Trustee; provided that

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) subject to the express terms of Section 5.4, any direction to the Trustee to sell or liquidate the Trust Estate shall be by the Holders of Notes representing not less than 100% of the Outstanding Amount of the Notes;

(iii) if the conditions set forth in Section 5.5 have been satisfied and the Trustee elects to retain the Trust Estate pursuant to such Section, then any direction to the Trustee by Holders of Notes representing less than 100% of the Outstanding Amount of each class of Notes to sell or liquidate the Trust Estate shall be of no force and effect; and

(iv) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction;

provided, however, that, subject to Section 6.1, the Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Noteholders not consenting to such action.

SECTION 5.13 Waiver of Past Defaults. Prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 5.4, the Note Insurer or, if an Insurer Default has occurred and is continuing, a Note Majority 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.

SECTION 5.16 Subrogation. The Note Insurer shall, to the extent it makes any payment with respect to the Notes, become subrogated to the rights of the recipients of such payments to the extent of such payments. Subject to and conditioned upon any payment with respect to the Notes by or on behalf of the Note Insurer, each Noteholder shall be deemed, without further action to have directed the Trustee to assign to the Note Insurer all rights to the payment of interest or principal with respect to the Notes which are then due for payment to the extent of all payments made by the Note Insurer and the Note Insurer may exercise any option, vote, right, power or the like with respect to the Notes to the extent that it has made payment pursuant to the Note Policy. Notwithstanding the foregoing, the order of priority of payments to be made pursuant to Section 5.7(a) of the Sale and Servicing Agreement shall not be modified by this clause. To evidence such subrogation, the Note Registrar shall note the

Note Insurer's rights as subrogee upon the register of Noteholders upon receipt from the Note Insurer of proof of payment by the Note Insurer of any Scheduled Payment.

SECTION 5.17 Preference Claims; Direction of Proceedings. (a) In the event that the Trustee has received a certified copy of an order of the appropriate court that any Scheduled Payment paid on a Note has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Trustee shall so notify the Note Insurer, shall comply with the provisions of the Note Policy to obtain payment by the Note Insurer of such avoided payment, and shall, at the time it provides notice to the Note Insurer, notify Holders of the Notes by mail that, in the event that any Noteholder's payment is so recoverable, such Noteholder will be entitled to payment pursuant to the terms of the Note Policy. Pursuant to the terms of the Note Policy, the Note Insurer will make such payment on behalf of the Noteholder to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Final Order (as defined in the Note Policy) and not to the Trustee or any Noteholder directly (unless a Noteholder has previously paid such payment to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Final Order, in which case the Note Insurer will make such payment to the Trustee for payment, in accordance with the instructions to be provided by the Note Insurer, to such Noteholder upon proof of such payment reasonably satisfactory to the Note Insurer).

(b) Each notice of claim (in substantially the form attached to the Note Policy as Exhibit A) shall provide that the Trustee, on its behalf and on behalf of the Noteholders, thereby appoints the Note Insurer as agent and attorney in fact for the Trustee and each Noteholder in any legal proceeding with respect to the Notes. The Trustee shall promptly notify the Note Insurer of any proceeding or the institution of any action (of which a Responsible Officer of the Trustee has actual knowledge) seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (a "Preference Claim") of any payment made with respect to the Notes. Each Holder of the Notes, by its purchase of Notes, and the Trustee hereby agree that so long as a Note Insurer Default shall not have occurred and be continuing, the Note Insurer may at any time during the continuation of any proceeding relating to a Preference Claim direct all matters relating to such Preference Claim including (i) the direction of any appeal of any order relating to any Preference Claim and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the Note Insurer, but subject to the reimbursement as provided in the Insurance Agreement. In addition, and without limitation of the foregoing, the Note Insurer shall be subrogated to, and each Noteholder and the Trustee hereby delegate and assign, to the fullest extent permitted by law, the rights of the Trustee and each Noteholder in the conduct of any proceeding with respect to a Preference Claim, including all rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Preference Claim.

ARTICLE VI THE TRUSTEE

SECTION 6.1 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and the Basic Documents and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

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

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; however, the Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own 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 Note Insurer, during the Trustee's normal business hours, to examine all books of account, records, reports and other papers of the Trustee relating to the Notes, to make copies and extracts therefrom and to discuss the Trustee's affairs and actions, as such affairs and actions relate to the Trustee's duties with respect to the Notes, with the Trustee's officers and employees responsible for carrying out the Trustee's duties with respect to the Notes.

(i) The Trustee shall, and hereby agrees that it will, perform all of the obligations and duties required of it under the Basic Documents.

(j) The Trustee shall, and hereby agrees that it will, hold the Note Policy in trust, and will hold any proceeds of any claim on the Note Policy in trust solely for the use and benefit of the Noteholders.

(k) In no event shall 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.

(l) Except for actions expressly authorized by this Indenture, the Trustee shall take no action reasonably likely to impair the security interests created or existing under any Receivable or Financed Vehicle or to impair the value of any Receivable or Financed Vehicle.

(m) All information obtained by the Trustee regarding the Obligors and the Receivables, whether upon the exercise of its rights under this Indenture or otherwise, shall be maintained by the Trustee in confidence and shall not be disclosed to any other Person, other than the Trustee's attorneys, accountants and agents unless such disclosure is required by this Indenture or any applicable law or regulation.

SECTION 6.2 Rights of Trustee.

(a) Subject to Sections 6.1 and 6.2, the Trustee shall be protected and shall incur no liability to the Issuer or any Issuer Secured Party in relying upon the accuracy, acting in reliance upon the

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 or the Controlling Party, pursuant to the provisions of this Indenture, unless such Holders of Notes or the Controlling Party shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby; provided, however, that the Trustee shall, upon the occurrence of an Event of Default (that has not been cured 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 Note Insurer (so long as no Insurer Default shall have occurred and be continuing) or (if an Insurer Default shall have occurred and be continuing) by the Holders of Notes evidencing not less than 25% of the Outstanding Amount of each class thereof; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture or the Sale and Servicing Agreement, the Trustee may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the Person making such request, or, if paid by the Trustee, shall be reimbursed by the Person making such request upon demand.

SECTION 6.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not the Trustee. Any Note Paying Agent, Note Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with 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, 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, 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)(v) with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable Federal or State bankruptcy, insolvency or similar law. Notwithstanding anything else set forth in this Indenture or the Basic Documents, the 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 and amounts held in the Series 2007-C Spread Account shall be limited to the right to receive the distributions referred to in Section 5.7(a) of the Sale and Servicing Agreement.

SECTION 6.8 Replacement of Trustee. The Issuer may, with the consent of the Note Insurer, and at the request of the Note Insurer (unless an Insurer Default shall have occurred and be continuing), shall, remove the Trustee if:

(i) the Trustee fails to comply with Section 6.11;

(ii) 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 acceptable to the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing). If the Issuer fails to appoint such a successor Trustee, the Note Insurer may appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee, the Note Insurer (provided that no Insurer Default shall have occurred and be continuing) and the Issuer, whereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the retiring Trustee under this Indenture, subject to satisfaction of the Rating Agency Condition. The successor Trustee shall mail a notice of its succession to each Noteholder. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer, the Note Insurer or a Note Majority may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Trustee pursuant to Section 6.8.

Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuer's and the Servicer's obligations under Section 6.7 shall continue for the benefit of the retiring Trustee.

SECTION 6.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee. The Trustee shall provide the Rating Agencies and the Note Insurer 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 with the consent of the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust 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 hereof.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, including acts or omissions of predecessor or successor trustees; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, dissolve, become insolvent, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall 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 satisfactory to the Note Insurer; and having a rating, both with respect to long-term and short-term unsecured obligations, of not less than investment grade by the Rating Agencies. The Trustee shall provide copies of such reports to the Note Insurer upon request.

SECTION 6.12 Reserved.

SECTION 6.13 Appointment and Powers. Subject to the terms and conditions hereof, each of the Issuer Secured Parties hereby appoints Wells Fargo Bank, National Association 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 Issuer Secured Parties, to maintain custody and possession of such Collateral (except as otherwise provided hereunder) and to perform the other duties of the Trustee in accordance with the provisions of this Indenture and the other Basic Documents. Each Issuer Secured Party hereby authorizes the Trustee to take such action on its behalf, and to exercise such rights, remedies, powers and privileges hereunder,

as the Controlling Party may direct and as are specifically authorized to be exercised by the Trustee by the terms hereof, together with such actions, rights, remedies, powers and privileges as are reasonably incidental thereto. The Trustee shall act upon and in compliance with the written instructions of the Controlling Party delivered pursuant to this Indenture promptly following receipt of such written instructions; provided that the Trustee shall not act in accordance with any instructions (i) which are not authorized by, or in violation of the provisions of, this Indenture, (ii) which are in violation of any applicable law, rule or regulation or (iii) for which the Trustee has not received reasonable indemnity. Receipt of such instructions shall not be a condition to the exercise by the Trustee of its express duties hereunder, except where this Indenture provides that the Trustee is permitted to act only following and in accordance with such instructions.

SECTION 6.14 Performance of Duties. The Trustee shall have no duties or responsibilities except those expressly set forth in this Indenture and the other Basic Documents to which the Trustee is a party or as directed by the Controlling Party in accordance with this Indenture. The Trustee shall not be required to take any discretionary actions hereunder except at the written direction and with the indemnification of the Controlling Party and as provided in Section 5.12. The Trustee shall, and hereby agrees that it will, perform all of the duties and obligations required of it under the Sale and Servicing Agreement.

SECTION 6.15 Limitation on Liability. Neither the Trustee nor any of its directors, officers or employees shall be liable for any action taken or omitted to be taken by it or them in good faith hereunder, or in connection herewith, except that the Trustee shall be liable for its negligence, bad faith or willful misconduct. Notwithstanding any term or provision of this Indenture, the Trustee shall incur no liability to the Issuer or the Issuer Secured Parties for any action taken or omitted by the Trustee in connection with the Collateral, except for the negligence, bad faith or willful misconduct on the part of the Trustee, and, further, shall incur no liability to the Issuer Secured Parties except for negligence, bad faith or willful misconduct in carrying out its duties to the Issuer Secured Parties. The Trustee shall at all times be free independently to establish to its reasonable satisfaction, but shall have no duty to independently verify, the existence or nonexistence of facts that are a condition to the exercise or enforcement of any right or remedy hereunder or under any of the Basic Documents. The Trustee may consult with counsel, and shall not be liable for any action taken or omitted to be taken by it hereunder in good faith and in accordance with the written advice of such counsel. The Trustee shall not be under any obligation to exercise any of the remedial rights or powers vested in it by this Indenture or to follow any direction from the Controlling Party unless it shall have received reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it.

SECTION 6.16 Reserved.

SECTION 6.17 Successor Trustee.

(a) Merger. Any Person into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, merger, consolidation, sale or transfer to which the Trustee is a party, shall (provided it is otherwise qualified to serve as the Trustee hereunder) be and become a successor Trustee hereunder and be vested with all of the title to and interest in the Collateral and all of the trusts, powers, discretions, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, except to the extent, if any, that any such action is necessary to perfect, or continue the perfection of, the security interest of the Issuer Secured Parties in the Collateral; provided that any such successor shall also be the successor Trustee under Section 6.9.

(b) Removal. The Trustee may be removed by the Note Insurer (or, if an Insurer Default has occurred and is continuing, by a Note Majority) at any time, with or without cause, by an instrument or concurrent instruments in writing delivered to the Trustee, the other Issuer Secured Party and the Issuer. A temporary successor may be removed at any time to allow a successor Trustee to be appointed pursuant to subsection (c) below. Any removal pursuant to the provisions of this subsection (b) shall take effect only upon the date which is the latest of (i) the effective date of the appointment of a

successor Trustee and the acceptance in writing by such successor Trustee of such appointment and of its obligation to perform

its duties hereunder in accordance with the provisions hereof, and (ii) receipt by the Controlling Party of an Opinion of Counsel to the effect described in Section 3.6.

(c) Acceptance by Successor. The Controlling Party shall have the sole right to appoint each successor Trustee. Every temporary or permanent successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Trustee, each Issuer Secured Party and the Issuer an instrument in writing accepting such appointment hereunder and the relevant predecessor shall execute, acknowledge and deliver such other documents and instruments as will effectuate the delivery of all Collateral to the successor Trustee, whereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of an Issuer Secured Party or the Issuer, execute and deliver an instrument transferring to such successor all the estates, properties, rights and powers of such predecessor hereunder. In the event that any instrument in writing from the Issuer or an Issuer Secured Party is reasonably required by a successor Trustee to more fully and certainly vest in such successor the estates, properties, rights, powers, duties and obligations vested or intended to be vested hereunder in the Trustee, any and all such written instruments shall at the request of the temporary or permanent successor Trustee, be forthwith executed, acknowledged and delivered by the Trustee or the Issuer, as the case may be. The designation of any successor Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for herein, shall be maintained with the records relating to the Collateral and, to the extent required by applicable law, filed or recorded by the successor Trustee in each place where such filing or recording is necessary to effect the transfer of the Collateral to the successor Trustee or to protect or continue the perfection of the security interests granted hereunder.

SECTION 6.18 Reserved.

SECTION 6.19 Representations and Warranties of the Trustee. The Trustee represents and warrants to the Issuer and to each Issuer Secured Party as follows:

(a) Due Organization. The Trustee is a national banking association, duly organized, validly existing and in good standing under the laws of the United States and is duly authorized and licensed under applicable law to conduct its business as presently conducted.

(b) Corporate Power. The Trustee has all requisite right, power and authority to execute and deliver this Indenture and to perform all of its duties as Trustee hereunder.

(c) Due Authorization. The execution and delivery by the Trustee of this Indenture and the other Basic Documents to which it is a party, and the performance by the Trustee of its duties hereunder and thereunder, have been duly authorized by all necessary corporate proceedings and no further approvals or filings, including any governmental approvals, are required for the valid execution and delivery by the Trustee, or the performance by the Trustee, of this Indenture and such other Basic Documents.

(d) Valid and Binding Indenture. The Trustee has duly executed and delivered this Indenture and each other Basic Document to which it is a party, and each of this Indenture and each such other Basic Document constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as (i) such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws relating to or affecting the enforcement of creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

SECTION 6.20 Waiver of Setoffs. The Trustee hereby expressly waives any and all rights of setoff that the Trustee may otherwise at any time have under applicable law with respect to any Trust Account and agrees that amounts in the Trust Accounts shall at all times be held and applied solely in accordance with the provisions hereof.

SECTION 6.21 Control by the Controlling Party. The Trustee shall comply with notices and instructions given by the Issuer only if accompanied by the

written consent of the Controlling Party, except that if any Event

of Default shall have occurred and be continuing, the Trustee shall act upon and comply with notices and instructions given by the Controlling Party alone in the place and stead of the Issuer.

ARTICLE VII
NOTEHOLDERS' LISTS AND REPORTS

SECTION 7.1 Issuer To Furnish To Trustee Names and Addresses of Noteholders. The Issuer will furnish or cause to be furnished to the Trustee (a) not more than five days after the earlier of (i) each Record Date and (ii) three months after the last Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, (b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; provided, however, that so long as the Trustee is the Note Registrar, no such list shall be required to be furnished. If the Notes are Definitive Notes, the Trustee or, if the Trustee is not the Note Registrar, the Issuer shall furnish to the Note Insurer in writing on an annual basis on each March 31 and at such other times as the Note Insurer may request a copy of the list.

SECTION 7.2 Preservation of Information; Communications to Noteholders. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Trustee in its capacity as Note Registrar. The Trustee may destroy any list furnished to it as provided in such Section 7.1 upon receipt of a new list so furnished.

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 Issuer Secured Parties 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 or Residual Certificateholders but with the consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) and with prior notice to the Rating Agencies by the Issuer, the Issuer and the Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof), in form satisfactory to the Trustee, for any of the following purposes; provided, however, if any party to this Indenture is unable to sign any supplemental indenture due to its dissolution, winding up or comparable circumstances, then the consent of the Note Insurer or a Note Majority shall be sufficient to amend this Indenture without such party's signature:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(v) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture which may be inconsistent with any other provision herein or in any supplemental indenture or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided that such action shall not adversely affect the interests of the Holders of the Notes or the rating of the Notes; or

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained not inconsistent with the foregoing.

(b) The Issuer and the Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Notes or Residual Certificateholders but with prior notice to the Rating Agencies by the Issuer and with the prior written consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing), enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that such action shall not, as evidenced by an Opinion of Counsel, adversely affect the interests of any Noteholder 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 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, without the consent of the Residual Certificateholders, but with prior notice to the Rating Agencies and with the consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) or, if an Insurer Default shall have occurred and be continuing, with the consent of a Note Majority, by Act of such Holders delivered to the Issuer and the Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, if any party to this Indenture is unable to sign any supplemental indenture due to its dissolution, winding up or comparable circumstances, then the consent of the Note Insurer (unless an Insurer Default shall have occurred and be continuing) or, if an Insurer Default shall have occurred and be continuing, the consent of a Note Majority shall be sufficient to amend this Indenture without such party's signature; provided, further however, that, subject to the express rights of the Note Insurer under the Basic Documents and notwithstanding Section 11.20, no such supplemental indenture shall, without the consent of the Holder of each Outstanding Note affected thereby:

(i) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal amount thereof, the interest rate thereon or the Redemption Price with respect thereto, change the provision of this Indenture relating to the application of collections on, or the proceeds of the sale of, the Trust Estate to payment of principal of or interest on the Notes, or change any place of payment where, or the coin or currency in which, any Note or the interest thereon is payable;

(ii) impair the right to institute suit for the enforcement of the provisions of this Indenture requiring the application of funds available therefor, as provided in Article V, to the payment of any such amount due on the Notes on or after the respective due dates thereof (or, in the case of redemption, on or after the Redemption Date);

(iii) reduce the percentage of the Outstanding Amount of the Notes, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iv) modify or alter the provisions of the proviso to the definition of the term "Outstanding";

(v) reduce the percentage of the Outstanding Amount of the Notes required to direct the Trustee to direct the Issuer to sell or liquidate the Trust Estate pursuant to Section 5.4;

(vi) modify any provision of this Section except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the Basic Documents cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

(vii) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest or principal due on any Note on any

Payment Date (including the calculation of any of the individual components of such calculation) or as to

affect the rights of the Holders of Notes to the benefit of any provisions for the mandatory redemption of the Notes contained herein; or

(viii) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Trust Estate or, except as otherwise permitted or contemplated herein or in any of the Basic Documents, terminate the lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security provided by the lien of this Indenture.

It shall not be necessary for any Act of Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to this Section, the Trustee shall mail to the Holders of the Notes to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.3 Execution of Supplemental Indentures. In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and subject to Sections 6.1 and 6.2, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 9.4 Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Trustee, the Issuer and the Holders of the Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.5 Reserved.

SECTION 9.6 Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Issuer shall, bear a notation in form approved by the Issuer as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

ARTICLE X REDEMPTION OF NOTES

SECTION 10.1 Redemption.

(a) The Notes are subject to redemption in whole, but not in part, at the direction of the Servicer pursuant to Section 11.1(a) of the Sale and Servicing Agreement, on any Payment Date on which the Servicer exercises its option to purchase the Trust Estate pursuant to said Section 11.1(a), for a purchase price at least equal to the Redemption Price; provided, however, that the Issuer has available funds sufficient to pay the Redemption Price and all amounts due to the Note Insurer under the Basic Documents. The Servicer or the Issuer shall furnish the Note Insurer and the Rating Agencies notice of such redemption. If the Notes are to be redeemed pursuant to this Section 10.1(a), the Servicer or the Issuer shall furnish notice of such election to the Trustee not later than 35 days prior to the Redemption Date

and the Servicer shall deposit with the Trustee in the Note Distribution Account the Redemption Price of the Notes to be redeemed at least one Business Day prior to the Redemption Date. If the Servicer fails to so deposit the Redemption Price 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.

(b) If, on the Mandatory Redemption Date, the Pre-Funded Amount is greater than zero after giving effect to the purchase of all Subsequent Receivables during the Funding Period, including any such purchase on the last day of the Funding Period, the Notes will be redeemed in part pursuant to Section 5.8(a)(ii) of the Sale and Servicing Agreement in an amount equal to the Note Prepayment Amount.

SECTION 10.2 Form of Redemption Notice.

(a) 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.

(b) Prior notice of redemption under Section 10.1(b) is not required to be given to Noteholders.

SECTION 10.3 Notes Payable on Redemption Date. The Notes to be redeemed shall, following notice of redemption as required by Section 10.2 (in the case of redemption pursuant to Section 10.1), on the Redemption Date become due and payable at the Redemption Price and (unless the Issuer shall default in the payment of the Redemption Price) no interest shall accrue on the Redemption Price for any period after the date to which accrued interest is calculated for purposes of calculating the Redemption Price.

ARTICLE XI MISCELLANEOUS

SECTION 11.1 Compliance Certificates and Opinions, etc.

(a) Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee and to the Note Insurer (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and (ii) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with except that, in the case of any such

application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(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 and the Note Insurer an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (on the date of such deposit) to the Issuer of the Collateral or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Trustee and the Note Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Trustee and the Note Insurer an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii) is 10% or more of the Outstanding Amount of the Notes, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than \$25,000 or less than 1% 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 and the Note Insurer an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Trustee and the Note Insurer an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the Trustee and the Note Insurer an Independent Certificate as to the same matters if the fair value of the property or securities and of all other property other than Purchased Receivables, 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.

SECTION 11.4 Notices, etc., to Trustee, Issuer, Note Insurer and Rating Agencies.

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

(i) the Trustee by any Noteholder or by the Issuer shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall be deemed to have been duly given upon receipt to the Trustee at its Corporate Trust Office;

(ii) the Issuer by the Trustee or by any Noteholder shall be sufficient for every purpose hereunder if personally delivered, delivered by overnight courier or mailed certified mail, return receipt requested and shall be deemed to have been duly given upon receipt to the Issuer addressed to: CPS Auto Receivables Trust 2007-C, in care of Wilmington Trust Company, Rodney Square North, 1100 N. Market Street, Wilmington, Delaware 19890-0001, or at such other address previously furnished in writing to the Trustee by the Issuer. The Issuer shall promptly transmit any notice received by it from the Noteholders to the Trustee; or

(iii) the Note Insurer by the Issuer or the Trustee shall be sufficient for any purpose hereunder if in writing and mailed by registered mail or personally delivered or telexed or telecopied to the recipient as follows:

To the Note Insurer:

Financial Security Assurance Inc.
31 West 52nd Street
New York, New York 10019
Attention: Transaction Oversight Department
Re: Policy No. 51881-N
Telex No.: (212) 688-3101
Confirmation: (212) 826-0100
Telecopy Nos.: (212) 339-3518 or
(212) 339-3529

(In each case in which notice or other communication to the Note Insurer refers to an Event of Default, a claim on the Note Policy or with respect to which failure on the part of the Note Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the General Counsel and the Head Financial Guaranty Group "URGENT MATERIAL ENCLOSED" at the foregoing address.)

(b) Notices required to be given to the Rating Agencies by the Issuer, the Trustee or the Owner Trustee shall be in writing, personally delivered, electronically delivered, delivered by overnight courier or mailed certified mail, return receipt requested to (i) in the case of Moody's, at the following address: Moody's Investors Service, Inc., 99 Church Street, New York New York 10004 and (ii) in the case of S&P, 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 Agencies, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute a Default or Event of Default.

SECTION 11.6 Alternate Payment and Notice Provisions. Notwithstanding any provision of this Indenture or any of the Notes to the contrary, the Issuer may enter into any agreement with any Holder of a Note providing for a method of payment, or notice by the Trustee or any Note Paying Agent to such Holder, that is different from the methods provided for in this Indenture for such payments or notices, provided that such methods are reasonable and consented to by the Trustee (which consent shall not be unreasonably withheld). The Issuer will furnish to the Trustee a copy of each such agreement and the Trustee will cause payments to be made and notices to be given in accordance with such agreements.

SECTION 11.7 Reserved.

SECTION 11.8 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 11.9 Successors and Assigns. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 11.10 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.11 Benefits of Indenture. The Note Insurer and its successors and assigns shall be third-party beneficiaries to the provisions of this Indenture, and shall be entitled to rely upon and directly to enforce such provisions of this Indenture so long as no Insurer Default shall have occurred and be continuing. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Noteholders, and any other party secured hereunder, and any other person with an ownership interest in any part of the Trust Estate, any benefit or any legal or equitable right, remedy or claim under this Indenture. The Note Insurer may disclaim any of its rights and powers under this Indenture (in which case the Trustee may exercise such right or power hereunder), but not its duties and obligations under the Note Policy, upon delivery of a written notice to the Trustee.

SECTION 11.12 Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 11.13 Governing Law. THIS INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH, 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 and the Note Insurer) to the effect that such recording is necessary either for the protection of the Noteholders or any other person secured hereunder or for the enforcement of any right or remedy granted to the Trustee under this Indenture or to the Collateral Agent under the Master Spread Account Agreement.

SECTION 11.16 Trust Obligation. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent of the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity. For all purposes of this Indenture, in the performance of any duties or obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Articles VI, VII and VIII of the Trust Agreement.

SECTION 11.17 No Petition. The Trustee, by entering into this Indenture, and each Noteholder and Note Owner, by accepting a Note or a beneficial interest therein, hereby covenant and agree that they will not at any time institute against the Seller, the Depositor, or the Issuer, or join in any 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 or of the Note Insurer, during the Issuer's normal business hours, to examine all the books of account, records, reports, and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited by independent certified public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees, and independent certified public accountants, all at such reasonable times and as often as may be reasonably requested. The Trustee shall and shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Trustee may reasonably determine that such disclosure is consistent with its Obligations hereunder.

SECTION 11.19 Action Upon Direction of Noteholders. Except where this Indenture specifically states otherwise, the Trustee, provided it has sent out notices in accordance with this Indenture, may act as directed by a Note Majority responding in writing to such request for amendment or written

direction, provided however, that a

Note Majority as of the time such voting response is due back to the Trustee must have responded in writing to the Trustee's notice to amend or for written direction. In addition, the Trustee shall not have any liability to any Noteholder or Note Owner with respect to any action taken pursuant to such notice if the Noteholder or Note Owner does not respond to such notice within the time period set forth in such notice. By acceptance of a Note, each Noteholder and Note Owner agree to the foregoing provisions.

SECTION 11.20 Note Insurer as Controlling Party.

(a) Each Noteholder by purchase of the Notes held by it acknowledges that the Trustee, as partial consideration of the issuance of the Note Policy, has agreed that the Note Insurer shall have certain rights hereunder for so long as no Insurer Default shall have occurred and be continuing. So long as no Insurer Default has occurred and is continuing, except as otherwise provided herein, whenever Noteholder or Residual Certificateholder action, consent or approval is required under this Indenture, such action, consent or approval shall be deemed taken or given on behalf of, and shall be binding upon, all Noteholders and Residual Certificateholders if the Note Insurer agrees to take such action or give such consent or approval. So long as an Insurer Default has occurred and is continuing, any provision giving the Note Insurer the right to direct, appoint or consent to, approve of, or take any action as Controlling Party under this Indenture shall be inoperative during the period of such Insurer Default and such right shall instead vest in the Trustee acting, unless otherwise specified, at the direction of a Note Majority. The Note Insurer may disclaim any of its rights and powers under this Indenture (but not its duties and obligations under the Note Policy) upon delivery of a written notice to the Trustee. The Note Insurer may give or withhold any consent hereunder in its sole and absolute discretion. In exercising its rights as Controlling Party, the Note Insurer (or the Trustee acting at the direction of Noteholders) shall have no duty to the Residual Certificateholders or any other Issuer Secured Party, and the Trustee shall be fully protected in acting upon the direction of the Note Insurer as Controlling Party (or in acting as Controlling Party at the direction of Noteholders) without regard to the interests of the Residual Certificateholders.

(b) Each Residual Certificateholder, by its acceptance of a Residual Certificate, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding, the validity or enforceability of the Notes or this Indenture.

(c) No right of the Note Insurer (or the Trustee acting at the direction of Noteholders) as Controlling Party shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any act or failure to act, in good faith, by the Controlling Party, or by any non-compliance by the Issuer with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof that the Note Insurer or the Trustee may have or be otherwise charged with.

(d) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party:

(i) no Residual Certificateholder shall have any right to (A) ask, demand, sue for, take or receive, or retain, from the Issuer or any other Person, by setoff or in any other manner, payment or prepayment of all or any part of the obligations due to the Residual Certificateholders, except in strict accordance with Section 5.7 of the Sale and Servicing Agreement or Section 5.6 of the Indenture, as applicable; (B) ask, demand or receive any security (other than the Collateral) for the Residual Certificate Secured Obligations; (C) exercise or seek to exercise any rights or remedies (including setoff) with respect to any Collateral or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); (D) contest, protest or object to any foreclosure proceeding or action brought by the Trustee or any other exercise by the Trustee of any rights and remedies relating to the Collateral; or (E) object to the forbearance by the Trustee from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Collateral;

(ii) the Controlling Party shall, except as otherwise

expressly provided herein, have the exclusive right to direct the Trustee with respect to enforcing rights, exercising remedies (including setoff and the right to credit bid their debt) and making determinations regarding the

release, disposition, or restrictions with respect to the Collateral without any consultation with or the consent of any Residual Certificateholder.

(e) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, each Residual Certificateholder hereby waives any and all rights it may have as a junior lien creditor or otherwise to object to the manner in which the Trustee seeks to enforce or collect the Insurer Secured Obligations or the Trustee Secured Obligations or the Liens granted in any of the Collateral, regardless of whether any action or failure to act by or on behalf of the Trustee or the Controlling Party is adverse to the interest of any Residual Certificateholder.

(f) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, to the extent that the Residual Certificateholders shall be entitled to vote as a separate class with respect to any plan of reorganization involving the Issuer, each Residual Certificateholder agrees that (i) it will not take any action or vote in any way which supports any plan of reorganization that is inconsistent with the terms of this Agreement, (ii) it will vote any claims or interest it holds to accept any such plan of reorganization that is supported by the Controlling Party and (iii) it will vote any claims or interests it holds to reject any such plan of reorganization that is not supported by the Controlling Party. Each Residual Certificateholder hereby grants to the Trustee (acting at the direction of the Controlling Party) a power of attorney to vote such Residual Certificateholder's claims and interests, if any, in any such plan of reorganization in a manner consistent with the foregoing, so long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party.

(g) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, each Residual Certificateholder agrees that it shall not assert or finance, or support any other person in asserting or financing, in any bankruptcy or insolvency proceeding, any surcharge, lien, recovery or claim against any of the Collateral under Section 506(c) of the United States Bankruptcy Code.

(h) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, each Residual Certificateholder agrees that it shall not seek adequate protection on account of any claim or interest it may have, or (to the extent it would otherwise have a right to object) object to any financing provided by or supported by the Controlling Party and that (to the extent its consent is necessary or desired) it will consent to any sale of Collateral that is supported by the Controlling Party.

(i) Each of the Trustee and the Controlling Party is each hereby authorized to demand specific performance of the provisions of this Section 11.20 at any time when any Residual Certificateholder shall have failed to comply with any term or provision of this Section 11.20. Each Residual Certificateholder hereby irrevocably waives any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

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 2007-C,

By: WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Owner
Trustee

By: /s/ DORRI WOLHAR
Name: Dorri Wolhar
Title: Financial Services Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: /s/ MARIANNA C. STERSHIC
Name: Marianna C. Stershic
Title: Vice President

INDENTURE - SIGNATURE PAGE

EXHIBIT A-1

FORM OF CLASS A-1 NOTE

REGISTERED \$ _____

NO. R-A1 - [__]

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. 12620CA A6

[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 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) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE 1933 ACT (IF AVAILABLE) OR (D) TO THE SELLER OR AN AFFILIATE OF THE SELLER, 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.

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

CPS AUTO RECEIVABLES TRUST 2007-C

CLASS A-1 5.38750% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2007-C, 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 Note Distribution Account in respect of principal on the Class A-1 Notes pursuant to Section 3.1 of the Indenture and Section 5.7 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 September 2008 (the "Class A-1 Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from and including the immediately preceding Payment Date to but excluding such current Payment Date; provided that for the October 2007 Payment Date interest will accrue for the number of days from and including the Closing Date to and including October 14, 2007. Interest will be computed on the basis of a 360-day year and the actual number of days in the period commencing on the Payment Date in the month preceding the month in which the

related Payment Date occurs and ending on the day prior to the day of the month on which the related Payment Date occurs. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "Policy") issued by Financial Security Assurance Inc. (the "Note Insurer"), pursuant to which the Note Insurer has unconditionally guaranteed payments of the Scheduled Payments (as defined in the Policy), all as more fully set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2007-C

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 A-1 5.38750% Asset-Backed Notes (herein called the "Class A-1 Notes"), all issued under an Indenture dated as of September 1, 2007 (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. All terms used in this Note that are defined in the Indenture, supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class A-4 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-1 Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing October 15, 2007.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Class A-1 Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1(a) of the Indenture. In addition, a portion of the unpaid principal balance of this Note shall be due and payable on the Mandatory Redemption Date, if any, pursuant to Section 10.1(b) of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) on the date on which an Event of Default shall have occurred and be continuing so long as an Insurer Default shall not have occurred and be continuing and the Note Insurer has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture, or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or a Note Majority has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class A-1 Notes shall be made pro rata to the Class A-1 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office.

The Issuer shall pay interest on overdue installments of interest at the Class A-1 Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed (a) pursuant to Section 10.1(a) 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 Collateral

Balance is less than or equal to 10% of the Original Collateral Balance; and (b) pursuant to Section 10.1(b) of the Indenture, in part, on a pro rata basis, on the Mandatory Redemption Date if any Pre-Funded Amount remains on deposit in the Pre-Funding Account after giving effect to the purchase of all Subsequent Receivables during the Funding Period.

The Seller or its designated affiliate has the option to purchase from the Issuer on the last day of each Collection Period any Defaulted Texas Receivables the Obligors of which reside in the State of Texas or the Financed Vehicles of which are located in the State of Texas.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the 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.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note agrees to treat the Notes as indebtedness of the Issuer for Federal and State income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Note Insurer and any agent of the Issuer, the Trustee or the Note Insurer may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, 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 with the consent of the Note Insurer (unless an Insurer Default has occurred and is continuing) but without the consent of Noteholders. The Indenture also contains provisions permitting the Note Insurer and/or the Holders of Notes representing specified percentages of the Outstanding Amount of each class of Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note (or any one of more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

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

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of
assignee: _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed: _____

1/ NOTE: The signature to this assignment must correspond with the name
of the registered owner as it appears on the face of the within Note in every
particular, without alteration, enlargement or any change whatsoever.

EXHIBIT A-2

[Form of Class A-2 Note]

REGISTERED \$ _____

NO. R-A2 - [__]

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. 12620CA B4

[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 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) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE 1933 ACT (IF AVAILABLE) OR (D) TO THE SELLER OR AN AFFILIATE OF THE SELLER, 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 REALES 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.

CPS AUTO RECEIVABLES TRUST 2007-C

CLASS A-2 5.44% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2007-C, 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 Note Distribution Account in respect of principal on the Class A-2 Notes pursuant to Section 3.1 of the Indenture and Section 5.7 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 November 2010 (the "Class A-2 Final Scheduled Payment Date"). The Issuer will pay interest on this Note at the rate per annum shown above on each Payment Date until the principal of this Note is paid or made available for payment, on the principal amount of this Note outstanding on the preceding Payment Date (after giving effect to all payments of principal made on the preceding Payment Date). Interest on this Note will accrue for each Payment Date from and including the fifteenth day of the month immediately preceding such Payment Date to and including the fourteenth day of the month in which such Payment Date occurs; provided that for the October 2007 Payment Date interest will accrue for the number of days from and including the Closing Date to and including October 14, 2007. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "Policy") issued by Financial Security Assurance Inc. (the "Note Insurer"), pursuant to which the Note Insurer has unconditionally guaranteed payments of the Scheduled Payments (as defined in the Policy), all as more fully set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2007-C

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 A-2 5.44% Asset-Backed Notes (herein called the "Class A-2 Notes"), all issued under an Indenture dated as of September 1, 2007 (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. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class A-4 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-2 Notes will be payable on each Payment Date in an amount described on the face hereof. "Payment Date" means the fifteenth day of each month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing October 15, 2007.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Class A-2 Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1(a) of the Indenture. In addition, a portion of the unpaid principal balance of this Note shall be due and payable on the Mandatory Redemption Date, if any, pursuant to Section 10.1(b) of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) on the date on which an Event of Default shall have occurred and be continuing so long as an Insurer Default shall not have occurred and be continuing and the Note Insurer has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture, or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or a Note Majority has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class A-2 Notes shall be made pro rata to the Class A-2 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office.

The Issuer shall pay interest on overdue installments of interest at the Class A-2 Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed (a) pursuant to Section 10.1(a) 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 Collateral

Balance is less than or equal to 10% of the Original Collateral Balance; and (b) pursuant to Section 10.1(b) of the Indenture, in part, on a pro rata basis, on the Mandatory Redemption Date if any Pre-Funded Amount remains on deposit in the Pre-Funding Account after giving effect to the purchase of all Subsequent Receivables during the Funding Period.

The Seller or its designated affiliate has the option to purchase from the Issuer on the last day of each Collection Period any Defaulted Texas Receivables the Obligors of which reside in the State of Texas or the Financed Vehicles of which are located in the State of Texas.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the 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.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note agrees to treat the Notes as indebtedness of the Issuer for federal and State income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Note Insurer and any agent of the Issuer, the Trustee or the Note Insurer may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, 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 with the consent of the Note Insurer (unless an Insurer Default has occurred and is continuing) but without the consent of Noteholders. The Indenture also contains provisions permitting the Note Insurer and/or the Holders of Notes representing specified percentages of the Outstanding Amount of each class of Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note (or any one of more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

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

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of
assignee: _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed: _____

1/ NOTE: The signature to this assignment must correspond with the name
of the registered owner as it appears on the face of the within Note in every
particular, without alteration, enlargement or any change whatsoever.

EXHIBIT A-3

[Form of Class A-3 Note]

REGISTERED \$ _____

NO. R-A3-[__]

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. 12620CA C2

[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 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) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE 1933 ACT (IF AVAILABLE) OR (D) TO THE SELLER OR AN AFFILIATE OF THE SELLER, 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 REALES 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.

CPS AUTO RECEIVABLES TRUST 2007-C

CLASS A-3 5.43% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2007-C, 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 Note Distribution Account in respect of principal on the Class A-3 Notes pursuant to Section 3.1 of the Indenture and Section 5.7 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 May 2012 (the "Class A-3 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 fifteenth day of the month immediately preceding such Payment Date to and including the fourteenth day of the month in which such Payment Date occurs; provided that for the October 2007 Payment Date interest will accrue for the number of days from and including the Closing Date to and including October 14, 2007. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "Policy") issued by Financial Security Assurance Inc. (the "Note Insurer"), pursuant to which the Note Insurer has unconditionally guaranteed payments of the Scheduled Payments (as defined in the Policy), all as more fully set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2007-C
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 A-3 5.43% Asset-Backed Notes (herein called the "Class A-3 Notes"), all issued under an Indenture dated as of September 1, 2007 (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. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class A-4 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-3 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 October 15, 2007.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Class A-3 Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1(a) of the Indenture. In addition, a portion of the unpaid principal balance of this Note shall be due and payable on the Mandatory Redemption Date, if any, pursuant to Section 10.1(b) of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) on the date on which an Event of Default shall have occurred and be continuing so long as an Insurer Default shall not have occurred and be continuing and the Note Insurer has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture, or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or a Note Majority has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class A-3 Notes shall be made pro rata to the Class A-3 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office.

The Issuer shall pay interest on overdue installments of interest at the Class A-3 Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed (a) pursuant to Section 10.1(a) 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 Collateral

Balance is less than or equal to 10% of the Original Collateral Balance; and (b) pursuant to Section 10.1(b) of the Indenture, in part, on a pro rata basis, on the Mandatory Redemption Date if any Pre-Funded Amount remains on deposit in the Pre-Funding Account after giving effect to the purchase of all Subsequent Receivables during the Funding Period.

The Seller or its designated affiliate has the option to purchase from the Issuer on the last day of each Collection Period any Defaulted Texas Receivables the Obligors of which reside in the State of Texas or the Financed Vehicles of which are located in the State of Texas.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the 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.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note agrees to treat the Notes as indebtedness of the Issuer for federal and State income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Note Insurer and any agent of the Issuer, the Trustee or the Note Insurer may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, 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 with the consent of the Note Insurer (unless an Insurer Default has occurred and is continuing) but without the consent of Noteholders. The Indenture also contains provisions permitting the Note Insurer and/or the Holders of Notes representing specified percentages of the Outstanding Amount of each class of Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note (or any one of more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

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

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of
assignee: _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed: _____

1/ NOTE: The signature to this assignment must correspond with the name
of the registered owner as it appears on the face of the within Note in every
particular, without alteration, enlargement or any change whatsoever.

EXHIBIT A-4

[Form of Class A-4 Note]

REGISTERED \$ _____

NO. R-A4-[__]

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO. 12620CA D0

[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 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) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE 1933 ACT (IF AVAILABLE) OR (D) TO THE SELLER OR AN AFFILIATE OF THE SELLER, 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 REALES 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.

CPS AUTO RECEIVABLES TRUST 2007-C

CLASS A-4 5.92% ASSET-BACKED NOTES

CPS Auto Receivables Trust 2007-C, 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 Note Distribution Account in respect of principal on the Class A-4 Notes pursuant to Section 3.1 of the Indenture and Section 5.7 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 May 2014 (the "Class A-4 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 fifteenth day of the month immediately preceding such Payment Date to and including the fourteenth day of the month in which such Payment Date occurs; provided that for the October 2007 Payment Date interest will accrue for the number of days from and including the Closing Date to and including October 14, 2007. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Note shall be applied first to interest due and payable on this Note as provided above and then to the unpaid principal of this Note.

The Notes are entitled to the benefits of a financial guaranty insurance policy (the "Policy") issued by Financial Security Assurance Inc. (the "Note Insurer"), pursuant to which the Note Insurer has unconditionally guaranteed payments of the Scheduled Payments (as defined in the Policy), all as more fully set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CPS AUTO RECEIVABLES TRUST 2007-C

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 A-4 5.92% Asset-Backed Notes (herein called the "Class A-4 Notes"), all issued under an Indenture dated as of September 1, 2007 (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. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class A-4 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-4 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 October 15, 2007.

As described above, the entire unpaid principal amount of this Note shall be due and payable on the earlier of the Class A-4 Final Scheduled Payment Date and the Redemption Date, if any, pursuant to Section 10.1(a) of the Indenture. In addition, a portion of the unpaid principal balance of this Note shall be due and payable on the Mandatory Redemption Date, if any, pursuant to Section 10.1(b) of the Indenture. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable (i) on the date on which an Event of Default shall have occurred and be continuing so long as an Insurer Default shall not have occurred and be continuing and the Note Insurer has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture, or (ii) if an Insurer Default shall have occurred and be continuing, on the date on which an Event of Default shall have occurred and be continuing and the Trustee or a Note Majority has declared the Notes to be immediately due and payable in the manner provided in Section 5.2 of the Indenture. All principal payments on the Class A-4 Notes shall be made pro rata to the Class A-4 Noteholders entitled thereto.

Payments of interest on this Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by check mailed to the Person whose name appears as the Holder of this Note (or one or more Predecessor Notes) in the Note Register as of the close of business on each Record Date or by wire transfer of immediately available funds to the account designated in writing to the Trustee by such Person at least five Business Days prior to the related Record Date, except that with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately available funds to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Note Register as of the applicable Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note (or any one or more Predecessor Notes) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office.

The Issuer shall pay interest on overdue installments of interest at the Class A-4 Interest Rate to the extent lawful.

As provided in the Indenture, the Notes may be redeemed (a) pursuant to Section 10.1(a) 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 Collateral

Balance is less than or equal to 10% of the Original Collateral Balance; and (b) pursuant to Section 10.1(b) of the Indenture, in part, on a pro rata basis, on the Mandatory Redemption Date if any Pre-Funded Amount remains on deposit in the Pre-Funding Account after giving effect to the purchase of all Subsequent Receivables during the Funding Period.

The Seller or its designated affiliate has the option to purchase from the Issuer on the last day of each Collection Period any Defaulted Texas Receivables the Obligors of which reside in the State of Texas or the Financed Vehicles of which are located in the State of Texas.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, (i) duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar which requirements include membership or participation in Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and (ii) accompanied by such other documents as the Trustee may require, and thereupon one or more new Notes of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange. Notwithstanding anything to the contrary in the 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.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note agrees to treat the Notes as indebtedness of the Issuer for federal and State income tax reporting purposes and further covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Owner Trustee or the Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Seller, the Servicer, the Depositor, the Owner Trustee or the Trustee or of any successor or assign of the Issuer, the Seller, the Servicer, the Depositor, the Trustee or the Owner Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Trustee and the Owner Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

Each Noteholder or Note Owner, by acceptance of a Note or, in the case of a Note Owner, a beneficial interest in a Note covenants and agrees by accepting the benefits of the Indenture that such Noteholder will not at any time institute against the Depositor or the Issuer or join in any institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or State bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Basic Documents.

Each Noteholder by its acquisition of any Notes (or a beneficial interest therein) shall be deemed to have represented and warranted for the benefit of the Issuer, the Trustee, the Owner Trustee and the Noteholders, that either (i) it is not acquiring any Notes with the assets of any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title I of ERISA or any "plan" as defined in Section 4975 of the Internal Revenue Code or (ii) the acquisition and holding of the Notes will be covered by Prohibited Transaction Class Exemption ("PTCE") 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60, PTCE 96-23 or a similar U.S. Department of Labor class exemption or other similar exemption.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and the Note Insurer and any agent of the Issuer, the Trustee or the Note Insurer may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, 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 with the consent of the Note Insurer (unless an Insurer Default has occurred and is continuing) but without the consent of Noteholders. The Indenture also contains provisions permitting the Note Insurer and/or the Holders of Notes representing specified percentages of the Outstanding Amount of each class of Notes, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note (or any one of more Predecessor Notes) shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note. The Indenture also permits the Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Notes issued thereunder.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Holders of Notes under the Indenture.

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

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place, and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Indenture or the Basic Documents, neither the Owner Trustee in its individual capacity, any owner of a beneficial interest in the Issuer, nor any of their respective partners, beneficiaries, agents, officers, directors, employees or successors or assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest on, or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained in this Note or the Indenture, it being expressly understood that said covenants, obligations and indemnifications have been made by the Owner Trustee for the sole purposes of binding the interests of the Owner Trustee in the assets of the Issuer. The Holder of this Note by the acceptance hereof agrees that except as expressly provided in the Indenture or the Basic Documents, in the case of an Event of Default under the Indenture, the Holder shall have no claim against any of the foregoing for any deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse to, and enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Indenture or in this Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of
assignee: _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto

(name and address of assignee)

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

Dated: _____

1/ Signature Guaranteed: _____

1/ NOTE: The signature to this assignment must correspond with the name
of the registered owner as it appears on the face of the within Note in every
particular, without alteration, enlargement or any change whatsoever.

SALE AND SERVICING

AGREEMENT

AMONG

CPS AUTO RECEIVABLES TRUST 2007-C, AS

ISSUER,

CPS RECEIVABLES CORP., AS

SELLER,

CONSUMER PORTFOLIO SERVICES, INC.,

INDIVIDUALLY AND AS SERVICER

AND

WELLS FARGO BANK, NATIONAL ASSOCIATION, AS

BACKUP SERVICER AND TRUSTEE

DATED AS OF SEPTEMBER 1, 2007

SALE AND SERVICING AGREEMENT dated as of September 1, 2007, among CPS AUTO RECEIVABLES TRUST 2007-C, a Delaware statutory trust, as Issuer, CPS RECEIVABLES CORP., a California corporation, 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 acquired by Consumer Portfolio Services, Inc. through motor vehicle dealers and independent finance companies;

WHEREAS the Seller has purchased such receivables from Consumer Portfolio Services, Inc. and is willing to sell such receivables to the Issuer;

WHEREAS the Issuer desires to purchase additional receivables arising in connection with motor vehicle retail installment sale contracts and promissory notes and security agreements to be acquired on or after the Closing Date by Consumer Portfolio Services, Inc. through motor vehicle dealers and independent finance companies;

WHEREAS the Seller has agreements to purchase such additional receivables from Consumer Portfolio Services, Inc. and is willing to sell such receivables to the Issuer; and

WHEREAS the Servicer is willing to service all such receivables.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

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 Notice" means, with respect to any transfer of Subsequent Receivables to the Trust pursuant to Section 2.2 of this Agreement, notice of the Seller's election to transfer Subsequent Receivables to the Trust, such notice to designate the related Subsequent Transfer Date and the approximate principal amount of Subsequent Receivables to be transferred on such Subsequent Transfer Date.

"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 Percentage 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-1 Note Balance, the Class A-2 Note Balance, the Class A-3 Note Balance and the Class A-4 Note Balance.

"Aggregate Principal Balance" means, with respect to any date of determination, the sum of the Principal Balances for all Receivables (other than (i) any Receivable that became a Liquidated Receivable prior to the end of the related Collection Period and (ii) any Receivable that became a Purchased Receivable prior to the end of the related Collection Period) as of the date of determination.

"Agreement" means this Sale and Servicing Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

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

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

"Assumption Date" 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 the fee payable to the Backup Servicer so long as CPS is the Servicer, on each Payment Date in an amount equal to the greater of (a) \$2,000 or (b) one-twelfth of 0.02% of the aggregate Collateral Balance as of the first day of the related Collection Period; provided, however, that on the first Payment Date the Backup Servicer will be entitled to receive an amount equal to the greater of (a) \$2,000 or (b) the product of (i) the percentage equivalent of a fraction the numerator of which is the number days from the Closing Date to but excluding the first Payment Date and the denominator of which is 360, (ii) 0.03% and (iii) the Original Aggregate Note Balance.

"Basic Documents" means this Agreement, the Certificate of Trust, the Trust Agreement, the Indenture, the Receivables Purchase Agreement, each Subsequent Receivables Purchase Agreement, each Subsequent Transfer Agreement, the Master Spread Account Agreement, the Spread Account Supplement, the Insurance Agreement, the Indemnification Agreement, the Lockbox Agreement, the Placement Agency Agreement, the Notes, the Residual Pass-through Certificates, any trust agreement, indenture or other agreement to which the Seller, CPS or the Trust or any of their respective Affiliates is a party entered into in connection with a transfer of any interest in the Residual Pass-through Certificates, any securities representing direct or indirect interests in the Residual Pass-through Certificates and 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 in which the executive offices of the Servicer are located and the State in which the principal place of business of the Note Insurer is located shall be authorized or obligated by law, executive order, or governmental decree to be closed.

"Capitalized Interest Account" means the account designated as such, established and maintained pursuant to Sections 5.1 and 5.2.

"Capitalized Interest Account Initial Deposit" means \$434,939.96.

"Casualty" means, with respect to a Financed Vehicle, the total loss or destruction of such Financed Vehicle.

"Cayman Indenture" means the Indenture dated September 27, 2007, between the Cayman Trustee, in its capacity as trustee of the Cayman Trust, as issuer, and Wells Fargo Bank, National Association, as trustee, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

"Cayman Indenture Trustee" means the Person acting as trustee under the Cayman Indenture, its successors in interest and any successor trustee under the Cayman Indenture.

"Cayman Trust" means Cayman Residual Trust 2007-C, a trust organized under the laws of the Cayman Islands.

"Cayman Trust Agreement" means the trust agreement between the Seller and Wilmington Trust (Cayman), Ltd. pursuant to which the Cayman Trust is created, as the same may be amended, amended and restated or otherwise modified in accordance with its terms from time to time.

"Cayman Trustee" means the Person acting as trustee of the Cayman Trust, its successors in interest and any successor trustee under the Cayman Trust Agreement.

"Cayman Trustee Fees" means, for any Collection Period, the sum of (A) one-twelfth of the fee set forth on Exhibit H-2 payable to Wells Fargo Bank, National Association as Cayman Indenture Trustee and backup administrator; (B) the fees payable to the Cayman Trust pursuant to Article VIII of the Cayman Trust Agreement; (C) reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) of the Cayman Trustee and the Cayman Indenture Trustee; and (D) any such unpaid fees and expenses for prior Collection Periods.

"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-1 Notes, the Class A-2 Notes, the Class A-3 Notes or the Class A-4 Notes as the context requires.

"Class A-1 Final Scheduled Payment Date" means the Payment Date occurring in September 15, 2008.

"Class A-1 Interest Rate" means 5.38750% per annum.

"Class A-1 Note Balance" on the Closing Date will equal the Original Class A-1 Note Balance and on any date thereafter will equal the Original Class A-1 Note Balance reduced by all distributions of principal previously made in respect of the Class A-1 Notes.

"Class A-1 Notes" has the meaning assigned to such term in the Indenture.

"Class A-2 Final Scheduled Payment Date" means the Payment Date occurring in November 15, 2010.

"Class A-2 Interest Rate" means 5.44% per annum.

"Class A-2 Note Balance" on the Closing Date will equal the Original Class A-2 Note Balance and on any date thereafter will equal the Original Class A-2 Note Balance reduced by all distributions of principal previously made in respect of the Class A-2 Notes.

"Class A-2 Notes" has the meaning assigned to such term in the Indenture.

"Class A-3 Final Scheduled Payment Date" means the Payment Date occurring in May 15, 2012.

"Class A-3 Interest Rate" means 5.43% per annum.

"Class A-3 Note Balance" on the Closing Date will equal the Original Class A-3 Note Balance and on any date thereafter will equal the Original Class A-3 Note Balance reduced by all distributions of principal previously made in respect of the Class A-3 Notes.

"Class A-3 Notes" has the meaning assigned to such term in the Indenture.

"Class A-4 Final Scheduled Payment Date" means the Payment Date occurring in May 15, 2014.

"Class A-4 Interest Rate" means 5.92% per annum.

"Class A-4 Note Balance" on the Closing Date will equal the Original Class A-4 Note Balance and on any date thereafter will equal the Original Class A-4 Note Balance reduced by all distributions of principal previously made in respect of the Class A-4 Notes.

"Class A-4 Notes" has the meaning assigned to such term in the Indenture.

"Closing Date" means September 27, 2007.

"Code" has the meaning specified in Section 3.2.

"Collateral" has the meaning assigned to such term in the Indenture.

"Collateral Agent" means Wells Fargo Bank, National Association, in its capacity as Collateral Agent under the Master Spread Account Agreement.

"Collateral Balance" means, as of any date of determination, the sum of (i) the Pool Balance as of such date, and (ii) the Pre-Funded Amount as of such date.

"Collection Account" means the account designated as such, established and maintained pursuant to Section 5.1.

"Collection Period" means, with respect to each Payment Date, the calendar month preceding the calendar month in which such Payment Date occurs. Any amount stated "as of the close of business on the last day of a Collection Period" shall give effect to the following calculations as determined as of the end of the day on such last day: (i) all applications of collections, and (ii) all distributions.

"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 Party" shall be determined in accordance with the provisions of Section 13.15.

"Corporate Trust Office" means (i) with respect to the Owner Trustee, the principal corporate trust office of the Owner Trustee, which at the time of execution of this agreement is Rodney Square North, 1100 N. Market Street, Wilmington, Delaware 19890-0001, and (ii) with respect to the Trustee and Collateral Agent, the principal corporate trust office of the Trustee, which at the time of execution of this agreement is Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, Minnesota, 55479, Attention: Corporate Trust Services/Asset Backed Administration - CPS 2007-C.

"CPS" means Consumer Portfolio Services, Inc., a California corporation and its successors.

"CPS Receivables Funding Trust" means CPS Receivables Funding Trust, a Delaware statutory trust, 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 Loss Rate" has the meaning assigned thereto in the Master Spread Account Agreement.

"Cutoff Date" means the Initial Cutoff Date (in the case of the Initial Receivables) or the applicable Subsequent Cutoff Date (in the case of a Subsequent Receivable), as applicable.

"Dealer" means, with respect to a Receivable, the seller of the related Financed Vehicle, who originated and assigned such Receivable to CPS, who in turn sold such Receivable to the Seller.

"Defaulted Texas Receivables" means Receivables 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 purchase pursuant to Section 4.16.

"Deficiency Claim Amount" has the meaning set forth in Section 5.5(a).

"Deficiency Claim Date" means, with respect to any Payment Date, the fourth Business Day immediately preceding such Payment Date.

"Deficiency Notice" has the meaning set forth in Section 5.5(a).

"Delinquency Ratio" has the meaning assigned such term in the Master Spread Account Agreement.

"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.

"Draw Date" means with respect to any Payment Date, the third Business Day immediately preceding such Payment Date.

"Eligible Account" means (i) a segregated trust account that is maintained with a depository institution acceptable to the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing), or (ii) a segregated direct deposit account maintained with a depository institution or trust company organized under the laws of the United States of America, or any of the States thereof, or the District of Columbia, having a certificate of deposit, short-term deposit or commercial paper rating of at least "A-1+" by Standard & Poor's and "Prime-1" by Moody's and (so long as an Insurer Default shall not have occurred and be continuing) acceptable to the Note Insurer; provided that the Note Insurer shall not be required to give its prior written consent with respect to such an account maintained with Wells Fargo Bank, National Association

"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) with the prior written consent of the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) money market mutual funds registered under the Investment Company Act of 1940, as amended, having a rating, at the time of such investment, from each of the Rating Agencies in the highest investment category granted thereby; PROVIDED that the Note Insurer shall not be required to give its prior written consent for Wells Fargo Money Market Funds; and

(vii) any other investment as may be acceptable to the Note Insurer, as evidenced by a writing to that effect, as may from time to time be confirmed in writing to the Trustee by the Note Insurer and as to which the Rating Agency Condition is satisfied;

provided that, in all cases the amounts paid with respect to such instruments or securities not constituting principal must constitute either (i) portfolio interest, as defined in Code Section 871(h)(2), (ii) interest on deposits from a bank, within the meaning of Code Section 871(i)(2) or (iii) payments of interest or dividends by a Person who is not a United States Person and which interest or dividends is described in Code Section 862(a)(1) or (2); provided, further, 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 approved to act as "Servicer" under this Agreement by a Note Majority.

"ERISA" has the meaning specified in Section 3.2.

"Event of Default" has the meaning specified in the Indenture.

"FDIC" means the Federal Deposit Insurance Corporation.

"Final Scheduled Payment Date" means with respect to the Class A-1 Notes, the Class A-1 Final Scheduled Payment Date, with respect to the Class A-2 Notes, the Class A-2 Final Scheduled Payment Date, with respect to the Class A-3 Notes, the Class A-3 Final Scheduled Payment Date and with respect to the Class A-4 Notes, the Class A-4 Final Scheduled Payment Date.

"Financed Vehicle" means a new or used automobile, light truck, van or minivan, together with all accessions thereto, securing an Obligor's indebtedness under a Receivable.

"Funding Period" means the period beginning on and including the Closing Date and ending on the first to occur of (a) the first date on which the amount on deposit in the Pre-Funding Account (after giving effect to any transfers therefrom in connection with the transfer of Subsequent Receivables to the Issuer on such date) is less than \$100,000, (b) the date on which an Event of Default or a Servicer Termination Event occurs, (c) the date on which an Insolvency Event occurs with respect to the Seller, and (d) October 31, 2007.

"Holder" means either a Noteholder or a Residual Certificateholder as the context requires.

"Indemnification Agreement" means the Indemnification Agreement among the Note Insurer, the Seller and the Placement Agents, dated as of September 27, 2007, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Indenture" means the Indenture dated as of September 1, 2007, 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 Cutoff Date" means the close of business on August 31, 2007.

"Initial 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 Initial Receivables that shall have become Purchased Receivables.

"Initial Spread Account Deposit" has the meaning specified in the Spread Account Supplement.

"Initial Trust Property" means the property and proceeds conveyed pursuant to Section 2.1, together with all monies received with respect to the Initial Receivables after the Initial Cutoff Date, the Insurance Policies, the Collection Account (including all Eligible Investments therein and all proceeds therefrom), the Lockbox Account and certain other rights under this Agreement. Although the Seller has pledged the Series 2007-C Spread Account to the Collateral Agent pursuant to the Spread Account Supplement, the Series 2007-C Spread Account shall not under any circumstances be deemed to be a part of or otherwise includable in the Trust or the Initial Trust Property.

"Insolvency Event" means, with respect to a specified Person, (a) the 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.

"Insurance Agreement" means the Insurance and Indemnity Agreement among the Trust, CPS, the Seller, CPS Receivables Funding Trust and the Note Insurer, September 27, 2007, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Insurance Agreement Event of Default" means an "Event of Default" as defined in the Insurance Agreement.

"Insurance Policy" means, with respect to a Receivable, any insurance policy (including the insurance policies described in Section 4.4 hereof) benefiting the holder of the Receivable providing loss or physical damage, credit life, credit disability, theft, mechanical breakdown or similar coverage with respect to the Financed Vehicle or the Obligor.

"Insurer Default" shall mean any one of the following events shall have occurred and be continuing:

(i) the Note Insurer fails to make a payment required under the Note Policy in accordance with its terms;

(ii) the Note Insurer (A) files any petition or commences any case or proceeding under any provision or chapter of the United States Bankruptcy Code, the New York Department of Insurance Code or similar Federal or State law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (B) makes a general assignment for the benefit of its creditors or (C) has an order for relief entered against it under the United States Bankruptcy Code or any other similar Federal or State law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization which is final and nonappealable; or

(iii) a court of competent jurisdiction or the New York Department of Insurance or any other competent regulatory authority enters a final and nonappealable order, judgment or decree (A) appointing a custodian, trustee, agent or receiver for the Note Insurer or for all or any material portion of its property or (B) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Note Insurer (or the taking of possession of all or any material portion of the property of the Note Insurer).

"Interest Accrual Period" means, with respect to any Payment Date other than the first Payment Date, the period commencing on the immediately preceding Payment Date and ending on the day prior to the day of the month on which such Payment Date occurs.

"Interest Rate" means the Class A-1 Interest Rate, the Class A-2 Interest Rate, the Class A-3 Interest Rate, the Class A-4 Interest Rate or the Residual Certificate 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 2007-C.

"Lien" means a security interest, lien, charge, pledge, equity, or encumbrance of any kind, other than tax liens, mechanics' liens and any liens that attach to the respective Receivable by operation of law.

"Lien Certificate" means, with respect to a Financed Vehicle, an original certificate of title, certificate of lien or other notification issued by the Registrar of Titles of the applicable state to a secured party which indicates that the lien of the secured party on the Financed Vehicle is recorded on the original

certificate of title. In any jurisdiction in which the original certificate of title is required to be given to the obligor, the term "Lien Certificate" shall mean only a certificate or notification issued to a secured party.

"Liquidated Receivable" means any Receivable (i) which has been liquidated by the Servicer through the sale of the Financed Vehicle or (ii) for which the related Financed Vehicle has been repossessed and 90 days have elapsed since the date of such repossession or (iii) as to which 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, 210) or more days delinquent as of the end of a Collection Period or (iv) with respect to which proceeds have been received which, in the Servicer's judgment, constitute the final amounts recoverable in respect of such Receivable. For purposes of this definition, a Receivable shall be deemed a "Liquidated Receivable" upon the first to occur of the events specified in items (i) through (iv) of the previous sentence.

"Lockbox Account" means an account maintained on behalf of the Trustee by the Lockbox Bank pursuant to Section 4.2(b).

"Lockbox Agreement" means the Multiparty Agreement Relating to Lockbox Services and Blocked Account, dated as of September 27, 2007, by and among the Lockbox Processor, the Lockbox Bank, the Servicer, the Trust and the Trustee, as such agreement may be amended, supplemented or otherwise modified from time to time, unless the Trustee shall cease to be a party thereunder, or such agreement shall be terminated in accordance with its terms, in which event "Lockbox Agreement" shall mean such other agreement, in form and substance acceptable to the Controlling Party, among the Servicer, the Trustee, 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 Controlling Party 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.

"Mandatory Redemption Date" means the first Payment Date occurring on or after the last day of the Funding Period.

"Master Spread Account Agreement" means the Master Spread Account Agreement amended and restated as of December 1, 1998 among the Note Insurer, CPS Receivables Funding Trust, as assignee of the Seller and Wells Fargo Bank, National Association, as amended as of September 1, 1999, as further amended as of September 7, 2001, as further amended as of November 16, 2001, as further amended as of March 1, 2002, as further amended as of June 30, 2003, as further amended as of July 25, 2003, as further amended as of December 16, 2003, as further amended as of September 30, 2004, as supplemented by the Spread Account Supplement, and as the same may be further amended, supplemented or otherwise modified in accordance with the terms thereof.

"MFN" means MFN Financial Corporation, a Delaware Corporation.

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

"Net Liquidation Proceeds" means, with respect to a Liquidated Receivable, all amounts realized with respect to such Receivable during the Collection Period in which such Receivable became a Liquidated Receivable, net of (i) reasonable expenses incurred by the Servicer in connection with the collection of such Receivable and the repossession and disposition of the Financed Vehicle and (ii) amounts that are required to be refunded to the Obligor on such Receivable; provided, however, that the Net Liquidation Proceeds with respect to any Receivable shall in no event be less than zero.

"Non-Certificated Title States" means the States of Arizona, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Montana, 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" has the meaning assigned to such term in the Indenture.

"Note Balance" means, with respect to the Class A-1 Notes, the Class A-1 Note Balance, with respect to the Class A-2 Notes, the Class A-2 Note Balance, with respect to the Class A-3 Notes, the Class A-3 Note Balance and with respect to the Class A-4 Notes, the Class A-4 Note Balance.

"Note Distribution Account" means the account designated as such, established and maintained pursuant to Section 5.1.

"Note Insurer" means Financial Security Assurance Inc., a stock insurance company organized and created under the laws of the State of New York, or its successors in interest.

"Note Majority" means the Holders collectively evidencing more than 50% of the aggregate outstanding Note Balance for each Class of Notes.

"Note Policy" means the Financial Guaranty Insurance Policy issued by the Note Insurer for the benefit of the Holders of the Notes issued under the Indenture, including any endorsements thereto.

"Note Policy Claim Amount" with respect to any Payment Date, has the meaning specified in Section 6.1.

"Note Prepayment Amount" means an amount equal to 90.0% of the Pre-Funded Amount on the Mandatory Redemption Date (after giving effect to any application thereof to acquire Subsequent Receivables on the last day of the Funding Period).

"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" 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 Note Distribution 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, the sum of (i) the aggregate Noteholders' Monthly Interest Distributable Amount for all Classes of Notes for such Payment Date, (ii) the aggregate Noteholders' Interest Carryover Shortfall for all Classes of Notes for such Payment Date and (iii) interest on such aggregate Noteholders' Interest Carryover Shortfall, 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:

(a) for the Class A-1 Notes (i) for the first Payment Date, an amount equal to the product of (1) the Class A-1 Interest Rate, (2) the Original Class A-1 Note Balance, and (3) a fraction, the numerator of which

is the number of days from and including the Closing Date to and including October 14, 2007, 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) the Class A-1 Interest Rate, (2) the Class A-1 Note Balance as of the close of the preceding Payment Date (after giving effect to all distributions on account of principal on such preceding Payment Date) and (3) a fraction, the numerator of which is the number of days for the related Interest Accrual Period and the denominator of which is 360; and

(b) for all other Classes 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 October 14, 2007, and the denominator of which is 360; and (b) for any Payment Date after the first Payment Date, an amount equal to the product of (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).

"Noteholders' Parity Deficit Amount" means, with respect to any Payment Date, the excess, if any, of (x) the Aggregate Note Balance on such Payment Date, after giving effect to the distribution of the Noteholders' Principal Distributable Amount on such Payment Date, but excluding any amounts in respect thereof withdrawn from the Series 2007-C Spread Account or paid under the Note Policy over (y) the Collateral Balance at the end of the related Collection Period.

"Noteholders' Principal Distributable Amount" means (i) with respect to any Payment Date (other than the Final Scheduled Payment Date for any Class of Notes), the lesser of (a) the Principal Distributable Amount and (b) the excess of (I) the Aggregate Note Balance as of the close of business on the preceding Payment Date over (II) the Requisite Percentage and (ii) on the Final Scheduled Payment Date for any Class of Notes, the greater of (I) the Note Balance of such Class of Notes or (II) the amount calculated pursuant to clause (i) above. On any Payment Date after the acceleration of the Notes pursuant to Section 5.2 of the Indenture, the Noteholders' Principal Distributable Amount shall be the Note Balance of each Class of Notes.

"Notes" means the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes and the Class A-4 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 the Note Insurer and which opinion shall be acceptable in form and substance to the Trustee and, if such opinion or a copy thereof is required by the provisions of this Agreement to be delivered to the Note Insurer, to the Note Insurer.

"Original Aggregate Note Balance" means \$294,750,000.

"Original Class A-1 Note Balance" means \$46,000,000.

"Original Class A-2 Note Balance" means \$77,300,000.

"Original Class A-3 Note Balance" means \$89,500,000.

"Original Class A-4 Note Balance" means \$81,950,000.

"Original Collateral Balance" means the sum of (i) the Original Pool Balance and (ii) the initial Pre-Funded Amount.

"Original Pool Balance" means \$230,872,981.89 which is the Pool Balance as of the Initial Cutoff Date.

"Original Residual Certificate Notional Balance" means \$32,750,000.

"Other Conveyed Property" means all property conveyed by the Seller to the Trust pursuant to Sections 2.1(b) through (k) and Sections 2.2(a)(ii) through (xi) of this Agreement.

"Owner Trust Estate" has the meaning assigned to such term in the Trust Agreement.

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

"Payment Date" means, with respect to each Collection Period, the 15th day of the following calendar month, or if such day is not a Business Day, the immediately following Business Day, commencing on October 15, 2007.

"Pending Litigation" means the litigation matters that are described under "CPS - Recent Developments" in the Confidential Private Placement Memorandum dated as of September 25, 2007.

"Percentage Interests" 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.

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

"Placement Agency Agreement" means the Placement Agency Agreement relating to the Notes dated September 21, 2007, among the Placement Agents, CPS and the Seller.

"Placement Agent" means each of UBS Securities LLC and Bear, Stearns & Co. Inc.

"Pool Balance" means, as of any date of determination, the aggregate Principal Balance of the Receivables (excluding Purchased Receivables and Liquidated Receivables).

"Post Office Box" means the separate post office box in the name of the Trust established and maintained pursuant to Section 4.2.

"Preference Claim" has the meaning specified in Section 6.2(b).

"Pre-Funded Amount" means, with respect to any Payment Date, the amount on deposit in the Pre-Funding Account (exclusive of Pre-Funding Earnings), which initially shall be \$96,627,018.11.

"Pre-Funding Account" has the meaning specified in Section 5.1.

"Pre-Funding Earnings" means any Investment Earnings on amounts on deposit in the Pre-Funding Account.

"Principal Balance" of a Receivable, as of the close of business on the last day of a Collection Period means the Amount Financed minus the sum of the following amounts without duplication: (i) 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 Distributable Amount" means, with respect to any Payment Date, the sum of (i) collections on Receivables (other than Liquidated Receivables) allocable to principal including full and partial prepayments received during the related Collection Period; (ii) the portion of the Purchase Amount allocable to principal of each Receivable that became a Purchased Receivable as of the last day of the related Collection Period and, at the option of the Note Insurer, the Principal Balance of each Receivable that was required to be but was not so purchased or repurchased (without duplication of amounts referred to in clause (i) above); (iii) the Principal Balance of each Receivable that first became a Liquidated Receivable during the related Collection Period (without duplication of the amounts included in clauses (i) and (ii) above); and (iv) the aggregate amount of Cram Down Losses with respect to the Receivables that have occurred during the related Collection Period (without duplication of amounts referred to in clauses (i) through (iii) above).

"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 each of Moody's and Standard & Poor's, and any successors thereof. If no such organization or successor maintains a rating on the Notes, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing), notice of which designation shall be given to the Trustee, the Owner Trustee and the Servicer.

"Rating Agency Condition" means, with respect to any action, that each Rating Agency shall have been given 10 days' (or such shorter period as shall be acceptable to each Rating Agency) prior notice thereof and that each of the Rating Agencies shall have notified the Seller, the Servicer, the Note Insurer, the Owner Trustee and the Trustee in writing that (a) such action will not result in a reduction or withdrawal of the then current rating of the Notes (including the ratings on the Notes without giving effect to the Note Policy) or (b) if the Notes and all amounts owing to the Note Insurer under the Basic Documents have been paid in full, such action will not result in a reduction or withdrawal of the then current rating of the Residual Certificates, if the Residual Certificates are then rated; or if the Residual Certificates are not then rated, the Rating Agency Condition with respect to the Residual Certificates will be satisfied if such action does not materially and adversely affect the holders of the Residual Certificates.

"Realized Losses" means, with respect to any Receivable that becomes a Liquidated Receivable, the excess of the Principal Balance of such Liquidated Receivable over Net Liquidation Proceeds allocable to principal.

"Receivable" means an Initial Receivable and/or a Subsequent Receivable, as applicable.

"Receivable Files" means the documents specified in Section 3.3(a).

"Receivables Purchase Agreement" means the Receivables Purchase Agreement dated as of September 27, 2007, by and between the Seller and CPS, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, relating to the purchase of the Receivables by the Seller from CPS.

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

"Recoveries" means with respect to a Liquidated Receivable, the monies collected from whatever source, during any Collection Period following the Collection Period in which such Receivable became a Liquidated Receivable, net of the reasonable costs of liquidation plus any amounts required by law to be remitted to the Obligor (without duplication of amounts netted against the amounts realized in calculating the Net Liquidation Proceeds).

"Registrar of Titles" means, with respect to any State, the governmental agency or body responsible for the registration of, and the issuance of certificates of title relating to, motor vehicles and liens thereon.

"Requisite Percentage" means (i) on any Payment Date prior to the September 2009 Payment Date, 85.75% of the Collateral Balance as of the end of the related Collection Period, (ii) on any Payment Date from and including the September 2009 Payment Date to and including the February 2010 Payment Date, 86.75% of the Collateral Balance as of the end of the related Collection Period, (iii) on any Payment Date from and including the March 2010 Payment Date to and including the August 2010 Payment Date, 87.75% of the Collateral Balance as of the end of the related Collection Period and (iv) on any Payment Date after the August 2010 Payment Date, 88.75% of the Collateral Balance as of the end of the related Collection Period; provided, that, in the case of clauses (ii), (iii) and (iv) above, if, as of the Determination Date related to any such Payment Date, (A) the Noteholders' Principal Distributable Amount (calculated without reference to this proviso) is not equal to the Principal Distributable Amount, (B) after making the distributions pursuant to Section 5.7(a) on such Payment Date, the Specified Spread Account Requisite Amount is not then satisfied, (C) as of the first Payment Date referenced in the applicable clause (ii), (iii) or (iv) above, the Three Month Rolling Average Extension Ratio is greater than or equal to 2.25%, 2.75% and 2.25%, respectively, (D) as of the first Payment Date referenced in the applicable clause (ii), (iii) or (iv) above, the Cumulative Net Loss Rate as of the end of the Collection Period related to such first Payment Date is greater than or equal to 9.00%, 10.85% and 12.25%, respectively, (E) as of the first Payment Date referenced in the applicable clause (ii), (iii) or (iv) above, the Three-Month Rolling Average Delinquency Ratio as of the end of the Collection Period related to such first Payment Date is greater than or equal to 8.50%, 9.00% and 9.50%, respectively, or (F) any Trigger Event has occurred and is continuing, then the Requisite Percentage shall not be increased from the Requisite Percentage employed on the immediately preceding Payment Date.

"Requisite Reserve Amount" as of any date will equal the product of:

(A) 1/360th of the difference between

(i) the sum of (a) the weighted average of the Interest Rates for the Notes and the Residual Certificate Interest Rate, weighted in accordance with the outstanding principal amount of each class of Class A Notes and the Residual Certificate Notional Balance, respectively, (c) the Trustee fee rate, (d) the Backup Servicing fee rate, if applicable, (e) the premium rate for the Policy and (f) the Supplemental Residual Certificate Distribution, if any, expressed as a percentage; and

(ii) 1.75% per annum;

(B) the Pre-Funded Amount on such date (after giving effect to any application thereof to acquire Subsequent Receivables on such Payment Date); and

(C) the number of days remaining until and including the last day of the Collection Period for the Payment Date in November 2007;

provided that, upon the expiration of the Funding Period, after the payment of all amounts required to be paid on the immediately following Payment Date (or on the Payment Date on which the Funding Period ends, if applicable), the Requisite Reserve Amount will be zero.

"Residual Certificate Interest Carryover Shortfall" means, with respect to any Payment Date, the excess of the Residual Certificate Interest Distributable Amount for the preceding Payment Date over the amount that was actually distributed to the Residual Certificateholders on such preceding Payment Date on account of the Residual Certificate Interest Distributable Amount.

"Residual Certificate Interest Distributable Amount" means, with respect to any Payment Date, the sum of (i) the Residual Certificate Monthly Interest Distributable Amount for such Payment Date, (ii) the Residual Certificate Interest Carryover Shortfall for such Payment Date and (iii) interest on such Residual Certificate Interest Carryover Shortfall, to the extent permitted by law, at the Residual Certificate Interest Rate from and including the preceding Payment Date to but excluding the current Payment Date; provided however, that the amount which may be distributed pursuant to Section 5.7(a)(vi) may not exceed the product of (a) one-twelfth of the Residual Certificate Interest Rate and (b) the excess of (I) the Collateral Balance at the beginning of the related Collection Period over (II) the Aggregate Note Balance as of the close of business on the preceding Payment Date.

"Residual Certificate Interest Rate" means 10.00% per annum.

"Residual Certificate Monthly Interest Distributable Amount" means (a) for the first Payment Date, an amount equal to the product of (i) the Residual Certificate Interest Rate, (ii) the Original Residual Certificate Notional Balance and (iii) a fraction, the numerator of which is the number of days from and including the Closing Date to and including October 14, 2007, and the denominator of which is 360, and (b) for any Payment Date after the first Payment Date, an amount equal to the product of (i) one-twelfth of the Residual Certificate Interest Rate and (ii) the Residual Certificate Notional Balance as of the close of the preceding Payment Date after giving effect to all distributions in reduction thereof on such preceding Payment Date.

"Residual Certificate Notional Balance" means, as of any Payment Date, an amount equal to the Original Residual Certificate Notional Balance, less all amounts distributed to the Residual Certificateholders pursuant to Section 5.7(a)(xiv) and Section 5.7(b) hereof.

"Residual Certificate Prepayment Amount" means an amount equal to 10.0% of the Pre-Funded Amount on the Mandatory Redemption Date (after giving effect to any application thereof to acquire Subsequent Receivables on the last day of the Funding Period).

"Residual Certificate Principal Distributable Amount" means, as of any Payment Date, the lesser of (i) the amount of the Total Distribution Amount remaining after the distributions pursuant to clauses (i) through (xiii) of Section 5.7(a) have been made and (ii) the excess of (a) the Residual Certificate Notional Balance as of the close of business on the preceding Payment Date over (b) 10.0% of the Collateral Balance at the end of the related Collection Period. The Residual Certificate Principal Distributable Amount for each Payment Date occurring on and after the Payment Date on which the Class A-4 Note Balance has been reduced to zero will equal the lesser of (i) the Residual Certificate Notional Balance and (ii) the amount of the Total Distribution Amount remaining after the distributions pursuant to clauses (i) through (xiii) of Section 5.7(a) have been made.

"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.

"Schedule of Receivables" means the schedule of Initial Receivables attached hereto as Schedule A and the schedule of Subsequent Receivables attached to each Subsequent Transfer Agreement, collectively, as such schedules may be amended or supplemented from time to time in accordance with the terms hereof.

"Scheduled Receivable Payment" means, with respect to any Collection Period for any Receivable, the amount set forth in such Receivable as required to be paid by the Obligor in such Collection Period. 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 applicable 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 Corp., a California corporation, and its successors in interest to the extent permitted hereunder.

"Seller's Contract Purchase Guidelines" means the set of criteria that the Seller has established for purchasing Contracts on a state-by-state basis as reflected in rate cards and the approval authority summary, as the same may be amended from time to time.

"Series 2007-C Spread Account" means the account designated as such, established and maintained pursuant to the Master Spread Account Agreement.

"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 Assumption Agreement" means the Servicing Assumption Agreement, dated as of September 27, 2007, among CPS, the Backup Servicer and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Servicing Fee" has the meaning specified in Section 4.8.

"Servicing Officer" means any Person whose name appears on a list of Servicing Officers delivered to the Trustee and the Note Insurer, as the same may be amended from time to time.

"Simple Interest Method" means the method of allocating a fixed level payment between principal and interest, pursuant to which the portion of such payment that is allocated to interest is equal to the product of the APR multiplied by the unpaid balance multiplied by the period of time (expressed as a fraction of a year, based on the actual number of days in the calendar month and the actual number of days in the calendar year) elapsed since the preceding payment of interest was made and the remainder of such payment is allocable to principal.

"Simple Interest Receivable" means a Receivable under which the portion of the payment allocable to interest and the portion allocable to principal is determined in accordance with the Simple Interest Method.

"Skip Receivable" means a Receivable (i) which is delinquent as of the Closing Date; and (ii) where 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.

"Specified Affiliates" means CPS Receivables Two Corp., CPS Receivables Three Corp., CPS Receivables Funding Trust, Page Funding LLC, Page Three Funding LLC and their respective successors and assigns.

"Specified Spread Account Requisite Amount" has the meaning specified in the Spread Account Supplement.

"Spread Account Supplement" means the Series 2007-C Supplement to the Master Spread Account Agreement dated as of September 27, 2007 among the Note Insurer, the Seller and the Collateral Agent, as the same may be modified, supplemented or otherwise amended in accordance with the terms thereof.

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

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

"Subsequent Cutoff Date" means (i) the close of business on the last day of the month preceding the month in which particular Subsequent Receivables are conveyed to the Trust pursuant to this Agreement or (ii) if any such Subsequent Receivable is originated in the month of the related Subsequent Transfer Date, the date of origination.

"Subsequent Receivables" means each Contract related to a Financed Vehicle transferred to the Issuer pursuant to Section 2.2 (each of which shall be listed on Schedule A to the related Subsequent Transfer Agreement), and all rights and obligations thereunder, except for Subsequent Receivables that shall have become Purchased Receivables.

"Subsequent Receivables Purchase Agreement" means an agreement by and between the Seller and CPS pursuant to which the Seller will acquire Subsequent Receivables from CPS during the Funding Period.

"Subsequent Spread Account Deposit" means, with respect to each Subsequent Transfer Date, an amount equal to 2.00% of the aggregate Principal Balance of related Subsequent Receivables as of the related Subsequent Cutoff Date transferred to the Trust on such Subsequent Transfer Date.

"Subsequent Transfer Agreement" means an agreement among the Issuer, the Seller and the Servicer, substantially in the form of Exhibit A.

"Subsequent Transfer Date" means, with respect to Subsequent Receivables, any date, occurring not more frequently than once per month, during the Funding Period on which Subsequent Receivables are transferred to the Trust pursuant to this Agreement.

"Subsequent Trust Property" means the property and proceeds conveyed pursuant to Section 2.2, together with all monies received with respect to the related Subsequent Receivables after the related Subsequent Cutoff Date, the Insurance Policies, the Collection Account (including all Eligible Investments therein and all proceeds therefrom), the Lockbox Account and certain other rights under this Agreement. Although the Seller has pledged the Series 2007-C Spread Account to the Collateral Agent pursuant to the Spread Account Supplement, the Series 2007-C Spread Account shall not under any circumstances be deemed to be a part of or otherwise includable in the Trust or the Subsequent Trust Property.

"Successor Servicing Fee Schedule" means that certain Schedule of Successor Servicing Fees, Expenses and Distributions attached hereto as Exhibit G.

"Successor Servicing Fee" has the meaning specified in Section 4.8.

"Supplemental Residual Certificate Distribution" means for any Payment Date, the sum of (i) the Cayman Trustee Fees on such Payment Date, if any, and (ii) the product of (a) the Cayman Trustee Fees, (b) 1.0000458036246 and (c) 0.00458015267%.

"Targeted Principal Distributable Amount" means, with respect to any Payment Date, the lesser of (i) the amount of the Total Distribution Amount remaining after the distributions pursuant to priorities (i) through (x) under Section 5.7(a) have been made and (ii) the excess of (a) the Aggregate Note Balance (after giving effect to the Noteholders' Principal Distributable Amount and the Noteholders' Parity Deficit Amount paid on such Payment Date) over (b) the Requisite Percentage.

"Texas Franchise Tax" means any tax imposed by the State of Texas pursuant to Tex. Tax Code Ann. ss. 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 or Controlling Party for distribution pursuant to Section 5.7 hereof; (viii) any amounts released from the Series 2007-C Spread Account in accordance with the terms of the Master Spread Account Agreement for payment pursuant to priorities (xi) through (xv) of Section 5.7(a) hereof; (ix) any amounts withdrawn from the Capitalized Interest Account in excess of the Requisite Reserve Amount on the October 2007 and November 2007 Payment Dates; and (x) the proceeds of any purchase or sale of the assets of the Trust described in Sections 4.16 or 11.1 hereof.

"Trigger Event" has the meaning assigned thereto in the Spread Account Supplement.

"Trust" means the Issuer.

"Trust Account Property" means the Trust Accounts, all amounts and investments held from time to time in any Trust Account (whether in the form of deposit accounts, Physical Property, book-entry securities, uncertificated securities or otherwise), and all proceeds of the foregoing.

"Trust Accounts" has the meaning assigned thereto in Section 5.1.

"Trust Agreement" means the Trust Agreement dated as of March 15, 2007, by and between CPS Receivables Three Corp., as depositor, and the Owner Trustee, as amended and restated by the Amended and Restated Trust Agreement dated as of September 27, 2007, by and among the CPS Receivables Three Corp., as original depositor, Seller, as depositor, and the Owner Trustee, as the same may be further amended or supplemented from time to time in accordance with the terms thereof.

"Trust Officer" means, (i) in the case of the Trustee, any vice president, any assistant vice president, any assistant secretary, any assistant treasurer, any trust officer, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject, and (ii) in the case of the Owner Trustee, any officer in the Corporate Trust Office of the Owner Trustee or any agent of the Owner Trustee under a power of attorney with direct responsibility for the administration of this Agreement or any of the Basic Documents on behalf of the Owner Trustee.

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

"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-1.

"Trustee Fees" means the sum of (A) the fee payable to the Trustee on each Payment Date in an amount equal to the greater of (a) \$2,500 and (b) one-twelfth of 0.04% of the Aggregate Note Balance as of the close of the preceding Payment Date; provided, however, that on the first Payment Date the Trustee will be entitled to receive an amount equal to the greater of (a) \$2,500 and (b) the product of (i) the percentage equivalent of a fraction the numerator of which is the number days from the Closing Date to but excluding the first Payment Date and the denominator of which is 360, (ii) 0.04% and (iii) the Original Aggregate Note Balance; (B) any amounts payable to the Trustee in its capacity as custodian of the Receivable Files pursuant to the Trustee Fee Schedule; and (C) any amounts payable to the Owner Trustee pursuant to Article VIII of the Trust Agreement or to the Trustee pursuant to this Agreement.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction on the date of the Agreement.

(b) Capitalized terms used herein and not otherwise defined herein have the meanings assigned to them in the Indenture or, if not defined therein, in the Trust Agreement.

(c) All terms defined in this Agreement shall have the defined meanings when used in any instrument governed hereby and in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(d) Accounting terms used but not defined or partly defined in this Agreement, in any instrument governed hereby or in any certificate or other document made or delivered pursuant hereto, to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles as in effect on the date of this Agreement or any such instrument, certificate or other document, as applicable. To the extent that the definitions of accounting terms in this Agreement or in any such instrument, certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such instrument, certificate or other document shall control.

(e) (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.

Whenever a determination is to be made under this Agreement as to whether a given event action, course of conduct or set of facts or circumstances could or would have a material adverse effect on the Issuer or Noteholders (or any similar or analogous determination), such determination shall be made without taking into account the insurance provided by the Note Policy. Whenever a determination is to be made under this Agreement whether a breach of a representation, warranty or covenant has or could have a material adverse effect on a Receivable or the interest therein of the Issuer, the Noteholders or the Note Insurer (or any similar or analogous determination), such determination shall be made by the Controlling Party in its sole discretion.

ARTICLE II CONVEYANCE OF RECEIVABLES

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 Initial Receivables listed in Schedule A hereto and all monies received thereunder (other than the Additional Servicing Compensation) after the Initial Cutoff Date and all Net

Liquidation Proceeds and Recoveries received with respect to such Initial Receivables after the Initial Cutoff Date;

(b) the security interests in the Financed Vehicles granted by Obligors pursuant to the Initial Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the Non-Certificated Title States, all other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

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

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

(e) all of the Seller's rights, title and interest in its rights and benefits, but none of its obligations or burdens under the Receivables Purchase Agreement, including a direct right to cause CPS to purchase Initial 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 Initial Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle under an Initial Receivable or his or her obligations with respect to a Financed Vehicle and any recourse to Dealers or Consumer Lenders for any of the foregoing;

(g) the Receivable File related to each Initial Receivable;

(h) all amounts and property from time to time held in or credited to the Collection Account, the Pre-Funding Account, the Capitalized Interest Account, the Lockbox Account and the Note Distribution Account;

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

(j) the proceeds of any and all of the foregoing; and

(k) 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.

Conveyance of Subsequent Receivables.

(a) Subject to the conditions set forth in paragraph (b) below, in consideration of the Issuer's delivery on each related Subsequent Transfer Date to or upon the order of the Seller of the amount described in Section 5.10(a) to be delivered to the Seller, the Seller will, on the related Subsequent Transfer Date, sell, transfer, assign, set over and otherwise convey to the Issuer without recourse (subject to the obligations set forth herein) all right, title and interest of the Seller in and to:

(i) the Subsequent Receivables listed in Schedule A to the related Subsequent Transfer Agreement and all monies received thereunder (other than the Additional Servicing Compensation) after the related Subsequent Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Subsequent Receivables after the related Subsequent Cutoff Date;

(ii) the security interests in the Financed Vehicles granted by Obligors pursuant to the Subsequent Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the Non-Certificated Title States, all other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority;

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

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

(v) all of the Seller's rights, title and interest in its rights and benefits, but none of its obligations or burdens, under the related Subsequent Receivables Purchase Agreement, including a direct right to cause CPS to purchase Subsequent Receivables from the Issuer under certain circumstances and to indemnify the Issuer pursuant to the Subsequent Receivables Purchase Agreement;

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

(vii) the Receivable File related to each Subsequent Receivable;

(viii) all amounts and property from time to time held in or credited to the Collection Account, the Pre-Funding Account, the Capitalized Interest Account, the Lockbox Account and the Note Distribution Account;

(ix) all property (including the right to receive future Net Liquidation Proceeds) that secured a Subsequent Receivable that has been acquired by or on behalf of CPS or the Seller pursuant to a liquidation of such Receivable;

(x) the proceeds of any and all of the foregoing; 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.

(b) The Seller shall transfer to the Issuer the Subsequent Receivables and the other property and rights related thereto described in paragraph (a) above only upon the satisfaction of each of the following conditions on or prior to the related Subsequent Transfer Date:

(i) the Seller shall have provided the Trustee, the Owner Trustee, the Note Insurer and the Rating Agencies with an Addition Notice not later than five Business Days prior to such Subsequent Transfer Date and shall have provided any information reasonably requested by any of the foregoing with respect to the related Subsequent Receivables;

(ii) the Seller shall have delivered to the Owner Trustee and the Trustee a duly executed Subsequent Transfer Agreement which shall include supplements to Schedule A, listing the related Subsequent Receivables;

(iii) the Seller shall, to the extent required by Section 4.2 of this Agreement, have deposited in the Collection Account all collections in respect of the related Subsequent Receivables;

(iv) as of each Subsequent Transfer Date, (A) the Seller shall not be insolvent and shall not become insolvent as a result of the transfer of Subsequent Receivables on such Subsequent Transfer Date, (B) the Seller shall not intend to incur or believe that it shall incur debts that would be beyond its ability to pay as such debts mature, (C) such transfer shall not have been made with actual intent to hinder, delay or defraud any Person and (D) the assets of the Seller shall not constitute unreasonably small capital to carry out its business as then conducted;

(v) the Funding Period shall not have terminated;

(vi) after giving effect to any transfer of Subsequent Receivables on a Subsequent Transfer Date, the Receivables then owned by the Trust shall meet the following criteria (based on the characteristics of the Initial Receivables on the Initial Cutoff Date and the Subsequent Receivables on the related Subsequent Cutoff Dates): (A) the weighted average APR of such Receivables will be greater than or equal to 18.00%, (B) the weighted average remaining term of such Receivables will be within a range of 12 to 72 months, (C) not more than 83.00% of the aggregate Principal Balance of such Receivables will represent financing of used Financed Vehicles, (D) not more than 1.00% of the aggregate Principal Balance of such Receivables will have an APR in excess of 24.00% and not more than 21.00% of the aggregate Principal Balance of such Receivables will have an APR of less than 16.00%, (E) none of such Receivables will have an APR in excess of 27.00%, (F) each Receivable will have a minimum APR of 7.50%; (G) each Receivable will have an original term of no more than 72 months and no more than 52.50% of the aggregate Principal Balance of such Receivables will have an original term in excess of sixty (60) months; (H) no more than 10.25% of the aggregate Principal Balance of the Receivables will be originated in Texas; (I) not less than 76.00% of the aggregate Principal Balance of the Receivables will have been purchased under the Seller's "Alpha", "Super Alpha", "Alpha Plus" or "Preferred" programs; (J) no more than 6.00% of the aggregate Principal Balance of the Receivables will have been purchased under the Seller's "First-Time Buyer" program; (K) none of the Receivables will have been originated by MFN, TFC or SeaWest or any of their respective subsidiaries; (L) no more than 3.00% of the Receivables will constitute Section 341 Receivables; (M) no more than 2.00% of the aggregate Principal Balance of Receivables will have been purchased by the Seller from Consumer Lenders; and (N) the Trust, the Trustee, the Owner Trustee and the Note Insurer shall have received written confirmation from a firm of certified independent public accountants as to the satisfaction of the criteria in clauses (A) through (M) above;

(vii) each of the representations and warranties made by the Seller pursuant to Section 3.1 with respect to the related Subsequent Receivables to be transferred on such Subsequent Transfer Date shall be true and correct as of the related Subsequent Transfer Date, and the Seller shall have performed all obligations to be performed by it hereunder on or prior to such Subsequent Transfer Date;

(viii) the Seller shall, at its own expense, on or prior to the Subsequent Transfer Date indicate in its computer files that the Subsequent Receivables identified in the Subsequent Transfer Agreement have been sold to the Trust pursuant to this Agreement;

(ix) the Seller shall have taken any action required to maintain the first priority perfected ownership interest of the Issuer in the Owner Trust Estate and the first priority perfected security interest of the Trustee in the Collateral;

(x) no selection procedures adverse to the interests of the Noteholders or the Note Insurer shall have been utilized in selecting the Subsequent Receivables;

(xi) the addition of any such Subsequent Receivables shall not result in a material adverse tax consequence to the Trust or the Noteholders;

(xii) the Seller shall have delivered (A) to the Rating Agencies, the Note Insurer and each Placement Agent an Opinion of Counsel with respect to the characterization of the transfer of such Subsequent Receivables as a "true sale", which Opinion of Counsel may be in the form of a "bring down" letter to the Opinion of Counsel delivered to the Rating Agencies, the Note Insurer and each Placement Agent on the Closing Date, and (B) to the Trustee and each Placement Agent the Opinion of Counsel required by Section 13.2(i)(i), which Opinion of Counsel may be in the form of a "bring down" letter to the Opinion of Counsel delivered to the Trustee and each Placement Agent on the Closing Date;

(xiii) each of the Seller, the Issuer and the Note Insurer shall have received verbal verification from the Rating Agencies that the addition of all such Subsequent Receivables will not result in a qualification, modification or withdrawal of the then current rating of each Class of Notes without regard to the Policy;

(xiv) the Note Insurer (so long as no Insurer Default shall have occurred and be continuing), in its absolute and sole discretion, shall have approved in writing the transfer of such Subsequent Receivables to the Issuer and the Note Insurer shall have been reimbursed for any fees and expenses incurred by the Note Insurer in connection with the granting of such approval;

(xv) the Servicer shall instruct the Trustee to transfer the Subsequent Spread Account Deposit to the Collateral Agent with respect to the related Subsequent Receivables transferred on such Subsequent Transfer Date; and

(xvi) the Seller shall have delivered to the Note Insurer and the Trustee an Officers' Certificate confirming the satisfaction of each condition precedent specified in this paragraph (b).

The Seller covenants that in the event any of the foregoing conditions precedent are not satisfied with respect to any Subsequent Receivable on the date required as specified above, the Seller will immediately repurchase such Subsequent Receivable from the Issuer, at a price equal to the Purchase Amount thereof, in the manner specified in Section 3.2.

Transfers Intended as Sales. It is the intention of the Seller that each transfer and assignment contemplated by Sections 2.1 and 2.2 of this Agreement shall constitute a sale of the Trust Property from the Seller to the Issuer 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 the Note Insurer 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 Issuer's security interest in the Trust Property.

Further Encumbrance of Trust Property.

(a) Immediately upon the conveyance to the Trust by the Seller of any item of the Trust Property pursuant to Sections 2.1 or 2.2, all right, title and interest of the Seller in and to such item of Trust Property shall terminate, and all such right, title and interest shall vest in the Trust, in accordance with the Trust Agreement and Sections 3802 and 3805 of the 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 herein and in the Master Spread Account Agreement.

(c) Following the payment in full of the Notes and the release and discharge of the Indenture, all covenants of the Issuer under Article III of the Indenture shall, until all amounts due in respect of the Residual Pass-through Certificates have been paid in full, remain as covenants of the Issuer for the benefit of the Residual Certificateholders, enforceable by the Residual Certificateholders to the same extent as such covenants were enforceable by the Noteholders prior to the discharge of the Indenture. Any rights of the Trustee under Article III of the Indenture, following the discharge of the Indenture, shall vest in the Residual Certificateholders.

(d) The Trustee shall, at such time as there are no Notes outstanding and all sums due to the Trustee and the Note Insurer pursuant to the Basic Documents, have been paid, release any remaining portion of the Trust Property to the Residual Certificateholders.

Conveyance of Additional Servicing Compensation. As of the Closing Date and as of each Subsequent Transfer Date, as applicable, the Seller does hereby sell, transfer, assign, set over and otherwise convey to the Servicer, 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 all Additional Servicing Compensation.

ARTICLE III

THE RECEIVABLES

Representations and Warranties of Seller. The Seller makes the following representations and warranties as to the Receivables to the Note Insurer, the Issuer and to the Trustee for the benefit of the Securityholders on which the Issuer relies in acquiring the Receivables, and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party and on which the Note Insurer relies in issuing the Note Policy. Such representations and warranties speak as of the execution and delivery of this Agreement and as of the Closing Date (in the case of the Initial Receivables) and as of the related Subsequent Transfer Date (in the case of the Subsequent Receivables), but shall survive the sale, transfer and assignment of the Receivables to the Issuer and the pledge thereof to the Trustee pursuant to the Indenture.

(i) Characteristics of Receivables. (A) Each Receivable (1) has been originated in the United States of America by a Dealer or Consumer Lender for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's or Consumer Lender's business, 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 and by CPS to the Seller, (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 assigned such security interest to the Trustee,

(3) contains customary and enforceable provisions such that the rights and remedies of the holder or assignee thereof shall be adequate for realization against the collateral of the benefits of the security 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 7.50%, (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 82.61% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date represents financing of used automobiles, light trucks, vans or minivans; the remainder of the Initial Receivables represent financing of new vehicles; approximately 4.52% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Preferred Program; approximately 42.85% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Alpha Program; approximately 7.81% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Delta Program; approximately 5.48% of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS First-Time Buyer Program; approximately 9.55% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Standard Program; approximately 12.09% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Super Alpha Program; approximately 17.70% of the aggregate Principal Balance of the Initial Receivables as of the Initial Cutoff Date were originated under the CPS Alpha Plus Program; approximately 1.75% of the aggregate Principal Balance of the Initial Receivables, as of the related Cut-off Date, were Section 341 Receivables; all of the Initial Receivables were acquired by CPS; no Receivable has a payment that is more than 30 days contractually delinquent as of the applicable Cutoff Date; each Receivable has a final scheduled payment due no later than October 31, 2013; and each Receivable was originated on or before the applicable Cutoff Date.

(ii) Additional Receivables Characteristics. As of the Closing Date (in the case of the Initial Receivables) or the applicable Subsequent Transfer Date (in the case of the applicable Subsequent Receivables):

(A) no Receivable is more than 60 days past due with respect to more than 10% of any Scheduled Receivable Payment; and

(B) no Receivable is a Skip Receivable.

(iii) Schedule of Receivables; Selection Procedures. The information with respect to the Initial Receivables set forth in Schedule A to this Agreement is true and correct in all material respects as of the close of business on the Initial Cutoff Date; the information with respect to the Subsequent Receivables set forth in Schedule A to the related Subsequent Transfer Agreement is true and correct in all material respects as of the close of business on the related Subsequent Cutoff Date; no selection procedures adverse to the Securityholders or the Note Insurer 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 (or the applicable Subsequent Transfer Agreement) complies in all material respects with all requirements of applicable Federal, State, and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act,

the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the 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, validly assigned 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 which now exist or may hereafter arise or be created, except, as to priority, for any tax liens or mechanics' liens which may arise after the Closing Date (in the case of the Initial Receivables) or the related Subsequent Transfer Date (in the case of the Subsequent Receivables).

(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. Except as permitted under Section 4.2, no Receivable has been amended, except as such Receivable may have been amended to grant extensions which shall not have numbered more than (a) one extension of one calendar month in any calendar year or (b) three such extensions in the aggregate.

(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 applicable Cutoff Date, (a) there are no liens or claims existing or which have been filed for work, labor, storage or materials relating to a Financed Vehicle that shall be liens prior to, or equal or coordinate with, the security interest in the Financed Vehicle granted by the Receivable and (b) there is no lien against the related Financed Vehicle for delinquent taxes.

(xii) No Default; Repossession. Except for payment delinquencies continuing for a period of not more than thirty days as of the applicable 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 (in the case of the Initial Receivables) or the related Subsequent Transfer Date (in the case of the Subsequent Receivables).

(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 and the Note Insurer shall have good and marketable title to each such Receivable and will be the sole owner thereof, free and clear of all liens, encumbrances, security interests, and rights of others, and the transfer has been perfected under the UCC.

(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. The Seller has not entered into any agreement with any account debtor that prohibits, restricts or conditions the assignment of any portion of the Receivables.

(xvi) All Filings Made. All filings (including, without limitation, UCC filings) necessary in any jurisdiction to give (i) the Issuer a first priority perfected security interest in the Receivables and the Other Conveyed Property, and (ii) the Trustee a first priority perfected security interest in the Trust Property 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) did not have any material past due credit obligations or any personal or real property repossessed or wages garnished within one year prior to the date of such application, unless such amounts have been repaid or discharged through bankruptcy (other than any Obligor that was the subject of a Federal, State or other bankruptcy, insolvency or similar proceeding pending on the date of application that has completed a Section 341 Meeting), (b) 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, (c) had not been the subject of more than one Federal, State or other bankruptcy, insolvency or similar proceeding, and (d) was domiciled in the United States. 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 (in the case of the Initial Receivables) or the related Subsequent Transfer Date (in the case of the Subsequent Receivables), 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 April 1, 2007.

(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 Initial Receivables was 64.5 months as of the Initial Cutoff Date; the remaining term to maturity of each Receivable was 72 months or less as of the applicable Cutoff Date; the weighted average remaining term to maturity of the Initial Receivables was 63.0 months as of the Initial Cutoff Date.

(xxiv) Scheduled Receivable Payments. Each Receivable has an original principal balance of not less than \$3,000 nor more than \$35,000.

(xxv) Origination of Receivables. Based on the billing address of the Obligors and the Principal Balances as of the Initial Cutoff Date, approximately 11.10%, 10.07%, 9.00%, 6.16% and 5.59% of the Initial Receivables (by principal balance) had Obligors residing in the States of California, Texas, Florida, Pennsylvania and Ohio, respectively.

(xxvi) Post Office Box. On or prior to the next billing period after the applicable Cutoff Date, CPS will notify each Obligor to make payments with respect to its respective Receivables after the applicable 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 or the related Subsequent Transfer Date, as applicable, 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 Initial Cutoff Date, the aggregate principal balance of the Initial Receivables was \$230,872,981.89. The Initial Receivables are evidenced by 14,899 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 the 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, the Securityholders or the Note Insurer in any Receivable or the proceeds hereof.

(xxxii) Receivables Not Assumable. No Receivable is assumable by another Person in a manner in which 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 ss. 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 and the Note Insurer, which security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Seller.

(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 and the Note Insurer 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 and the Note Insurer pursuant to Section 2.3, the Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Property. The Seller has not authorized the filing of and is not aware of any financing statements filed against the Seller that include a description of collateral covering the Trust Property other than any financing statement relating to the security interest granted to the Issuer for the benefit of the Securityholders and the Note Insurer hereunder or that has been terminated. The Seller is not aware of any judgment or tax lien filings against the Seller.

(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 Securityholders and the Note Insurer. All financing statements filed or to be filed against the Seller in favor of the Issuer in connection herewith describing the Trust Property contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of 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.

Repurchase upon Breach.

(a) The Seller, the Servicer, the Note Insurer, the Trustee or (upon actual knowledge of a Responsible Officer thereof) the Owner Trustee, as the case may be, shall inform the other parties to this Agreement promptly, in writing, upon the discovery of any breach of the Seller's representations and warranties made pursuant to Section 3.1 (without regard to any limitations therein as to the Seller's knowledge). Unless the breach shall have been cured by the last day of the second Collection Period following the discovery thereof by 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 such aggregate Principal Balance of Receivables, such that following such purchase such representation shall be true and correct with respect to the remainder of the Receivables in the aggregate. In consideration of the purchase of 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 which is not consistent with the warranty pursuant to Section 3.1(i)(A)(5) or (A)(6) shall include such additional amount as shall be necessary to provide the full amount of interest as contemplated therein. The sole remedy of the Issuer, the Owner Trustee, the Trustee,

the Securityholders or the Note Insurer with respect to a breach of representations and warranties pursuant to Section 3.1 shall be to enforce CPS's obligation to purchase such Receivables pursuant to the Receivables Purchase Agreement; provided, however, that CPS shall indemnify the Trustee, the Owner Trustee, the Backup Servicer, the Collateral Agent, the Note Insurer, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. Upon receipt of the Purchase Amount and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivables File and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by the Seller and delivered to the Trustee and necessary to vest in CPS or such designee title to the Receivable including a Trustee's Certificate in the form of Exhibit F-1.

(b) If it is determined that consummation of the transactions contemplated by this Agreement and the other transaction documents referenced in this Agreement, the servicing and operation of the Trust pursuant to this Agreement and such other documents, or the ownership of a Note or 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 and each Subsequent Receivables Purchase Agreement, including the Seller's rights under the Receivables Purchase Agreement and each Subsequent Receivables Purchase Agreement and the delivery requirements, representations and warranties and the cure, repurchase and indemnity obligations of CPS under the Receivables Purchase Agreement and each Subsequent Receivables Purchase Agreement. The Seller hereby represents and warrants to the Trust, the Note Insurer and the Trustee for the benefit of the Securityholders that such assignment is valid, enforceable and effective to permit the Trust to enforce such obligations of CPS under the Receivables Purchase Agreement and each Subsequent 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) or Section 2.2(a), the Seller shall repurchase such Receivable as of the last day of the next occurring Collection Period at the Purchase Amount.

Custody of Receivables Files.

(a) In connection with the sale, transfer and assignment of the Receivables and the Other Conveyed Property to the Trust pursuant to this Agreement the Trustee shall act as custodian of the following documents or instruments in its possession which shall be delivered to the Trustee on or before the Closing Date (with respect to each Initial Receivable) or the applicable Subsequent Transfer Date (with respect to each Subsequent Receivable):

(i) The fully executed original of the Receivable (together with any agreements modifying the Receivable, including without limitation any extension agreements);

(ii) The original certificate of title in the name of CPS or such documents that CPS shall keep on file, in accordance with its customary procedures, evidencing the security interest of CPS in the Financed Vehicle or, if not yet received, a copy of the application therefor showing CPS as secured party, 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.

Acceptance of Receivable Files by Trustee. The Trustee acknowledges receipt of files which the Seller has represented are the Receivable Files for the Initial Receivables. The Trustee has reviewed such Receivable Files and has determined that it has received a file for each Initial Receivable identified in Schedule A to this Agreement. Not less than four (4) Business Days prior to each Subsequent Transfer Date, the Seller will cause to be delivered to the Trustee the Receivable Files for the Subsequent Receivables to be transferred to the Trust on such Subsequent Transfer Date. The Trustee declares that it holds and will continue to hold such files and any amendments, replacements or supplements thereto and all other Trust Assets as Trustee in trust for the use and benefit of all present and future Securityholders. The Trustee agrees to review each file delivered to it prior to the Closing Date (in the case of the Initial Receivables) or the applicable Subsequent Transfer Date (in the case of the Subsequent Receivables) to determine whether such Receivable Files contain the documents referred to in Sections 3.3(a)(i) and (ii). If the Trustee has found or finds that a file for a Receivable has not been received, or that a file is unrelated to the Receivables identified in Schedule A to this Agreement or that any of the documents referred to in Section 3.3(a)(i) or (ii) are not contained in a Receivable File, the Trustee shall inform CPS, the Seller, the Owner Trustee and the Note Insurer promptly, in writing, of the failure to receive a file with respect to such Receivable (or of the failure of any of the aforementioned documents to be included in the Receivable File) or shall return to CPS as the Seller's designee any file unrelated to a Receivable identified in Schedule A to this Agreement (in the case of the Initial Receivables) or Schedule A to the related Subsequent Transfer Agreement (in the case of the Subsequent Receivables), 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 (at the direction of the Note Insurer, if no Insurer Default shall have occurred and be continuing) shall cause CPS to repurchase any such Receivable as of such last day pursuant to the Receivables Purchase Agreement. In consideration of the purchase of the Receivable, CPS shall remit the Purchase Amount, in the manner specified in Section 5.6. The sole remedy of the Trustee, the Trust, or the Securityholders with respect to a breach pursuant to this Section 3.4 shall be to require CPS to purchase the applicable Receivables pursuant to this Section 3.4; provided, however, that CPS shall indemnify the Trustee, the Owner Trustee, the Backup Servicer, the Collateral Agent, the Note Insurer, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. Upon receipt of the Purchase Amount and written instructions from the Servicer, the Trustee shall release to CPS or its designee the related Receivable File and shall execute and deliver all reasonable instruments of transfer or assignment, without recourse, as are prepared by CPS and delivered to the Trustee and are necessary to vest in CPS or such designee title to the Receivable including a Trustee's Certificate in the form of Exhibit F-1. The Trustee shall make a list of Receivables for which an application for a certificate of title but not an original certificate of title or, with respect to Receivables originated in the Non-Certificated Title States, another evidence of title issued by the applicable Department of Motor Vehicles or similar authority 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, the Owner Trustee and the Note Insurer. On the date which is 180 days following the Closing Date (in the case of the Initial Receivables) or the applicable Subsequent Transfer Date (in the case of the Subsequent Receivables) or, if such day is not a Business Day, the next succeeding Business Day, the Trustee shall inform CPS and the other parties to this Agreement and the Note Insurer of any Receivable for which the related Receivable File on such date does not include an original certificate of title or, with respect to Financed Vehicles in the Non-Certificated Title States, for which the related Receivable File on such date does not include evidence of title issued by the applicable Department of Motor Vehicles or similar authority, and CPS shall repurchase any such Receivable as of the last day of the current Collection Period.

Access to Receivable Files. The Trustee shall permit the Servicer and the Note Insurer access to the Receivable Files at all reasonable times during the Trustee's normal business hours. The Trustee shall, within two Business Days of the request of the Servicer, the Owner Trustee or the Note Insurer, execute such documents and instruments as are prepared by the Servicer, the Owner Trustee or the Note Insurer and delivered to the Trustee, as the Servicer, the Owner Trustee or the Note Insurer deems necessary to permit the Servicer, in accordance with its customary servicing procedures, to enforce the Receivable on behalf of the Trust and any related insurance policies covering the Obligor, the Receivable or Financed Vehicle so long as such execution in the Trustee's sole discretion does not conflict with this Agreement and will not cause it undue risk or liability. The Trustee shall not be obligated to release any document from any Receivable File unless it receives a 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.

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 hereof, the Trustee shall deliver to the Note Insurer and the Servicer a monthly report which identifies all Receivable Files released to the Servicer and not yet returned to the Trustee.

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

Duties of the Servicer. The Servicer, as agent for the Trust, the Securityholders and the Note Insurer (to the extent provided herein) shall manage, service, administer and make collections on the Receivables with reasonable care, using that degree of skill and attention customary and usual for institutions which service motor vehicle retail installment contracts 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, the Owner Trustee and the Note Insurer with respect to distributions. Without limiting the generality of the foregoing, and subject to the servicing standards set forth in this Agreement, the Servicer is authorized and empowered by the Trust to execute and deliver, on behalf of itself, the Trust or the Securityholders, any and all instruments of satisfaction or cancellation, or partial or full release or discharge, and all other comparable instruments, with respect to such Receivables or to the Financed Vehicles securing such Receivables and/or the certificates of title or, with respect to Financed Vehicles in the Non-Certificated Title States, other evidence of ownership with respect to such Financed Vehicles issued by the applicable Department of Motor Vehicles or similar authority. If the Servicer shall commence a legal proceeding to enforce a Receivable, the Trust shall thereupon be deemed to have automatically assigned, solely for the purpose of collection, such Receivable to the Servicer. If in any enforcement suit or legal proceeding it shall be held that the Servicer may not enforce a Receivable on the ground that it shall not be a real party in interest or a holder entitled to enforce such Receivable, the Trust shall, at the Servicer's expense and direction, take steps to enforce such Receivable, including bringing suit in its name or the name of the Securityholders. The Servicer shall prepare and furnish, and the Trustee and the Owner Trustee shall execute, any powers of attorney and other documents reasonably necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder.

Collection of Receivable Payments; Modifications of Receivables; Lockbox Agreements.

(a) Consistent with the standards, policies and procedures required by this Agreement, the Servicer shall make reasonable efforts to collect all payments called for under the terms and provisions of the Receivables as and when the same shall become due and shall follow such collection procedures as it follows with respect to all comparable automotive receivables that it services for itself or others; provided, however, that promptly after the Closing Date the Servicer shall notify each Obligor to make all payments with respect to the Receivables to the Post Office Box. The Servicer will provide each Obligor with a monthly statement in order to notify such Obligors to make payments directly to the Post Office Box. The Servicer shall allocate collections between principal and interest in accordance with the customary servicing procedures it follows with respect to all comparable automotive receivables that it services for itself or others and in accordance with the terms of this Agreement. Except as provided below, the Servicer, for so long as CPS is the Servicer, may grant extensions to the extent that the Three-Month Rolling Average Extension Ratio does not exceed (i) 2.5%, if the most recent Collection Period tested was in the period from March through September (inclusive), or (ii) 3.0%, if the most recent Collection Period tested was in the period from October through February (inclusive) (the "Aggregate Extension Percentage Limitation"); provided, however, that the Servicer may not grant more than one extension per calendar year with respect to a Receivable or grant an extension with respect to a Receivable for more than one calendar month or grant more than four extensions in the aggregate with respect to a Receivable without the prior written consent of the Note Insurer; 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 Class A-4 Final Scheduled Payment Date, it shall promptly purchase the Receivable from the Trust in accordance with the terms of Section 4.7 hereof (and for purposes thereof, the Receivable shall be deemed to be materially and adversely affected by such breach). In addition, if the Servicer grants extensions with respect to any Receivables in excess of the Aggregate Extension Percentage Limitation, the Servicer will promptly purchase such Receivables from the Trust in accordance with the terms of Section 4.7 hereof (and for purposes thereof, such Receivables shall be deemed to be materially and adversely affected by such breach). If the Servicer is not CPS, the Servicer may not make any extension on a Receivable without the prior written consent of the Note Insurer. The Servicer may in its discretion waive any late payment charge or any other fees that may be collected in the ordinary course of servicing a Receivable. Notwithstanding anything to the contrary contained herein, the Servicer shall not agree to any alteration of the interest rate on any Receivable or of the amount of any Scheduled Receivable Payment on Receivables, other than to the extent that such alteration is required by applicable law.

(b) The Servicer shall establish the Lockbox Account in the name of the Trust for the benefit of the Trustee for the further benefit of the Securityholders and the Note Insurer. Pursuant to the Lockbox Agreement, the Trustee has authorized the Servicer to direct dispositions of funds on deposit in the Lockbox Account to the Collection Account (but not to any other account), and no other Person, 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 initially established and maintained with the Lockbox Bank or, at the request of the Note Insurer (unless an Insurer Default shall have occurred and be continuing), an Eligible Account satisfying clause (i) of the definition thereof; provided, however, that the Trustee shall give the Servicer prior written notice of any change made at the request of the Note Insurer in the location of the Lockbox Account. The Trustee shall establish and maintain the Post Office Box at a United States Post Office Branch in the name of the Trust for the benefit of the Securityholders and the Note Insurer.

(c) Notwithstanding any Lockbox Agreement, or any of the provisions of this Agreement relating to the Lockbox Agreement, the Servicer shall remain obligated and liable to the Trust, the Trustee and Securityholders for servicing and administering the Receivables and the Other Conveyed Property in accordance with the provisions of this Agreement without diminution of such obligation or liability by virtue thereof.

(d) In the event 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 assignment of any Lockbox Agreement to the successor Servicer. In the event that the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) or a Note Majority (if an Insurer Default shall have occurred and be continuing) or the Majority Certificateholders (if the Note Balance has been reduced to zero, all amounts due and owing to the Note Insurer have been paid in full and the Policy has expired in accordance with its terms) shall elect to change the identity of the Lockbox Bank, the Servicer, at its expense, shall cause the Lockbox Bank to deliver, at the direction of the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) or a Note Majority (if an Insurer Default shall have occurred and be continuing) or the Majority Certificateholders (if the Note Balance has been reduced to zero, all amounts due and owing to the Note Insurer have been paid in full and the Policy has expired in accordance with its terms) to the Trustee or a successor Lockbox Bank, all documents and records relating to the Receivables and all amounts held (or thereafter received) by the Lockbox Bank (together with an accounting of such amounts) and shall otherwise use its best efforts to effect the orderly and efficient transfer of the Lockbox arrangements. The outgoing Servicer shall deliver prompt written notice to the Rating Agencies 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 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.

Realization Upon Receivables. On behalf of the Trust, the Securityholders and the Note Insurer, the Servicer shall use its best efforts, consistent with the servicing procedures set forth herein, to repossess or otherwise convert the ownership of the Financed Vehicle securing any Receivable as to which the Servicer shall have determined eventual payment in full is unlikely. The Servicer shall commence efforts to repossess or otherwise convert the ownership of a Financed Vehicle 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.

Insurance.

(a) The Servicer, in accordance with the servicing procedures and standards set forth herein, shall require that (i) each Obligor shall have obtained insurance covering the Financed Vehicle, as of the date of the execution of the Receivable, insuring against loss and damage due to fire, theft, transportation, collision and other risks generally covered by comprehensive and collision coverage and each Receivable requires the Obligor to maintain such physical loss and damage insurance naming CPS and its successors and assigns as an additional insured, (ii) each Receivable that finances the cost of premiums for credit life and credit accident and health insurance is covered by an insurance policy or certificate naming CPS as policyholder (creditor) and (iii) as to each Receivable that finances the cost of an extended service contract, the respective Financed Vehicle which secures the Receivable is covered by an extended service contract.

(b) To the extent applicable, the Servicer shall not take any action which would result in noncoverage under any of the insurance policies referred to in Section 4.4(a) which, but for the actions of the Servicer, would have been covered thereunder. The Servicer, on behalf of the Trust, shall take such reasonable action as shall be necessary to permit recovery under any of the foregoing insurance policies. Any amounts collected by the Servicer under any of the foregoing insurance policies shall be deposited in the Collection Account.

Maintenance of Security Interests in Vehicles.

(a) Consistent with the policies and procedures required by this Agreement, the Servicer shall take such steps on behalf of the Trust as are necessary to maintain perfection of the security interest created by each Receivable in the related Financed Vehicle, including but not limited to obtaining the authorization of the Obligors and the recording, registering, filing, re-recording, re-registering and re-filing of all security agreements, financing statements and continuation statements or instruments as are necessary to maintain the security interest granted by the Obligors under the respective Receivables. The Trustee hereby authorizes the Servicer, and the Servicer agrees, to take any and all steps necessary to re-perfect or continue the perfection of such security interest on behalf of the Trust as necessary because of the relocation of a Financed Vehicle or for any other reason. In the event that the assignment of a Receivable to the Trust is insufficient, without a notation on the related Financed Vehicle's certificate of title, or without fulfilling any additional administrative requirements under the laws of the State in which the Financed Vehicle is located, to perfect a security interest in the related Financed Vehicle in favor of the Trust, the Servicer hereby agrees that CPS's designation as the secured party on the certificate of title is in its capacity as Servicer as agent of the Trust.

(b) Upon the occurrence of an Insurance Agreement Event of Default, the Note Insurer may (so long as it is the Controlling Party) instruct the Trustee and the Servicer to take or cause to be taken or, if the Note Insurer is not the Controlling Party, upon the occurrence of a Servicer Termination Event, the Trustee and the Servicer shall take or cause to be taken, such action as may, in the opinion of counsel to the Trustee, which opinion shall not be an expense of the Trustee, be necessary to perfect or re-perfect the security interests in the Financed Vehicles securing the Receivables in the name of the Trust by amending the title documents of such Financed Vehicles or by such other reasonable means as may, in the opinion of counsel to the Trustee, which opinion shall not be an expense of the Trustee, be necessary or prudent. The Servicer hereby agrees to pay all expenses related to such perfection or re-perfection and to take all action necessary therefor. In addition, prior to the occurrence of an Insurance Agreement Event of Default, the Controlling Party may instruct the Trustee and the Servicer to take or cause to be taken such action as may, in the opinion of counsel to the Controlling Party, be necessary to perfect or re-perfect the security interest in the Financed Vehicles underlying the Receivables in the name of the Trust, including by amending the title documents of such Financed Vehicles or by such other reasonable means as may, in the opinion of counsel to the Controlling Party, be necessary or prudent; provided, however, that if the Controlling Party requests that the title documents be amended prior to the occurrence of an Insurance Agreement Event of Default, the out-of-pocket expenses of the Servicer or the Trustee in connection with such action shall be reimbursed to the Servicer or the Trustee, as applicable, by the Controlling Party.

Additional Covenants of Servicer. The Servicer shall not release the Financed Vehicle securing each Receivable from the security interest granted by such Receivable in whole or in part except in the

event of payment in full by the Obligor thereunder or repossession, nor shall the Servicer impair the rights of the Securityholders in such Receivables, nor shall the Servicer amend a Receivable, except that extensions and waivers may be granted in accordance with Section 4.2. The Servicer shall 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.

Purchase of Receivables Upon Breach of Covenant(a) . Upon discovery by any of the Servicer, the Note Insurer, the Owner Trustee or the Trustee of a breach of any of the covenants set forth in Section 4.2(a), 4.4, 4.5 or 4.6, the party discovering such breach shall give prompt written notice to the others; provided, however, that the failure to give any such notice shall not affect any obligation of the Servicer under this Section 4.7. Unless the breach shall have been cured by the last day of the second Collection Period following such discovery (or, at the Servicer's election, the last day of the first following Collection Period), the Servicer shall purchase any Receivable with respect to which the Securityholders' or the Note Insurers' 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, the Note Insurer or the Securityholders with respect to a breach of Section 4.2(a), 4.4, 4.5 or 4.6 shall be to require the Servicer to repurchase Receivables pursuant to this Section 4.7; provided, however, that the Servicer shall indemnify the Trustee, the Backup Servicer, the Collateral Agent, the Note Insurer, the Owner Trustee, the Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, which may be asserted against or incurred by any of them as a result of third party claims arising out of the events or facts giving rise to such breach. If it is determined that the management, administration and servicing of the Receivables and operation of the Trust pursuant to this Agreement constitutes a violation of the prohibited transaction rules of ERISA or the Code to which no statutory exception or administrative exemption applies, such violation shall not be treated as a breach of Section 4.2(a), 4.4, 4.5 or 4.6 if not otherwise such a breach. 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.

Servicing Fee. The "Servicing Fee" for each Payment Date shall be equal to the result of one twelfth times 2.50% of the Pool Balance as of the first day of the related Collection Period; provided, however, that with respect to the first Payment Date the Servicer will be entitled to receive a Servicing Fee equal to the product of one-twelfth times 2.50% of the Original Pool Balance. In addition the Servicing Fee shall also include the Additional Servicing Compensation, which shall not be a part of the Owner Trust Estate. On each Payment Date occurring after the date, if any, on which CPS resigns as Servicer pursuant to Section 9.6 or is terminated as Servicer pursuant to Section 10.2, the Person then acting as successor Servicer (including the Backup Servicer, if acting in such capacity) shall be entitled to receive (i) the Servicing Fee and (ii) a supplemental fee (the "Successor Servicing Fee") equal to the positive difference, if any, between (A) the product of the number of Receivables serviced by the successor Servicer during the related Collection Period and \$13 and (B) the Servicing Fee, each in accordance with the priorities set forth in Section 5.7(a) hereof.

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 Note Insurer, the Rating Agencies and the Seller a Servicer's Certificate containing all information necessary to make the distributions pursuant to Sections 5.7 and 5.8 (including, if required, withdrawals from the Series 2007-C Spread Account) for the Collection Period preceding the date of such Servicer's Certificate and all information necessary for the Trustee to send statements to the Securityholders and the Note Insurer pursuant to Section 5.8(b) and all information necessary to enable the Backup Servicer to verify the information specified in Section 4.13(b)

and to complete the accounting required by Section 5.9. 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).

Annual Statement as to Compliance, Notice of Servicer Termination Event.

(a) The Servicer shall deliver to the Owner Trustee, the Trustee, the Backup Servicer, the Note Insurer and each Rating Agency, on or before March 31 of each year beginning March 31, 2008, 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, 2007) 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, 2007), 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, the Note Insurer, the Collateral Agent, and each Rating Agency, promptly after having obtained knowledge thereof, but in no event later than two (2) Business Days thereafter, written notice in an Officer's Certificate of any event which with the giving of notice or lapse of time, or both, would become a Servicer Termination Event under Section 10.1.

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, the Note Insurer and each Rating Agency, on or before March 31 of each year beginning March 31, 2008, a report dated as of December 31 of the previous year (the "Accountants' Report") and reviewing the Servicer's activities during the preceding 12-month period, addressed to the Board of Directors of the Servicer, to the Owner Trustee, the Trustee, the Backup Servicer and to the Note Insurer, to the effect that such firm has examined the financial statements of the Servicer and issued its report therefor and that such examination (1) was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as such firm considered necessary in the circumstances; (2) included tests relating to auto loans serviced for others in accordance with the requirements of the Uniform Single Attestation Program for Mortgage Bankers (the "Program"), to the extent the procedures in the Program are applicable to the servicing obligations set forth in this Agreement; (3) included an examination of the delinquency and loss statistics relating to the Servicer's portfolio of automobile and light truck installment sales contracts; and (4) except as described in the report, disclosed no exceptions or errors in the records relating to automobile and light truck loans serviced for others that, in the firm's opinion, paragraph four of the Program requires such firm to report. The accountant's report shall further state that (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.

Access to Certain Documentation and Information Regarding Receivables. The Servicer shall provide to representatives of the Trustee, the Owner Trustee, the Backup Servicer, the Note Insurer and the Rating Agencies 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.

Verification of Servicer's Certificate.

(a) On or before the fifth calendar day of each month, the Servicer will deliver to the Trustee and the 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 and the Note Insurer 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. Notwithstanding the fact that the Backup Servicer shall receive the data referenced in this Section 4.13(a) on a monthly basis, at the request of the Note Insurer, the Backup Servicer agrees to receive and the Servicer agrees to deliver any such data with respect to the Receivables from the Servicer on a more frequent basis, up to and including daily or weekly transmissions.

(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 Aggregate Principal 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 Principal Distributable Amount, the Noteholders' Principal Distributable Amount, the Note Prepayment Amount, the Noteholders' Parity Deficit Amount, the Noteholders' Interest Distributable Amount for each Class of Notes, the Residual Certificate Interest Distributable Amount, the Residual Certificate Principal Distributable Amount, the Residual Certificate Prepayment Amount, the Targeted Principal Distributable Amount, the Backup Servicing Fee, the Servicing Fee, the Trustee Fees, the Cayman Trustee Fees, the amount on deposit in the Series 2007-C Spread Account, the amount on deposit in the Pre-Funding Account, the amount on deposit in the Capitalized Interest Account, the Three-

Month Rolling Average Extension Ratio, the Three-Month Rolling Average Delinquency Ratio, the Cumulative Net Loss Rate and the Premium (as defined in the Insurance Agreement) 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 Note Insurer 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.

Retention and Termination of Servicer. The Servicer hereby covenants and agrees to act as such under this Agreement for an initial term commencing on the Closing Date and ending on December 31, 2007, which term may be extended by the Note Insurer for successive quarterly terms ending on each successive March 31, June 30, September 30 and December 31 (or, at the discretion of the Note Insurer exercised pursuant to revocable written standing instructions from time to time to the Servicer and the Trustee, for any specified number of terms greater than one), until such time as the Notes have been paid in full, all amounts due to the Residual Certificateholders and the Note Insurer have been paid and until the termination of the Trust. Each such notice (including each notice pursuant to standing instructions, which shall be deemed delivered at the end of successive terms for so long as such instructions are in effect) (a "Servicer Extension Notice") shall be delivered by the Note Insurer to the Trustee and the Servicer. The Servicer hereby agrees that, upon its receipt of any such Servicer Extension Notice, the Servicer shall become bound, for the duration of the term covered by such Servicer Extension Notice, to continue as the Servicer subject to and in accordance with the other provisions of this Agreement. If an Insurer Default has occurred and is continuing, the term of the Servicer's appointment hereunder shall be deemed to have been extended until such time, if any, as such Insurer Default has been cured unless such appointment is terminated sooner in accordance with the terms of this Agreement. Until such time as an Insurer Default shall have occurred and be continuing, the Trustee agrees that if as of the fifteenth day prior to the last day of any term of the Servicer, the Trustee shall not have received any Servicer Extension Notice from the Note Insurer, the Trustee shall, within five days thereafter, give written notice of such non-receipt to the Note Insurer.

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

(a) CPS shall have the right, but not the obligation, to acquire Receivables on the last day of any Collection Period during the term of the Trust at a price equal to at least the fair market value of such 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, the Trust and the Note Insurer (including any outstanding reimbursements) in connection with such optional purchase. The aggregate Principal Balance of Receivables repurchased under such option shall be limited to 1% of the Original Collateral Balance. 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 Receivables and thereafter shall succeed to all interests of the Trust in and to such Receivables. Upon notice of receipt of the related aggregate Purchase Amount for such 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 Receivables including a Trustee's Certificate in the form of Exhibit F-2.

(b) 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 the related Obligor of which reside in the State of Texas or the related Financed Vehicles of which are located in the State of Texas 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, the Trust and the Note Insurer (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 the 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

Establishment of Trust Accounts.

(a) (i) The Trustee, on behalf of the Securityholders and the Note Insurer, shall establish and maintain in its own name an Eligible Account (the "Collection Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Securityholders and the Note Insurer. On the Closing Date, the Servicer will deposit, on behalf of the Seller, in the Collection Account, an amount equal to \$4,603,222.85, such amount representing collections on the Receivables received from and including the day after the Initial Cutoff Date through September 26, 2007, but not previously deposited into the Collection Account.

(ii) The Trustee, on behalf of the Noteholders, shall establish and maintain in its own name an Eligible Account (the "Note Distribution Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Noteholders and the Note Insurer. The Note Distribution Account shall initially be established with the Trustee.

(iii) The Trustee, on behalf of the Noteholders, shall establish and maintain in its own name an Eligible Account (the "Pre-Funding Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Trustee on behalf of the Securityholders and the Note Insurer. The Pre-Funding Account shall initially be established with the Trustee.

(iv) The Servicer shall cause the Trustee to establish and maintain an Eligible Account (the "Capitalized Interest Account") with the Trustee, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Securityholders and the Note Insurer.

(v) Funds on deposit in the Collection Account, the Note Distribution Account, the Pre-Funding Account and the Capitalized Interest Account (collectively, the "Trust Accounts") shall be invested by the Trustee (or any custodian with respect to funds on deposit in any such account) in Eligible Investments selected in writing by the Servicer (pursuant to standing instructions or otherwise). All such Eligible Investments shall be held by or on behalf of the Trustee for the benefit of the Securityholders and the Note Insurer. Other than as permitted by the Rating Agencies and the Note Insurer, funds on deposit in any Trust Account shall be invested in Eligible Investments that will mature so that such funds will be available at the close of business on the Business Day immediately preceding the following Payment Date. Funds deposited in a Trust Account on the day immediately preceding a Payment Date upon the maturity of any Eligible Investments are not required to be invested overnight. All Eligible Investments will be held to maturity.

(b) All investment earnings of moneys deposited in the Trust Accounts shall be deposited (or caused to be deposited) by the Trustee in the Collection Account for distribution pursuant to Section 5.7(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.

(c) The Trustee shall not in any way be held liable by reason of any insufficiency in any of the Trust Accounts resulting from any loss on any Eligible Investment included therein except for losses attributable to the Trustee's negligence or bad faith or its failure to make payments on such Eligible Investments issued by the Trustee, in its commercial capacity as principal obligor and not as trustee, in accordance with their terms.

(d) If (i) the Servicer shall have failed to give investment directions for any funds on deposit in the Trust Accounts to the Trustee by 1:00 p.m. Eastern Time (or such other time as may be agreed by the Issuer and Trustee) on any Business Day; or (ii) an Event of Default shall have occurred and be continuing 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.

(e) The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts and in all proceeds thereof (including all Investment Earnings on the Trust Accounts) and all such funds, investments, proceeds and income shall be part of the Trust Property. Except as otherwise provided herein, the Trust Accounts shall be under the sole dominion and control of the Trustee for the benefit of the Securityholders and the Note Insurer. If at any time any of the Trust Accounts ceases to be an Eligible Account, the Servicer with the consent of the Note Insurer shall within five Business Days establish a new Trust Account as an Eligible Account and shall transfer any cash and/or any investments to such new Trust Account. The Servicer shall promptly notify the Rating Agencies and the Owner Trustee of any change in the location of any of the aforementioned accounts. In connection with the foregoing, the Servicer agrees that, in the event that any of the Trust Accounts are not accounts with the Trustee, the Servicer shall notify the Trustee in writing promptly upon any of such Trust Accounts ceasing to be an Eligible Account.

(f) Notwithstanding anything to the contrary herein or in any other document relating to a Trust Account, the "securities intermediary's jurisdiction" (within the meaning of Section 8-

110 of the UCC) or the "bank's jurisdiction" (with the meaning of 9-304 of the UCC), as applicable, with respect to each Trust Account shall be the State of New York.

(g) With respect to the Trust Account Property, the Trustee agrees that:

(A) any Trust Account Property that is held in deposit accounts shall be held solely in an Eligible Account; and, each such Eligible Account shall be subject to the exclusive custody and control of the Trustee and the Trustee shall have sole signature authority with respect thereto; and

(B) any other Trust Account Property shall be delivered to the Trustee in accordance with the definition of "Delivery".

Capitalized Interest Account.

(a) On or prior to the Closing Date, the Seller shall deposit an amount equal to the Capitalized Interest Account Initial Deposit into the Capitalized Interest Account.

(b) On the Determination Date for each of the October and November 2007 Payment Dates, to the extent that the Servicer's Certificate indicates that the funds on deposit in the Capitalized Interest Account are in excess of the Requisite Reserve Amount for such Payment Date, the Trustee shall withdraw such excess from the Capitalized Interest Account and deposit such amount in the Collection Account for distribution pursuant to Section 5.7(a) on such Payment Date.

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 and the Note Insurer as may be necessary in the opinion of the Note Insurer to verify the accuracy of such certification; provided, however, that the Servicer must provide such certification within three months of its becoming aware of such mistaken deposit, posting or returned check. In the event that the Note Insurer has not received evidence satisfactory to it of the Servicer's entitlement to reimbursement pursuant to this Section, the Controlling Party shall give the Trustee notice to such effect, following receipt of which the Trustee shall not make a distribution to the Servicer in respect of such amount pursuant to Section 5.7(a)(ii), or, if prior thereto the Servicer has been reimbursed pursuant to Section 5.7(a)(ii), the Trustee shall withhold such amounts from amounts otherwise distributable to the Servicer on the next succeeding Payment Date.

Application of Collections. All collections for each Collection Period shall be applied by the Servicer as follows:

With respect to each Receivable (other than a Purchased Receivable), payments by or on behalf of the Obligor shall be applied to interest and principal in accordance with the Simple Interest Method.

Withdrawals from Series 2007-C Spread Account.

(a) In the event that the Servicer's Certificate with respect to any Determination Date shall state that the Total Distribution Amount with respect to such Determination Date is insufficient to make the payments required to be made on the related Payment Date pursuant to Sections 5.7(a)(i) through (v) and (vii) through (ix), provided however, that with respect to Section 5.7(a)(vii), the amount which may be withdrawn from the Series 2007-C Spread Account shall equal the Noteholders' Parity Deficit Amount, or, if such Payment Date is the Final Scheduled Payment for any Class of Notes, the greater of (i) the Noteholders' Parity Deficit Amount and (ii) the unpaid Note Balance of such Class of Notes (such deficiency being a "Deficiency Claim Amount"), then on the fourth Business Day immediately

preceding the related Payment Date, the Trustee shall deliver to the Collateral Agent, the Owner Trustee, the Note Insurer, and the Servicer, by hand delivery, telex or facsimile transmission, a written notice (a "Deficiency Notice") specifying the Deficiency Claim Amount for such Payment Date. Such Deficiency Notice shall direct the Collateral Agent to remit such Deficiency Claim Amount (to the extent of the funds available to be distributed pursuant to the Master Spread Account Agreement) to the Trustee for deposit in the Collection Account and distribution pursuant to Sections 5.7(a)(i) through (v) and (vii) through (ix), as applicable.

Any Deficiency Notice shall be delivered by 3:00 p.m., New York City time, on the fourth Business Day preceding such Payment Date. The amounts distributed by the Collateral Agent to the Trustee pursuant to a Deficiency Notice shall be deposited by the Trustee into the Collection Account pursuant to Section 5.7(a).

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 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 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 or before the third Business Day preceding each Payment Date, the Trustee shall remit to the Collection Account any amounts delivered to the Trustee by the Collateral Agent pursuant to Section 5.5.

Distributions.

(a) On each Payment Date, the Trustee (based on the information contained in the Servicer's Certificate delivered on the related Determination Date) shall make the following distributions in the following order of priority:

(i) to the Backup Servicer so long as the Backup Servicer is not acting as the successor Servicer, from the Total Distribution Amount, any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Backup Servicing Fees, 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), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Servicing Fees, the Servicing Fee and all unpaid Servicing Fees from prior Collection Periods and all reimbursements to which the Servicer is entitled pursuant to Section 5.3 and an amount, not to exceed \$35,000 per annum, for payment to the taxing authority of the State of Texas on behalf of the Issuer for any Texas franchise or similar tax due and owing by the Issuer (or with respect to the Receivables) and not timely paid by CPS in accordance with the Receivables Purchase Agreement;

(iii) if the Backup Servicer becomes the successor Servicer, to the Backup Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) and (ii) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a), to the extent not previously paid by the predecessor Servicer pursuant to this Agreement, reasonable transition expenses (up to a maximum of \$50,000 for all such expenses incurred over the term of this Agreement) incurred by the Backup Servicer in becoming the successor Servicer;

(iv) concurrently on a pro rata basis, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iii) above),

(A) to the Trustee and the Owner Trustee pro rata, any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a) in respect of Trustee Fees, the Trustee Fees and reasonable out-of-pocket expenses thereof (including 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;

(B) to the Residual Certificateholders pro rata based on their respective Percentage Interests, the Supplemental Residual Certificate Distribution;

provided, however, that expenses and other amounts payable to the Trustee, the Owner Trustee and the Residual Certificateholders pursuant to this clause (iv) shall be limited to a total of \$50,000 per annum; provided further, however, (I) that if an Event of Default specified under Section 5.1(a)(i) or (ii) of the Indenture has occurred and is continuing or (II) if the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) otherwise agrees in writing to waive such \$50,000 per annum limitation described in the first proviso, in its sole discretion, then such expenses payable pursuant to this priority (iv) shall not be so limited;

(v) to the Note Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iv) above), and any amount deposited in the Collection Account pursuant to Sections 5.5(a) and 5.12(a), the Noteholders' Interest Distributable Amount for such Payment Date;

(vi) to the Residual Certificateholders pro rata based on their respective Percentage Interests, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (v) above), the Residual Certificate Interest Distributable Amount for such Payment Date, subject to the limitation thereon contained in the proviso to the definition thereof;

(vii) to the Note Distribution Account from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (vi) above) and any amount deposited in the Collection Account pursuant to Sections 5.5(a) and 5.12(a), the sum of (A) the Noteholders' Principal Distributable Amount and (B) the Noteholders' Parity Deficit Amount, if any;

(viii) to the Note Insurer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (vii) above) and any amount deposited in the Collection Account pursuant to Section 5.5(a), any amounts owing to the Note Insurer under this Agreement and the Insurance Agreement and not paid;

(ix) if any Person other than the Backup Servicer becomes the successor Servicer, to such successor Servicer from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (viii) above), any amount deposited in the Collection Account pursuant to Section 5.5(a) and any amount deposited in the Collection Account pursuant to Section 5.12(a), to the extent not previously paid by the predecessor Servicer pursuant to this Agreement, reasonable transition expenses (up to a maximum of \$50,000 for all such expenses incurred over the term of this Agreement) incurred by such successor Servicer in becoming the successor Servicer;

(x) to the Collateral Agent, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (ix) above) for deposit into the Series 2007-C Spread Account, the remaining Total Distribution Amount until the amount in the Series 2007-C Spread Account equals the Specified Spread Account Requisite Amount;

(xi) to the Note Distribution Account, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (x) above), the Targeted Principal Distributable Amount, if any, for such Payment Date;

(xii) (a) to the Backup Servicer 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 (xi) above), any amounts owing to the Backup Servicer hereunder and any amounts to the Owner Trustee under the Trust Agreement, to the extent not previously paid, (b) to any successor Servicer (including the Backup Servicer, if the Backup Servicer is then acting in such capacity), if any, from the Total Distribution Amount (as such Total Distribution has been reduced by payments made pursuant to clauses (i) through (xi) above), the Successor Servicing Fees due, if any, and (c) to the Servicer from the Total Distribution Amount (as such Total Distribution has been reduced by payments made pursuant to clauses (i) through (xi) above) for payment to the taxing authority of the State of Texas on behalf of the Issuer for any Texas franchise or similar tax due and owing by the Issuer (or with respect to the Receivables), the amount, if any, to be paid to such taxing authority after giving effect to the distribution pursuant to clause (ii) above and not timely paid by CPS in accordance with the Receivables Purchase Agreement;

(xiii) to the Residual Certificateholders pro rata based on their respective Percentage Interests, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (xii) above), the Residual Certificate Interest Distributable Amount remaining to be paid after giving effect to the distribution pursuant to clause (vi) above;

(xiv) to the Residual Certificateholders pro rata based on their respective Percentage Interests, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (xiii) above), the Residual Certificate Principal Distributable Amount, if any, for such Payment Date; and

(xv) to the Residual Certificateholders pro rata based on their respective Percentage Interests, any remaining Total Distribution Amount;

provided, however, that, (A) following an acceleration of the Notes or, (B) if an Insurer Default shall have occurred and be continuing and an Event of Default pursuant to Sections 5.1(a)(i), 5.1(a)(ii) or 5.1(a)(v) of the Indenture shall have occurred and be continuing, the Total Distribution Amount shall be paid pursuant to Section 5.6(a) of the Indenture.

(b) On the Payment Date immediately following the date upon which the Funding Period terminates, the Trustee shall withdraw an amount equal to the Residual Certificate Prepayment Amount from the Collection Account and distribute such amount to the Residual Certificateholders pro rata based on their respective Percentage Interests.

(c) 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.

Note Distribution Account.

(a) On each Payment Date, the Trustee shall distribute all amounts on deposit in the Note Distribution Account to the Noteholders in respect of the Notes to the extent of amounts due and unpaid on the Notes for principal and interest in the following amounts and in the following order of priority:

(i) to the Holders of the Notes, the Noteholders' Interest Distributable Amount; provided that if there are not sufficient funds in the Note Distribution Account to pay the entire amount then due on each Class of Notes, the amount in the Note Distribution Account shall be applied to the payment of such interest on each Class of Notes pro rata on the basis of the amount of accrued and unpaid interest due on each Class of Notes;

(ii) concurrently, to the Holders of each Class of Notes on the Mandatory Redemption Date, pro rata, on the basis of each Class' share of the Aggregate Note Balance, the Note Prepayment Amount;

(iii) to the Holders of the Class A-1 Notes, the sum of (x) the Noteholders' Principal Distributable Amount and (y) the Noteholders' Parity Deficit Amount, if any, until the Class A-1 Note Balance is reduced to zero;

(iv) to the Holders of the Class A-1 Notes, the Targeted Principal Distributable Amount, if any, for such Payment Date until the Class A-1 Note Balance is reduced to zero;

(v) to the Holders of the Class A-2 Notes, the sum of (x) the Noteholders' Principal Distributable Amount (as reduced by any distributions made on such Payment Date pursuant to clause (iii) above) and (y) the Noteholders' Parity Deficit Amount, if any, remaining after distributions made on such Payment Date pursuant to clauses (iii) and (iv) above, until the Class A-2 Note Balance is reduced to zero;

(vi) to the Holders of the Class A-2 Notes, the Targeted Principal Distributable Amount, if any, for such Payment Date until the Class A-2 Note Balance is reduced to zero;

(vii) to the Holders of the Class A-3 Notes, the sum of (x) the Noteholders' Principal Distributable Amount (as reduced by any distributions made on such Payment Date pursuant to clauses (iii) and (v) above) and (y) the Noteholders' Parity Deficit Amount, if any, remaining after distributions made on such Payment Date pursuant to clauses (iii) through (vi) above, until the Class A-3 Note Balance is reduced to zero;

(viii) to the Holders of the Class A-3 Notes, the Targeted Principal Distributable Amount, if any, for such Payment Date until the Class A-3 Note Balance is reduced to zero;

(ix) to the Holders of the Class A-4 Notes, the sum of (x) the Noteholders' Principal Distributable Amount (as reduced by any distributions made on such Payment Date pursuant to clauses (iii), (v) and (vii) above) and (y) the Noteholders' Parity Deficit Amount, if any, remaining after distributions made on such Payment Date pursuant to clauses (iii) through (viii) above, until the Class A-4 Note Balance is reduced to zero; and then

(x) to the Holders of the Class A-4 Notes, the Targeted Principal Distributable Amount, if any, for such Payment Date until the Class A-4 Note Balance is reduced to zero.

(b) On each Payment Date, the Trustee shall provide or make available electronically (or, upon written request, by first class mail or facsimile) 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 related 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. Each Noteholder, by its acceptance of its Note, will be deemed to have further agreed that withdrawals of funds by the Collateral Agent from the Series 2007-C Spread Account for application hereunder, shall be made in accordance with the provisions of the Master Spread Account Agreement.

Certain Rights of the Residual Certificateholders(a) .On each Payment Date, the Trustee shall provide or make available electronically (or, upon written request, send by first class mail or facsimile) to each Residual Certificateholder the statement or statements provided to the Trustee by the Servicer pursuant to Section 5.11 hereof on such Payment Date; PROVIDED, HOWEVER, the Trustee shall have no obligation to provide such information described in this Section 5.9(a) until it has received the requisite information from the Servicer.

(b) In the event that any withholding tax is imposed on the Trust's payment (or allocations of income) to a Residual Certificateholder, such tax shall reduce the amount otherwise distributable to such Residual Certificateholder in accordance with Section 5.7(a). The Trustee is hereby

authorized and directed to retain from amounts otherwise distributable to the Residual Certificateholders sufficient funds for the payment of any tax that is legally owed by the Trust (but such authorization shall not prevent the Trustee from contesting any such tax in appropriate proceedings, and withholding payment of such tax, if permitted by law, pending the outcome of such proceedings). The amount of any withholding tax imposed with respect to a Residual Certificateholder shall be treated as cash distributed to such Residual Certificateholder at the time it is withheld by the Trust and remitted to the appropriate taxing authority. If, after consultations with experienced counsel, the Trustee determines that there is a reasonable likelihood that withholding tax is payable with respect to a distribution (such as a distribution to a Non-United States Investor), the Trustee may in its sole discretion withhold such amounts in accordance with this clause (c). In the event that a Residual Certificateholder wishes to apply for a refund of any such withholding tax, the Trustee shall reasonably cooperate with such Residual Certificateholder in making such claim so long as such Residual Certificateholder agrees to reimburse the Trustee for any out-of-pocket expenses incurred.

(c) Distributions required to be made to Residual Certificateholders on any Payment Date shall be made to each Residual Certificateholder of record on the preceding Record Date either by wire transfer, in immediately available funds, to the account of such Residual Certificateholder at a bank or other entity having appropriate facilities therefor, if (i) such Residual Certificateholder shall have provided to the Certificate Registrar appropriate written instructions at least five Business Days prior to such Payment Date and such Residual Certificateholder's Residual Pass-through Certificates in the aggregate evidence a denomination of not less than \$1,000,000 or (ii) such Residual Certificateholder is the Seller, or an Affiliate thereof, or, if not, by check mailed to such Residual Certificateholder at the address of such holder appearing in the Certificate Register. Notwithstanding the foregoing, the final distribution in respect of any Residual Pass-through Certificate will be payable only upon presentation and surrender of such Residual Pass-through Certificate at the office or agency maintained for that purpose by the Certificate Registrar pursuant to Section 3.8 of the Trust Agreement.

Each Residual Certificateholder, by its acceptance of its Residual Pass-through Certificate, will be deemed to have consented to the provisions of Sections 5.7, 5.8 and 5.9 relating to the priority of payments, and will be further deemed to have acknowledged that no property rights in any amount or the proceeds of any such amount shall vest in such Residual Certificateholder until such amounts have been distributed to such Residual Certificateholder pursuant to such provisions; PROVIDED, that the foregoing shall not restrict the right of any Residual Certificateholder, upon compliance with the provisions hereof from seeking to compel the performance of the provisions hereof by the parties hereto. Each Residual Certificateholder, by its acceptance of its Residual Pass-through Certificate, will be deemed to have further agreed that withdrawals of funds by the Collateral Agent from the Series 2007-C Spread Account for application hereunder, shall be made in accordance with the provisions of the Master Spread Account Agreement.

Each Residual Certificateholder, by its acceptance of a Residual Pass-through Certificate, further specifically acknowledges that it has no right to or interest in any moneys at any time held pursuant to the Master Spread Account Agreement prior to the release of such moneys as aforesaid, such moneys being held in trust for the benefit of the Securityholders and the Note Insurer as their interests may appear prior to such release. Notwithstanding the foregoing, in the event that it is ever determined that any property held in the Series 2007-C Spread Account constitutes a pledge of collateral, then the provisions of this Agreement and the Master Spread Account Agreement shall be considered to constitute a security agreement and the Residual Certificateholders hereby grant to the Collateral Agent a first priority perfected security interest in such amounts, to be applied as set forth in Section 3.03(b) of the Master Spread Account Agreement. In addition, each Residual Certificateholder, by its acceptance of a Residual Pass-through Certificate, hereby grants a first priority perfected security interest in its interest in the Series 2007-C Spread Account, if any, and any property held therein from time to time to the Collateral Agent for the benefit of the Note Insurer pursuant to the Master Spread Account Agreement and agrees to execute and deliver such instruments of conveyance, assignment, grant, confirmation, etc., as well as any financing statements, in each case as the Note Insurer shall consider reasonably necessary in order to perfect the Collateral Agent's Security Interest in the Collateral (as such terms are defined in the Master Spread Account Agreement).

Pre-Funding Account.

(a) On the Closing Date, the Trustee will deposit, on behalf of the Seller, the Pre-Funded Amount into the Pre-Funding Account from the proceeds of the sale of the Notes. On each Subsequent Transfer Date, the Servicer shall instruct the Trustee to withdraw from the Pre-Funding Account (i) an amount equal to the excess of (a) the Principal Balance of the Subsequent Receivables transferred to the Issuer on such Subsequent Transfer Date over (b) the Subsequent Spread Account Deposit for such Subsequent Transfer Date, and to distribute such amount to or upon the order of the Seller upon satisfaction of the conditions set forth in this Agreement with respect to such transfer; and (ii) an amount equal to the Subsequent Spread Account Deposit on such Subsequent Transfer Date and deposit such amount into the Series 2007-C Spread Account upon satisfaction of the conditions set forth in this Agreement with respect to such transfer.

(b) If the Pre-Funded Amount has not been reduced to zero on the date on which the Funding Period ends, after giving effect to any reductions in the Pre-Funded Amount on such date, the Servicer shall instruct the Trustee to withdraw from the Pre-Funding Account on the Mandatory Redemption Date the Pre-Funded Amount (exclusive of any Pre-Funding Earnings) and deposit an amount equal to the Note Prepayment Amount into the Note Distribution Account and an amount equal to the Residual Certificate Prepayment Amount into the Collection Account.

(c) All Pre-Funding Earnings will be deposited in the Collection Account on each Payment Date and deemed to be part of the Total Distribution Amount.

Statements to Securityholders.

(a) On or prior to each Payment Date, the Servicer shall provide to the Trustee and the Owner Trustee (with a copy to the Note Insurer and the Rating Agencies) for the Trustee and the Owner Trustee to forward to each Securityholder of record (in the case of the Trustee, pursuant to Sections 5.8(b) and 5.9(a) hereof) the statement or statements provided by the Servicer in substantially the form attached hereto as Exhibit E setting forth at least the following information as to the Notes and the Residual Pass-through Certificates to the extent applicable:

(i) the amount of such distribution allocable to principal of each Class of Notes and the Residual Certificate Principal Distributable Amount;

(ii) the amount of such distribution allocable to interest on or with respect to each Class of Notes and Residual Certificate Interest Distributable Amount;

(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 and the Residual Certificate Notional Balance after giving effect to the Residual Certificate Principal Distributable Amount 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, the Trustee Fees and the Cayman Trustee Fees paid to the Backup Servicer, the Trustee, the Owner Trustee and the Cayman Trust, as applicable, and the Supplemental Residual Certificate Distribution, if any, in each case with respect to the related Collection Period, and the amount of any unpaid

Backup Servicing Fees, Trustee Fees and Cayman Trustee Fees and the amount of any unpaid Supplemental Residual Certificate Distributions and the change in all such amounts from the prior Payment Date;

(vii) the Noteholders' Interest Carryover Shortfall for each Class of Notes and the Residual Certificate Interest Carryover Shortfall for such Payment Date;

(viii) the amount, if any, paid to the Noteholders under the Note Policy or from the Series 2007-C Spread Account for such Payment Date;

(ix) the amount distributable to the Note Insurer on such Payment Date;

(x) the aggregate amount in the Series 2007-C Spread Account and the change in such amount from the previous Payment Date and the Specified Spread Account Requisite Amount for such Payment Date;

(xi) the number of Receivables and the aggregate gross amount scheduled to be paid thereon, including unearned finance and other charges, for which the related Obligor is delinquent in making Scheduled Receivable Payments for (a) 31 to 60 days, (b) 61 to 90 days, and (c) 91 days or more;

(xii) the aggregate amount in the Capitalized Interest Account and the change in such amount from the previous Payment Date and the Requisite Reserve Amount for such Payment Date;

(xiii) 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;

(xiv) the Principal Balance of all Receivables that have become Liquidated Receivables, net of Recoveries, during the related Collection Period;

(xv) 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;

(xvi) for any Payment Date during the Funding Period, the Pre-Funded Amount and the change in such amount from the previous Payment Date;

(xvii) for the Mandatory Redemption Date, the amount of any remaining Pre-Funded Amount that was not used to fund the purchase of Subsequent Receivables;

(xviii) the amount, if any, paid by the Note Insurer to the Trustee for deposit into the Collection Account pursuant to Section 5.12;

(xix) 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; and

(xx) the Three-Month Rolling Average Extension Ratio, the Cumulative Net Loss Rate, the Delinquency Ratio and the Three-Month Rolling Average Delinquency Ratio.

(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.

Optional Deposits by the Note Insurer; Notice of Waivers.

(a) The Note Insurer shall at any time, and from time to time, with respect to a Payment Date, have the option (but shall not be required, except as provided in Section 6.1(a)) to deliver amounts to the Trustee for deposit into the Collection Account for any of the following purposes: (i) to provide funds in respect of the payment of fees or expenses of any provider of services to the Trust with respect to such Payment Date, or (ii) to include such amount as part of the Total Distribution Amount for such Payment Date, in each case only to the extent that without such amount a draw would be required to be made on the Note Policy.

(b) If the Note Insurer waives the satisfaction of any of the events that might trigger an Insurance Agreement Event of Default and so notifies the Trustee in writing pursuant to Section 5.02(d) of the Insurance Agreement, the Trustee shall notify Moody's and S&P of such waiver.

ARTICLE VI

THE NOTE POLICY

Claims Under Note Policy.

(a) In the event that the Trustee has delivered a Deficiency Notice with respect to any Determination Date pursuant to Section 5.5 hereof, the Trustee shall on the related Draw Date determine whether the application of funds in accordance with Section 5.7, together with any amounts deposited by the Note Insurer pursuant to Section 5.12 and the application of any Deficiency Claim Amount pursuant to Section 5.5 would result in a shortfall in amounts distributable pursuant to Sections 5.7(a)(v) and 5.7(a)(vii) on any Payment Date; provided, however, in calculating such shortfall, any portion of the Noteholders' Interest Distributable Amount due to the Noteholders representing interest on any Noteholders' Interest Carryover Shortfall accrued from and including the date of payment of the amount of such Noteholders' Interest Carryover Shortfall shall be excluded from such shortfall; provided, further, in calculating such shortfall, the amount distributable pursuant to Section 5.7(a)(vii) shall equal the Noteholders' Parity Deficit Amount, or, if such Payment Date is the Final Scheduled Payment for any Class of Notes, the greater of (i) the Noteholders' Parity Deficit Amount and (ii) the unpaid Note Balance of such Class of Notes (any such shortfall, a "Note Policy Claim Amount"). If the Note Policy Claim Amount for such Payment Date is greater than zero, the Trustee shall furnish to the Note Insurer no later than 12:00 noon New York City time on the related Draw Date a completed Notice of Claim (as defined in clause (b) below) in the amount of the Note Policy Claim Amount. Amounts paid by the Note Insurer pursuant to a claim submitted under this Section 6.1 shall be deposited by the Trustee into the Note Distribution Account for payment to Noteholders on the related Payment Date.

(b) Any notice delivered by the Trustee to the Note Insurer pursuant to Section 6.1(a) shall specify the Note Policy Claim Amount claimed under the Note Policy and shall constitute a "Notice of Claim" (as defined in the Note Policy). In accordance with the provisions of the Note Policy, the Note Insurer is required to pay to the Trustee the Note Policy Claim Amount properly claimed thereunder by 12:00 noon, New York City time, on the later of (i) the third Business Day (as defined in the Note Policy) following receipt on a Business Day of the Notice of Claim, and (ii) the applicable Payment Date. Any payment made under the Note Policy by the Note Insurer shall be applied solely to the payment of the Notes, and for no other purpose.

(c) The Trustee shall (i) receive as attorney-in-fact of each Noteholder any Note Policy Claim Amount from the Note Insurer and (ii) deposit the same in the Note Distribution Account for distribution to Noteholders. Any and all Note Policy Claim Amounts disbursed by the Trustee from claims made under the Note Policy shall not be considered payment by the Trust or from the Series 2007-C Spread Account with respect to such Notes, and shall not discharge the obligations of the Trust with respect thereto. The Note Insurer shall, to the extent it makes any payment with respect to the Notes, become subrogated to the rights of the recipients of such payments to the extent of such payments. Subject to and conditioned upon any payment with respect to the Notes by or on behalf of the Note Insurer, the Trustee and the Noteholders shall assign to the Note Insurer all rights to the payment of interest or principal with respect to the Notes which are then due for payment to the extent of all payments made by the Note Insurer, and the Note Insurer may exercise any option, vote, right, power or the like with respect to the Notes to the extent that it has made payment pursuant to the Note Policy. To evidence such subrogation, the Note Registrar shall note the Note Insurer's rights as subrogee upon the register of Noteholders upon receipt from the Note Insurer of proof of payment by the Note Insurer of any Noteholders' Interest Distributable Amount, Noteholders' Parity Deficit Amount or Noteholders' Principal Distributable Amount. The foregoing subrogation shall in all cases be subject to the rights of the Noteholders to receive all Scheduled Payments (as defined in the Note Policy).

(d) The Trustee shall keep a complete and accurate record of all funds deposited by the Note Insurer into the Note Distribution Account and the allocation of such funds to payment of interest on and principal paid in respect of any Note. The Note Insurer shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Trustee.

(e) The Trustee shall be entitled to enforce on behalf of the Noteholders the obligations of the Note Insurer under the Note Policy. Notwithstanding any other provision of this Agreement or any Basic Documents, the Noteholders are not entitled to make any claims under the Note Policy or institute proceedings directly against the Note Insurer.

Preference Claims.

(a) In the event that the Trustee has received a certified copy of an order of the appropriate court that any Scheduled Payment (as defined in the Note Policy) paid on a Note has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Trustee shall so notify the Note Insurer, shall comply with the provisions of the Note Policy to obtain payment by the Note Insurer of such avoided payment, and shall, at the time it provides notice to the Note Insurer, notify Holders of the Notes by mail that, in the event that any Noteholder's payment is so recoverable, such Noteholder will be entitled to payment pursuant to the terms of the Note Policy. The Trustee shall furnish to the Note Insurer its records evidencing the payments of principal of and interest on Notes, if any, which have been made by the Trustee and subsequently recovered from Noteholders, and the dates on which such payments were made. Pursuant to the terms of the Note Policy, the Note Insurer will make such payment on behalf of the Noteholder to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Final Order (as defined in the Note Policy) and not to the Trustee or any Noteholder directly (unless a Noteholder has previously paid such payment to the receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case the Note Insurer will make such payment to the Trustee for distribution to such Noteholder upon proof of such payment reasonably satisfactory to the Note Insurer).

(b) The Trustee shall promptly notify the Note Insurer of any proceeding or the institution of any action (of which the Trustee has actual knowledge) seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (a "Preference Claim") of any distribution made with respect to the Notes. Each Holder, by its purchase of Notes, and the Trustee hereby agrees that so long as an Insurer Default shall not have occurred and be continuing, the Note Insurer may at any time during the continuation of any proceeding relating to a Preference Claim direct all matters relating to such Preference Claim including, without limitation, (i) the direction of any appeal of any order relating to any Preference Claim and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the Note Insurer, but subject to reimbursement as provided in the Insurance Agreement. In addition, and without limitation of the foregoing, as set forth in Section 6.1(c), the Note Insurer shall be subrogated to, and each Noteholder and the Trustee hereby delegate and assign, to the fullest extent permitted by law, the rights of the trustee and each Noteholder in the conduct of any proceeding with respect to a Preference Claim, including, without limitation, all rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Preference Claim.

Surrender of Note Policy. The Trustee shall surrender the Note Policy to the Note Insurer for cancellation upon the expiration of such policy in accordance with the terms thereof.

ARTICLE VII

[RESERVED]

ARTICLE VIII

THE SELLER

Representations of the Seller. The Seller makes the following representations for the benefit of the Securityholders and on which the Note Insurer shall be deemed to have relied in executing and delivering the Note Policy, on which the Issuer is deemed to have relied in acquiring the Receivables and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party. The representations speak as of the execution and delivery of this Agreement, as of the Closing Date, and as of each Subsequent Transfer Date, and shall survive each 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 incorporated and is validly existing as a corporation solely under the laws of the State of California and is in good standing under the laws of the State of California, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and now has, power, authority and legal right to acquire, own and sell the Receivables and the Other Conveyed Property transferred to the Trust.

(b) Due Qualification. The Seller is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business 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 incorporation or by-laws of the Seller, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Seller is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than the Basic Documents, or violate any law, order, rule or regulation applicable to the Seller of any court or of any Federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or any of its properties.

(f) No Proceedings. There are no proceedings or investigations pending or, to the Seller's knowledge, threatened against the Seller, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Seller or its properties (A) asserting the invalidity of this Agreement, the Securities or any of the Basic Documents, (B) seeking to prevent the issuance of the Securities or the consummation of any of the transactions contemplated by this Agreement or any of the Basic Documents, (C) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement or any of the Basic Documents, or (D) relating to the Seller and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Securities.

(g) No Consents. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required for the issuance or sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(h) 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. The officer's certificates, statements, reports and other documents prepared by Seller and furnished by Seller to the Note Insurer or 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, 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 16355 Laguna Canyon, Irvine, CA 92618 and its organizational number is 3544934.

(n) Separateness Covenants. The Seller is in compliance in all material respects with Article VIII of its Articles of Incorporation relating to the separateness of the Seller from any other Person.

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.

Changes to Seller's Contract Purchase Guidelines. The Seller covenants that it will not make any material changes to the Seller's Contract Purchase Guidelines, or its classification of Obligors within such programs during the Funding Period unless (i) the Controlling Party expressly consents in writing to such changes and (ii) after giving effect to any such changes, the Rating Agency Condition is satisfied.

Liability of Seller; Indemnities. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement.

(a) The Seller shall indemnify, defend and hold harmless the Issuer, the Owner Trustee, the Note Insurer, the 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, the Backup Servicer and the Note Insurer and except any taxes to which the Owner Trustee, or the Trustee may otherwise be subject), including without limitation any sales, gross receipts, general corporation, tangible personal property, privilege or license taxes (but, in the case of the Issuer and the 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, the Note Insurer and the Securityholders from and against any loss, liability or expense incurred by reason of (i) the Seller's willful misfeasance, bad faith or negligence in the performance of its duties under this Agreement, or by reason of reckless disregard of its obligations and duties under this Agreement and (ii) the Seller's or the Issuer's violation of Federal or State securities laws in connection with the offering and sale of the Notes or the Residual Pass-through Certificates.

(c) The Seller shall indemnify, defend and hold harmless the Owner Trustee, the Trustee, and the Backup Servicer and its officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of, or incurred in connection with the acceptance or performance of the trusts and duties set forth herein and in the Basic Documents except to the extent that such cost, expense, loss, claim, damage or liability shall be due to the willful misfeasance, bad faith or negligence (except for errors in judgment) of the Owner Trustee.

Indemnification under this Section shall survive the resignation or removal of the Owner Trustee or the Trustee and the termination of this Agreement or the Indenture or the Trust Agreement, as applicable, and shall include reasonable fees and expenses of counsel and other expenses of litigation. If the Seller shall have made any indemnity payments pursuant to this Section and the Person to or on behalf of whom such payments are made thereafter shall collect any of such amounts from others, such Person shall promptly repay such amounts to the Seller, without interest.

Merger or Consolidation of, or Assumption of the Obligations of, Seller. Any Person (a) into which the Seller may be merged or consolidated, (b) which may result from any merger or consolidation to which the Seller shall be a party or (c) which may succeed to the properties and assets of the Seller substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Seller under this Agreement, shall be the successor to the Seller hereunder without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) the Seller shall have received the written consent of the Note Insurer prior to entering into any such transaction, (ii) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 3.1 shall have been breached and no Servicer Termination Event, and no event which, after notice or lapse of time, or both, would become a Servicer Termination Event shall have occurred and be continuing, (iii) the Seller shall have delivered to the Owner Trustee, the Trustee and the Note Insurer an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, (iv) the Rating Agency Condition shall have been satisfied with respect to such transaction and (v) the Seller shall have delivered to the Owner Trustee, the Trustee and the Note Insurer an Opinion of Counsel stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements and amendments thereto have been 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), (iv) and (v) above shall be conditions to the consummation of the transactions referred to in clauses (a), (b) or (c) above.

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.

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 (other than the Cayman Trust), during the time such Securities are so owned by them, shall be without voting rights for any purpose set forth in the Basic Documents and such Securities shall not be entitled to the benefits of the Note Policy. The Seller shall notify the Owner Trustee, the Trustee and the Note Insurer promptly after it or any of its Affiliates become the owner of a Security.

ARTICLE IX

THE SERVICER

Representations of Servicer. The Servicer makes the following representations for the benefit of the Securityholders and on which the Note Insurer shall be deemed to have relied in executing and

delivering the Note Policy, on which the Issuer is deemed to have relied in acquiring the Receivables and on which the Trustee is deemed to have relied in executing and performing pursuant to this Agreement, the Indenture and the other Basic Documents to which it is a party. The representations speak as of the execution and delivery of this Agreement, as of the Closing Date, and as of each Subsequent Transfer 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. 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.

(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 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: 16355 Laguna Canyon, Irvine, CA 92618.

Liability of Servicer; Indemnities.

(a) The Servicer (in its capacity as such) shall be liable hereunder only to the extent of the obligations in this Agreement specifically undertaken by the Servicer and the representations made by the Servicer.

(i) The Servicer shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Backup Servicer, the Collateral Agent, the Note Insurer, 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, the Collateral Agent, the Note Insurer, 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 Collateral Agent, the Note Insurer, each 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 Note Insurer, each 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, the Backup Servicer and the Collateral Agent from and against all costs, expenses, losses, claims, damages, and liabilities arising out of or incurred in connection with the acceptance or performance of the trusts and duties herein contained or in the Trust Agreement, if

any, except to the extent that such cost, expense, loss, claim, damage or liability: (A) shall be due to the willful misfeasance, bad faith, or negligence (except for errors in judgment) of the Trustee, the Owner Trustee, the Backup Servicer or the Collateral Agent, as applicable or (B) relates to any tax other than the taxes with respect to which the Servicer shall be required to indemnify the Trustee, the Owner Trustee, the Backup Servicer or the Collateral Agent.

(v) CPS shall indemnify, defend and hold harmless the Trust, the Trustee, the Owner Trustee, the Backup Servicer, the Collateral Agent, the Note Insurer 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.

Merger or Consolidation of, or Assumption of the Obligations of, the Servicer or Backup Servicer.

(a) CPS shall not merge or consolidate with any other person, convey, transfer or lease substantially all its assets as an entirety to another Person, or permit any other Person to become the successor to CPS's business unless, after the merger, consolidation, conveyance, transfer, lease or succession, the successor or surviving entity shall be capable of fulfilling the duties of CPS contained in this Agreement. Any corporation (i) into which CPS may be merged or consolidated, (ii) resulting from any merger or consolidation 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, the Note Insurer and each Rating Agency. Notwithstanding the foregoing, CPS shall not merge or consolidate with any other Person or permit any other Person to become a successor to CPS's business, unless (x) immediately after giving effect to such transaction, no representation, warranty or covenant made pursuant to Sections 9.1 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 an Insurance Agreement Event of Default shall have occurred and be continuing, (y) CPS shall have delivered to the Owner Trustee, the Trustee, the Rating Agencies and the Note Insurer an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger or succession and such

agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, and (z) CPS shall have delivered to the Owner Trustee, the Trustee, the Rating Agencies and the Note Insurer an Opinion of Counsel, stating in the opinion of such counsel, either (A) all financing statements and continuation statements and amendments thereto have been 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.

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.

Delegation of Duties. The Servicer may at any time delegate duties under this Agreement to sub-contractors who are in the business of servicing automotive receivables with the prior written consent of the Controlling Party as determined pursuant to Section 13.15; provided, however, that no such delegation or sub-contracting of duties by the Servicer shall relieve the Servicer of its responsibility with respect to such duties.

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 which would have a material adverse effect on the Servicer or the Backup Servicer, as the case may be, and the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing) or a Note Majority (if an Insurer Default shall have occurred and be continuing) or, if the Notes are no longer outstanding, the Majority Certificateholders, do not elect to waive the obligations of the Servicer or the Backup Servicer, as the case may be, to perform the duties which render it legally unable to act or to delegate those duties to another Person or, (ii) in the case of the Backup Servicer, upon the prior written consent of the Note Insurer. 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, the Owner Trustee and the Note Insurer (unless an Insurer Default shall have occurred and be continuing). No resignation of the Servicer shall become effective until, so long as no Insurer Default shall have occurred and be continuing, the Backup Servicer or an entity acceptable to the Note Insurer shall have assumed the responsibilities and obligations of the Servicer or, if an Insurer Default shall have occurred and be continuing, the Backup Servicer or a successor Servicer that is an

Eligible Servicer shall have assumed the responsibilities and obligations of the Servicer. No resignation of the Backup Servicer shall become effective until, so long as no Insurer Default shall have occurred and be continuing, an entity acceptable to the Note Insurer shall have assumed the responsibilities and obligations of the Backup Servicer or, if an Insurer Default shall have occurred and be continuing a Person that is an Eligible Servicer shall have assumed the responsibilities and obligations of the 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

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 the Securityholders and the Note Insurer or for deposit into the Collection Account or the Series 2007-C 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 knowledge thereof by the Servicer or after written notice is received by the Servicer from the Trustee or the Note Insurer (unless an Insurer Default shall have occurred and be continuing, in which case from a Note Majority) or, after the Notes have been paid in full and all amounts due to the Note Insurer have been paid in full, from Majority Certificateholders, or after discovery of such failure by a Responsible Officer of the Servicer; or

(b) Failure by the Servicer to deliver to the Trustee and the Note Insurer (so long as an Insurer Default shall not have occurred and be continuing), the Servicer's Certificate within three days after the date on which such Servicer's Certificate is required to be delivered under Section 4.9, or failure on the part of the Servicer to observe or perform its covenants and agreements set forth in Section 9.3(a); or

(c) Failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in this Agreement 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 (determined without regard to the availability of funds under the Note Policy), the Note Insurer (unless an Insurer Default shall have occurred and be continuing) or the Residual Certificateholders (after the Notes have been paid in full and all other amounts owed to the Note Insurer have been paid in full and the Note Policy has expired in accordance with its terms), 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 (1) to the Servicer by the Trustee or the Note Insurer or (2) or, if an Insurer Default shall have occurred and be continuing, to the Servicer, the Trustee and the Note Insurer by each of the Holders of Notes evidencing not less than 25% of the aggregate outstanding Note Balance of each Class of Notes or, after the Notes have been paid in full and all amounts due to the Note Insurer have been paid in full, by the Majority Certificateholders; or

(d) The occurrence of an Insolvency Event with respect to the Servicer or the Seller (or, for so long as CPS is Servicer, any of the Specified Affiliates); or

(e) Failure on the part of the Servicer to observe its covenants and agreements relating to (a) merger or consolidation or (b) 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, the Note Insurer or the Securityholders and, within 30 days after the earlier of knowledge thereof by the Servicer or after written notice thereof shall have been given (1) to the Servicer by the Collateral Agent, the Trustee or the Note Insurer or (2) if an Insurer Default shall have occurred and be continuing, to the Servicer and to the Trustee and the Note Insurer by each of the Holders of Notes evidencing not less than 25% of the aggregate outstanding Note Balance of each Class of Notes or, after the Notes have been paid in full and all amounts due to the Note Insurer have been paid in full, by the Majority Certificateholders, the circumstances or condition in respect of which such representation, warranty or statement was incorrect shall not have been eliminated or otherwise cured; or

(g) So long as an Insurer Default shall not have occurred and be continuing, the Note Insurer shall not have delivered a Servicer Extension Notice pursuant to Section 4.14; or

(h) So long as an Insurer Default shall not have occurred and be continuing, an Insurance Agreement Event of Default shall have occurred; or

(i) A claim is made under the Note Policy.

Consequences of a Servicer Termination Event. If a Servicer Termination Event shall occur and be continuing, the Note Insurer (or, if an Insurer Default shall have occurred and be continuing either the Trustee (to the extent it has knowledge thereof) or the Holders of Notes evidencing not less than 25% of the aggregate outstanding Note Balance for each Class of Notes or, after the Notes have been paid in full and all amounts due to the Note Insurer have been paid in full, the Majority Certificateholders), by notice given in writing to the Servicer (and to the Trustee if given by the Note Insurer or the Noteholders) or by non-extension of the term of the Servicer as referred to in Section 4.14 may terminate all of the rights and obligations of the Servicer under this Agreement. The Servicer shall be entitled to its pro rata share of the Servicing Fee for the number of days in the Collection Period prior to the effective date of its termination. On or after the receipt by the Servicer of such written notice or upon termination of the term of the Servicer, all authority, power, obligations and responsibilities of the Servicer under this Agreement, whether with respect to the Notes, the 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 by the Controlling Party under Section 10.3); provided, however, that the successor Servicer shall have no liability with respect to any obligation which was required to be performed by the terminated Servicer prior to the date that the successor Servicer becomes the Servicer or any claim of a third party based on any alleged action or inaction of the terminated Servicer. The successor Servicer is authorized and empowered by this Agreement to execute and deliver, on behalf of the terminated Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of the Receivables and the Other Conveyed Property and related documents to show the Trust as lienholder or secured party on the related Lien Certificates, or otherwise. The terminated Servicer agrees to cooperate with the successor Servicer in effecting the termination of the responsibilities and rights of the terminated Servicer under this Agreement, including, without limitation, the transfer to the successor Servicer for administration by it of all cash amounts that shall at the time be held by the terminated Servicer for deposit, or have been deposited by the terminated Servicer, in the Collection Account or thereafter received with respect to the Receivables and the delivery to the successor Servicer of all Receivable Files that shall at the time be held by the terminated Servicer and a computer tape in readable form as of the most recent Business Day containing all information necessary to enable the successor Servicer to service the Receivables and the Other Conveyed Property. All reasonable costs and expenses (including 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 predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. In addition, any successor Servicer shall be entitled to payment from the immediate predecessor Servicer for reasonable transition expenses incurred in connection with acting as successor Servicer, and to the extent not so paid, such payment shall be made pursuant to Section 5.7(a)

hereof. Upon receipt of notice of the occurrence of Servicer Termination Event, the Trustee shall give notice thereof to the Rating Agencies. If requested by the Controlling Party, the successor Servicer shall terminate the Lockbox Agreement and direct the Obligor to make all payments under the Receivables directly to the successor Servicer (in which event the successor Servicer shall process such payments in accordance with Section 4.2(e)), or to a lockbox established by the successor Servicer at the direction of the Controlling Party, at the successor Servicer's expense. The terminated Servicer shall grant the Trustee, the successor Servicer and the Controlling Party reasonable access to the terminated Servicer's premises at the terminated Servicer's expense.

Appointment of Successor.

(a) On and after the time the Servicer receives a notice of termination pursuant to Section 10.2, upon non-extension of the servicing term as referred to in Section 4.14, or upon the resignation of the Servicer pursuant to Section 9.6, the predecessor Servicer shall continue to perform its functions as Servicer under this Agreement, in the case of termination, only until the date specified in such termination notice or, if no such date is specified in a notice of termination, until receipt of such notice and, in the case of expiration and non-renewal of the term of the Servicer upon the expiration of such term, and, in the case of resignation, until the later of (x) the date 45 days from the delivery to the Trustee of written notice of such resignation (or written confirmation of such notice) in accordance with the terms of this Agreement and (y) the date upon which the predecessor Servicer shall become unable to act as Servicer, as specified in the notice of resignation and accompanying Opinion of Counsel. In the event of termination of the Servicer, Wells Fargo Bank, National Association, as Backup Servicer, shall assume the obligations of Servicer hereunder on the date specified in such written notice (the "Assumption Date") pursuant to the Servicing Assumption Agreement or, in the event that the Note Insurer shall have determined that a Person other than the Backup Servicer shall be the successor Servicer in accordance with Section 10.2, on the date of the execution of a written assumption agreement by such Person to serve as successor Servicer. Notwithstanding the 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. Notwithstanding the above, if the Backup Servicer shall be legally unable or unwilling to act as Servicer, and an Insurer Default shall have occurred and be continuing, the Backup Servicer, the Trustee or a Note Majority or, if the Note Balance has been reduced to zero and all amounts due and owing to the Note Insurer have been paid in full and the Policy has expired in accordance with its terms, the Majority Certificateholders may petition a court of competent jurisdiction to appoint any Eligible Servicer as the successor to the Servicer. Pending appointment pursuant to the preceding sentence, the 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. Subject to Section 9.6, no provision of this Agreement shall be construed as relieving the Backup Servicer of its obligation to succeed as successor Servicer upon the termination of the Servicer pursuant to Section 10.2, the resignation of the Servicer pursuant to Section 9.6 or the non-extension of the servicing term of the Servicer, as referred to in Section 4.14. If upon the termination of the Servicer pursuant to Section 10.2 or the resignation of the Servicer pursuant to Section 9.6, the Controlling Party appoints a successor Servicer other than the Backup Servicer, the Backup Servicer shall not be relieved of its duties as Backup Servicer hereunder.

(b) Any successor Servicer shall be entitled to receive the compensation set forth in Section 5.7(a)(ii), (iii), (ix) and (xii).

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 Agencies.

Waiver of Past Defaults. The Controlling Party may 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.

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 which would give rise to a right of termination under such Section upon the Servicer's failure to remedy the same after notice, the Trustee shall give notice thereof to the Servicer and the Note Insurer. For all purposes of this Agreement (including, without limitation, Section 6.2(b) and this Section 10.6), the Trustee shall not be deemed to have knowledge of any failure of the Servicer as specified in Sections 10.1(c) through (i) unless notified thereof in writing by the Servicer, the Note Insurer or by a Securityholder. The Trustee shall be under no duty or obligation to investigate or inquire as to any potential failure of the Servicer specified in Section 10.1.

ARTICLE XI

TERMINATION

Optional Purchase of All Receivables.

(a) On any Payment Date on or after the last day of any Collection Period as of which the Collateral Balance shall be less than or equal to 10% of the Original Collateral Balance, the Servicer shall have the option to purchase the Owner Trust Estate, other than the Trust Accounts (with the consent of the Note Insurer if such purchase would result in a claim on the Note Policy or would result in any amount owing under the Insurance Agreement remaining unpaid). To exercise such option, the Servicer shall (subject to the proviso below) deposit in the Collection Account pursuant to Section 5.6 an amount equal to the 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, the Note Insurer and the Trustee, and shall succeed to all interests in and to the Trust; provided, however, that the amount to be paid for such purchase shall be sufficient to pay the (i) the aggregate outstanding Note Balance, (ii) the outstanding Residual Certificate Notional Balance, (iii) accrued and unpaid interest on the Notes, (iv) any accrued and unpaid Residual Certificate Interest Distributable Amount, (v) any unpaid Supplemental Residual Certificate Distribution, and (vi) the unpaid expenses of the Trust and the Note Insurer (and any expense reimbursements due to any Person under the Insurance Agreement), including without limitation expenses incurred by the Trust and the Note Insurer 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 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 the Seller and delivered to the Trustee and necessary to vest in CPS 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, the Note Insurer and the Rating Agencies as soon as practicable after the Servicer has received notice thereof.

(c) Following the satisfaction and discharge of the Indenture and the payment in full of the principal of and interest on the Notes, the Residual Certificateholders will succeed to the rights of the Noteholders hereunder and the Owner Trustee will succeed to the rights of, and assume the obligations of, the Trustee under this Agreement.

ARTICLE XII

ADMINISTRATIVE DUTIES OF THE SERVICER

Administrative Duties.

(a) Duties with Respect to the Indenture. The Servicer shall perform all its duties and the duties of the Issuer under the Indenture. In addition, the Servicer shall consult with the Owner Trustee as the Servicer deems appropriate regarding the duties of the Issuer under the Indenture. The Servicer shall monitor the performance of the Issuer and shall advise the Owner Trustee when action is necessary to comply with the Issuer's duties under the Indenture. The Servicer shall prepare for execution by the Issuer or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer to prepare, file or deliver pursuant to the Indenture. In furtherance of the foregoing, the Servicer shall take all necessary action that is the duty of the Issuer to take pursuant to the Indenture, including, without limitation, pursuant to Sections 2.7, 3.5, 3.6, 3.7, 3.9, 3.17, 5.1(b), 7.3, 8.3, 9.2, 9.3, 11.1 and 11.15 of the Indenture.

(b) Duties with Respect to the Issuer.

(i) In addition to the duties of the Servicer set forth in this Agreement or any of the Basic Documents, the Servicer shall perform such calculations and shall prepare for execution by the Issuer or the Owner Trustee or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer or the Owner Trustee to prepare, file or deliver pursuant to this Agreement or any of the Basic Documents or under State and Federal tax and securities laws, and at the request of the Owner Trustee shall take all appropriate action that it is the duty of the Issuer to take pursuant to this Agreement or any of the Basic Documents, including, without limitation, pursuant to Sections 2.6 and 2.10 of the Trust Agreement. In accordance with the directions of the Issuer or the Owner Trustee, the Servicer shall administer, perform or supervise the performance of such other activities in connection with the Collateral (including the Basic Documents) as are not covered by any of the foregoing provisions and as are expressly requested by the Issuer or the Owner Trustee and are reasonably within the capability of the Servicer. 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 Paying Agents and successor Trustees pursuant to the Indenture or the appointment of successor Servicers or the consent to the assignment by the Note Registrar, Paying Agent or Trustee of its obligations under the Indenture; and

(v) the removal of the Trustee.

(e) Exceptions. Notwithstanding anything to the contrary in this Agreement except as expressly provided herein or in the other Basic Documents, the Servicer, in its capacity as such hereunder, shall not be obligated to, and shall not, (1) make any payments to the 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.

Records. The Servicer shall maintain appropriate books of account and records relating to services performed under this Agreement, which books of account and records shall be accessible for inspection by the Issuer, the Trustee and the Note Insurer at any time during normal business hours.

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

Amendment.

(a) This Agreement may be amended from time to time by the parties hereto, with the consent of the Trustee (which consent may not be unreasonably withheld), with the prior written consent of the Note Insurer (so long as no Insurer Default has occurred and is continuing) but without the consent of any of the Securityholders, to cure any ambiguity, to correct or supplement any provisions in this Agreement, to comply with any changes in the Code, or to make any other provisions with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement or the Insurance Agreement; provided, however, that such action shall not, as evidenced by an Opinion of Counsel delivered to the Owner Trustee, the Note Insurer and the Trustee, adversely affect in any material respect the interests of any Securityholder; provided further that if an Insurer Default has occurred and is continuing, such action shall not materially and adversely affect the interests of the Note Insurer. Any such amendment shall be deemed to not adversely affect in any material respect the interests of any Securityholder if the Rating Agency Condition is satisfied.

This Agreement may also be amended from time to time by the parties hereto, with the consent of the Note Insurer (so long as no Insurer Default has occurred and is continuing) and the Trustee, or, if an Insurer Default has occurred and is continuing, with the consent of a Note Majority, the Majority Certificateholders and the Trustee, 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 Securityholders; provided, however, that no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Receivables or distributions that shall be required to be made for the benefit of the Securityholders or (b) reduce the aforesaid percentage of the Note Balance of any Class or the Percentage Interest, the Holders of which are required to consent to any such amendment, without the consent of the Holders of all the outstanding Notes affected thereby and the Holders of all of the outstanding Residual Pass-through Certificates affected thereby; provided further, that if an Insurer Default has occurred and is continuing, such action shall not materially adversely affect the interests of the Note Insurer. Any such amendment shall not be deemed to adversely affect in any material respect the interests of any Securityholder if the Rating Agency Condition has been 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 Securityholder and the Rating Agencies.

It shall not be necessary for the consent of Securityholders 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 Securityholders provided for in this Agreement) and of evidencing the authorization of any action by Securityholders 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 anything to the contrary contained in Section 13.1(a) above, the provisions of this Agreement relating to (i) the Master Spread Account Agreement, the Series 2007-C Spread Account, the Specified Spread Account Requisite Amount, a Trigger Event or any component definition of a Trigger Event and (ii) any additional sources of funds which may be added to the Series 2007-C Spread Account or uses of funds on deposit in the Series 2007-C Spread Account may be amended in any respect by the Seller, the Servicer, the Note Insurer and the Collateral Agent (the consent of which shall not be withheld or delayed with respect to any amendment that does not adversely affect the Collateral Agent) without the consent of, or notice to, the Securityholders; provided that any such amendment satisfies the Rating Agency Condition and the Servicer shall provide copies of any such amendment to the Residual Certificateholders.

(c) Notwithstanding the foregoing, no amendment shall be made that would cause the Trust to fail to be classified as a Grantor Trust or a United States Person (as such terms are defined under the Trust Agreement).

Protection of Title to Trust.

(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 Note Insurer, the Owner Trustee and the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(b) Neither the Seller nor the Servicer shall change its name, identity, jurisdiction of organization, 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 Note Insurer, the Owner Trustee and the Trustee at least five days' prior written notice thereof and shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements. Promptly upon such filing, the Seller or the Servicer, as the case may be, shall deliver an Opinion of Counsel to the Issuer, the Owner Trustee, the Trustee and the Note Insurer, in form and substance reasonably satisfactory to the Note Insurer, stating either (A) all financing statements and continuation statements have been 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 Note Insurer, the Owner Trustee and the Trustee at least 60 days' prior written notice of any change in its jurisdiction of organization if, as a result of such change, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and shall promptly file any such amendment 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 and the Note Insurer and its agents at any time during normal business hours to inspect, audit, and make copies of and abstracts from the Servicer's records regarding any Receivable.

(h) Upon request, the Servicer shall furnish to the Note Insurer, the Owner Trustee or to the Trustee, within five Business Days, a list of all Receivables (by contract number and name of Obligor) then held as part of the 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 Note Insurer, the Owner Trustee and the Trustee:

(i) promptly after the execution and delivery of this Agreement and, if required pursuant to Section 13.1, of each amendment waiver or consent, an Opinion of Counsel, in form and substance satisfactory to the Note Insurer, stating that, in the opinion of such counsel, either (A) all financing statements and continuation statements have been 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.

Notices. All demands, notices and communications upon or to the Seller, the Servicer, the Owner Trustee, the Trustee or the Rating Agencies 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 Corp., 16355 Laguna Canyon, Irvine, CA 92618, (b) in the case of the Servicer to Consumer Portfolio Services, Inc., 16355 Laguna Canyon, Irvine, CA 92618, Attention: 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, (e) in the case of the Note Insurer, to Financial Security Assurance Inc., 31

West 52nd Street, New York, New York 10019-6118, Attention: Transaction Oversight Department, Re: Policy No. 51881-N (Telecopy: (212) 339-3518 or (212) 339-3529, Confirmation: (212) 826-0100; (f) in the case of Moody's, to Moody's Investors Service, Inc., ABS Monitoring Department, 99 Church Street, New York, New York 10007; and (g) 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.

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, the Trustee and the Note Insurer (or if an Insurer Default shall have occurred and be continuing, the Holders of Notes evidencing not less than 66% of the Aggregate Note Balance), and prompt written notice to the Rating Agencies.

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 (including the Seller), the Trustee, the Noteholders and the Cayman Indenture Trustee, as third-party beneficiaries. The Note Insurer and its successors and assigns shall be a third-party beneficiary to the provisions of this Agreement, and shall be entitled to rely upon and directly enforce such provisions of this Agreement, so long as no Insurer Default shall have occurred and be continuing. Except as expressly stated otherwise, any right of the Note Insurer to direct, appoint, consent to, approve of, or take any action under this Agreement, shall be a right exercised by the Note Insurer in its sole and absolute discretion. The Note Insurer may disclaim any of its rights and powers under this Agreement (but not its duties and obligations under the Note Policy) upon delivery of a written notice to the Owner Trustee and the Trustee. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Owner Trust Estate or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

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.

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.

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.

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.

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.

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.

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.

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.

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.

Note Insurer as Controlling Party.

(a) Each Noteholder and Residual Certificateholder by purchase of the Notes or Residual Certificates held by it acknowledges that the Trustee, as partial consideration of the issuance of the Note Policy, has agreed that the Note Insurer shall have certain rights hereunder for so long as no Insurer Default shall have occurred and be continuing. So long as no Insurer Default has occurred and is continuing whenever Noteholder or Residual Certificateholder action, consent or approval is required under this Agreement, such action, consent or approval shall be deemed taken or given on behalf of, and shall be binding upon, all Noteholders and Residual Certificateholder if the Note Insurer agrees to take such action or give such consent or approval. So long as an Insurer Default has occurred and is continuing, any provision giving the Note Insurer the right to direct, appoint or consent to, approve of, or take any action under this Agreement shall be inoperative during the period of such Insurer Default and such right shall instead vest in the Trustee acting, unless otherwise specified, at the direction of a Note Majority. From and after such time as the Notes have been paid in full and no amounts are owing to the Note Insurer under the Insurance Agreement, any provision giving the Note Insurer or the Noteholders the right to direct, appoint or consent to, approve of, or take any action under this Agreement shall be inoperative and such right shall instead vest in the Trustee acting at the direction of the Residual Certificateholders, unless otherwise specified. The Note Insurer may disclaim any of its rights and powers under this Agreement (but not its duties and obligations under the Note Policy) upon delivery of a written notice to the Trustee. The Note Insurer may give or withhold any consent hereunder in its sole and absolute discretion. In exercising its rights as Controlling Party, the Note Insurer (or the Trustee acting at the direction of Noteholders) shall have no duty to the Residual Certificateholders or any other Issuer Secured Party, and the Trustee shall be fully protected in acting upon the direction of the Note Insurer as Controlling Party (or in acting as Controlling Party at the direction of Noteholders) without regard to the interests of the Residual Certificateholders.

(b) Each Residual Certificateholder, by its acceptance of a Residual Certificate, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding, the validity or enforceability of the Notes or this Indenture.

(c) No right of the Note Insurer (or the Trustee acting at the direction of Noteholders) as Controlling Party shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any act or failure to act, in good faith, by the Controlling Party, or by any non-compliance by the Issuer with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof that the Note Insurer or the Trustee may have or be otherwise charged with.

(d) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party:

(i) no Residual Certificateholder shall have any right to (A) ask, demand, sue for, take or receive, or retain, from the Issuer or any other Person, by setoff or in any other manner, payment or prepayment of all or any part of the obligations due to the Residual Certificateholders, except in strict accordance with Section 5.7 of the Sale and Servicing Agreement or Section 5.6 of the Indenture, as applicable; (B) ask, demand or receive any security (other than the Collateral) for the Residual Certificate Secured Obligations; (C) exercise or seek to exercise any rights or remedies (including setoff) with respect to any Collateral or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); (D) contest, protest or object to any foreclosure proceeding or action brought by the Trustee or any other exercise by the Trustee of any rights and remedies relating to the Collateral; or (E) object to

the forbearance by the Trustee from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Collateral;

(ii) the Controlling Party shall, except as otherwise expressly provided herein, have the exclusive right to direct the Trustee with respect to enforcing rights, exercising remedies (including setoff and the right to credit bid their debt) and making determinations regarding the release, disposition, or restrictions with respect to the Collateral without any consultation with or the consent of any Residual Certificateholder.

(e) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, each Residual Certificateholder hereby waives any and all rights it may have as a junior lien creditor or otherwise to object to the manner in which the Trustee seeks to enforce or collect the Insurer Secured Obligations or the Trustee Secured Obligations or the Liens granted in any of the Collateral, regardless of whether any action or failure to act by or on behalf of the Trustee or the Controlling Party is adverse to the interest of any Residual Certificateholder.

(f) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, to the extent that the Residual Certificateholders shall be entitled to vote as a separate class with respect to any plan of reorganization involving the Issuer, each Residual Certificateholder agrees that (i) it will not take any action or vote in any way which supports any plan of reorganization that is inconsistent with the terms of this Agreement, (ii) it will vote any claims or interest it holds to accept any such plan of reorganization that is supported by the Controlling Party and (iii) it will vote any claims or interests it holds to reject any such plan of reorganization that is not supported by the Controlling Party. Each Residual Certificateholder hereby grants to the Trustee (acting at the direction of the Controlling Party) a power of attorney to vote such Residual Certificateholder's claims and interests, if any, in any such plan of reorganization in a manner consistent with the foregoing so long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party.

(g) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, each Residual Certificateholder agrees that it shall not assert or finance, or support any other person in asserting or financing, in any bankruptcy or insolvency proceeding, any surcharge, lien, recovery or claim against any of the Collateral under Section 506(c) of the United States Bankruptcy Code.

(h) So long as the Note Insurer (or the Trustee acting at the direction of Noteholders) is the Controlling Party, each Residual Certificateholder agrees that it shall not seek adequate protection on account of any claim or interest it may have, or (to the extent it would otherwise have a right to object) object to any financing provided by or supported by the Controlling Party and that (to the extent its consent is necessary or desired) it will consent to any sale of Collateral that is supported by the Controlling Party.

(i) Each of the Trustee and the Controlling Party is each hereby authorized to demand specific performance of the provisions of this Section 13.15 at any time when any Residual Certificateholder shall have failed to comply with any term or provision of this Section 13.15. Each Residual Certificateholder hereby irrevocably waives any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

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, Collateral Agent and Trustee and the Cayman Indenture 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.

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. ss. 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 2007-C

By: WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Owner
Trustee on behalf of the Trust

By: /s/ DORRI WOLHAR

Title: Financial Services Officer

CPS RECEIVABLES CORP., as Seller

By: /s/ MARK CREATURA

Title: Vice President

CONSUMER PORTFOLIO SERVICES, INC., in its individual capacity
and in its capacity as Servicer

By: /s/ ROBERT E. RIEDL

Title: Sr. Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Backup Servicer and Trustee

By: /s/ MARIANNA C. STERSHIC

Title: Vice President
